

DELAWARE MUNICIPAL ELECTRIC CORPORATION
ANNUAL MEETING
DOVER DOWNS HOTEL & CONFERENCE CENTER
DOVER, DELAWARE
Wednesday, September 18th, 2019

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held Wednesday the 18th day of September 2019 at Dover Downs Hotel & Conference Center, Dover, Delaware.

The meeting was called to order at 4:12 p.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Board Chairman
Representing Middletown
Eric Norenberg, Director
Representing Milford
Charles Anderson, Director
Representing Seaford
June Merritt, Alternate
Representing Seaford
David Del Grande, Alternate
Representing Newark
Mary Ellen DeBenedictis, Director
Representing Clayton
Sue Muncey, Alternate Director
Representing Clayton
Gary Stulir, Director
Representing, Smyrna
Chalea Johnson, Alternate
Representing Smyrna
Darrin Gordon, Director
Representing Lewes BPW
Patrick E. McCullar, President
Representing DEMEC

DEMEC Staff Attending: Kimberly Schlichting, COO/SVP Power Supply; Heather Contant, Director of Media Relations & Communications; Stephanie Dove, Manager of Accounting & Settlements; Scott Lynch, VP of Asset Development; Stephan Siok, Director of Beasley Plant Operations & Compliance; Kendra Friel, Administrative Assistant/Training & Events Coordinator; Jennifer Coulbourne, IT System Administrator; Emily Greene, Energy Services Manager

Guests and Attendees: Max Walton, Legal Counsel, Connolly Gallagher; Jeff Martindale, Assistant to the Town Manager, City of Newark; Gerald Brown, Councilman, Town of Smyrna

MINUTES

The minutes of the following meetings were presented for approval:

1. Minutes of the Meeting of August 20, 2019

Upon motion made by Lewes to approve the minutes of the meetings of August 20, 2019, seconded by Seaford, the motion passed unanimously.

TREASURER’S REPORT

Upon motion made by Clayton to accept and approve the July 2019 Financial Report, seconded by Newark, the motion passed unanimously.

APPOINTMENTS / ELECTIONS

Annual Election of Officers

Upon motion made by Newark to approve the slate and election of officers for 2019/2020 as presented, seconded by Milford, the motion passed unanimously.

PRESENTATIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee –

Audit Committee –

Mr. David Del Grande, Alternate representing Newark, reported that the Audit Committee has had discussions regarding the committee’s oversight, and feels it would be appropriate to change the Committee to a Financial Advisory Committee. This Committee would then have expanded oversight over items such as investments. Mr. Eric Norenberg, Director representing Milford, suggested that this is an item better discussed during the upcoming strategic planning sessions.

The following draft minutes were presented for approval:

- a. DRAFT Executive Minutes of the Meeting of June 17, 2019
- b. DRAFT Minutes of the Meeting of August 20, 2019
- c. DRAFT Executive Minutes of the Meeting of August 20, 2019

Upon motion made by Seaford to accept and approve the Audit Committee Minutes as presented, seconded by Smyrna, the motion passed unanimously.

PRESIDENT'S REPORTS TO BOARD

Generation Project Report:

The President reported that all generation assets were available and performed well during July and August.

Construction Project Status Report:

Middletown Transmission & Substation – No update

Economic Development Projects:

Middletown Technology Center – No update

Newark STAR Campus – Construction progresses at a faster pace than expected. New load coming on quickly.

Legislative Status Report:

No update

RP3 Application Update:

Mr. McCullar reported that Ms. Stephanie Dove, Manager of Accounting and Settlements, has been working with member communities on the RP3 applications that are due at the end of the month. Ms. Dove stated that the applications are due on September 30, 2019.

AMI Updates

New Castle – Consideration

Milford – Close to completion

Other AMI Projects – Clayton considering

Joint Lineman Training Yard

SVP Schlichting gave an update report on the project.

TRAINING AND EDUCATION:

Ms. Kendra Friel, Administrative Assistant and Training & Events Coordinator, offered a brief report on recent and upcoming trainings:

Efficiency Smart Training – Thursday, September 12, 2019

Ms. Friel stated that this training was very well attended and received. She noted that Ms. Greene has also provided two abbreviated trainings, one in New Castle and the other in Middletown.

Basic Concepts in Utility Accounting – Tuesday, October 8, 2019

Ms. Friel reminded the board that this training is forthcoming.

Electric Vehicles 101 – Wednesday, October 23, 2019

Ms. Friel also reminded the board that this training will be held soon, noting that registration has shown the topic to be of great interest.

Annual Holiday Luncheon – Date TBD

The December board meeting is currently scheduled for Tuesday, December 17, 2019. The alternate dates of Tuesday, December 3 and Tuesday, December 10 were offered as alternate dates. The members will look at their calendars and indicate which works best for them.

Ms. Friel ended her report with an overview of research being undertaken for potential trainings.

Communications Update –

Ms. Heather Contant, Director of Media Relations & Communications, reported to the Board that the Public Power Week billboards are up and looking good. She then informed them that most of the radio audio recordings for the Public Power Week radio campaign on 94.7 and 92.9 have been completed. They will be aired the week before and during Public Power Week

GREEN ENERGY PROGRAM STATUS REPORT:

Demand Response Update –

Mr. Scott Lynch, VP of Asset Management, stated that the program period is nearly at an end closing on September 30, 2019. He said that while there has been a little warm up recently, he does not expect further demand response events. He also said that he expects CPower will again deliver a final report in December that details program performance.

MRPS Report Update –

Mr. Lynch stated that DEMEC for the 6th year has successfully implemented and managed the MRPS. Mr. Lynch stated that two items were presented to the Board in their packets. The first was the annual report that goes to each local regulatory body, the state legislature, and Delaware Energy Office. He stated that the report followed the same format as previous years with the majority of changes resulting from the direction of the board to implement the solar cost circuit breaker and the

amount of Renewable Energy Credits (RECs) and Solar Renewable Energy Credits (SRECs) to be retired.

The second report was the annual MRPS cost table. Mr. Lynch then discussed selected cost table details. He also detailed the REC and SREC costs. He continued stating that any extra RECs and SRECs supplied by DEMEC assets would again be carried over into later years for MRPS use or sale into the market. He highlighted that DEMEC's management of the MRPS this year achieved significant savings by tracking and deducting all eligible 1,500 kW customer consumption, renewable energy injections, applying legislative adders and the solar cost cap to the compliance year requirement. He added that DEMEC has routinely saved members very large sums of money in the 6 years since they began management of the MRPS. Mr. Lynch reviewed the MRPS percentages reached as they relate to the REC and SREC Legislative Limit percentages.

Mr. Lynch stated that DEMEC plans to continue to evaluate and discuss circuit breaker calculations and targets with members. He completed his presentation by stating that if there is any corrected data received prior to October 1, 2019, then DEMEC will adjust the MRPS total accordingly. If corrected data is received after October 1, 2019, the corrections will be reflected in the following year's calculations. October 1, 2019 is the intended date of submission for the MRPS to the local regulatory bodies, legislature, and Delaware Energy Office.

Mr. McCullar asked if any action was necessary from the board. Mr. Lynch replied in the negative. He did state that each Board member will receive a copy of the report to share with their local regulatory bodies. He stated that when each local regulatory body receives the MRPS report no action is necessary on their part. Mr. Lynch stated the he only needs the board member to acknowledge receipt of the report, indicating that they intend to share the report with the local regulatory bodies.

ENERGY EFFICIENCY PROGRAM STATUS REPORT

Energy Efficiency Advisory Council (EEAC) –

Ms. Emily Greene, Energy Services Manager, reported that the Council met on September 11, 2019 and that nothing of great importance took place. She noted that the EM&V subcommittee to the Council is working on updating the new regulations. She plans to let the board know when there is an update, but no major changes are expected.

Energy Efficiency Program Update –

Ms. Greene reviewed the dashboard, stating that this is the last dashboard that will represent only the 4 original communities. She noted that she is working with Smyrna to present the program to their utility committee and full Council. For implementation in Lewes, she is waiting for direction from Mr. Darrin Gordon, Director representing Lewes BPW, on which program level he would like to participate in.

Renewable Energy Taskforce Meeting Update –

Per Ms. Greene, the meeting was held earlier in the day and was largely spent talking about Delmarva Power Light's (DPL) SREC auction. Some conversations around the net metering legislation were brought up and Ms. Greene got the Public Services Commission (PSC) and the Division of the Public Advocate (DPA) to agree to look into making entities that want to install community solar register as a third-party electric supplier. More to come as this continues to develop.

BUSINESS FROM THE FLOOR

None.

EXECUTIVE SESSION

The Board went into executive session at 4:51P.M. upon motion by Lewes, seconded by Newark to discuss the following:

- a. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations and planning.

The Board ended the executive session and returned to regular session at 4:54 P.M.

RETURN TO REGULAR SESSION

No action was taken.

NEXT MEETING DATES

The following meeting dates were set:

Tuesday, October 15, 2019 – 10:00 a.m.

Tuesday, November 19, 2019 – 10:00 a.m.

Tuesday, December 17, 2019 – 10:00 a.m. (*Alternate dates of the 3rd or 10th suggested*)

ADJOURNMENT

Upon motion by Lewes, seconded by the Seaford, the Board Meeting adjourned at 4:55 P.M.