

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
July 20, 2021

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held Tuesday, the 20th day of July 2021 at DEMEC's Administrative Building, Smyrna Delaware.

The meeting was called to order at 10:02 a.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Board Chairman
Representing Middletown
Charles Anderson, Director
Representing Seaford
June Merritt, Alternate
Representing Seaford
Mary Ellen DeBenedictis, Director
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
Dr. Roy Sippel, Alternate
Representing the MSC of New Castle
Austin Calaman, Alternate
Representing Lewes BPW

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; Stephan 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; Lincoln Willis (via phone), Principal, The Willis Group

Mr. Morris Deputy, Director representing Middletown and Board Chair, welcomed new board member: Scott Blomquist, Director representing the MSC of New Castle.

APPROVAL OF MINUTES

The minutes of the following meeting were presented for approval:

1. Minutes of June 15, 2021

Upon motion made by Clayton, to approve the minutes of the meeting of June 15, 2021, seconded by New Castle, the motion passed unanimously.

TREASURER'S REPORT

Monthly Financial Report – May 2021 –

Ms. Stephanie Dove, Director of Accounting & Settlements, presented the May 2021 Financial Report. She noted demand is recovering strongly since the Spring 2020 shutdown due to the pandemic, with May 2021 consistent with numbers from May 2019. Cash and investments decreased due to the timing of April power supply and May PJM payments. Rate Stabilization Reserve used for the first five months of 2021 is lower than 2020. She also noted that income rose over the same period last year; due to increased demand with Covid restrictions ending, increased sales to members, and increased PJM Market & Generation Revenues. Through the summer months, demand is expected to increase along with credits to the Rate Stabilization Reserve.

Mr. Andrew Haines, Director representing Smyrna, asked how the 2021 net income for this time frame compared to 2019. Ms. Dove explained that the 2021 totals are lower than those in 2019. She stated this is typical for the month of May.

Upon motion made by Smyrna, to approve the May 2021 Monthly Financial Report, seconded by Lewes, the motion passed unanimously.

APPOINTMENTS/ELECTIONS

Executive Committee & Finance Committee –

Per Mr. Deputy, the following board positions will be filled at the DEMEC Annual Board Meeting being held on Thursday, September 9, 2021. He asked all interested in serving to contact him.

1. Executive Committee: Vice Chair & Treasurer
2. Finance Committee: Chairperson

APPA: Executive Committee –

Ms. Kimberly Schlichting, COO/SVP Power Supply, shared she was appointed to the APPA Board Executive Committee for a second year at the request of the incoming Chair.

PRESENTATIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee –

Mr. Deputy reported the committee met this morning and will discuss items during executive session.

Finance Committee –

No Report. Per Mr. David Del Grande, Alternate representing Newark, the committee will meet next month.

PRESIDENT'S REPORTS TO BOARD

Generation Projects Status –

Ms. Schlichting reported that generation is running as expected. She noted that Beasley's operations are up from last year. She will share more details in executive session.

Construction Projects Status –

No Discussion.

Economic Development Projects –

Mr. Haines reported the first building in the Duck Creek Business Park has been fully leased. Another, larger building is being built and FedEx may be moving in. He will share more information as it becomes available.

Mr. Deputy reported on a pharma company coming to Middletown. Per Ms. Schlichting, DEMEC is working with Middletown on agreements and contracts to mitigate the risk for both Middletown and DEMEC of taking on the significant electric load of this company. Construction is slated for groundbreaking in early 2022 and will be across from Amazon.

Legislative Update –

Mr. Lincoln Willis, Principal, with the Willis Group reported on legislative interests. He noted this was a very busy session. Committee meetings were all via Zoom and the legislature met virtually until June. Limited visitors were eventually admitted to the galleries, but there was still no interaction or face to face meetings with elected officials. The Governor approved a supplemental budget along with the typical budget and bond bills. The Chambers met to work on a limited number of bills on June 30th before finishing the evening session via Zoom. Additionally, vaccinations reportedly have passed 70% in Delaware. The Legislature set the deadline of November 7th for redistricting due to delays in reports from the Census. Mr. Willis went on to list the status of the following bills of interest that passed this session:

SB2: Community Solar. Senator Stephanie Hansen was instrumental to the advancement of this bill. She brought all stakeholders together and all were happy with the legislation.

SB33: Increase of RPS to 40% by 2035.

SB152 – Utility Coordination Council. He noted that DEMEC has a member on this council. The council was developed to review and recommend best practices in utility relocation in state Right of Way.

Mr. Del Grande asked if the new relaxed demeanor among legislators is due to newly elected members or are they just happy to have some sense of normalcy. Mr. Willis shared that virtual interaction was very impersonal. Now that they are back together, they have better functionality.

Mr. Coleman noted that in a recent meeting with Senator Sokola the Senator shared how pleased he was with how Senator Hansen handled SB2.

AMI –

Mr. Scott Lynch, VP of Asset Development, reported that Middletown continues to change out meters. He is working with members as they continue to go through implementation.

RP3 –

Mr. Lynch is currently working with Smyrna on their application. He reminded members the deadline is September 30th and offered his assistance. Mr. Haines thanked Mr. Lynch for his help.

Rate Study –

Ms. Schlichting reported that all information to move forward with the study has now been provided to the vendor. They are looking at how hourly versus 15-minute increment data differs. Staff will be meeting with the vendor in the coming weeks and will bring information forward as it is made available.

Company Vehicle Policy–

Ms. Schlichting presented the proposed company vehicle policy and asked for recommendations, thoughts, and comments. DEMEC purchased its first fleet vehicle available for staff use and therefore a vehicle policy is needed. The vehicle will be wrapped with DEMEC branding, as per previous direction from the board, and the license plate will read “DEMEC”..

Mr. Haines suggested one update to the policy noting that “prohibited by law” should be updated to “in accordance with the law” when outlining acceptable phone usage.

Upon motion made by Smyrna, to approve the Company Vehicle Policy as amended, seconded by New Castle, the motion passed unanimously.

Joint Training Yard –

Ms. Schlichting shared the Joint Training Yard presentation recently presented to the steering committee. Photos of a recent visit to AUI’s training yard were included for reference. She thanked the MSC of New Castle for arranging the meeting that made the visit possible. AUI frequently visits their various sites and collects scrap pieces to be used at their training facility.

DEMEC has asked them to keep our yard in mind when coming across items they may not need. Ms. Schlichting is currently working with the Town of Smyrna to get approvals in place and is working to update the current layout with the town engineer. The cost of necessary site construction is not in the current budget. Once compiled they will be brought to the board for consideration.

DEMEC's goal is to have poles up for apprentice training in the spring of 2022. AMP is working on brochures to detail the program. A discussion ensued on socialization of the program versus splitting the cost per student among the members attending. Pros and cons were discussed, and it was decided that the cost for participation in the program will be socialized and included in the DEMEC membership fees.

Mr. Coleman asked about a potential Journeyman Certification. Mr. Charles Anderson, Director representing Seaford, expressed his support of certification and proposed a 5-year re-certification program also be considered. Ms. Schlichting noted the yard will be developed in phases and opportunities will be explored as it grows. She stated that if members are on board with socializing the program, she will work it into the 2022 budget.

Communications –

Ms. Heather Contant, Director of Media Relations and Communications, reviewed the Charitable Donations & Sponsorship Report (CDSR). Highlights were a donation to Smyrna at Night and Newark's Health and Wellness Fair. She reminded members of the remaining funds and encouraged them to reach out to her.

Public Power Week will be held during the first week of October. Billboards go up in September and need to be to the printer one month in advance. Ms. Contant is working on a design and will be reaching out soon for input. She reminded them of the street and lobby banners previously provided for display during this time. She asked members to keep her apprised of any outreach efforts so DEMEC can offer support.

Mr. Haines asked about the creation of 30 second video PSAs to be hosted on member social media platforms. Ms. Contant stated DEMEC plans to implement something similar this year. Videos will be recorded and uploaded to the DEMEC YouTube page, allowing members to link to the video of their choice.

Ms. Contant also shared the new reporting method being implemented to show the growth and status of communications programs going forward.

She thanked all who shared the Power Savers Alerts and presented the resulting analytics. She offered an overview of the Central Delaware Chamber of Commerce's Leadership Central Delaware Program, of which she is a recent alum, and stressed the importance of sponsorships and attendance at events.

As in previous years, the Legislative Awareness billboard in Dover is still up and will not be taken down until another person rents the space, providing free advertisement for the past month. Also, for the 5th time since 2018, DEMEC made the front page of a major newspaper in the area.

A discussion ensued about rebranding to include more usage of “Public Power DE”. Ms. Contant will connect with Ms. Schlichting and Ms. Jennifer Coulbourne for further consideration.

TRAINING & EDUCATION ACTIVITIES

Training & Education Report –

Ms. Kendra Friel, Training & Events Coordinator, reviewed the redesigned Training and Events report, highlighting newly added links. The links connect to each event’s page on the DEMEC Training & Events portal, expediting access to additional information and registration. She called attention to the upcoming DEMEC 27th Annual Dinner and the return of the Tool & Truck Expo, explaining that more information will be coming soon. She asked members to reach out if they or their staff have any issues accessing the portal.

Mr. Haines suggested that date surveys be ended, and DEMEC staff be given authorization to select dates going forward. After discussion it was decided the date surveys would remain in place to ensure as much participation as possible by each member community at live trainings, but they will no longer be needed for virtual events.

Mr. Coleman asked about attendance certificates. Ms. Friel informed him that a certificate has been drafted. Per Mr. Coleman, the certificate needs to include the topic, date, host/trainer, and the training length of time.

A discussion ensued about the DEMEC 27th Annual Dinner. This event was originally scheduled to take place virtually but moving to in-person has been considered. Mr. Coleman pointed out that Newark has seen a significant change in their council and these members have very little experience with DEMEC. It was decided that DEMEC will host a less formal, mixer-like event this year, at the DEMEC Training Facility. Bus tours of the Beasley Power Station will be offered, and an overview of DEMEC will be presented.

GREEN ENERGY & DEMAND RESPONSE PROGRAMS STATUS REPORT

Demand Response Update –

Mr. Scott Lynch, VP of Asset Development, reported that 8 Power Savers Alerts have gone out, 3 in June and 5 in July. It is possible there will be others next week.

MRPS Discussion & Recommendation–

Mr. Lynch shared the report he submitted for consideration at the June board meeting. He noted staff recommendation has not changed. Once a decision is made Mr. Lynch will move as instructed by the board and prepare a report to be presented at the September board meeting. He intends to submit the final report to elected officials around October 1st.

Upon motion made by Newark to accept the recommendation of DEMEC as outlined in Mr. Lynch’s presentation, seconded by Smyrna, the motion passed unanimously.

ENERGY EFFICIENCY PROGRAM STATUS REPORT

Energy Efficiency Advisory Council Update –

Ms. Emily Greene, Compliance Administrator, shared funds may soon be available through NASIO for electric busses and a state fleet in Delaware. She spoke on DNREC's Climate Action Plan which they have been working on for 2 years, stating the plan is a list of wishes and not requirements.

Energy Efficiency Program Update –

Mr. Lynch review the Efficiency Smart Dashboard. He shared that Every Fiber Coffee Company, located in Seaford, is a finalist in the "Tip Jar" social media contest. He encouraged those present to vote and share the contest on their Facebook pages. He reviewed a few temporary increases to incentives through the program.

Mr. Coleman raised a question about the representation of industrial numbers. Mr. Lynch told him that the numbers presented are from the program now and do not include the previously contracted 3 years. Mr. Coleman asked to have the numbers from the previous cycle included. Mr. Lynch agreed to compile the numbers and share with Mr. Coleman.

Renewable Energy Taskforce Meeting Update –

Per Ms. Greene, the taskforce is due to meet tomorrow. Approval of Delmarva to run the energy auction is on the agenda.

Ms. Greene also shared that she is in talks with DNREC to co-host a ride and drive event. The event would be for DEMEC members and other state agencies. DNREC has partnerships with local dealers. These dealers bring in EVs for attendees to test drive. It will be held in a controlled environment and no salespeople will be present. She asked for direction from the board on how to proceed. Mr. Coleman was in favor of the event, noting that many people are resistant to EVs. Mr. Anderson noted this could also be a good opportunity to expose staff to larger vehicles like trucks. Ms. Greene shared that she is pushing for stronger grant programs for municipalities and the expansion of accepted vehicles, such as electric motorcycles to be used by police. Mr. Coleman and Mr. Haines suggested making the event open to the public. Ms. Greene will investigate the possibility.

INFORMATION TECHNOLOGY

IT Update –

None.

BUSINESS FROM THE FLOOR

Ms. Schlichting congratulated Ms. Contant on her recent graduation from the Central Delaware Chamber of Commerce's Leadership Central Delaware Program. She shared the benefits of having staff participate in the program and encouraged members to consider doing the same. Ms. Contant will connect with the chamber to see if members can participate as part of DEMEC.

EXECUTIVE SESSION

The Board went into executive session at 11:45 a.m. upon motion by Smyrna, seconded by Newark, to discuss the following:

1. Personnel actions, strategic business and commercial generation operations, dispatch, negotiations, and planning.

RETURN TO REGULAR SESSION

The Board ended executive session and returned to regular session at 12:32 p.m.

Upon motion made by Clayton, to authorize changes as discussed related to a job position, seconded by Seaford, the motion passed unanimously.

SET NEXT MEETING DATES

The following meeting dates were set:

1. Tuesday, August 17, 2021 – 10:00 a.m. (*Cancelled*)
2. Thursday, September 9, 2021 – 4:00 p.m. (*Annual Meeting*)
3. Tuesday, October 19, 2021 – 10:00 a.m.

ADJOURNMENT

Upon motion by Newark, seconded by Milford, the Board Meeting adjourned at 12:34 a.m.