

Piedmont Electric Membership Corporation
Hillsborough, North Carolina
Annual Meeting of the Members
April 16, 2025
MINUTES

The 2025 Annual Meeting of the Members of Piedmont Electric Membership Corporation was held online pursuant to notice to the membership. Board Chair, Mr. Randy Kinley, called the meeting to order. D. Michael Parker, counsel for the Cooperative, recorded the minutes for the Secretary, Mr. David Poythress.

Mr. Kinley welcomed the members participating virtually and offered an invocation. He then called upon Mr. Parker, who read the official notice of the Annual Meeting of the Members, together with proof of due mailing thereof to all members of the Cooperative. Mr. Parker announced the existence of a quorum with a total of 1,100 members voting by either mail-in ballot or online voting which exceeds the minimum required for a quorum. Mr. Parker stated the minutes of the Annual Meeting held on April 19, 2024 as recorded by the Secretary were posted on the Cooperative's website and, receiving no comments, would stand approved. Mr. Parker introduced Jordan Overbee, President and General Manager for the Cooperative.

Mr. Overbee outlined his report and began with the financial report. A copy of the report was included in the April edition of Carolina Country and is on Piedmont's website. Piedmont had operating revenues of approximately \$78.5 million with over \$42 million expended for power supply, the single greatest expense. Piedmont spent approximately \$20 million to strengthen the power grid and had approximately \$9.1 million in depreciation. Piedmont maintains approximately 3,700 miles of power lines, 34,291 meters, more than 23,000 transformers and 21 substations. This results in an average cost per member of \$2,103.00, less than the \$2,463 average cost per member nationwide for other cooperatives. Interest costs were almost \$4 million. Piedmont has a total utility plant of more than \$210 million.

Net margins were approximately \$3.7 million at the end of 2023 which will eventually be returned to the members. In 2024 the allocation factor is 4.84%, resulting in an average of approximately \$77 per member in capital credits. Piedmont returned approximately \$1.7 million in capital credits in 2024 and has returned over \$34 million since 1975.

Unfortunately, costs have increased resulting in challenges to keep rates low. Rates were maintained through 2025 due to internal changes and improvements and Piedmont continues to look for ways to operate more efficiently while maintaining a high level of service.

Mr. Overbee discussed several projects to improve reliability and to strengthen the system. Substations at Eubanks, Little River, Mebane Oaks and North Roxboro received equipment upgrades and replacement to improve reliability. Piedmont is in the process of replacing thousands of poles and are looking at places that experience multiple outages to address the cause and reduce the likelihood they will continue. Removal of trees outside of rights-of-way that constitute a danger are being removed.

Mr. Overbee noted Piedmont has received high marks for customer satisfaction as compared to investor-owned and municipal utilities. He noted several programs designed to improve customer service by accelerating the sign-up process, enhancing the SmartHub portal and streamlining the website. Two of the offices have added Monday and Friday drive-through service. He encouraged the

membership to reach out through any one of the many available methods of communication.

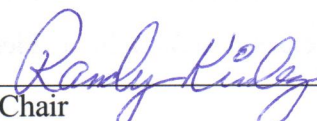
Mr. Overbee discussed wholesale power supply, by far the highest expense for Piedmont. He discussed the transition, beginning in 2027, to eventually becoming a full requirements wholesale power customer with North Carolina Electric Membership Corporation ("NCEMC") on January 1, 2032. Piedmont is rejoining with 20 other cooperatives in North Carolina to give it more bargaining power in the wholesale power market. This move provides both stability and flexibility while reducing risk through strength in numbers. Piedmont was an all-requirements member of NCEMC prior to 2004 and has been a partial requirements member for the last 20 years, acquiring primarily nuclear power through that organization. Changes in the power industry make a transition to an all-requirements wholesale power arrangement with NCEMC the best decision to serve Piedmont's future wholesale power needs.

Mr. Overbee discussed the key goals for the Cooperative, focusing on controlling costs for the members, delivering more reliable power and enhancing the quality of service. With a quarter of 2025 already complete, he noted the Cooperative is well on its way to meeting most of the goals for 2025.

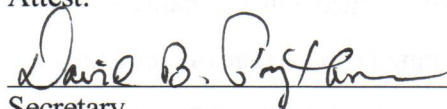
In closing, Mr. Overbee thanked the employees and the Board and answered several questions submitted by the membership regarding solar power, the change in the wholesale power supplier, controlling costs and reliability. He encouraged the membership to submit any questions they might have. He then reintroduced Mr. Parker.

Mr. Parker announced the results of the balloting for each directorate district with an expiring term. Stephen C. Long received 831 votes for District No. 4; Darren Chalk received 830 votes for District No. 4; Kim Woods received 542 votes and Richal Vanhook received 502 votes for District 9. Thus, Stephen C. Long in District No. 4; Darren Chalk in District No. 6 and Kim Woods in District 9 were elected to serve as directors for their respective districts for a three-year term or until their successors are elected.

There being no further business to conduct, Mr. Parker declared the meeting adjourned.


Chair

Attest:


Secretary