

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
Remotely Via Zoom
June 15, 2021

A meeting of the Board of Directors of The Delaware Municipal Electric Corporation was held Tuesday, the 15th day of June 2021 remotely via Zoom.

The meeting was called to order at 10:00 a.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Board Chairman
Representing Middletown
Tyler Reynolds, Alternate
Representing Middletown
Charles Anderson, Director
Representing Seaford
June Merritt, Alternate
Representing Seaford
Mary Ellen DeBenedictis, Director
Representing Clayton
Jonathan Burnett, Alternate
Representing Clayton
Tom Coleman, Director
Representing Newark
Dave Del Grande, Alternate
Representing Newark
Andrew Haines, Director
Representing Smyrna
Cassandra Young, Alternate
Representing Smyrna
Scott Blomquist, Director
Representing the MSC of New Castle
Mark Whitfield, Director
Representing Milford
Louis Vitola, Alternate
Representing Milford
Patrick McCullar, President & CEO
Representing DEMEC

DEMEC Staff Attending: Kimberly Schlichting, COO/SVP Power Supply; Heather Contant, Director of Media Relations & Communications; Jennifer Coulbourne, IT System Administrator; Stephanie Dove, Director of Accounting and Settlements; Steve Siok, Director of Beasley Plant Operations & Compliance, Kendra Friel, Training and Events Coordinator; Emily Greene,

Compliance Administrator; Scott Lynch, VP Asset Development; Charles Santo, Accounting Analyst

Guests and Attendees: Max Walton, Attorney, Connolly Gallagher

At the request of Mr. Morris Deputy, Director representing Middletown and Board Chair, business from the floor will be held after executive session.

APPROVAL OF MINUTES

The minutes of the following meeting were presented for approval:

1. Minutes of May 18, 2021

Scott Blomquist, Director representing the MSC of New Castle, noted that one of the upcoming meeting dates is incorrect.

Upon motion made by New Castle, to approve the minutes of the meeting of May 18, 2021, upon correction of the meeting date, seconded by Smyrna, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – April 2021 –

Mr. Patrick McCullar, President and CEO, presented the April 2021 Monthly Financial Report and offered to answer questions.

Upon motion made by Clayton, to approve the April 2021 Monthly Financial Report, seconded by Newark, the motion passed unanimously.

APPOINTMENTS/ELECTIONS

Mr. Deputy instructed staff to add nominations for the open Finance Committee and Executive Committee slots to the July 2021 agenda. There is one slot open on the Finance Committee for Chairperson and two open on the Executive Committee for Vice Chair and Treasurer.

PRESENTATIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee –

Per Mr. Deputy, the Executive Committee plans to begin meeting again in July. They will then decide if future meetings will take place on the second Tuesday of each month, as previously discussed.

Finance Committee –

No report.

PRESIDENT’S REPORTS TO BOARD

Mr. McCullar stated he intends to stand on most reports. Ms. Kimberly Schlichting, COO/SVP Power Supply, noted Beasley Operations will be covered during executive session.

Generation Projects Status –

Standing on report.

Construction Projects Status –

No discussion.

Economic Development Projects –

No discussion.

Legislative Update –

Ms. Schlichting reported on legislation currently being followed by staff.

SB 2 Community Solar

SB 2 was introduced on June 3rd and passed the Senate on June 10th. It was recognized as the least contentious bill this Session due to the efforts of Senator Hansen through her energy forums. It is not yet on the House schedule, but it is expected to be brought forward.

SB 165 Renewable Energy Right of Way

SB 165 was developed to foster renewable energy sources in Delaware and provide DelDOT authority to accommodate renewable energy delivery lines in state ROWs. DEMEC feedback resulted in an amendment to the bill. The bill is not expected to move forward and will be sent to a working group to identify a possible non-legislative approach.

SB 152 Creation of a Utilities Coordination Council

SB 152 was written at the recommendation of the Utilities Coordination Working Group. The bill will establish a Utilities Coordination Council, DEMEC will ask municipal staff members to serve as representatives on this council. It is anticipated that the group will begin meeting within the next 6 months.

Federal Energy Tax Incentive Direct Pay

DEMEC asked Senator Carper to support the addition of public power utilities to the Clean Energy American Act. This will give public power entities access to direct payment for federal energy tax credits that they would otherwise not be eligible to receive as not-for-profit, tax-exempt

entities. For profit entities are already eligible for these credits and Senator Bennet introduced an amendment to allow access for cooperatives but failed to add public power.

AMI –

Mr. Scott Lynch, VP of Asset Development, reported on the status of AMI in DEMEC communities.

RP3 –

Mr. Lynch noted he is reaching out to members. He stated applications are currently being collected by APPA.

Rate Study –

Ms. Schlichting noted that DEMEC is working with Utility Financial Solutions on this study. The next meeting will be held later this week.

Broadband –

Ms. Schlichting noted that one DEMEC member has provided information. DEMEC staff is ready to receive more information and will proceed as instructed by the board. She highlighted the introduction of legislation aiming to ban municipal broadband projects in the state of Ohio. This may be a state-by-state issue going forward and is something we need to look out for.

Joint Training Yard –

Ms. Schlichting reported on the recent Steering Committee meeting. The committee met to identify tasks that can be undertaken in-house to reduce costs. The committee is also working to develop a site plan.

DEED -

Ms. Kendra Friel, Training and Events Coordinator, stated that a presentation on the benefits of APPA's DEED program will be offered at a future meeting.

Communications –

Ms. Heather Contant, Director of Media Relations and Communications, highlighted key points in her report. She shared that the June Legislative Awareness billboards are up in North and South Dover. She also shared that DEMEC staff held two Intro and Refresher sessions before the Joint Council Briefing for members' councils/boards. DEMEC also saw media coverage highlighting Ms. Schlichting's presentation on rate stabilization in Milford and recognizing Mr. McCullar's 28 years of service. Ms. Contant thanked the members for sharing DEMEC's social media posts.

TRAINING & EDUCATION ACTIVITIES

Upcoming Trainings & Calendar –

Ms. Friel stood on her report.

Ms. Schlichting asked for feedback from members on the Joint Council Briefing held on June 10th. Mr. Deputy stated he would like to hear more from Mr. Chris Monacelli, Electric Utility Manager for the City of Westerville, OH, who spoke on lessons learned during community electric vehicle

(EV) program implementation. Ms. Schlichting offered to arrange a follow up with Mr. Monacelli if members are interested. She mentioned the possible creation of an EV interest group.

Mr. Tom Coleman, Director representing Newark, asked how the Joint Council Briefing differs from the Annual Dinner. Ms. Schlichting explained that the Annual Dinner is further reaching, including partners and stakeholders from out of state and legislators. The event is longer and focuses on topics of broader interest. The Joint Council Briefing is tailored for member councils and boards. Mr. Coleman noted he would have preferred information on DEMEC's undertakings over the past year included in the event. He also asked that certificates be provided for trainings since many members need continuing education credits.

GREEN ENERGY & DEMAND RESPONSE PROGRAMS STATUS REPORT

Demand Response Update –

Mr. Lynch reminded members that June 1st marked the beginning of the program year. No events have occurred, and none are expected to until around the third week of July.

Retail Customer Renewable Energy Requests –

Mr. Lynch stated he is in contact with one Seaford customer. He developed a draft policy, application, and agreement, all of which are included in the board packet for this meeting. With no objections, Mr. Lynch plans to use these documents and update them as needed.

MRPS Percentage Discussion –

Mr. Lynch presented on DEMEC's current MRPS. He reviewed the new state statute, explaining the changes; noting that cost caps were replaced with product availability caps and municipalities are still required to implement a comparable program. He shared two options and reviewed the pros and cons of each. Mr. Deputy requested that a copy of the presentation be provided to the membership for review before the next meeting. Ms. Schlichting asked about the cost of continuing as originally planned versus changing course. Mr. Lynch confirmed that costs would rise and shared the cost comparison. DEMEC Staff recommends staying with the original 2021 plan and will request board approval at the July 20th board meeting, pending feedback from the board. A plan for the next five years will be brought before the board at a later date for a decision.

INFORMATION TECHNOLOGY

IT Update –

Ms. Jennifer Coulbourne, IT System Administrator, will give an update in executive session.

ENERGY EFFICIENCY PROGRAM STATUS REPORT

Energy Efficiency Advisory Council Update –

None.

Energy Efficiency Program Update –

Mr. Lynch reviewed the dashboard, calling attention to a change that was made. He reported that an appliance recycling promotion is currently running, with the incentive being raised from \$50 to \$75. He also reported on the survey implemented by Efficiency Smart and shared that on-site meetings are taking place with all Covid protocols being observed.

Renewable Energy Taskforce Meeting Update –
None.

EXECUTIVE SESSION

The Board went into executive session at 10:31 a.m. upon motion by Clayton, seconded by Smyrna, to discuss the following:

1. Personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.
2. To discuss proposed job position(s).

The Board ended executive session and returned to regular session at 10:44 a.m. upon motion by New Castle, seconded by Milford.

RETURN TO REGULAR SESSION

Upon motion made by Newark, to approve the appointment of Ms. Kimberly Schlichting as the next President and CEO of DEMEC and to approve her contract, seconded by Smyrna, the motion passed unanimously.

Ms. Schlichting thanked the board for their support and faith in her. Mr. McCullar offered his congratulations stating that she will do a great job for the membership.

BUSINESS FROM THE FLOOR

Mr. Coleman shared that Newark now has 10% of their accounts moved to a 100% renewable plan. He also asked when the board would begin meeting in person. Mr. McCullar polled the members on their willingness to meet in person and found that all were in favor. It was decided that the July 20th board meeting will be held in person at the DEMEC Administrative Offices, with masks being required for those who are unvaccinated.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Tuesday, July 20, 2021 – 10:00 a.m.
2. Tuesday, August 17, 2021 – 10:00 a.m.
3. Thursday, September 9, 2021 – 4:00 p.m. (*Annual Dinner*)

ADJOURNMENT

Upon motion by Milford, seconded by Newark, the Board Meeting adjourned at 10:52 a.m.