



# PEDERNALES ELECTRIC COOPERATIVE

Board of Directors Agenda - Final

11/15/2024 | 9:00 AM | PEC Headquarters Auditorium

**201 S Ave F, Johnson City, TX 78636**

Open Session of this Regular Meeting is held in the PEC Auditorium and recorded in accordance with Board Meetings Policy. Members may watch this meeting by live stream from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

## Call to Order and Roll Call

9:00 AM Meeting called to order on November 15, 2024, at PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, TX.

The following agenda items may be considered in a different order than they appear.

## Safety Briefing

## Adoption of Agenda

## Cooperative Recognitions

1. [2024-275](#) Recognition of Veterans Day - E Pataki
2. [2024-326](#) Recognition of PEC Linemen Participation at Annual International Lineman's Rodeo - B Magott

## Consent Items

3. [2024-342](#) Friday, October 25, 2024 - Regular Meeting Minutes

Attachments: [2024-10-25 OS Meeting Minutes draftv1.pdf](#)

## Cooperative Monthly Report

4. [2024-327](#) Cooperative Update - J Parsley/E Dauterive/N Fulmer/R Kruger/ J Urban

Attachments: [November Cooperative Update v5 w CSO COO-D CFO.pdf](#)

## Member Comments (3 minute limitation or as otherwise directed by Board)

5. [2024-328](#) Member Comments

Attachments: [Decorum Policy](#)

## Action Items / Other Items

6. [2024-331](#) Resolution - Approval of 2025 Operating Budget and 2025 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/A Murosko

Attachments: [2025 Operating and CIP Budget-2024-331-Final\\_2](#)

7. [2024-330](#) Resolution - Approval of 2025 Rate Plan - R Kruger  
**Attachments:** [2025 Rate Plan - 2024-330 - FINAL\\_2](#)
8. [2024-332](#) Resolution - Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative - R Kruger  
**Attachments:** [Borrowing Capacity Expansion - 2024-332 FINAL](#)
9. [2024-333](#) Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger  
**Attachments:** [Power Supply and Commodity Risk Management Policy- 2024-333 - FINAL](#)  
[Approval of the Power Supply and Commodity Risk Policy - 2024-333 - FINAL\\_4](#)
10. [2024-355](#) Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell  
**Attachments:** [2024 Interim TCOS Filing - 2024-355 - FINAL](#)
11. [2024-335](#) Resolution - Approval of Junction Warehouse Expansion - N Fulmer  
**Attachments:** [Junction Warehouse Expansion 2024-335 Final.pdf](#)
12. [2024-336](#) Resolution - Approval of Distribution Construction Contract Master Services Agreement - N Fulmer  
**Attachments:** [Distribution Construction MSA 2024-336 Final](#)
13. [2024-329](#) Resolution - Approval to Review and Reaffirm/Amend Audit Committee Charter - A Stover  
**Attachments:** [Revision to Audit Committee Charter 2024-329 FINAL](#)  
[Audit Committee Charter\\_Redline.pdf](#)  
[Audit Committee Charter\\_Clean.pdf](#)
14. [2024-337](#) Draft Resolution - Approval of 2025 Election Timeline and 2025 Election Communications Plan - A Stover/C Tinsley Porter  
**Attachments:** [Draft 2025 Election Timeline 2024-337.pdf](#)  
[Approval of 2025 Election Communications Plan 2024 Review\[43\]- 2024-337 - FINAL.pdf](#)
15. [2024-343](#) Winter Preparedness Report - N Fulmer/J Urban  
**Attachments:** [2024 Winter Preparedness 2024-343 Final3.pdf](#)

Proposed Future Items / Meetings (subject to final posting)

16. [2024-344](#) Resolution - Approval of 2025 Board of Directors List of Proposed Future Meetings - E Pataki  
**Attachments:** [2025 Proposed Board Meetings 2024-344 Final.pdf](#)  
[2025 Proposed Board Meeting Calendar.pdf](#)
17. [2024-345](#) List of Board Approved Future Meetings  
**Attachments:** [2024 Board Meeting Calendar.pdf](#)

**18. [2024-346](#) Board Planning Calendar (Written Report in Materials)**

**Attachments:** [PEC Annual Board Planning Calendar.pdf](#)  
[3-Month Outlook.pdf](#)

**Recess to Executive Session****Executive Session - Legal Matters**

- 19. [2024-347](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**
- 20. [2024-348](#) Litigation and Related Legal Matters - A Stover**
- 21. [2024-349](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover**
- 22. [2024-340](#) Discussion of Tariff and Business Rules - C Powell/A Stover**
- 23. [2024-350](#) Ethics and Compliance Update - C Powell**

**Executive Session - Contract and Competitive Matters**

- 24. [2024-332](#) Resolution - Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative - R Kruger**
- Attachments:** [Borrowing Capacity Expansion - 2024-332 FINAL](#)
- 25. [2024-333](#) Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger**
- Attachments:** [Power Supply and Commodity Risk Management Policy- 2024-333 - FINAL](#)  
[Approval of the Power Supply and Commodity Risk Policy - 2024-333 - FINAL\\_4](#)
- 26. [2024-355](#) Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell**
- Attachments:** [2024 Interim TCOS Filing - 2024-355 - FINAL](#)
- 27. [2024-351](#) Draft Resolution - Approval of Capital Credits Distribution during Calendar Year 2025 - J Smith**
- 28. [2024-353](#) Draft Resolution - Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Cedar Valley - Friendship Line (Engineering Project T358); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Cedar Valley - Friendship Line Easement Amendments - J Greene**
- 29. [2024-354](#) Draft Resolution - Approval of Construction Contract T587 Mountain Top - Blanco 138kV Line - J Greene**
- 30. [2024-356](#) Markets Report - R Kruger**
- 31. [2024-357](#) Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**

**Executive Session - Real Estate Matters**

- 32. [2024-358](#) Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell
- 33. [2024-359](#) Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell

**Executive Session - Safety and Security Matters**

- 34. [2024-360](#) Safety and Security Matters

**Executive Session - Personnel Matters**

- 35. [2024-361](#) Personnel Matters

**Reconvene to Open Session**

**Items from Executive Session**

**Adjournment**





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**File #:** 2024-275, **Version:** 1

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## **Recognition of Veterans Day - E Pataki**

**Submitted By:** Emily Pataki, PEC Board President  
**Department:** Board of Directors  
**Financial Impact and Cost/Benefit Considerations:** N/A

Veterans Day honors all of those who have served the country in war or peace - dead or alive. The Cooperative recognizes all veterans for their sacrifices and service.



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**File #:** 2024-326, **Version:** 1

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**Recognition of PEC Linemen Participation at Annual International Lineman's Rodeo - B Magott**

**Submitted By:** Brian Magott  
**Department:** Operations



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**File #:** 2024-342, **Version:** 1

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**Friday, October 25, 2024 - Regular Meeting Minutes**



## Meeting Minutes - Draft

### Board of Directors

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Friday, October 25, 2024

9:00 AM

PEC Headquarters Auditorium

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201 S Ave F, Johnson City, TX 78636

Open Session of this Regular Meeting was held in the PEC Auditorium and recorded in accordance with Board Meetings Policy. Members may watch the recording from the PEC website at <https://pec.legistar.com/Calendar.aspx>.

#### Call to Order and Roll Call

This meeting was called to order at 9:01 a.m., on October 25, 2024, at the PEC Headquarters Auditorium, 201 South Avenue F, Johnson City, Texas.

**Present:** 7 - Director Milton Rister, President Emily Pataki, Secretary/Treasurer Mark Ekrut, Vice President Travis Cox, Director James Oakley, Director Paul Graf, and Director Amy Akers

#### Safety Briefing

President Emily Pataki provided the Safety Briefing.

#### Adoption of Agenda

The agenda was adopted as posted and without objection.

#### Consent Items

Without objection the items listed under Consent Items were approved by general consent.

1. [2024-292](#) **Friday, September 20, 2024 - Regular Meeting Minutes**

**Attachments:** [2024-09-20 OS Meeting Minutes.pdf](#)

#### Cooperative Monthly Report

2. [2024-293](#) **Cooperative Update - J Parsley/A Stover/R Kruger/N Fulmer/J Urban**

**Attachments:** [2024-293 Coop Update Oct 2024 FINAL.pdf](#)

Ms. Julie Parsley, Chief Executive Officer (CEO), Ms. Andrea Stover, General Counsel, Mr. Randy Kruger, Chief Financial Officer (CFO), Mr. Nathan Fulmer, Chief Operations Officer - Distribution, and Mr. JP Urban, Chief Administrative Officer, presented a collaborative Cooperative Update.

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**Member Comments (3 minute limitation or as otherwise directed by Board)****3. [2024-294](#) Member Comments**

**Attachments:** [Decorum Policy](#)

There were no members present.

**Action Items / Other Items****4. [2024-262](#) Resolution - Approval of Transformer Moves, Processing, and Testing Master Service Agreement - C DeWitt**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve a Master Service Agreement for substation power transformer assembly, disassembly, oil processing, testing and moving as described herein; and

**BE IT FURTHER RESOLVED**, that the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.

Mr. Charles DeWitt, Interim Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

**A motion was made by Director Oakley, seconded by Vice President Cox, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

**5. [2024-307](#) Resolution - Approval of Pole Supply Contract for T318 Blanco to Devils Hill Upgrade - C DeWitt**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative approve an agreement for the purchase of materials for the upgrade of the T318 transmission line as described herein; and

**BE IT FURTHER RESOLVED**, that the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.

**Attachments:** [T318 Devils Hill to Blanco Project Summary 2024-307 Final](#)

Mr. Charles DeWitt, Interim Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

**A motion was made by Vice President Cox, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

**6. [2024-308](#) Resolution - Approval of Change to Authorization for Power (Substation) Transformer 5-Year Master Supply Agreement - C DeWitt**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve an increase in the approval amount for the 2020 master supply agreement for purchase of substation power transformers; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.

Mr. Charles DeWitt, Interim Chief Operations Officer - Transmission, presented the resolution and asked the Board for approval.

**A motion was made by Director Oakley, seconded by Director Graf, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

7. [2024-295](#) **Resolution - Approval of Election Policy and Procedures Amendments Related to 2024 Post-Election Analysis for Annual Director Elections and Annual Review of Election Policy and Procedures - A Stover**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that pursuant to the Election Policy and Procedures and its regular review of Board policies, the Board has reviewed and adopts the Election Policy and Procedures, with any such amendments to the Election Policy and Procedures, as were presented, discussed and approved by the Board; and

**BE IT FURTHER RESOLVED** that the General Counsel, or designee, is authorized to take all such action as may be necessary to implement this resolution.

**Attachments:** [Election Policy and Procedures\\_Redline](#)  
[Election Policy and Procedures\\_Clean](#)

Ms. Andrea Stover, General Counsel, presented the resolution and asked the Board for approval.

**A motion was made by Director Akers, seconded by Secretary/Treasurer Ekrut, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

8. [2024-296](#) **Resolution - Approval to Establish 2025 Annual Membership Meeting Date and Location - A Stover**

**Body:** **BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the 2025 Annual Meeting of Pedernales Electric Cooperative, Inc. ("PEC") be held within the PEC service territory at the Cooperative's E. Babe Smith Headquarters in Johnson City, Texas, on Friday, June 20, 2025, at 9:00 a.m.; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Executive Officer, or designee, is authorized to take all such other actions necessary to implement this resolution.

Ms. Andrea Stover, General Counsel, presented the resolution and asked the Board for approval.

A motion was made by Secretary/Treasurer Ekrut, seconded by Director Akers, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

9. [2024-297](#) Resolution - Approval of 2023 IRS Form 990 - S Houghton/K Jones

**Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Form 990, as submitted to the Board this day, is approved, with such changes, if any, as were discussed and approved by the Board;

BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Chief Financial Officer, or designee, is hereby authorized and directed to file the Form 990 with the Internal Revenue Service as the official filing of the Cooperative and make it publicly available once filed.

**Attachments:** [Audit Committee Resolution - 2024-291 Recommendation.pdf](#)

Ms. Sharon Houghton, Tax and Accounting Manager, presented the resolution and asked the Board for approval.

A motion was made by Director Graf, seconded by Director Rister, that this item be approved. The motion carried by the following vote:

Yes: 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

10. [2024-290](#) Draft Resolution - Approval to Review and Reconfirm/Amend Audit Committee Charter - A Stover

**Body:** BE IT RESOLVED BY THE BOARD OF DIRECTORS that the Board has reviewed the charter of the Audit Committee and reaffirms the charter of the Audit Committee as presented to and discussed by the Board this day, with such amendments or changes, if any, as were discussed and approved by the Board; and

BE IT FURTHER RESOLVED that the Chief Financial Officer, is hereby authorized and directed to take all such action as may be necessary to implement this resolution.

**Attachments:** [Audit Committee Charter Revisions](#)  
[Audit Committee Charter\\_Redline.pdf](#)  
[Audit Committee Charter\\_Clean.pdf](#)

Ms. Andrea Stover, General Counsel, provided a summary of the revisions to the Audit Committee Charter and said the final resolution will be presented to the Board for approval in November 2024.

11. [2024-298](#) Draft Resolution - Approval of 2025 Rate Plan - W Symanck

**Body:** NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC. that the Cooperative approves the 2025 Rate Plan that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Executive Officer, or designee, is hereby authorized to take such other actions necessary to implement this resolution.

**Attachments:** [2024-298 Draft 2025 Rate Plan.pdf](#)

Mr. Randy Kruger, Chief Financial Officer, provided a summary of the revisions to the 2025 Rate Plan and stated that the final resolution will be presented to the Board for approval in November 2024.

#### Proposed Future Items / Meetings (subject to final posting)

**12. [2024-299](#) List of Board Approved Future Meetings**

**Attachments:** [2024 Board Meeting Calendar.pdf](#)

President Emily Pataki stated that the Board approved meeting dates were included in the meeting materials.

**13. [2024-300](#) Board Planning Calendar (Written Report in Materials)**

**Attachments:** [PEC Annual Board Planning Calendar.pdf](#)  
[3-Month Outlook Calendar.pdf](#)

President Emily Pataki stated that the planning calendars were included in the meeting materials.

#### Recess to Executive Session

President Emily Pataki announced the items to be discussed in Executive Session and at 10:12 a.m., stated the Board would go into Executive Session.

#### Executive Session - Legal Matters

**14. [2024-301](#) Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

**15. [2024-302](#) Litigation and Related Legal Matters - A Stover**

**16. [2024-303](#) Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover**

**17. [2024-304](#) Annual Review of 2021-2026 Strategic Plan - E Pataki**

**18. [2024-305](#) Annual Enterprise Risk Management (ERM) Update - K Krueger**

#### Executive Session - Contract and Competitive Matters

**[2024-260](#) Resolution - Approval of 2025-2029 Engineering Master Service Agreements and Approval of Aggregation of Authorization for 2020-2024**



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**Engineering Master Service Agreements - P Lochte**

- [2024-323](#)      **Resolution - Approval of Interconnection Terms with Transmission Provider in Williamson County - C DeWitt**
- [2024-306](#)      **Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - C Powell/E Kane**
22.      [2024-309](#)      **Draft Resolution - Approval of 2025 Operating Budget and 2025 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/A Murosko**
23.      [2024-310](#)      **Draft Resolution - Approval of Authorization for Increase and Amendments to Short-Term Debt Financing for the Cooperative - R Kruger**
24.      [2024-318](#)      **Draft Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger**
25.      [2024-311](#)      **Draft Resolution - Approval of Construction Contract for La Cima Substation - C DeWitt**
26.      [2024-320](#)      **Draft Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell**
27.      [2024-322](#)      **Draft Resolution - Approval of Junction Warehouse Expansion - N Fulmer**
28.      [2024-325](#)      **Draft Resolution - Approval of Distribution Construction Contract Master Services Agreement - N Fulmer**
29.      [2024-312](#)      **Markets Report - R Kruger**
30.      [2024-313](#)      **Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**

**Executive Session - Real Estate Matters**

31.      [2024-314](#)      **Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell**
32.      [2024-315](#)      **Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell**
33.      [2024-282](#)      **Real Estate Update - C Powell**

**Executive Session - Safety and Security Matters**

34.      [2024-316](#)      **Safety and Security Matters**

**Executive Session - Personnel Matters****35. [2024-317](#) Personnel Matters****Reconvene to Open Session**

At 3:12 p.m., the Board reconvened to the Open Session meeting.

**Items from Executive Session**

The following agenda items were discussed in Executive Session and set for approval in Open Session.

**19. [2024-260](#) Resolution - Approval of 2025-2029 Engineering Master Service Agreements and Approval of Aggregation of Authorization for 2020-2024 Engineering Master Service Agreements - P Lochte**

**Body: NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve master service agreements for a period of five years through 2029 with each engineering consultant for the transmission and substation and distribution systems as selected in amounts approved in the annual Capital and Operating Budgets in the categories and accounts referenced; and

**BE IT FURTHER RESOLVED** that the Cooperative approve an aggregation of the 2019 approval amounts for the engineering master services for distribution engineering services and transmission/substation engineering services in the amount of \$75 million; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.

**A motion was made by Vice President Cox, seconded by Director Oakley, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

**20. [2024-323](#) Resolution - Approval of Interconnection Terms with Transmission Provider in Williamson County - C DeWitt**

**Body: NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative approve an agreement with Brazos Electric Cooperative, Inc.; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer or designee is authorized to take all such actions as needed to implement this resolution.

**A motion was made by Director Rister, seconded by Director Akers, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

21. [2024-306](#) Resolution - Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas - C Powell/E Kane

**Body:** NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE that the Cooperative file an appropriate application to its Certificate of Convenience and Necessity with the Public Utility Commission of Texas as discussed in Executive Session; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer or designee is hereby authorized to take such actions as needed to implement this resolution.

**A motion was made by Secretary/Treasurer Ekrut, seconded by Vice President Cox, that this item be approved. The motion carried by the following vote:**

**Yes:** 7 - Rister, Pataki, Ekrut, Cox, Oakley, Graf, and Akers

**Adjournment**

There being no further business to come before the Board of the Directors, the meeting was adjourned at 3:14 p.m.

Approved:

\_\_\_\_\_  
Mark Ekrut, Secretary

\_\_\_\_\_  
Emily Pataki, President



# Pedernales Electric Cooperative

PO Box 1  
Johnson City, TX 78636

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**File #:** 2024-327, **Version:** 1

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**Cooperative Update - J Parsley/E Dauterive/N Fulmer/R Kruger/ J Urban**

**Submitted By:** Julie Parsley  
**Department:** Chief Executive Officer



# Cooperative Update

Julie C. Parsley | Chief Executive Officer

Eddie Dauterive | Chief Strategy Officer

Nathan Fulmer | Chief Operations Officer — Distribution

Randy Kruger | Chief Financial Officer

JP Urban | Chief Administrative Officer



# CEO Report

Julie C. Parsley | Chief Executive Officer

# Legislative Update: November 5 Election

## No significant changes in PEC-area delegation

- U.S. Senate: Ted Cruz, R
- Texas House
  - No change in PEC's delegation
  - New member: Alan Schoolhouse, R, HD 44 (Lake McQueeney)
    - Replaces John Kuempel
- Texas Senate
  - No change in PEC's delegation
    - Six will be on ballot in 2026 if they choose to run again
  - Three new Senators in 2025
- U.S. House
  - No changes in PEC's delegation



# Regulatory Update: PUC

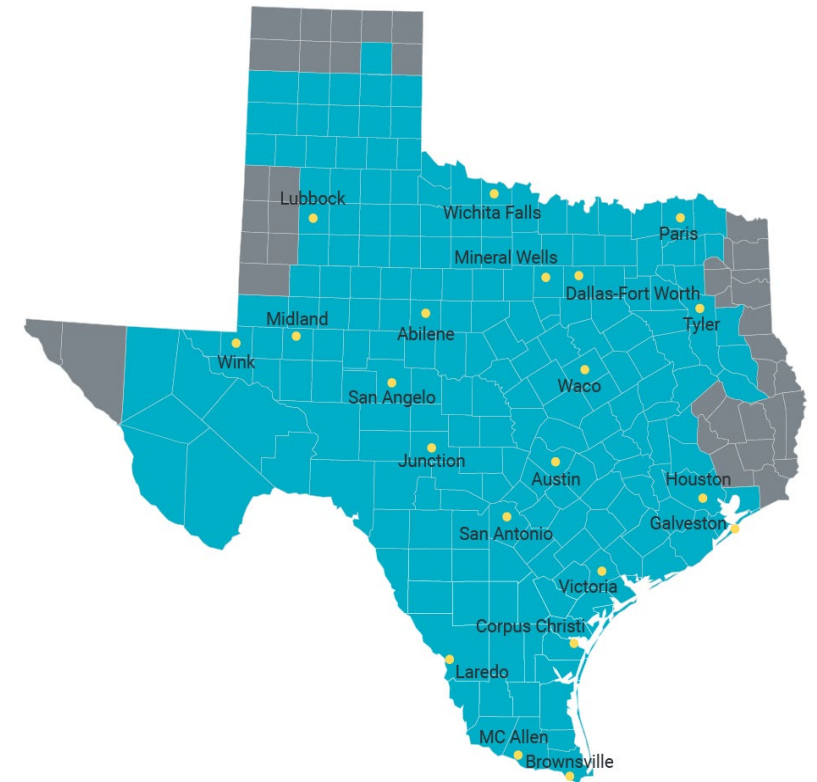
- During the October 24 Open Meeting, Commission staff outlined a process to identify and approve Transmission Service Providers (TSPs) for the Permian Basin Reliability Plan
  - Goals are to streamline project approvals and ensure that disputes can withstand judicial review
  - A bifurcated system will allow consideration of agreed-upon TSPs and another for disputed cases
  - ERCOT submitted its report on TSP responsibilities, with deadlines for filing disputes set for November 8 and December 4, 2024. The Commission directed Staff to provide a timeline by December 9, 2024





# Regulatory Update: ERCOT

- New Public Utility Commission Rule 25.508 requires resiliency assessment meet requirements for frequency, duration and magnitude
  - For magnitude, expected highest level of load shed during a lost load event must be less than the maximum number of MW of load shed that can be safely rotated
  - Each December 1, ERCOT must file the maximum number of MW of load shed that can be safely rotated and a summary of the methodology used to calculate this value
  - ERCOT is working with the Transmission Operators to calculate the value and are working to ensure consistency



# Member Appreciation Events

- PEC was proud to sponsor both the Cedar Park Fall Roundup and Booda Halloween
- PEC staff met with members and community leaders, cheered on armadillo races, and helped our youngest members have a spooktacular Halloween!
- Engaged with more than 6,500 members
- Planning for 2025 underway





# Check Giving Back Off Your List!

*The change you give can help make someone's spirits bright this holiday season!*

- PEC's Power of Change helped fund these charitable giving programs in 2024
  - Member Assistance Program
  - Community grants
  - Education foundation contributions
  - United Charities
  - Youth Tour
- Sign up today at [myPEC.com/change](https://myPEC.com/change)



# PEC Continues to be recognized as a Top Workplace!

**ENERGY & UTILITIES**  
INDUSTRY  
**TOP WORK PLACES 2024**

**TOP WORK PLACES 2024**  
**EMPLOYEE WELL-BEING**

**TOP WORK PLACES 2024**  
**PROFESSIONAL DEVELOPMENT**

**TOP WORK PLACES 2024**  
**WOMAN-LED**  
INNOVATION Women

**TOP WORK PLACES 2024**  
Austin American-Statesman  
statesman.com

**TOP WORK PLACES 2024**  
**APPRECIATION**  
 nectar



# November Special Report

Eddie Dauterive | Chief Strategy Officer



# PEC's 5-Year Strategic Plan

## PEC 2021-2026 Strategic Plan

Goal Categories	# of Objectives	# of Initiatives
1. Maximize Value to Our Membership	3	41
2. Achieve Operational Excellence	3	57
3. Protect the Financial Health of the Cooperative	3	43
4. Pursue Workforce Optimization	2	39
5. Advance Tactical Safety and Security	3	35



2021-2026 Strategic Plan



# Status of 2021-2026 Objectives

## 1. Member Value

Member Engagement	<b>Complete</b>
Community Partnerships	<b>Complete</b>
Customer Service	<b>Complete</b>

## 2. Operational Excellence

System Maintenance	<b>Complete</b>
Control Center Tech.	<b>Ongoing</b>
Engineering Standards	<b>Complete</b>

## 3. Financial Health

Financial Management	<b>Complete</b>
Rate Stability	<b>Complete</b>
Capital Spending	<b>Complete</b>

## 4. Workforce Optimization

Technical Training	<b>Complete</b>
Workforce Development	<b>Complete</b>

## 5. Safety & Security

Safety Culture	<b>Ongoing</b>
Cyber Security	<b>Ongoing</b>
Work Environments	<b>Complete</b>

# Pyramid of Strategic Terms



## The Next Five Years

- Preparing the next iteration of PEC's Strategic Plan.
- The existing framework has proven to be well-defined and effective.
- PEC's Mission, Vision, and Values are clear.
- PEC's Strategic Program will coordinate the review of, and alterations to, the BOD Goals and BOD Objectives.



# Strategic Themes

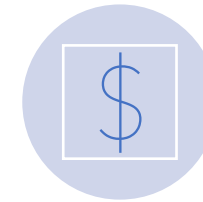
## Areas of Focus for Strategy Planning:



**Distribution System  
Resilience and  
Growth**



**Transmission System  
Management**



**Power Supply, Rate  
Stability and Capital  
Spending**



**Technology  
Advancement**



**Business Continuity  
Planning**



**Succession Planning**

# Developing the 2027-2031 Strategic Plan

## Next Steps and Schedule:

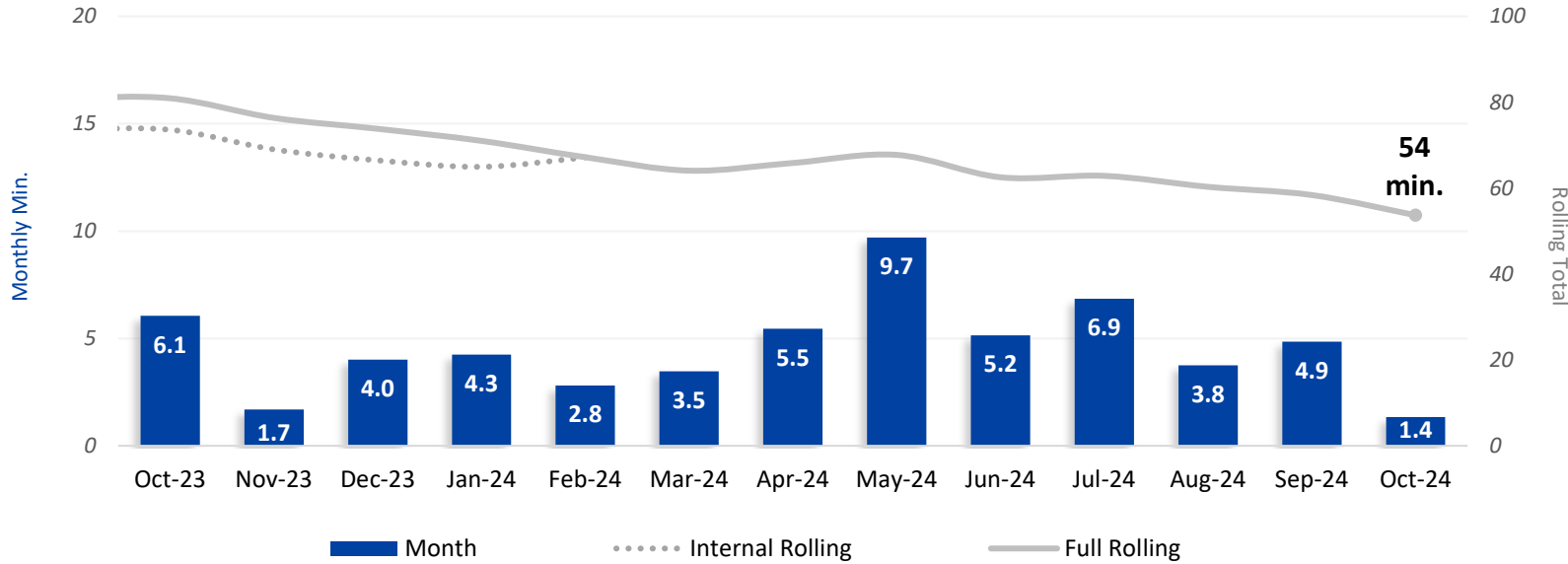
December 2024:	Draft 2025 Corporate Initiatives and KPI Plans
January 2025:	Final 2025 Corporate Initiatives and KPI Plans
February 2025:	Board of Directors Strategy Plan Review
March 2025:	Staff Workshop - staff develop Draft 2027-2031 Strategic Plan
April 2025:	Board of Directors Strategic Workshop
May 2025:	Draft Resolution for PEC's 2027-2031 Strategic Plan
June 2025:	Final Resolution for PEC's 2027-2031 Strategic Plan



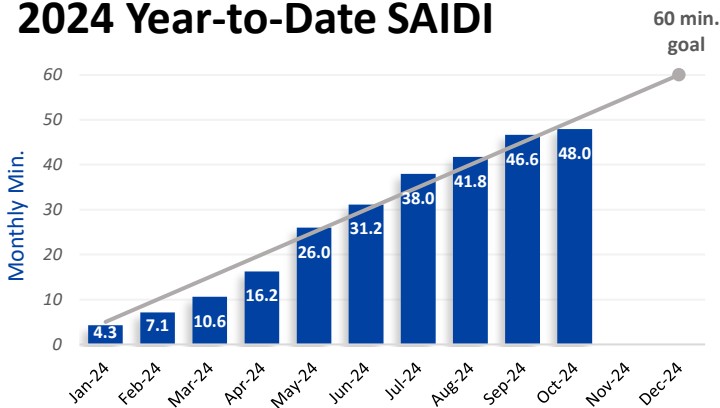
# Operations Report

Nathan Fulmer | Chief Operations Officer -  
Distribution

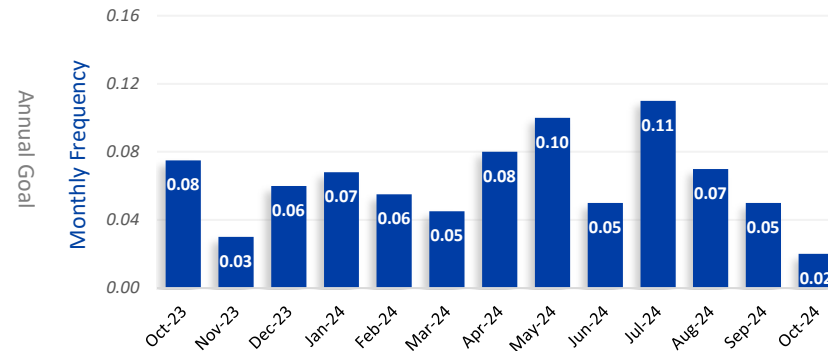
## SAIDI System Average Interruption Duration Index



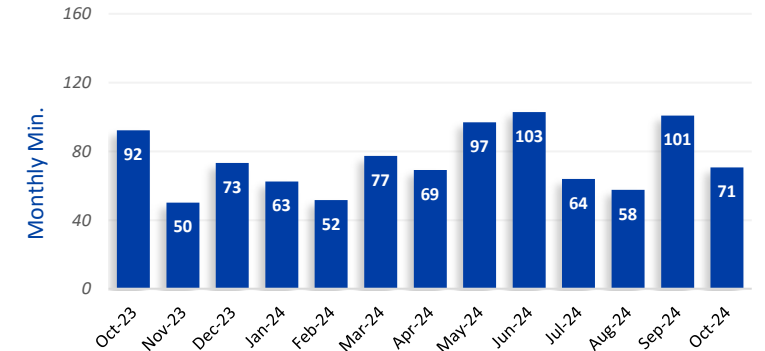
## 2024 Year-to-Date SAIDI



## SAIFI System Average Interruption Frequency Index



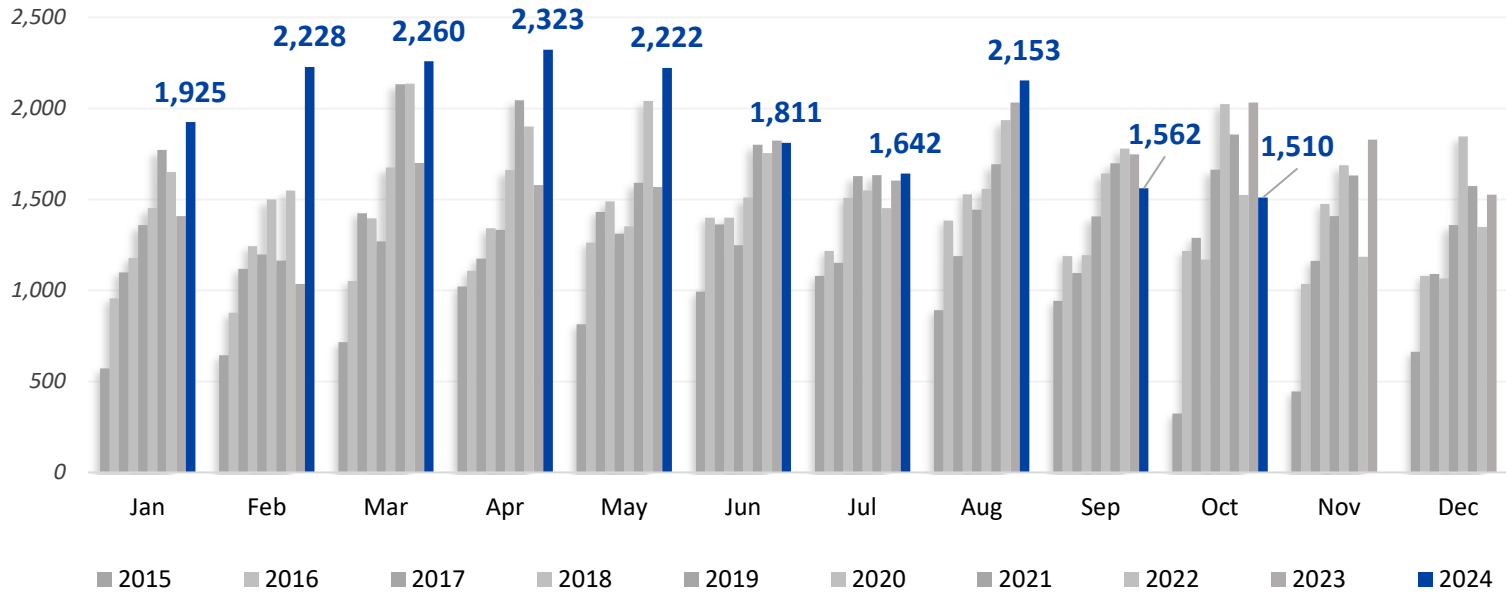
## CAIDI Customer Average Interruption Duration Index



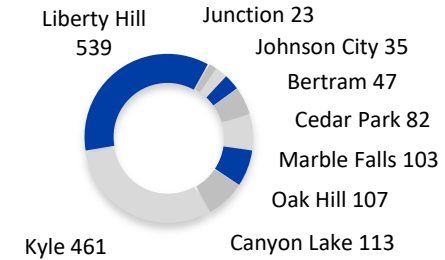
# System Growth

## Line Extensions Completed

2020: 19,458 2021: 20,592 2022: 20,262 2023: 19,886 2024 YTD: 19,636



## Line Extensions Per District (1,510)

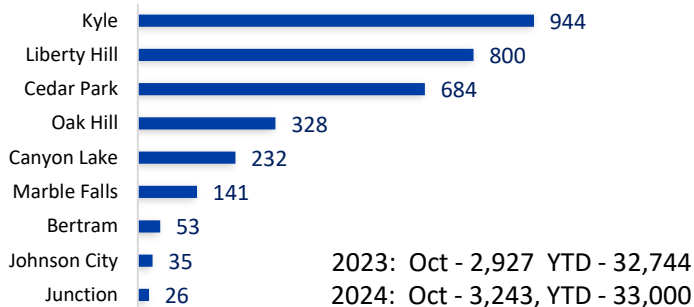


## Miles of Distribution Line:

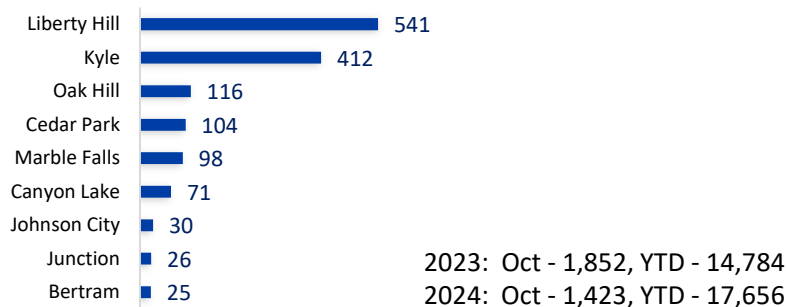
Overhead: 17,780 (70%)  
 Underground: 7,676 (30%)  
 Total: 25,456



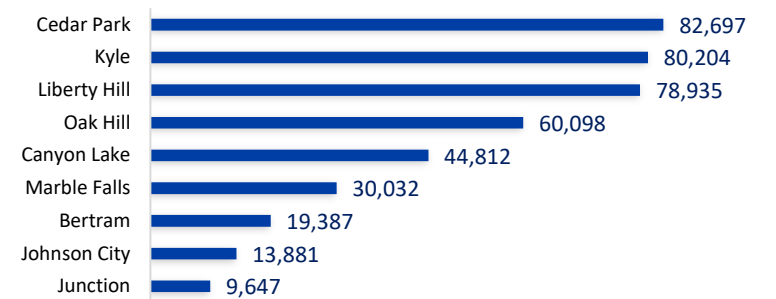
## Member Applications (3,243)



## Meter Growth (1,423)



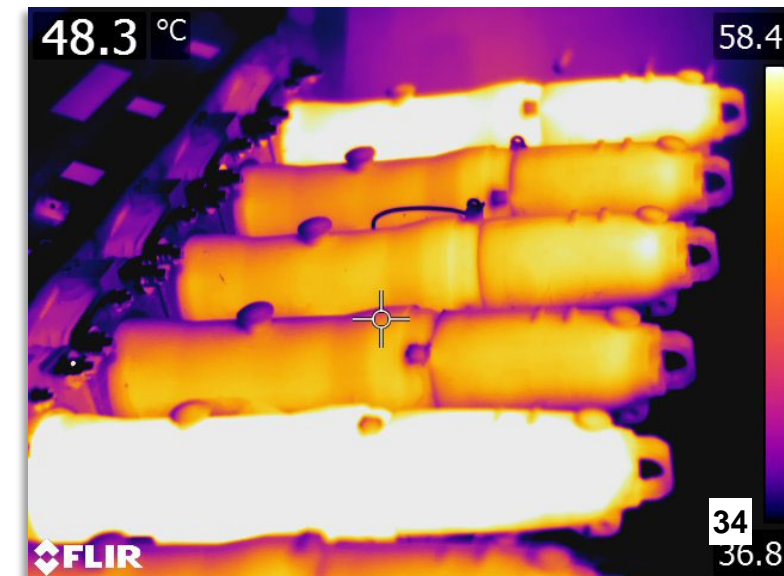
## Meter Totals (419,693)



## Switchgear Inspection - Forward Looking Infrared (FLIR)

Proactive maintenance and coordination across teams prevented a costly outage:

- Potential “Thermal Runaway” issue was discovered during a switchgear inspection in the Leander area.
- This occurs when equipment temperatures rise uncontrollably and will lead to potential fire, faults, or severely damaged equipment.
- Can be caused by several issues such as overloaded circuits, loose connections, or aging equipment.
- A fault will destroy the protective t-body equipment that surrounds and insulates the cable connections and can lead to large member outages for repair.
- Using this FLIR imaging, teams identified the hot spots and have moved to replace the connecting studs with stronger material and all of the 600 Amp T-bodies.





# Safety + Technical Training Update

## Department Highlights

- Completed 12 assessments
- Offered two CPR classes
- Attended and supported International Lineman's Rodeo
- Inspected fleet's fire extinguishers
- Provided safety training for field and office staff:
  - Fire prevention and emergency evacuations
  - Silica hazards
  - Fire extinguisher use
  - Emergency action plans

## Safety Spotlight



**Marshall Swoda**  
Regional Operations  
Supervisor  
*Liberty Hill*

Marshall leads the Liberty Hill maintenance crew, and he and his team consistently demonstrate exceptional safety practices, professionalism, and pride in their work. During multiple job site safety observations, his crew has been the epitome of a cohesive unit under his highly competent leadership. Marshall has an undeniably strong rapport with his team — his dedication and positive attitude set a high standard and exemplify how PEC leads the way.



# October 2024 Financial Report

Randy Kruger | Chief Financial Officer



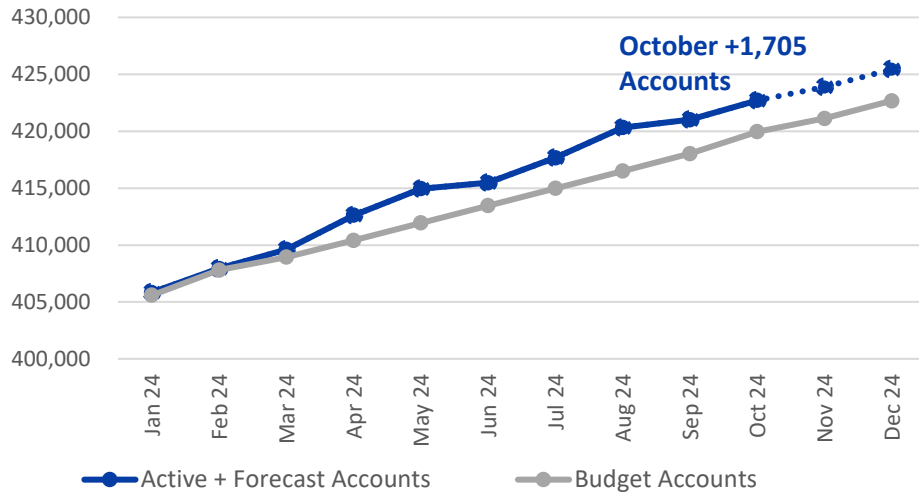
# Finance at a Glance – October 2024



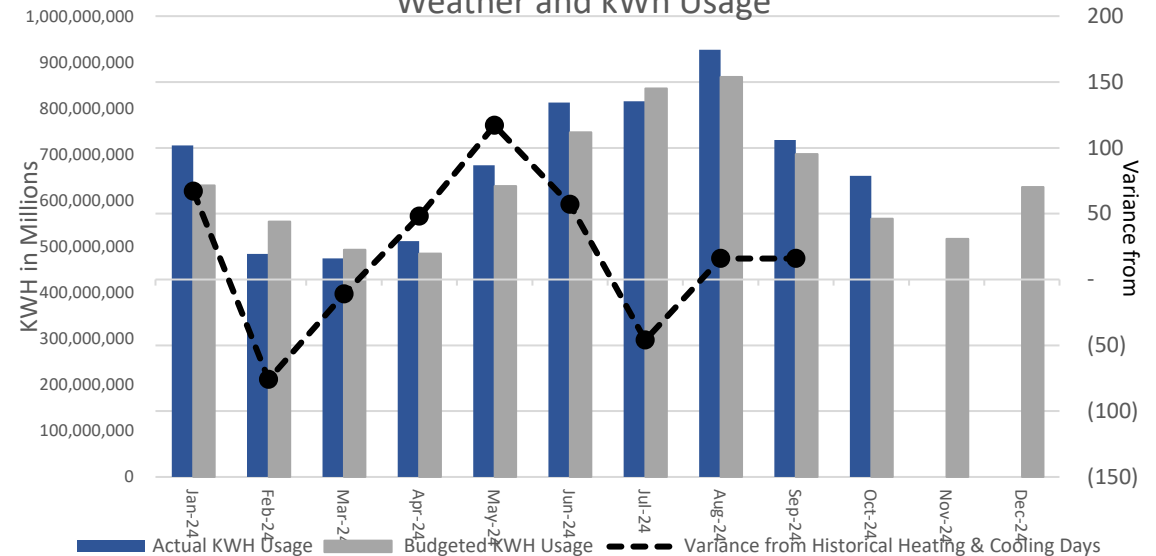
	MTD (\$ in millions)			YTD (\$ in millions)		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
<b>MWH Sold</b>	653,659	560,573	93,086	6,806,302	6,517,701	288,601
<b>Gross Margins</b>	\$ 31.6	\$ 29.5	\$ 2.1	\$ 315.5	\$ 311.9	\$ 3.6
<b>Net Margins</b>	\$ 5.3	\$ (0.5)	\$ 5.8	\$ 55.8	\$ 40.8	\$ 15.0
<b>EBIDA</b>	\$ 16.5	\$ 14.1	\$ 2.4	\$ 172.9	\$ 167.1	\$ 5.8
<b>Revenue O/(U)</b>	\$ 8.7	\$ 1.8	\$ 6.9	\$ 15.9	\$ 13.7	\$ 2.2
<b>EBIDA(X)</b>	\$ 25.2	\$ 15.9	\$ 9.3	\$ 188.9	\$ 180.8	\$ 8.1

	Liquidity Coverage (\$ in millions)
Cash & Marketable Securities	\$ 33.9
Short Term Facilities	505.0
Less: Short Term Borrowings	125.0
Available Liquidity	\$ 414.0
<b>Liquidity Coverage (Days)</b>	<b>197</b>

Active Account Growth

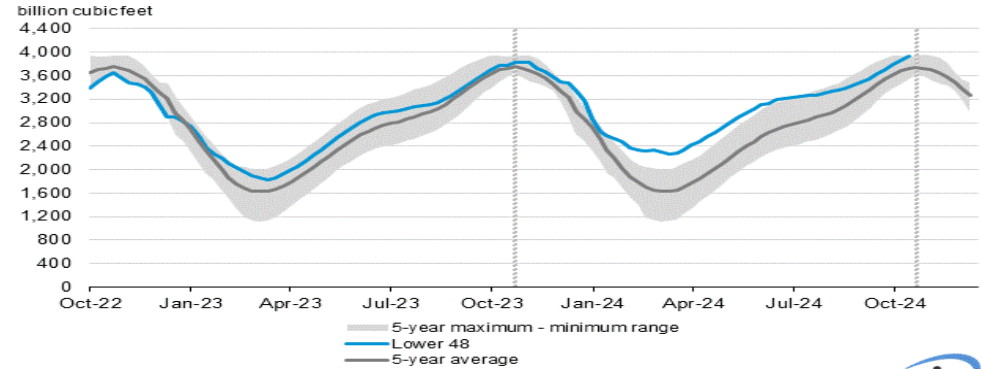


Weather and kWh Usage



# Power Market Fundamentals

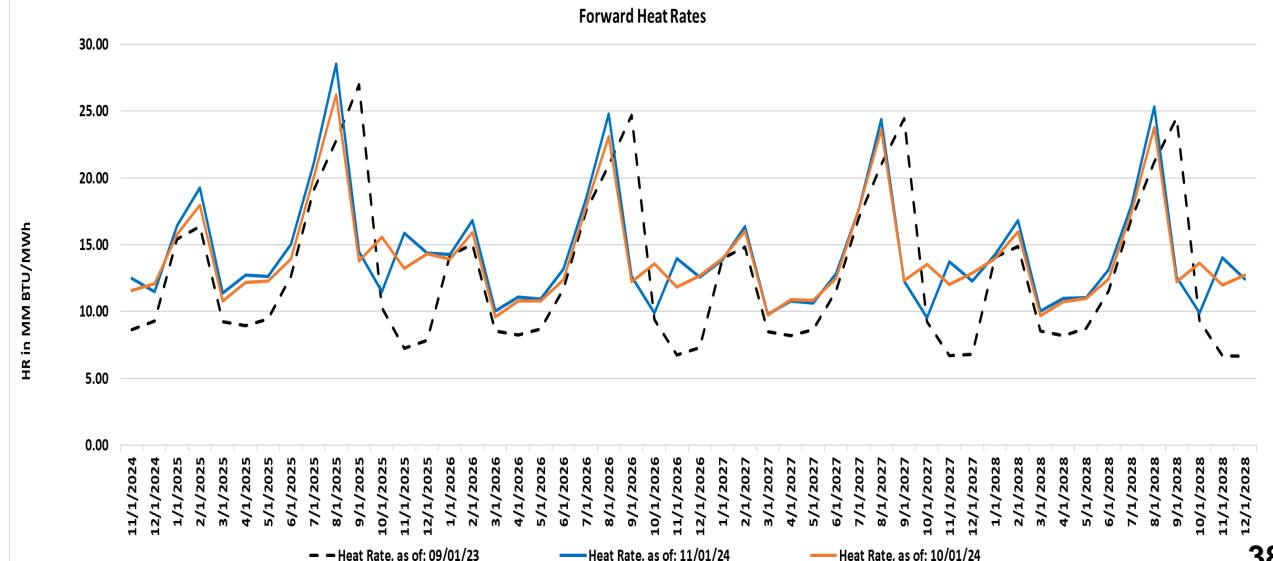
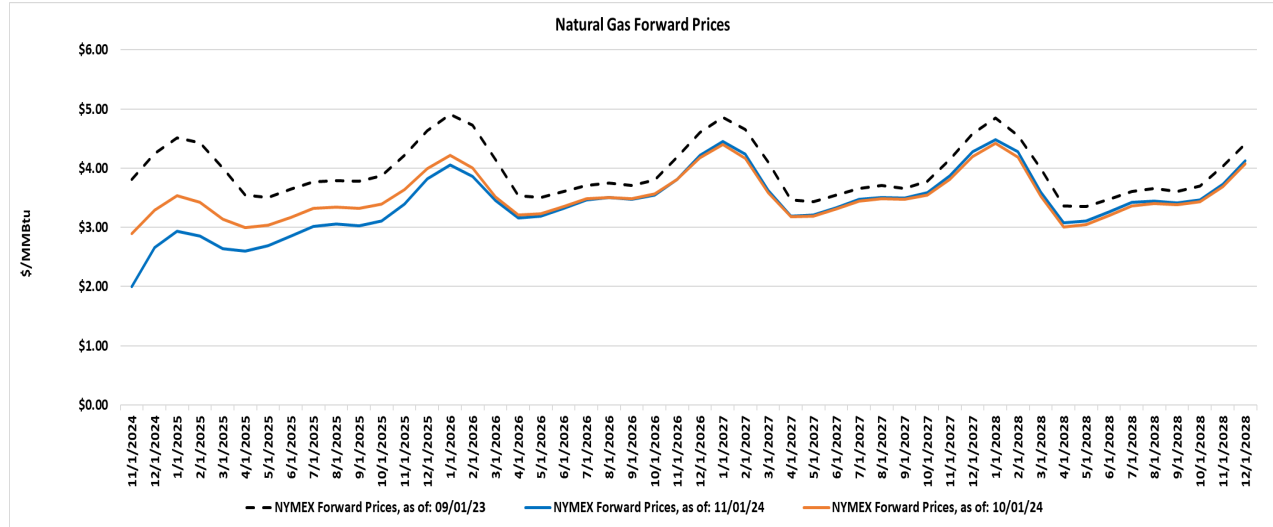
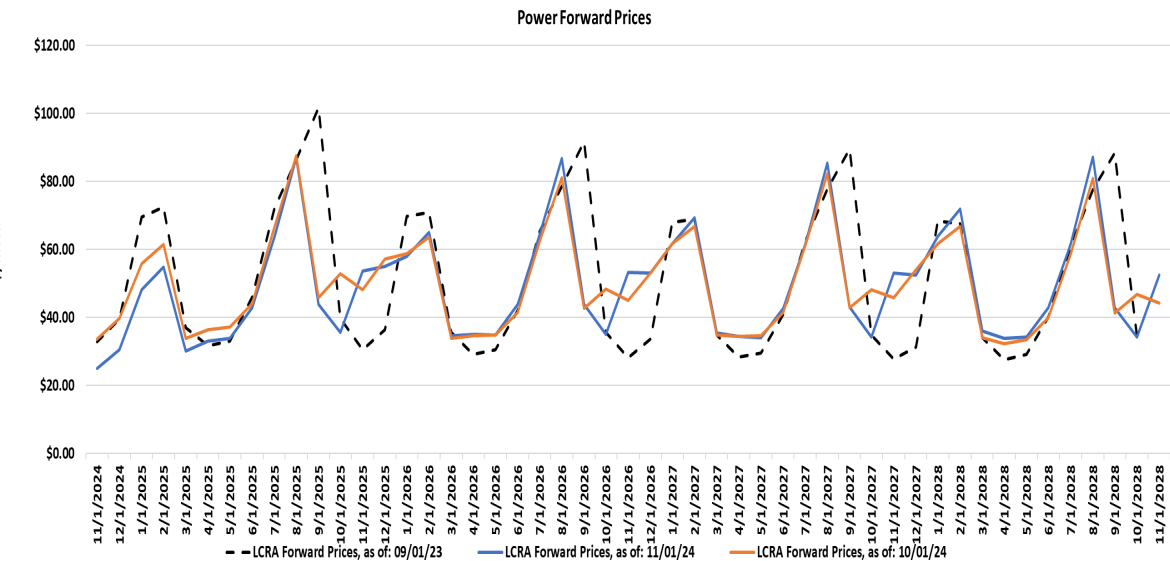
Working gas in underground storage compared with the 5-year maximum and minimum



Data source: U.S. Energy Information Administration  
 Note: The shaded area indicates the range between the historical minimum and maximum values for the weekly series from 2019 through 2023. The dashed vertical lines indicate current and year-ago weekly periods.

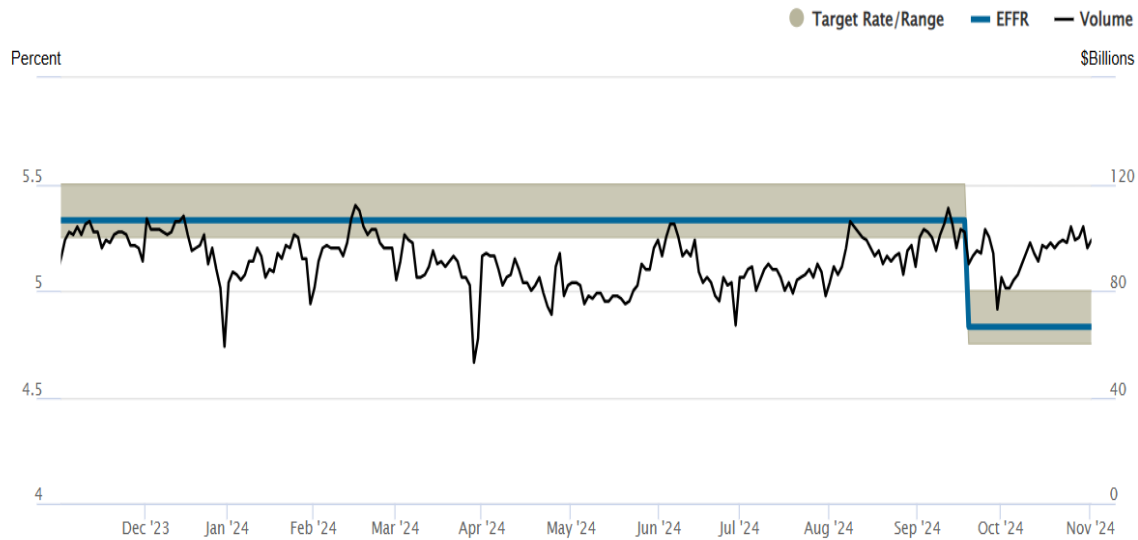


As of November 7, 2024



- To be updated the week of November 11

## Federal Funds Rate



Source: Federal Reserve Bank of New York 11/04/2024

## 10-Year Note



Source: *The Wall Street Journal* 11/04/2024



# Community and Member Engagement

JP Urban I Chief Administrative Officer

# PEC Awards 9 Community Grants

- \$38,500 in PEC Community Grants will soon be awarded to nine area nonprofit organizations
- Hearty congratulations to this round of recipients!

Organization	Location	Grant Request	Amount Funded
Hill Country Family Services	Boerne	LifeSmart app for active shooter threats	\$5,000
Junction Community After School Program	Junction	New HVAC system	\$5,000
Hats Off for Veterans	Kyle	New computer equipment	\$5,000
Bamberger Ranch Preserve	Johnson City	Construction of new green house	\$5,000
Project MEND	San Antonio	New computer equipment	\$5,000
Highland Lakes Crisis Network	Marble Falls	New AC for shelters	\$5,000
Bulverde Food Pantry	Bulverde	Two new freezers for pantry	\$1,100
The Williamson Museum	Georgetown	New lighting	\$2,400
Candlelight Ranch	Marble Falls	Rainwater barrel	\$5,000



# PEC Meets with South Hays County Cities

- On November 7, PEC's External Relations team hosted a What We Do and Why luncheon in partnership with the Kyle Planning Department
- More than 30 guests attended, including city staff from:

Buda	Woodcreek
Kyle	Mountain City
San Marcos	Creedmoor
Wimberley	Niederwald

- Opportunity for PEC and city engineering to connect and learn more about PEC's planning and development processes







# Make your holiday merry and bright at PEC's Holiday Lights!

Shining brightly  
Friday, November 29  
through  
Sunday, January 5





# Capture the magic with PEC's Holiday Lights Photo Contest!

Submit your best photo of PEC's holiday lights on social media for the chance to win! Complete details online at [myPEC.com](http://myPEC.com).





# Appreciation and Look Ahead

# Employee Shoutouts



**Cassandra  
Padilla**

Member Relations  
Agent  
*Oak Hill*

**Jennifer  
Roberts**

Member Relations  
Agent  
*Marble Falls*

**Enrique  
Gonzales**

Member Relations  
Analyst  
*Oak Hill*

**David Landry**

Member Relations  
Field Technician  
*Railyard*

**David Ramirez**

Member Relations  
Field Technician  
*Railyard*

*\*These were selected from the hundreds of shoutouts PEC receives each month*

# Employee Shoutouts



**Jerry Bible**

Director, Substation  
and Transmission  
Maintenance  
*Johnson City*



**Michael Brinkman**

Substation and  
Transmission  
Maintenance Manager  
*Johnson City*

- Invited to present an update on PEC's winter preparedness during the October 28 ERCOT Transmission Service Provider Winter Weather Preparedness Workshop
- Groups in attendance included market participants from cross ERCOT, plus the PUC
- Mike outlined the steps PEC has taken to ensure reliability, including monthly inspections, what we look for, and how we respond to reports outside our parameters





# Happy Thanksgiving!

- Report outages 24/7 online or by calling 888-883-3379
- Text “Outage” to 25022
- Make a payment 24/7 online, using the SmartHub mobile app, or by calling 844-886-9798



# Appendix Pages

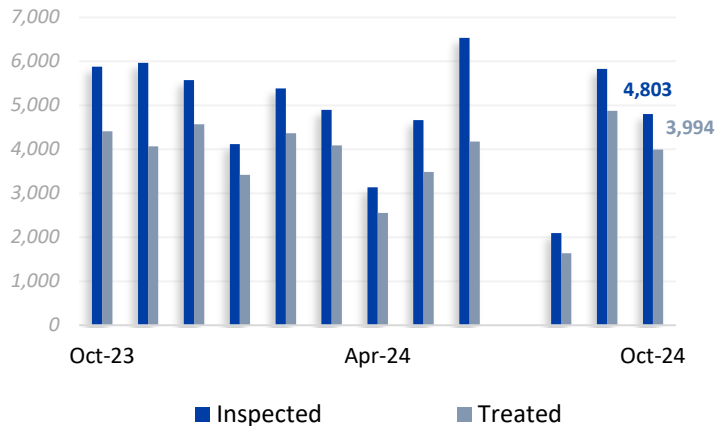


# Distribution Maintenance

## Pole Testing & Treatment (PTT)

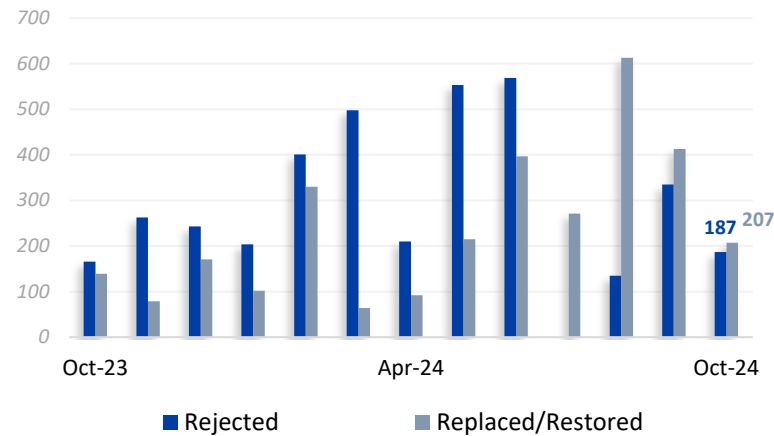
### Poles Inspected & Treated

2023 YTD: Inspections - 40,383 Treated - 31,560  
 2024 YTD: Inspections - 41,457 Treated - 32,590



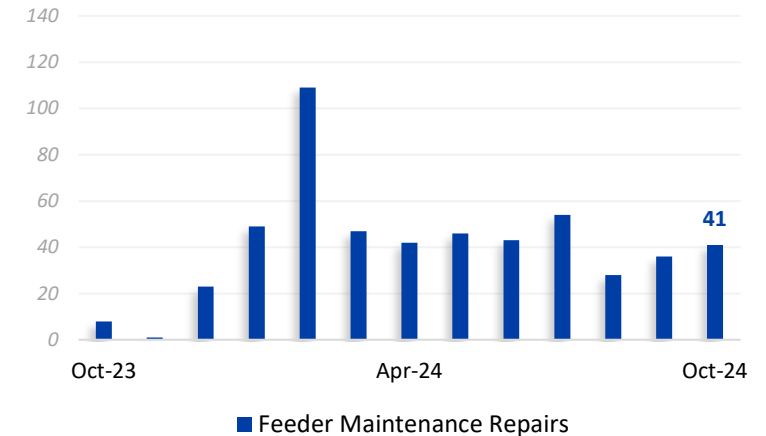
### Poles Rejected & Replaced/Restored

2023 YTD: Rejected - 671 Restored - 820  
 2024 YTD: Rejected - 3,092 Restored - 2,704



### UAV Inspection Maintenance Items

2023 YTD: Repairs Completed - 223  
 2024 YTD: Repairs Completed - 495



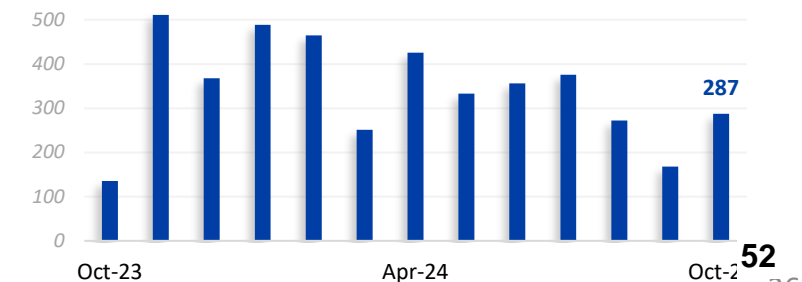
## Vegetation Management

LiDAR Assessment Audits Completed:

Type	Oct '23	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct '24
C&D WUI Ph 3	6	49	131	269	217	218	147	101	114	48	60	159	103
C&D WUI Ph 1	1,257	696	681	1,031	1,363	1,288	754	743	548	170	307	585	546
C&D Other Ph 3	164	140	91	125	286	321	207	121	135	91	152	168	140
C&D Other Ph 1	640	552	522	520	1,164	1,204	1,037	744	712	304	456	820	940
All C&D	2,067	1,437	1,425	1,945	3,030	3,034	2,148	1,711	1,510	613	976	1,732	1,730

## Underground Equipment

2022 YTD: Pad Restorations - 2,661  
 2023 YTD: Pad Restorations - 3,423

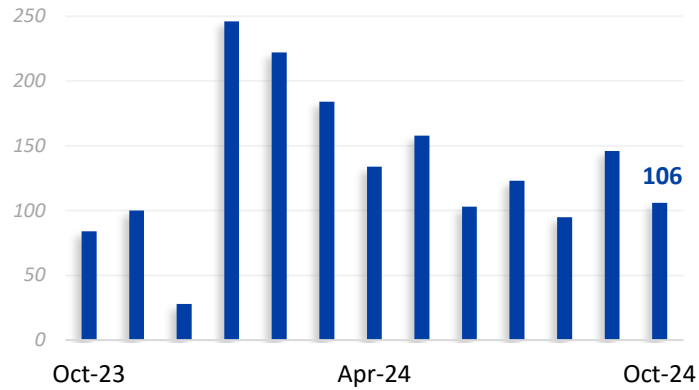


# Distribution Maintenance

## Technical Services

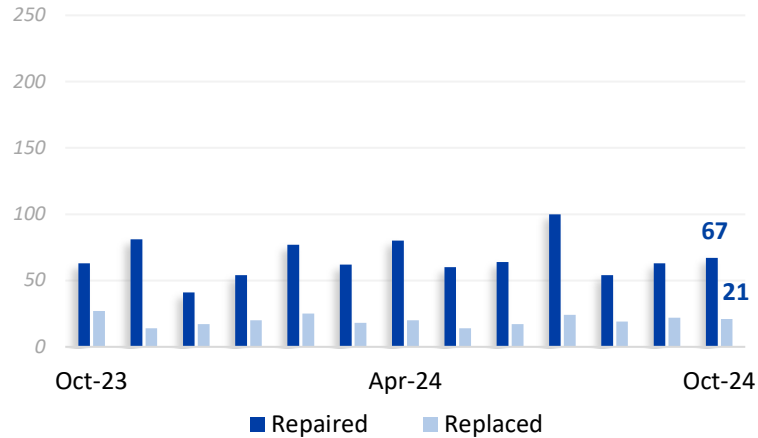
### Equipment Inspections

2023 YTD: 1,050  
2024 YTD: 1,512



### Equipment Repaired & Replaced

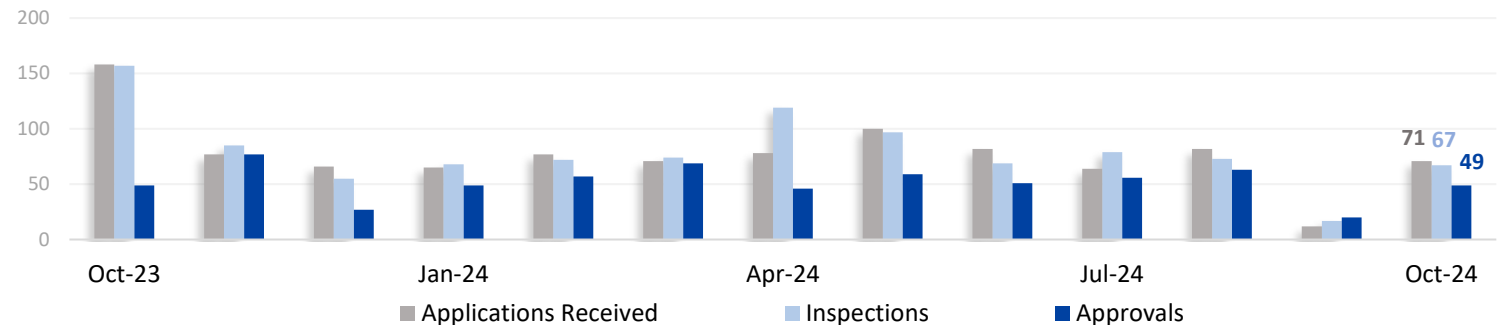
2023 YTD: Repaired - 671 Replaced - 270  
2024 YTD: Repaired - 660 Replaced - 200



## Pole Contacts

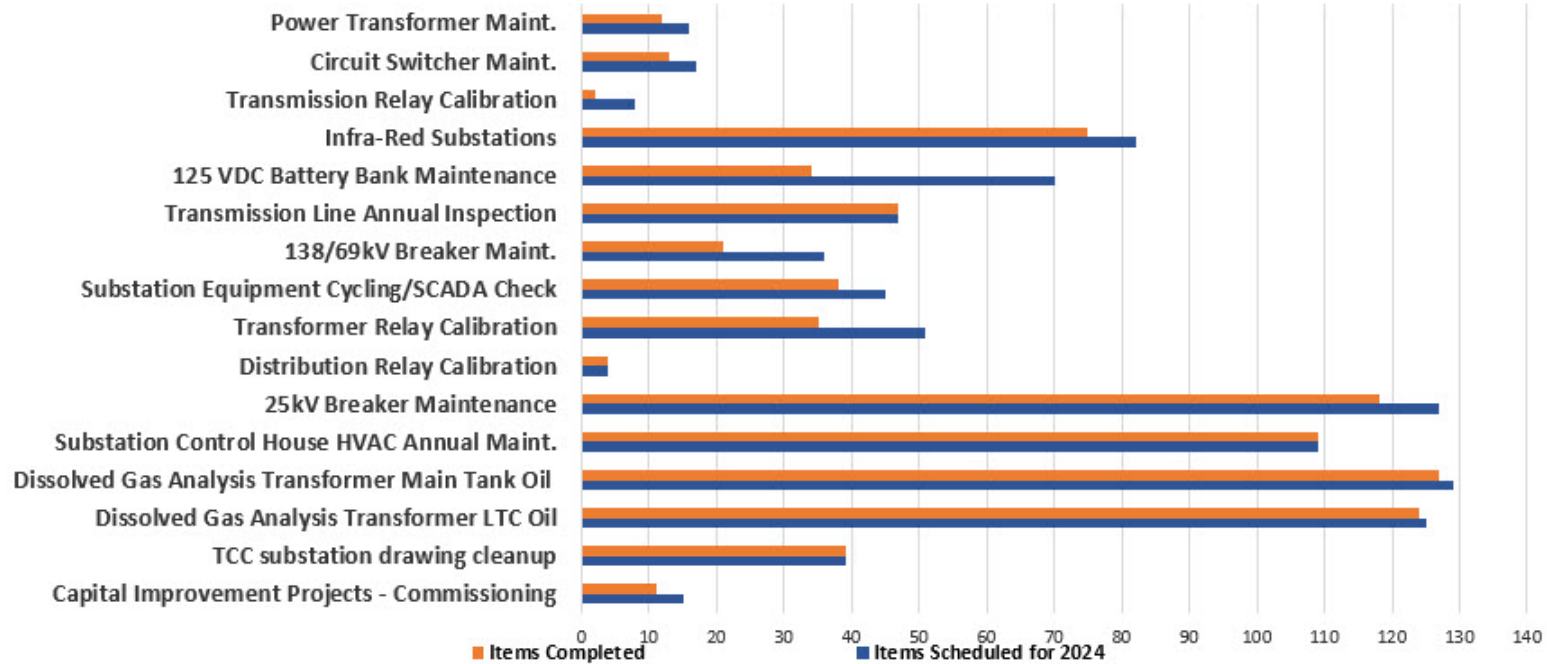
### Applications Received & Permits Issued

2023 YTD: Received - 839 Inspected - 826 Approved - 501  
2024 YTD: Received - 702 Inspected - 735 Approved - 519



# Substation & Transmission Maintenance

## 2024 Itemized Maintenance By Equipment



2024 Monthly Substation Inspections Completed



2024 Non-scheduled Work Items Completed



2024 Unplanned Repairs Completed



# Planning Engineering Projects

Project	Completion	Percent Complete
2024 CIP Project Maps	Feb 2024	100%
PEC System Arc Flash	Feb 2024	100%
Load Projections Study	Mar 2024	100%
Capacitor Settings	Mar 2024	100%
4CP Study	Apr 2024	100%
Summer Contingency	May 2024	100%
UFLS Study	Jul 2024	100%
CIP (1st draft) Study	Jul 2024	100%
2 Year System Protection Coordination Review	Jul 2024	90%
CIP (Final) Study	Aug 2024	100%
Mock UFLS Study	Dec 2024	0%
Winter Contingency	Dec 2024	0%

## Large Project Updates

### Liberty Hill Fuel Island

Permit complete and construction started. Expected completion November 2024.



### Johnson City - Haley Road

Haley Road laydown yard and truck canopies complete. Completing electrical, security cameras, and signage.

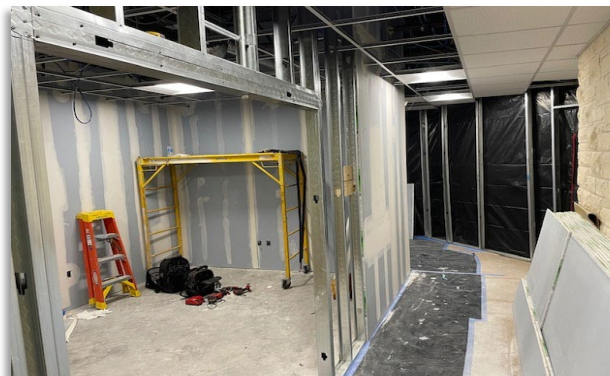


### Junction

Site work, fencing, new entrance, Fleet building, and warehouse expansion bid package being completed. Initial bids came in over budget and now evaluating new bids.

### Marble Falls

Perimeter fence and new gate complete. Fuel Island in design submitted for permit.



### Johnson City - HQ

Phase 2 of the 2<sup>nd</sup> floor remodel in progress.

## Facility Management Metrics

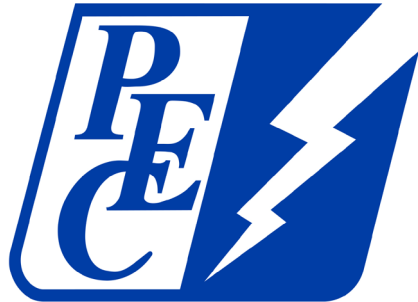
PEC Facilities staff completed 2090 work orders YTD.

	Goal	2024	2023
Avg Response Time	< 1 day	.11 days	.21 days

Completed On-Time	> 90%	76%	84%
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Proactive Work Orders	> 80%	95%	96%
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Satisfaction Rating	> 95%	94.1%	97.3%
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# Appendix to October 2024 Financial Presentation to the Board

Randy Kruger | Chief Financial Officer

- To be updated the week of November 11



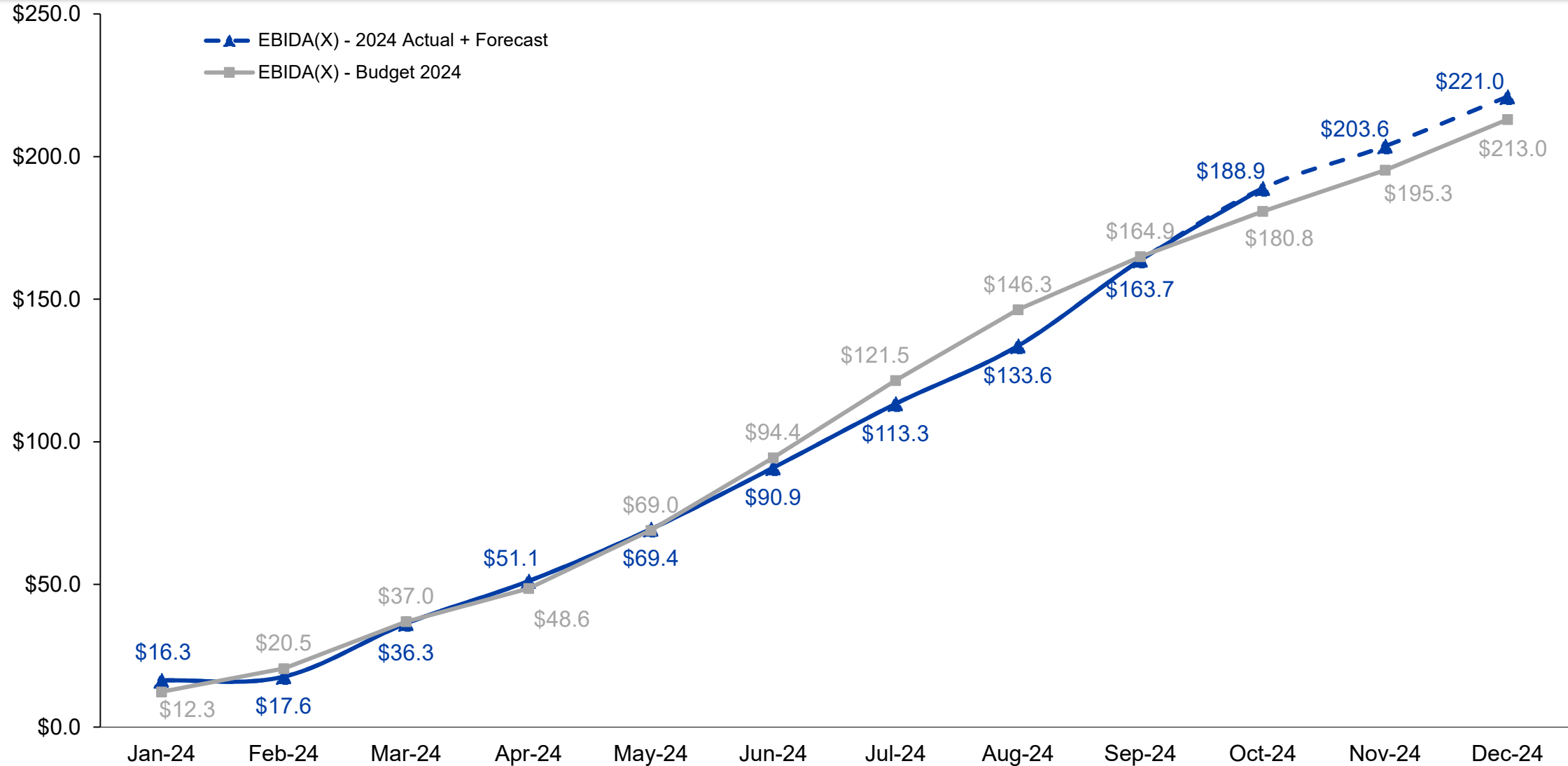
# Cost of Service (in millions)

## YTD Actuals vs Budget through October 2024

TBU

- To be updated the week of November 11

# EBIDA(X) Year to Date (in millions)



- To be updated the week of November 11



pec.coop



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**File #:** 2024-328, **Version:** 1

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## Member Comments

**Submitted By:** Andrea Stover

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A

All Cooperative Members have the right to attend any meetings called by the Board of Directors as defined in the Cooperative's Articles of Incorporation, and members may speak for up to 3 minutes or as otherwise directed by the Board.

Members may watch this meeting by live stream from the PEC website at [≤ https://pec.legistar.com/Calendar.aspx ≥](https://pec.legistar.com/Calendar.aspx) unless otherwise noted.

Board meeting dates, agendas, and supporting materials are available online [≤ https://pec.legistar.com/Calendar.aspx ≥](https://pec.legistar.com/Calendar.aspx).

Members also may provide input by using the following methods. Comments are provided to all board directors.

- Members may submit comments and requests to the board by email or U.S. mail.
- Contact a member of PEC's Board of Directors at [≤ https://www.mypec.com/board-of-directors ≥](https://www.mypec.com/board-of-directors)

### Articles of Incorporation, Article IX, Section 3, Member Bill of Rights - Open Meetings:

A Member has the right to attend every regular, special, or called meeting of the Board of Directors and its committees, except for executive sessions as allowed by policy or law. All meetings shall be called with proper notice, and any final action, decision, or vote on a matter shall be made in an open meeting.

### Articles of Incorporation, Article IX, Section 5, Member Bill of Rights - Right to Speak:

A Member has the right to speak at every regular, special, or called meeting of the Board of Directors and its committees, except for executive sessions, on any PEC matter at a time designated by the Board.

Members' attendance and their right to speak at all meetings called by the Board of Directors is further outlined in the Decorum Policy.

### Decorum Meetings Policy, Purpose:

As a democratically-controlled and Member-owned Cooperative, Member participation in Pedernales Electric Cooperative ("Cooperative" or "PEC") affairs is valued and respected and individuals should be allowed to state opinions. Meetings or functions of the Cooperative whether conducted on or off premises shall be conducted in a professional and courteous manner.



## DECORUM POLICY

Effective Date: October 16, 2020

### 1. PURPOSE

As a democratically-controlled and Member-owned Cooperative, Member participation in Pedernales Electric Cooperative (“Cooperative” or “PEC”) affairs is valued and respected and individuals should be allowed to state opinions. Meetings or functions of the Cooperative, whether conducted on or off premises, shall be conducted in a professional and courteous manner.

### 2. SCOPE

This Policy applies to all Participants at meetings of PEC Board of Directors (“Board”) and any other business meeting or function of the Cooperative, whether on or off PEC premises.

### 3. POLICY AND IMPLEMENTATION

- 3.1. PEC Business Meetings or Functions. Participants in any business meeting or function shall maintain an environment free of abusive, slanderous, or bullying behavior. To protect the security and safety of persons attending such meetings, all Participants shall respect an individual’s physical space and refrain from any form of physical intimidation or abuse. Any behavior demonstrating or threatening violence, attack, or physical abuse is not tolerated.
  - 3.1.1. Meeting Participants may not display placards, bumper stickers, signs, or other campaigning, or political advocacy materials within the premises of a meeting or function, other than those materials displayed on the individual Participants’ body or clothing. Campaigning and electioneering for PEC elections is governed by the Cooperative’s Election Policy and Procedures.
  - 3.1.2. Meeting Participants shall refrain from disruptive or distracting behavior. Personal or character attacks, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive or distracting behavior.
- 3.2. Board Meetings. PEC Board meetings are conducted in accordance with the [Board Meetings Policy](#) and the current edition of Robert’s Rules of Order Newly Revised, as practicable, and “Procedure for Small Boards” (for example, Robert’s Rules of Order Newly Revised § 49 (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)).
  - 3.2.1. All Participants wishing to address the Board during the designated portion of a Board meeting shall sign a registry identifying themselves prior to speaking, and shall open their remarks by stating their name and whether they are a Cooperative Member. Time allotted by the Board for each speaker cannot be shared or allotted with other speakers. The allotted time shall include and commence from the



beginning of the speaker's remarks and include any time that passes during questioning or colloquy between the speaker and the Board. Additional time may be granted to a person by the Board President, or upon a majority vote of the Board.

- 3.2.2.** When any Member or Participant wishes to provide written or demonstrative materials to the Board or others, such Member or Participant must, prior to the meeting's start, provide the information to the Board Secretary or their designee for distribution.
- 3.2.3.** Participants shall refrain from disruptive or distracting behavior. Personal or character attacks, speaking out of turn, approaching or standing at the Board meeting dais without the permission of the Presiding Officer, or improperly sidetracking the attention of other Participants with subject matter that is irrelevant to PEC or unrelated to PEC are examples of disruptive behavior.

#### **4. DEFINITIONS**

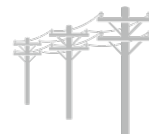
- 4.1. Participants** – Collectively includes Cooperative Board Directors, employees, Members, or any other attendees at PEC business meetings or functions.

#### **5. PROCEDURE RESPONSIBILITIES**

- 5.1.** PEC Business Meetings or Functions. Directors and Employees shall maintain order and preserve the decorum of any business meeting or function conducted on or off the Cooperative premises.
- 5.2.** Board Meetings. The Presiding Officer shall maintain order and preserve the decorum of Board meetings as provided in this Policy. Each Board Director shall cooperate with the Presiding Officer in preserving order and decorum, and no Participant shall, by conversation or otherwise, delay or interrupt the proceedings of the Board, nor disturb any person while speaking.

#### **6. POLICY ENFORCEMENT**

- 6.1.** When Member or Participant behavior violates this Policy, is severe, or threatens physical safety or property, the Presiding Officer, CEO, or responsible Cooperative employee may require the Member or Participant to leave the PEC premises, meeting, function, or discussion.
- 6.2.** Repeated or Severe Violation
  - 6.2.1.** PEC Business Meetings or Functions. Upon repeated or severe violation of this Policy, the Board, CEO, or their designee, may prohibit a person from attendance at PEC meetings, functions, or discussions. The duration of the prohibition shall be based upon the severity and nature of the violation.
  - 6.2.2.** Board Meetings. Upon repeated or severe violation of this Policy, the Board may prohibit a person from attendance at PEC Board meetings. The duration of the prohibition shall be based upon the severity and nature of the violation.



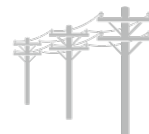


## 7. REFERENCES AND RELATED DOCUMENTS

### Board Meetings Policy

Robert's Rules of Order Newly Revised (11th ed. Cambridge, Mass.: Perseus Publishing, 2011)

Date adopted:	March 15, 2010
Last reviewed:	October 16, 2020
Review frequency:	Every Five Years
Amendment dates:	September 21, 2015, October 16, 2020
Effective date:	October 16, 2020
Approver:	Board of Directors
Applies to:	All Participants at meetings of the Board of Directors, any other business meeting or function of the Cooperative whether on or off PEC premises.
Administrator:	Board of Directors and CEO
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





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**File #:** 2024-331, **Version:** 1

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**Resolution - Approval of 2025 Operating Budget and 2025 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts and Real Estate - J Smith/A Murosko**

**Submitted By:** Andrew Murosko

**Department:** Financial Services

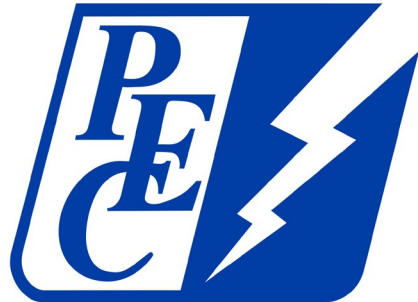
**Financial Impact and Cost/Benefit Considerations:** As presented in the 2025 operating and capital improvement budgets.

Pursuant to Pedernales Electric Cooperative, Inc. (Cooperative) Budget Policy, the Cooperative's Finance Department, in consultation with the Cooperative's Executive Management, is required to prepare a budget for the Board's review and consideration on an annual basis. The authority to approve the Cooperative's operational budget and capital improvement plan is reserved to the Board under the Cooperative's Board Authority and Responsibilities Policy. The Board, having been presented with the proposed budget for 2025 and consistent with its authority under Article VIII of the Cooperative's Articles of Incorporation, may consider approving the 2025 Operating and Capital Improvement budgets.

The proposed operating budget includes amounts reflecting contributions and subsequent allocations to the Cooperative's Community Support Programs received from the Cooperative's Power of Change Round-Up. The Cooperative, in addition to those programs authorized in the PEC Community Support and Power of Change Policy, which currently includes Community Grants, Educational Support, and Employee Giving Corporate Matching Program (United Charities), also anticipates using \$96,000 of the Power of Change Round-Up funds for "Special Requests for Community Support" as provided in the Policy including for the Member Assistance Program, Youth Tour, Youth Education Events, Teacher Education Support and Chamber Event Sponsorships.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative adopt the 2025 Operating and Capital Improvement Plan (CIP) Budgets as presented this day and with such amounts allocated therein from the Power of Change Round-Up funds for such programs outlined therein and described herein; and

**NOW THEREFORE BE IT RESOLVED** that the Chief Executive Officer, or designee, is authorized to take such actions as needed to implement this resolution.



# 2025 Operating and Capital Budget

Andy Murosko | FP&A Manager

Janelle Smith | Director, Finance

November 15, 2024

# Financial Projections

Financial Projections	2024	2025	2026	2027	2028	2029
<b>Sale of Electricity</b>	874,536,633	957,688,838	989,574,221	1,028,291,278	1,070,385,129	1,108,540,483
<b>Other Revenues</b>	48,537,368	60,793,486	61,809,503	63,244,405	74,428,373	81,058,645
<b>Total Revenues</b>	<b>923,074,001</b>	<b>1,018,482,324</b>	<b>1,051,383,724</b>	<b>1,091,535,682</b>	<b>1,144,813,503</b>	<b>1,189,599,127</b>
Purchased Power	555,959,654	618,180,427	634,251,701	659,513,781	687,525,297	710,741,903
<b>Gross Margin</b>	<b>367,114,347</b>	<b>400,301,897</b>	<b>417,132,023</b>	<b>432,021,901</b>	<b>457,288,206</b>	<b>478,857,224</b>
Operating Expenses ex. Depreciation	177,424,345	193,600,990	199,558,423	205,394,524	212,081,571	218,083,303
Depreciation	86,498,768	83,735,262	90,762,579	97,336,866	105,564,983	115,110,675
Interest Expense	51,821,911	55,458,822	61,720,898	64,409,714	71,671,995	74,238,798
Other Income and Interest Expenses	5,830,687	3,873,000	3,819,000	3,767,700	3,718,966	3,672,667
<b>Net Margins</b>	<b>57,200,010</b>	<b>71,379,824</b>	<b>68,909,123</b>	<b>68,648,497</b>	<b>71,688,622</b>	<b>75,097,115</b>
<b>EBIDA (X)</b>	<b>213,276,608</b>	<b>215,540,186</b>	<b>231,329,574</b>	<b>242,898,870</b>	<b>255,595,774</b>	<b>272,301,627</b>
Energy Sales kWh	7,796,692,425	7,910,451,206	8,130,939,702	8,359,179,626	8,617,304,480	8,918,910,137
Energy Purchases kWh	8,338,708,481	8,415,380,400	8,649,942,846	8,892,751,445	9,167,352,845	9,488,210,193
Year-End Account Count	425,675	446,678	467,640	488,606	509,563	530,516
Account Growth	21,963	21,003	20,962	20,966	20,957	20,953

# Capital Improvement Plan

Spend by RUS Category (in \$ millions)	a-2021	a-2022	a-2023	2024	2025	2026	2027	2028	2029
Distribution Line Extensions	27.4	14.3	25.2	6.5	-	-	-	-	-
Distribution Lines New	5.1	6.7	8.0	8.6	14.8	10.5	1.5	1.7	1.0
Distribution Lines Change	14.2	19.8	24.8	20.7	25.0	19.7	8.2	3.0	0.8
Substations New	3.8	3.4	14.6	23.9	21.0	23.4	23.9	52.6	35.9
Substations Change	18.0	14.5	31.5	28.1	42.5	40.2	50.6	43.8	33.5
Distribution Misc Equipment	58.2	51.4	60.7	66.6	54.3	55.1	56.7	57.3	58.0
Other Distribution Items	(1.2)	0.1	0.3	0.5	0.4	0.4	0.4	0.4	0.4
Transmission Lines New	0.1	3.3	1.7	1.2	1.1	19.3	31.4	17.9	15.0
Transmission Lines Change	26.6	19.6	18.2	39.1	49.2	32.8	18.4	18.0	10.5
Facilities	17.3	25.0	10.8	10.0	17.8	18.5	21.4	25.9	50.5
Information Technology	5.5	4.5	6.1	3.4	7.0	3.5	2.0	2.6	2.2
Tools & Small Equipment	0.3	0.2	0.4	0.5	0.5	0.5	0.5	0.5	0.5
Vehicles & Power Operated Equipment	2.7	2.4	6.8	7.7	5.0	5.0	5.0	7.0	7.0
<b>Total</b>	<b>\$178.1</b>	<b>\$165.1</b>	<b>\$209.1</b>	<b>\$216.8</b>	<b>\$238.6</b>	<b>\$228.9</b>	<b>\$220.0</b>	<b>\$230.7</b>	<b>\$215.3</b>



# Operating Expenses

Activity Group Expense	a-2020	a-2021	a-2022	a-2023	2024	2025	2026	2027	2028	2029
Payroll and Benefits	70.2	76.6	73.5	87.0	90.6	100.8	105.6	109.3	113.9	118.3
Outside Services	47.6	49.7	49.3	58.4	53.4	52.8	52.9	53.9	54.8	55.6
Goods & Materials	6.6	6.8	5.8	7.8	8.3	11.6	11.6	11.7	11.8	11.9
Utilities	5.7	6.5	5.6	5.6	5.3	5.5	5.5	5.5	5.6	5.6
Misc / Other Expense	4.7	4.1	4.7	5.7	3.1	5.9	5.9	5.9	6.0	6.1
Staff - Travel and Misc	1.9	1.7	2.0	2.4	2.8	3.0	3.0	3.1	3.1	3.2
Transportation	2.1	2.6	2.7	3.2	2.7	2.1	2.2	2.2	2.3	1.9
Directors Expense	0.2	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Member Events	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Taxes	8.5	9.8	10.1	10.2	10.8	11.7	12.5	13.3	14.1	15.1
<b>Total</b>	<b>147.4</b>	<b>158.0</b>	<b>154.1</b>	<b>180.6</b>	<b>177.4</b>	<b>193.6</b>	<b>199.6</b>	<b>205.4</b>	<b>212.1</b>	<b>218.1</b>

Annual Spend Drivers:	<i>COVID</i>	<i>Winter Storm</i>	<i>Labor + Material Shortages</i>	<i>Inflation; TCC Operations; Mara</i>						
YoY % Change		7.2%	-2.5%	17.2%	-1.8%	9.1%	3.1%	2.9%	3.3%	2.8%
% Account Growth		5.5%	5.1%	4.6%	5.4%	4.9%	4.7%	4.5%	4.3%	4.1%

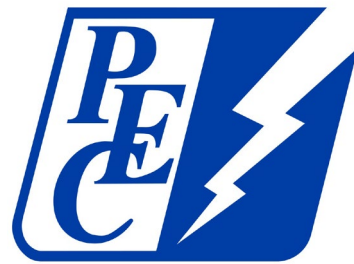
\$ Opex per MWh Sold	\$	22.56	\$	23.78	\$	20.23	\$	23.77	\$	22.76	\$	24.47	\$	24.54	\$	24.57	\$	24.61	\$	24.45
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- Payroll: +11.2% YoY (vacancy fills, critical hires and conversions, merit, apprentice class, benefit increases)

# Community Giving

Initiative	Forecast	Budget Years					Funding Source
	2024	2025	2026	2027	2028	2029	
United Charities Corporate Match	100,000	100,000	100,000	100,000	100,000	100,000	Power of Change
Community Grants Program	40,000	40,000	40,000	40,000	40,000	40,000	Power of Change
Educational Support Program	24,000	24,000	24,000	24,000	24,000	24,000	Power of Change
Community Outreach Programs	89,500	96,000	70,000	70,000	70,000	70,000	Power of Change
Scholarship Program	100,000	100,000	100,000	100,000	100,000	100,000	Unclaimed Property
<b>Total</b>	<b>373,500</b>	<b>360,000</b>	<b>334,000</b>	<b>334,000</b>	<b>334,000</b>	<b>334,000</b>	

- Power of change funding request for 2025: **\$96,000**
  - Member Assistance Program: \$20,000
  - Youth Tour: \$45,000
  - Youth Education Events: \$17,000
  - Teacher Education Support: \$6,500
  - Chamber Event Sponsorships: \$7,500



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**File #:** 2024-330, **Version:** 1

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**Resolution - Approval of 2025 Rate Plan - R Kruger**

**Submitted By:** Randy Kruger

**Department:** Finance

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session.

Pursuant to the Cooperative's Rate Policy, the Rate Plan will be presented to the Board annually and will be consistent and in alignment with the annual budget cycle. The Rates Committee presents the 2025 Rate Plan ("Plan") for Board consideration and approval. The Plan presents a roadmap to meet the Cooperative's rate objectives in alignment with the Cooperative's mission to provide safe, reliable, and low-cost energy for our members. All recommendations from the 2025 Rate Plan that affect the Cooperative's Tariff and Business Rules will be brought before the Board of Directors as amendments to the Tariff and Business Rules for consideration.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative approves the 2025 Rate Plan that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Chief Executive Officer, or designee, is hereby authorized to take such other actions necessary to implement this resolution.



# 2025 Rate Plan

Randy Kruger, Jr. | CFO



# 2025 Rate Plan

- PEC operates as a cooperative. As a result, PEC's sole source of funding over time is member rates. Accordingly, all rates must be designed to pass through costs and prevent subsidies between members.
- Every year we prepare a rate plan to advise members and the PEC board about upcoming rate actions. We are asking for approval of this rate plan. We are not asking for action on any of the individual rate items presented as part of the plan, but will bring related resolutions for each item in the near future.
- Two broad categories of rates:
  1. **System Cost Based Rates**—These are rates designed to recover the cost to operate our system which are not subject to observable market rates but are calculated based on the results of our triennial cost of service study. We updated our cost of service study this year in accordance with our 3-year cycle.
  2. **Market Based Rates**—these are categories of rates where observable changes in market rates are used to calibrate PEC member rates

# Rate Adjustments for Consideration

- **System Cost Based Rates**—recommended adjustments based on the most recent cost of service study
  - **Residential**—Increase **Service Availability Charge** and reduce **Delivery Charge** to better match rate structure to fixed/variable operating cost structure.
  - **Small Power**—Adjust **Service Availability** and **Delivery charges** between small power single phase and three-phase rate classes to address cross subsidization
  - **Fees** – Increase due to rising cost to provide service
    - Open Records Fee.
    - Subpoena Response Service Fee
- **Market Based Rates**
  - **Base Power Cost** – Adjust pass-through due to changes in the cost of power within the ERCOT market
  - **Transmission Cost of Service** – Adjust pass-through due to PUC rate charges
  - **Sustainable Power Credit** – Increase due to changes in the cost of power within the ERCOT market

# Components of a PEC Bill

## Current Activity

Service Availability Charge		\$22.50
Delivery Charge	1,250 kWh @ \$0.028405	\$35.51
Base Power Cost	1,250 kWh @ \$0.058500	\$73.13
TCOS Pass-Through Charge	1,250 kWh @ \$0.019554	\$24.44
eBilling Credit		-\$1.00
eBilling Draft		-\$1.50
<b>Current Charges</b>		<b>\$153.07</b>

### Service Availability Charge

Fixed charge mechanism recovers services and distribution cost.

### Delivery Charge

Variable charge mechanism recovers services and distribution cost.

### Power Costs

Recovers cost to procure power and associated costs

### TCOS Pass Through

Recovers access charges for the ERCOT transmission system

System Cost Based Rates

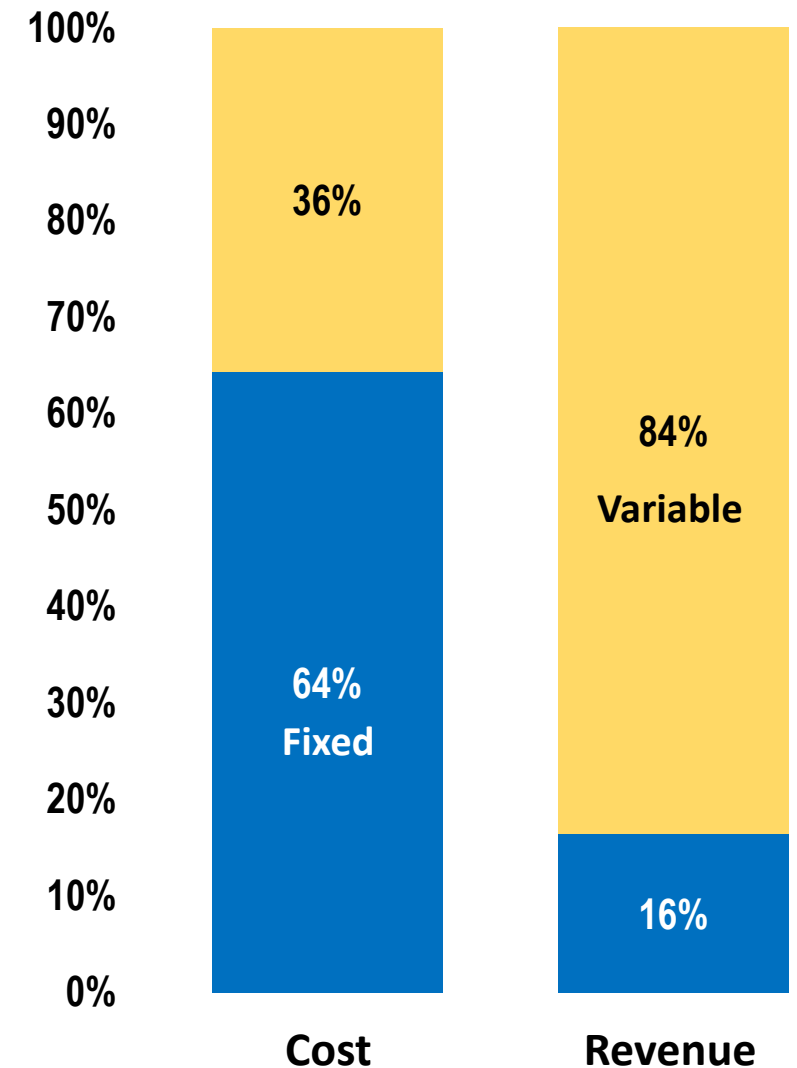
Market Based Rates

# System Cost Based Rates

# Residential Delivery and Service Availability Charges

## Issue: Adjustments needed to better align between fixed cost, variable cost and the associated revenues

- Power volumes change based on weather and member usage patterns, resulting in fluctuations in variable revenues
- The fixed Service Availability Charge (SAC) is unchanged regardless of volumes delivered
- Unchanging costs like debt service, facilities, taxes or similar fixed charges may not be fully recovered or may be over recovered if tied to variable volumes
- To ensure proper matching of expenses to cost recoveries fixed costs should be recovered through fixed charges like the SAC and variable costs should be recovered through volumetric based charges like the Delivery Charge
- This ensures:
  - **Members are not over or undercharged to recover cost**
  - **PEC financial stability and credit rating**





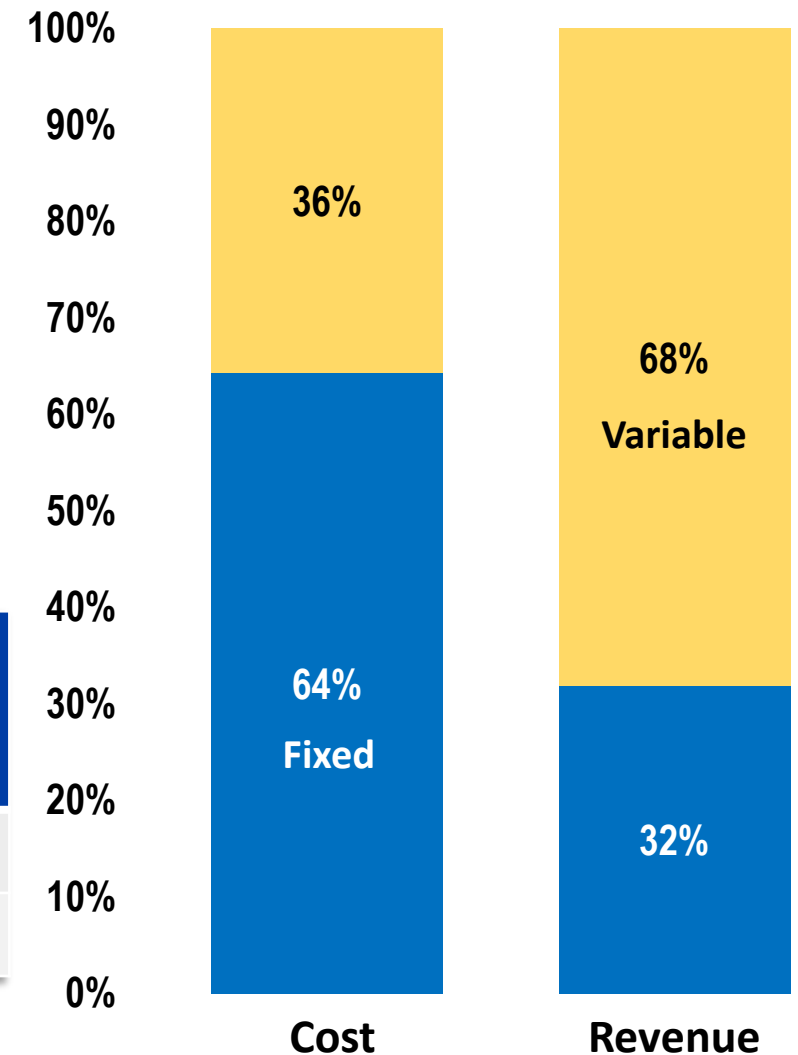
# Recommendation: Reduce Variable Revenues and Increase Fixed Revenues

- Will reduce subsidies as small end-users are added to PEC system through build out of multifamily housing
- Increase Service Availability Charge which is a source of fixed revenue
- Reduce Delivery Charge which is a source of variable revenue
- **Typical residential bill impact of \$2.68/month**

Charges	Current	Proposed	Difference	Monthly Bill Impact**
Service Availability Charge	\$20.00*	\$30.00*	\$10.00	\$10.00
Delivery Charge	\$0.028405	\$0.022546	-\$0.00586	-\$7.32

\*\$20.00 after eBilling and eDraft credits \*\$30.00 for the basic billing package

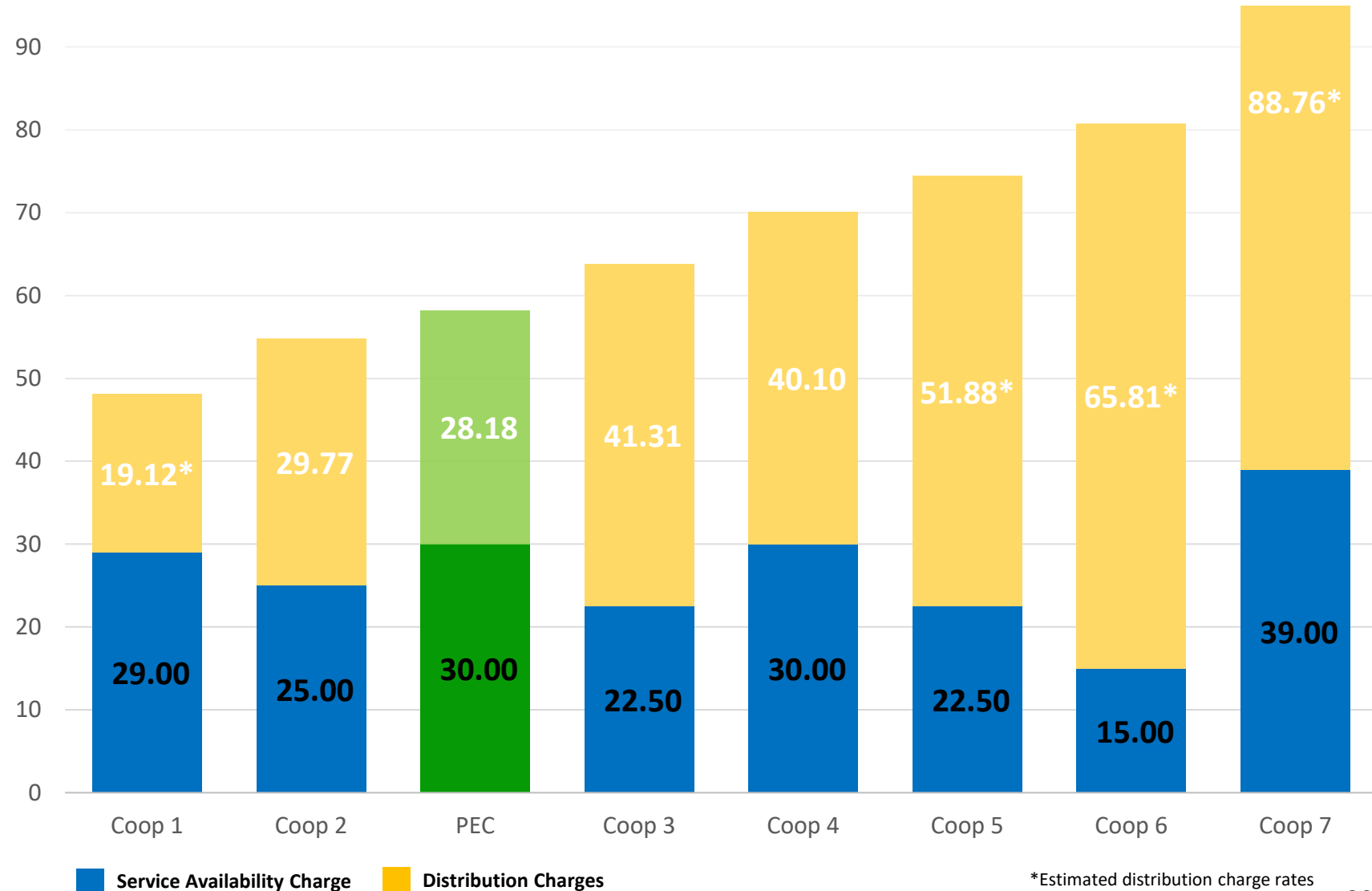
\*\*Calculated based on monthly usage of 1,250 kWh



# Residential Delivery and Service Availability Charges

## Benchmarking

- Fixed cost of distribution infrastructure is recovered using combo of fixed/variable charges
  - Service Availability Charge (\$/month)
  - Delivery Charge (\$/kW)
- Both charges lower than surrounding co-ops
- Adjustments would bring fixed charge profile in line with comparable utilities
- Service Availability Charge increase offset by Delivery Charge reduction

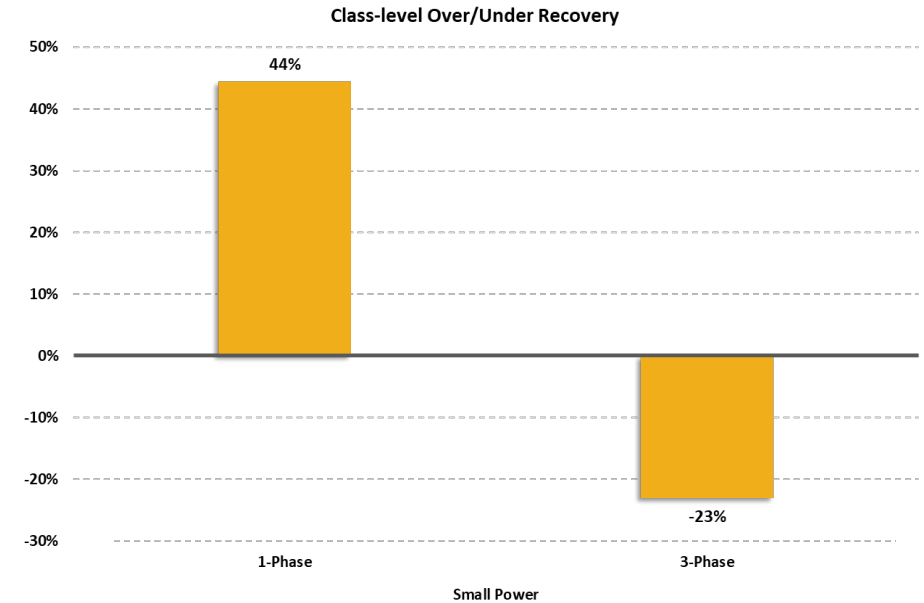


\*Estimated distribution charge rates  
 \*\*rate reflects discounted SAC after eBilling and eDraft credits

# Small Power: Single Phase and Three Phase

## Issue: Single-Phase Subsidizing 3-phase

- Approximately 24,000 small power members are Single-Phase Service; 9,000 are Three-Phase Service
- Differences between usage patterns is causing a significant divergence between the revenue requirement for single-phase and three-phase.



## Recommendation: Small Power Members

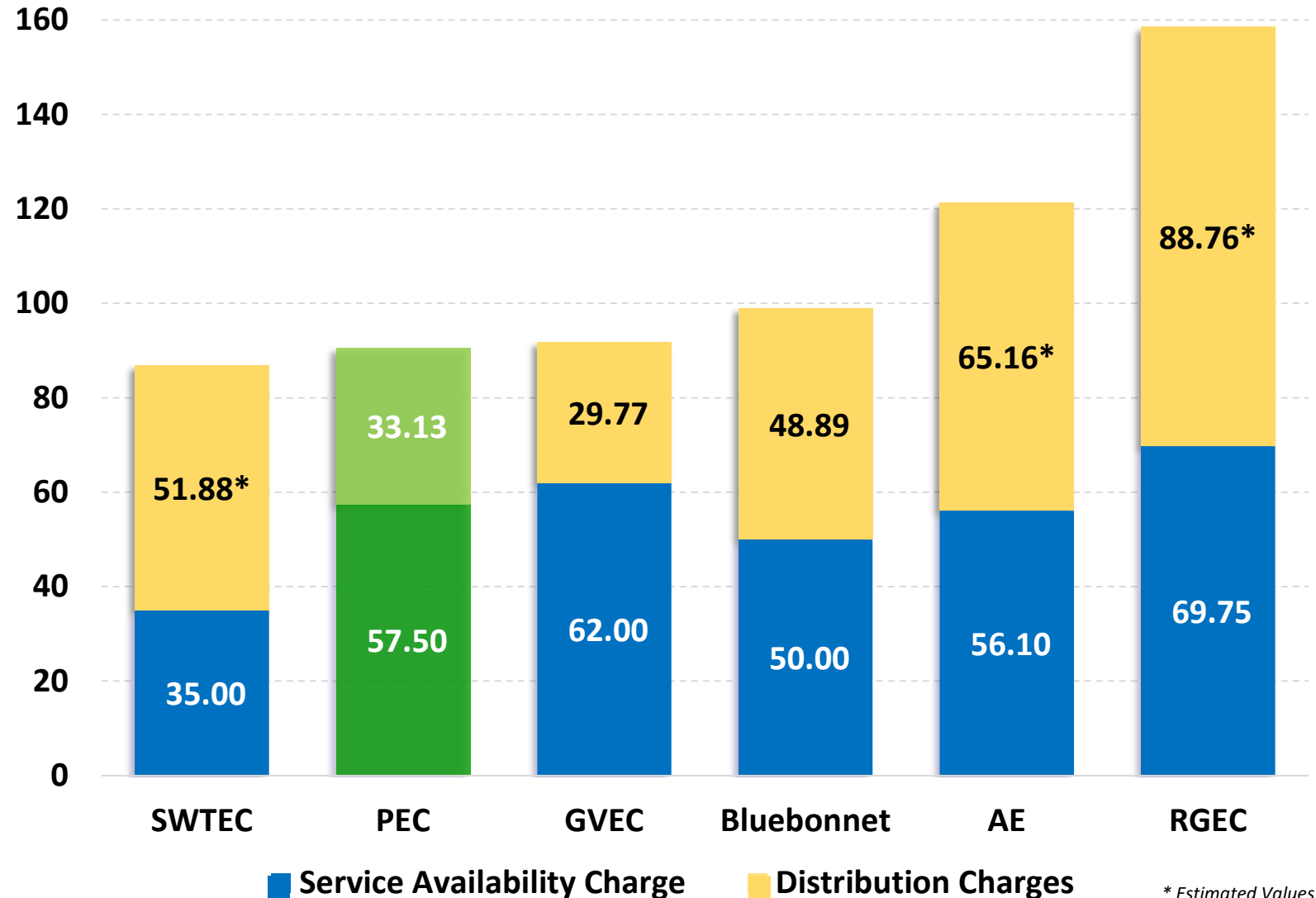
- Increase the SAC and delivery charge for three-phase to \$57.50 and \$0.026506
- Decrease the delivery charge for single-phase to \$0.0079849
- No change for single phase SAC.
- Addresses inequities without materially affecting revenues.

Recommended Service Availability Charge		Recommended Delivery Charge	
1-Phase	3-Phase	1-Phase	3-Phase
\$37.50	\$57.50	\$0.007849	\$0.026506

# Small Power: Single-Phase vs. Three-Phase Service

## Benchmarking

- Six utilities identified for Small Power: Three-Phase Service
- Excluding high and low, observed a Service Availability Charge ranging from \$50 - \$62
- Recommend adjusting to a Service Availability Charge close to midpoint



# Discretionary Service Charges (Fees)

## Two Fee Change Recommendations

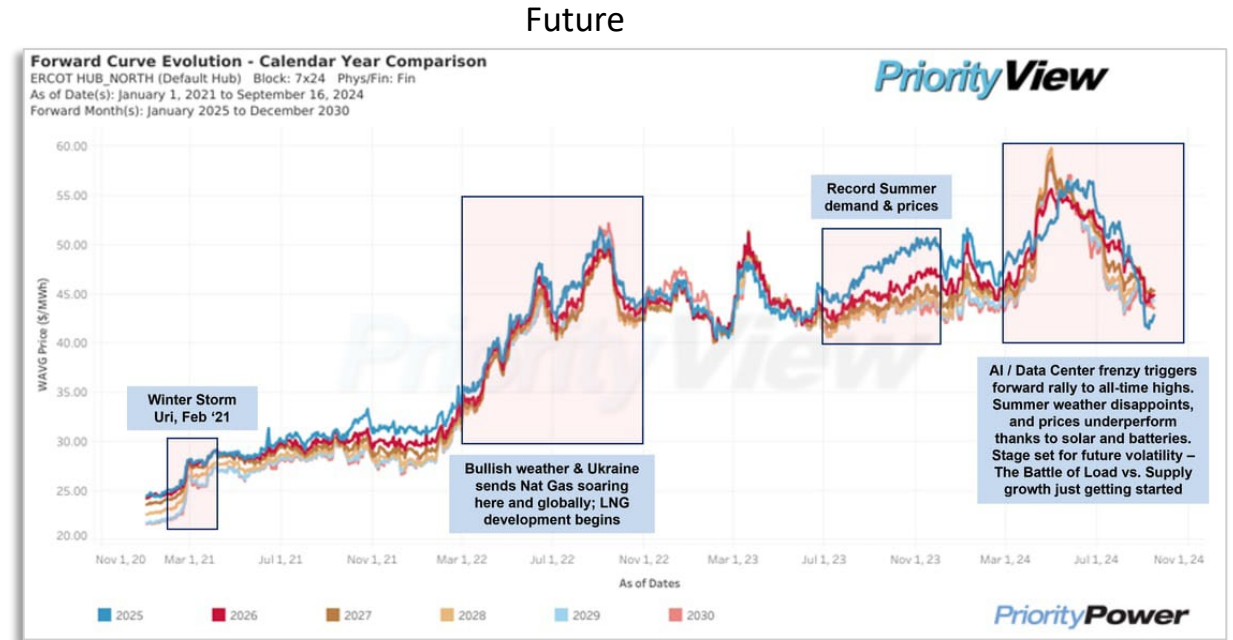
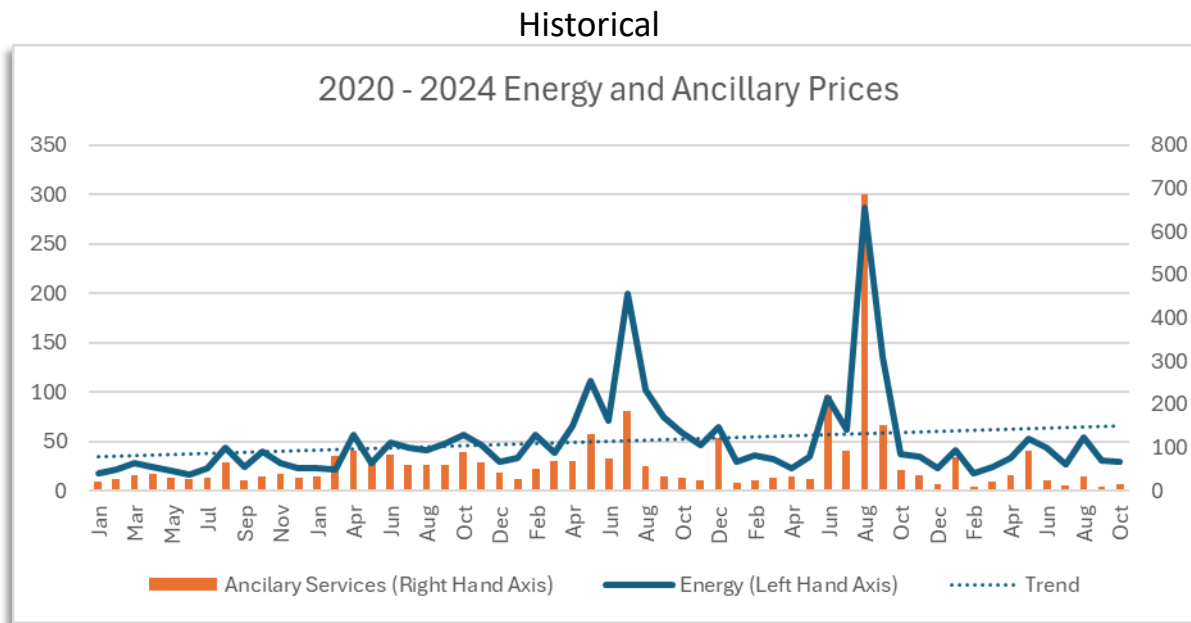
Fees	Current Amount	Proposed Amount	Section
Open Records Fee – Staff research time	\$ 40.00 / hour	\$ 70.00 / hour	300.4
Subpoena Response Service Fee	\$ 40.00 / hour	\$ 70.00 / hour	300.4.1

- Review of fees was included in study
- Primarily includes updating resource costs that support fee amount
- If process changes that would impact fee amount, fees may be reviewed outside of regular Cost-of-Service Study schedule



# Market Based Rates

# Base Power Cost Increase Due to Rising Power Prices



- Wholesale power costs and ancillary prices in ERCOT have been increasing since 2020
- Regulatory decisions implemented additional ancillary service charges in 2023 adding \$12B in costs to ERCOT market and ratepayers
- This increased the outlook for future prices, placing upward pressure on PEC's base power cost
- Wholesale power costs are a direct pass-through to the membership, PEC does not collect a margin

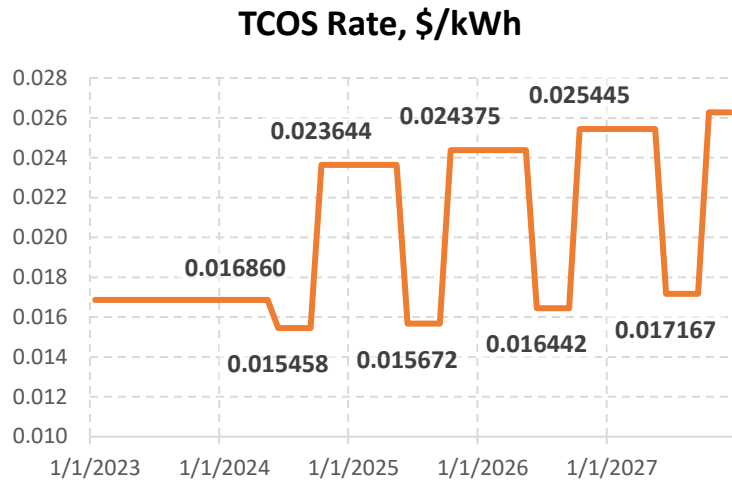
# Base Power Cost (Flat and Time-of-Use)

- Under PEC's tariff the base power cost is determined by formula
- The base power cost is a function of budgeted power costs for the next year plus or minus adjustments to recover or return variances between prior year budgeted and collected power costs
- The cost is converted to an hourly charge by dividing by the budgeted volumes

(budgeted power costs  $\pm$  previous under or over recoveries) / budgeted volumes

$$(\$455 \text{ M} + \$12 \text{ M}) / 7,547 \text{ GWh} = \$0.0619/\text{kWh}$$

# Transmission Cost of Service (TCOS) Increase Due to PUC Rate Changes



## Current and Proposed Rates

	Current Rate	Proposed Rate (10/1/24)	% Change
TCOS Rate	0.015458	0.023644	53%

Typical Bill	Summer 2024	Winter 24/25
TCOS Portion (\$)	\$23.20	\$23.62
TCOS Portion (%)	13.4%	18.1%

## Year-Over-Year (YOY) Forecasts

	Current (6/1/24)	Forecast (6/1/25)	YOY Pct. Change
June YOY	0.015458	.015672	1.4%

	Proposed (10/1/24)	Forecast (10/1/25)	YOY Pct. Change
October YOY	0.023644	0.024375	3.1%

- PEC and all market participants in ERCOT are charged a fixed amount each month for transmission services
- The Transmission Cost of Service charge recovers the fixed charge on a per kWh basis so the charge is higher in low usage periods and lower in high usage periods. This gives the charge its saw-tooth shape as it adjusts each June and October
- Because transmission charges are increasing in ERCOT, the charge trend has an upward slope
- TCOS are a direct pass-through to the membership, PEC does not collect a margin

# Sustainable Power Credit Adjustment

**Increase credit from \$0.069554 to \$0.08267 per kWh due to board policy**

Item	2020	2021	2022	2023	3-Year Average 2020-2022	3-Year Average 2021-2023
Avoided Energy Costs	\$ 41.32	\$ 68.85	\$ 129.41	\$ 97.66	\$ 79.86	\$ 98.64
Avoided Ancillary Services Costs	1.85	14.51	5.51	6.30	7.24	8.77
Avoided Transmission Costs	22.60	23.08	21.35	21.36	21.65	21.93
Avoided Capacity or Demand Costs	-	-	-	-	-	-
Avoided Distribution Costs	-	-	-	-	-	-
Avoided Regulatory Costs	-	-	-	-	-	-
<b>Value of Distributed Generation</b>	<b>\$ 65.77</b>	<b>\$ 106.44</b>	<b>\$ 156.27</b>	<b>\$ 125.32</b>	<b>\$ 108.75</b>	<b>\$ 129.34</b>
<b>Sustainable Power Credit (\$/kWh)</b>					<b>\$ 0.069554</b>	<b>\$ 0.082666</b>

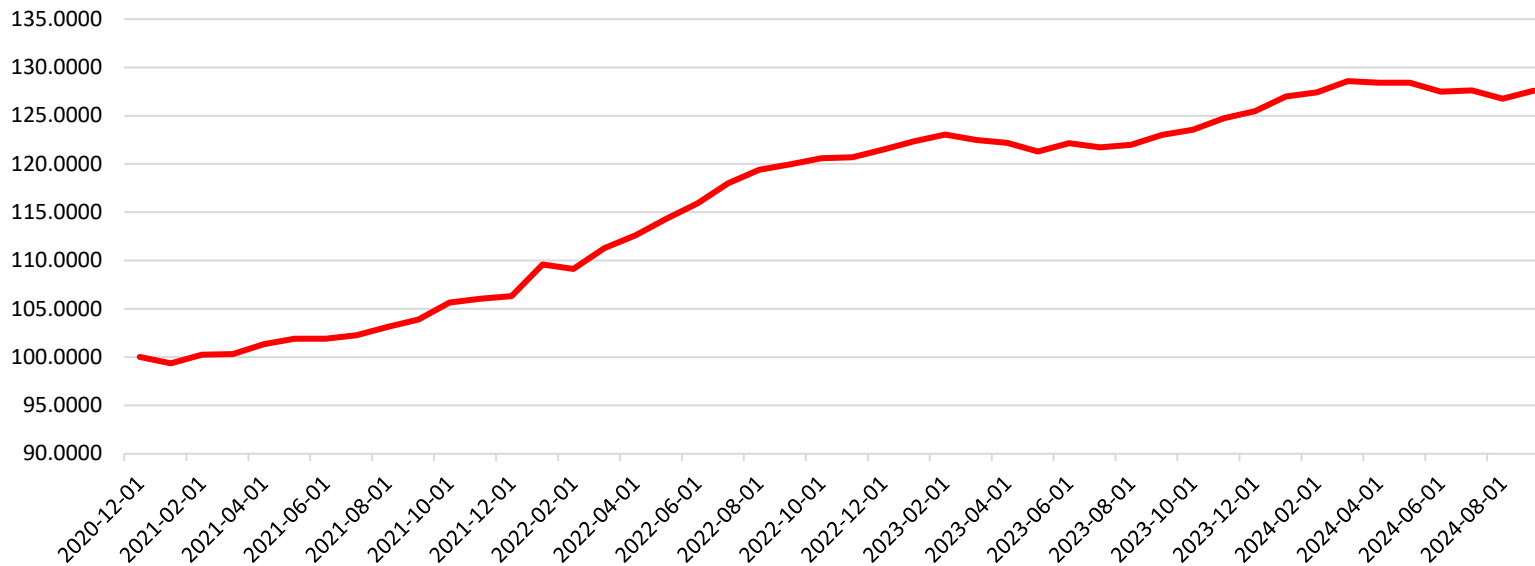
- Sustainable Power Credit adjusts annually
- Calculated from the three-year average avoided costs of energy, ancillary service, and transmission
- Members with distributed generation (DG) less than 50 kW receive the credit for all surplus generation delivered to PEC's distribution system

# Summary Impacts of Proposed Rate Changes



# Electricity Cost Trends

CPI - Electricity in U.S. City Average (Index YE 2020 = 100), Monthly, Seasonally Adjusted



## CPI Comparison

	<b>Aggregate</b>
CPI Electricity Price Growth YE 2020 - Present	<b>27.6%</b>
PEC Rate Growth YE 2020 - Present	<b>17.0%</b>
Base Power	25.8%
TCOS	33.5%
Delivery Charge	4.7%
Service Availability Charge	0.0%

- Electricity CPI on constant upward trajectory since 2021, growing 28%
- PEC rate growth is substantially below national average
  - Most growth from TCOS and Base Power
- PEC Delivery and Service Availability Charges have remained stable. Through prudent cost management, PEC has kept cost increases lower than overall system growth

# Bill Impact of Base Power and SAC/Distribution Rate Changes

- Service Availability Charge, currently set at \$22.50 (\*\$20.00 after eBilling and eDraft credits)
- For consideration, adjusting the SAC to \$32.50 (\*\$30.00 for the basic billing package)

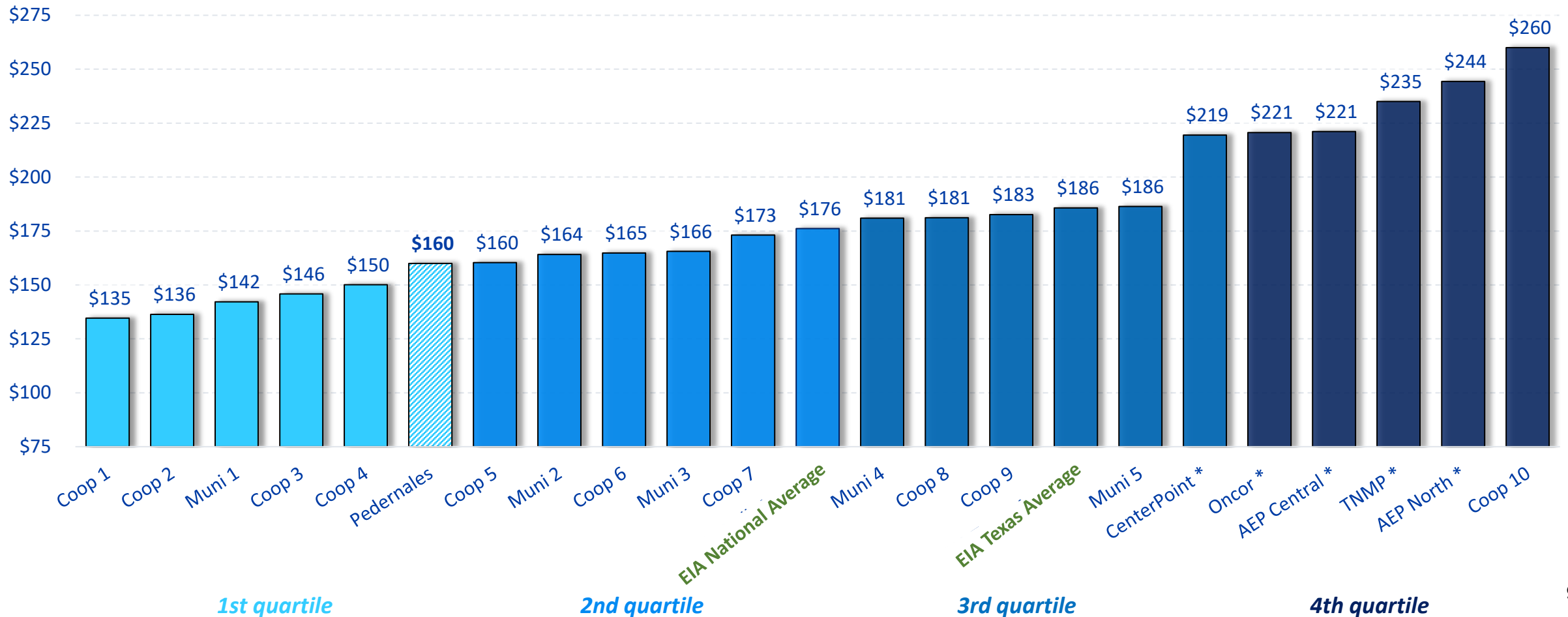
Charges	Current	Proposed	Difference	Monthly Bill Impact**
Service Availability Charge	\$20.00*	\$30.00*	\$10.00	\$10.00
Delivery Charge	\$0.028405	\$0.022546	-\$0.00586	-\$7.32
Base Power Charge	\$0.058500	\$0.061900	\$0.003400	\$4.25

- Net increase of 4.5%, or \$6.93/month due primarily to base power increase

\*\*Calculated based on monthly usage of 1,250 kWh.

# Residential Rate Comparisons

Residential rates modeled as of March 2025 (1,250 kWh)



# Items to Be Reviewed in 2025

# Items for Continued Evaluation during 2025

## Continuing Evaluation Recommended For:

- Time-of-Use (TOU) pricing, time periods, and seasons
- Industrial Rate Distribution Cost Recovery
- Renewable Energy Rider

# Prospective Timelines



# Timeline for Resolutions



Helpful Links and Contact information

- Rate Policy and Cost of Service Study: <https://www.pec.coop/about-us/your-cooperative/document-center/>
- All Rate related questions - [Rateinquiry@peci.com](mailto:Rateinquiry@peci.com)



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**File #:** 2024-332, **Version:** 1

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**Resolution - Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative - R Kruger**

**Submitted By:** Randy Kruger

**Department:** Chief Financial Officer

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session.

To continue to fund its capital improvement budget and operating budget for both its distribution and transmission lines of business, the Cooperative is assessing available financing options in consideration of the financial health of the Cooperative and in the best interests of the Cooperative. In April 2001, the Cooperative established an unsecured credit facility in the aggregate amount of \$75,000,000 and in January 2007 increased such short-term unsecured credit facility to the aggregate amount of \$100,000,000.

In November 2020, the Cooperative authorized unsecured credit facilities to finance the operations and expenses of the Cooperative in an amount not to exceed \$305,000,000, and subsequently authorized the extension and amendment of such facilities in November 2021.

In August 2021 the Cooperative authorized a short-term unsecured credit facility in the aggregate amount of \$100,000,000.

The Cooperative wishes to increase by \$100,000,000 its unsecured credit facilities to finance the operations and expenses of the Cooperative in an aggregate amount not to exceed \$605,000,000, which increase may include a new short-term unsecured credit facility and/or increases of existing short-term unsecured credit facilities and/or a new unsecured 3-year credit facility and/or increases of its 3-year \$200,000,000 unsecured credit facility.

The Cooperative further wishes to increase the authorized amount of its commercial paper program from \$200,000,000 to \$300,000,000 to provide increased flexibility in financing the operations and expenses of the Cooperative and amend its commercial paper program documents to effect necessary amendments for both its distribution and transmission lines of business.

The Cooperative further wishes to extend and amend various credit agreements (including but not limited to its 3-year \$200,000,000 unsecured credit facility and its short-term unsecured credit facilities with the other Lenders (as defined herein).

**WHEREAS**, to continue to fund its capital improvement budget and operating budget for both its distribution and transmission lines of business and in the best interests of the Cooperative, the Cooperative requires an increase of an additional \$100,000,000 to its commitments (for unsecured credit facilities from one or more lenders) and an increase in the authorized amount of its commercial paper program from \$200,000,000 to \$300,000,000; and

**WHEREAS**, the Cooperative is currently a party to the following short-term unsecured credit agreements in the aggregate amount up to \$305,000,000: (i) a 364-Day Credit Agreement, dated as of December 4, 2020 (as heretofore amended), with Bank of America, N.A., CoBank, ACB and JPMorgan Chase Bank, N.A. in the authorized amount up to \$105,000,000, (ii) a Second Amended and Restated 364-Day Revolving Credit

Agreement with CoBank, ACB, dated October 19, 2023 (as heretofore amended) in the authorized amount up to \$100,000,000 and (iii) an Amended and Restated Perpetual Line of Credit Agreement with National Rural Utilities Cooperative Finance Corporation (CFC) dated January 22, 2007 (as heretofore amended) in the authorized amount up to \$100,000,000, (all of such lenders collectively, the “Lenders” and all of such short-term unsecured credit agreements, the “Credit Agreements”);

**WHEREAS**, the Cooperative is currently a party to that certain 3-Year Credit Agreement, dated December 4, 2020 (as heretofore amended) with Bank of America, N.A., CoBank, ACB and JPMorgan Chase Bank, N.A., in an authorized amount up to \$200,000,000 (the “3-Year Credit Agreement”);

**WHEREAS**, the Cooperative is currently a party to that certain Commercial Paper Dealer Agreement 4(A)(2) Program dated as of April 1, 2021 with BofA Securities, Inc. and/or one or more others dealers, the Issuing and Paying Agent Agreement dated as of April 1, 2021 with U.S. Bank National Association, and has issued its commercial paper notes dated as of April 6, 2021 and such commercial paper notes have been offered into the market with the delivery of an offering memorandum issued by the Cooperative and the Cooperative has obtained a rating by a rating agency for such commercial paper program and such other documentation in connection with the commercial paper program (collectively, the “Commercial Paper Program Documents”); and

**WHEREAS**, the Cooperative wishes to amend the Credit Agreements or 3-Year Credit Agreement in order to increase the aggregate authorized amount by an additional \$100,000,000 and to extend the maturities and make other amendments for its distribution and transmission lines of business, and the Cooperative further wishes to authorize the entry into new credit facilities with CFC or any other Lenders or to authorize the replacement of any existing Credit Agreements or 3-Year Credit Agreement, subject to the aggregate authorized amount up to \$605,000,000 for such credit facilities, Credit Agreements or 3-Year Credit Agreement; and

**WHEREAS**, the Cooperative wishes to amend the Commercial Paper Program Documents in order to increase the commercial paper program by an additional \$100,000,000;

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative authorizes the issuance or incurrence of such credit facilities as described herein, and extension, and/or amendment, of Credit Agreements and/or 3-Year Credit Agreement, all in the aggregate principal amount up to \$605,000,000, which may be unsecured; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the credit facilities and related Credit Agreements or 3-Year Credit Agreement authorized herein may include extensions, amendments and increases to existing credit facilities and/or one or more new credit facilities with any one or more lenders (including but not limited to any of the existing Lenders) as selected by an Authorized Officer (as defined herein) with all of the terms thereof and such other terms as any Authorized Officer determines necessary or appropriate, such determination to be conclusively evidenced by such execution and delivery by any Authorized Officer; and the Cooperative hereby authorizes the execution, delivery and performance of such credit facilities as described herein, Credit Agreements and/or 3-Year Credit Agreement and any one or more extensions and amendments to any such Credit Agreements and/or 3-Year Credit Agreement; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative authorizes an increase in the aggregate principal amount of the Commercial Paper Program from \$200,000,000 to \$300,000,000, and further authorizes the execution, delivery and performance of the amendments to the Commercial Paper Program Documents in connection therewith, and all of the terms thereof and such other terms as any Authorized Officer determines necessary or appropriate, such determination to be conclusively evidenced by such execution and delivery by any Authorized Officer; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that any of the Authorized Officers are hereby expressly authorized, empowered and directed from time to time to do and perform all acts and things and to execute, acknowledge and deliver, in the name and on behalf of the Cooperative all such documents, certificates, instruments, and notices concerning the documents, whether or not herein mentioned, as the Authorized Officer(s) may determine to be necessary or desirable in order to carry out the terms and provisions of these resolutions and the terms of the credit facilities as described herein, Credit Agreements, the Commercial Paper Program Documents, the 3-Year Credit Agreement, and other related documents, and to perform the obligations of the Cooperative under all instruments executed in connection therewith, such determination to be conclusively evidenced by such execution and delivery.

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Chief Executive Officer of the Cooperative, the Chief Financial Officer of the Cooperative, or any person designated in writing for such purpose by the Chief Executive Officer (each an "Authorized Officer" and collectively, the "Authorized Officers"), are each hereby authorized (whether acting together or alone) as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to negotiate, execute and deliver or acknowledge, the credit facilities as described herein, extensions and amendments to the Credit Agreements and/or the 3-Year Credit Agreement, the amendments to the Commercial Paper Program Documents, and/or any other agreements that may be required in connection with each transaction, and any other agreements, certificates, consents, affidavits, opinions, and other instruments of any nature necessary or appropriate to give effect to such transactions, in each case in such form and containing such terms and conditions as such Authorized Officer may in her or his reasonable discretion deem necessary, appropriate, or desirable; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Authorized Officers are each hereby authorized as a duly authorized officer or agent of the Cooperative, for and in the name and on behalf of the Cooperative, to do any and all acts deemed by such officer in such officer's judgment to be necessary or appropriate in the best interests of the Cooperative to give effect to the foregoing resolutions.

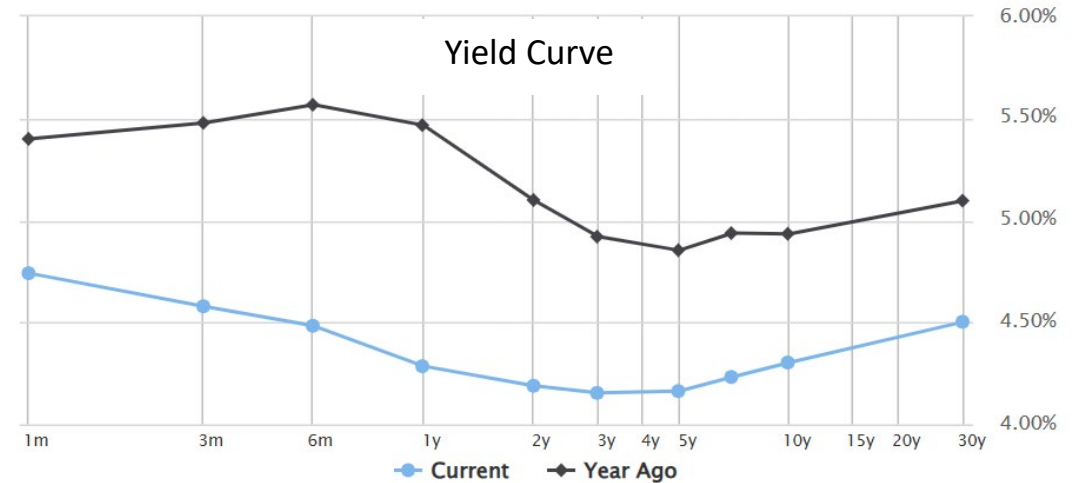
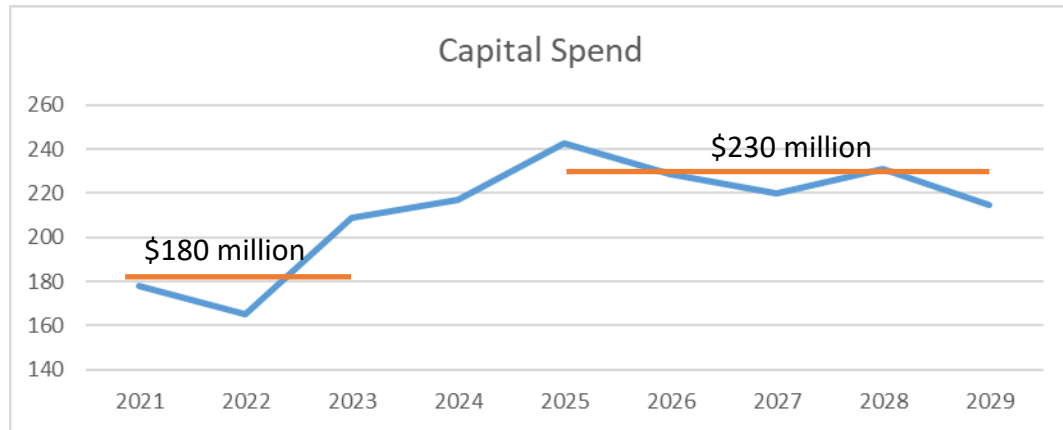


# Borrowing Capacity Expansion

Randy Kruger | CFO



# Need for Additional Short-Term Capacity




- With growth, forecasted capital spend levels and short-term funding needs are increasing
- The yield curve is flattening and short-term rates are expected to decline further. This creates incentives to allocate a larger portion of PEC's short-term debt to the front end of the curve
- Additional capacity will increase flexibility to time long-term debt offerings. With existing capacity, we need to term out CP every 12 months. With additional capacity that timing is extended to 24 months

# Existing and New Agreements

Unsecured Facility	Capacity	Term	Current Maturity	Amended Maturity
CFC LOC	100,000,000	Perpetual	none	none
CoBank Revolver	100,000,000	364-Day	10/17/2024	11/28/2025
BoA Revolver	105,000,000	364-Day	11/29/2024	11/28/2025
BoA Multi-Year Revolver	200,000,000	3-Year	12/1/2026	11/30/2027
<b>NEW</b> CFC Multi-Year Revolver	100,000,000	3-Year	-	11/30/2027
	<u>605,000,000</u>			

Backstop CP Program  
(see bullet four)



- Increase commercial paper (CP) program from \$200 million to \$300 million
- Add new \$100 million facility to back additional \$100 million in CP Capacity
- CP is the cheapest form of borrowing for PEC.
- Need unused lines to cover CP in the event of a CP market disruption (2008 financial crisis, COVID lock downs, 2023 regional bank crisis).



PEDERNALES ELECTRIC COOPERATIVE



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File #: 2024-333, Version: 1

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## Resolution - Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy - R Kruger

**Submitted By: Randy Kruger**

**Department: Chief Financial Officer**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**

The Cooperative manages the purchase of electric energy for its Members. To date, Board approval has been required for almost all power supply purchase transactions. However, because of day-to-day variability in energy pricing and constantly changing market demand, the delay associated with obtaining Board approval for energy purchase transactions can impair the Cooperative's ability to take advantage of time-sensitive energy pricing and offerings. This can result in the Cooperative incurring higher than necessary energy costs. This concern has become particularly acute in recent years as the ERCOT energy market has significantly changed following Winter Storm Uri.

Through the Power Supply and Commodity Risk Policy ("Policy"), the Board delegates the authority over the Cooperative's power supply purchases to a newly created Power Supply Committee ("PSC"). The PSC is charged with oversight of the day-to-day management of the Cooperative's energy purchases, subject to the transaction limits and risk tolerance guidelines established by the Board in the Policy and confidential Appendix to the Policy. The PSC will regularly report to the Board regarding the status of its activity, as set forth in the Policy.

The Policy will serve to guide the Cooperative as to its power supply purchases to serve the needs of its Members and supersedes the Power Supply and Energy Management Policy adopted in December 2019.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.** that the Cooperative adopt the Power Supply and Commodity Risk Policy, and adopt the confidential Appendix to the Power Supply and Commodity Risk Policy, that was presented to and discussed by the Board this day, with such changes thereto, if any, as were discussed and approved by the Board; and

**BE IT FURTHER RESOLVED** that the Cooperative may implement the requirements of the Power Supply and Commodity Risk Policy using a phased approach to achieve full compliance with the requirements of the Power Supply and Commodity Risk Policy and confidential Appendix within twelve months of the date of this resolution, and that the Cooperative shall regularly report to the Board on the progress of the phased implementation; and

**BE IT FURTHER RESOLVED** that the adoption of the Power Supply and Commodity Risk Policy and confidential Appendix to the Power Supply and Commodity Risk Policy supersedes the Power Supply and Energy Management Policy and such resolutions of the Cooperative and fulfills such other requirements instituted by policies of the Cooperative as described herein; and

**BE IT FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the CEO, or designee, is authorized to take all such other actions necessary to implement this resolution.



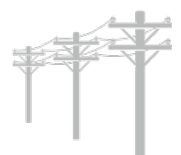
# POWER SUPPLY AND COMMODITY RISK MANAGEMENT POLICY

Effective Date: TBD, 2024

## POLICY AT A GLANCE

It is PEC's mission to provide **low-cost**, **reliable**, and **safe** energy solutions for the benefit of its Members. The purchase of electricity is required to satisfy PEC's obligations to its Members, and to manage PEC's Electric Energy Requirements.

## SUBJECTS INCLUDED IN THIS POLICY



## 1. PURPOSE

The purpose of this Power Supply and Commodity Risk Management Policy (“Policy”) is to establish overall direction regarding the identification, measurement, controls, and monitoring of physical and financial Commodity Risk exposures of the Pedernales Electric Cooperative, Inc. (“PEC” or “Cooperative”). The overall goal of this Policy is to effectively manage PEC’s Electric Energy Requirements while ensuring that the Commodity Risk exposure assumed by PEC is consistent with the Risk Appetite, expected cash flow, and Member rates of PEC. This Policy shall identify, report, and control the risk exposure of PEC in order for it to meet its business objectives. To the extent this Policy conflicts with any PEC policy approved prior to the effective date of this Policy, this Policy controls.

## 2. SCOPE

- 2.1. This Policy governs the management, reporting, and oversight of PEC’s Commodity Risk exposure.
- 2.2. This Policy governs the activities used to manage PEC’s Electric Energy Requirements, including the management of PEC’s Power Supply Portfolio and existing, and future, Power Supply contracts.

## 3. POLICY AND IMPLEMENTATION

### 3.1. Summary

PEC is a utility with operations/services in the Electric Reliability Council of Texas (“ERCOT”) market. PEC conducts Commodity Hedging strategies related to its electricity delivery operations to minimize Commodity Risk and provide rate stability to its Members.

Commodity Risk management is overseen by the Power Supply Committee (“PSC”). The PSC is delegated this authority from the PEC Board of Directors (“Board”), on the condition that the PSC enforce strict adherence to the Cooperative’s Risk Appetite, as established by the Board and supported by the Policy Appendix, related internal procedural documentation, and risk measurement of the Board-approved Risk Tolerance. The Policy Appendix, and related internal procedural documentation, are considered to be Competitive Matters as defined by the [Designation of Competitive Matters Policy](#), which provides an exception to disclosure under the [Open Records Policy](#) or attendance under the [Board Meetings Policy](#). The Policy Appendix is treated as Confidential.

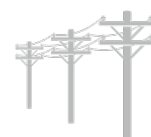
The Board approves a Risk Appetite against market Risk Tolerance, which is monitored and maintained by the PSC. In addition, the PSC shall appoint an Independent Risk Monitor to evaluate risk measurement and policy compliance for all Commodity Risk exposure. PEC’s Commodity Risks include native electricity load exposure, hedged commodity exposure, operational supply/consumption mismatch, and weather risks.

PEC will conduct Commodity Risk management activities by adhering to all objectives, activities, controls, and procedures in accordance with this Policy.

### 3.2. Power Supply Objectives

This Policy enables PEC to create, protect, and enhance value for PEC Members by authorizing PEC to undertake activities to meet the following Power Supply objectives:

- 3.2.1. PEC will strive to meet its Electric Energy Requirements at a reasonable cost.



- 3.2.2. PEC will strive to meet its Electric Energy Requirements while managing Commodity Risk as set forth in this Policy.
- 3.2.3. PEC will strive to meet its Electric Energy Requirements by developing a Power Supply Portfolio that consists of a diversified portfolio of multiple suppliers, multiple sources, and various contract lengths.

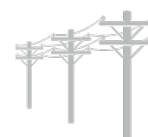
### 3.3. Risk Management Objectives

This Policy enables PEC to create, protect, and enhance value for PEC Members by authorizing PEC to undertake activities to meet the following risk management objectives:

- 3.3.1. PEC will strive to conduct Commodity Risk management activities to decrease variability to projected budgeted financial risks associated with providing retail electrical power and related services to PEC's Members.
- 3.3.2. PEC will manage Market Risk as set forth in the Policy Appendix and utilize internal procedures and controls necessary to effectively manage the Commodity Risk inherent in PEC's operations. It is designed to ensure that PEC actively considers and manages internal and external risks across its operations and that business decisions are made based upon a sound understanding of the threats and opportunities associated with the business activities.
- 3.3.3. PEC will strive to manage Credit Risk as set forth in the Policy Appendix and utilize internal procedures and controls to establish parameters and mitigation policies regarding the extension of commercial credit by PEC to its external counterparties.
- 3.3.4. PEC will strive to conduct activities under this Policy to achieve the appropriate risk mitigation objectives of the overall Power Supply Portfolio.
- 3.3.5. Financial speculation of any kind is not authorized or tolerated by PEC.
- 3.3.6. PEC will strive to mitigate risk associated with transactions entered into pursuant to this Policy by monitoring compliance with this Policy and by establishing appropriate risk measurements of the potential exposure of the approved financial objectives of PEC.

### 3.4. Power Supply Committee ("PSC")

- 3.4.1. The PSC is comprised of the following voting members: Chief Executive Officer ("CEO"); Chief Financial Officer ("CFO"); General Counsel ("GC"); Chief Compliance Officer ("CCO"); and Vice President of Finance (Controller). The PSC also includes the following non-voting members: Director of Power Supply and Delivery and Director of Risk and Strategic Analysis.
- 3.4.2. The CFO will serve as Chair of the PSC and monitor program performance and compliance with the Policy documentation.
- 3.4.3. The PSC will appoint an Independent Risk Monitor to provide a periodic, independent review of PEC's risk monitoring and reporting practices in accordance with industry standards.
- 3.4.4. The PSC will recommend and modify risk limits consistent with Risk Tolerance approved by the Board and manage and mitigate risks from market volatility against potentially unfavorable financial results while maintaining financial results within acceptable guidelines as set forth by the Board.
- 3.4.5. The PSC will advise the CEO regarding:





- 3.4.5.1. The creation, amendment, approval, and administration of internal documentation related to or supportive of this Policy.
- 3.4.5.2. Setting limits in conformance with the Risk Appetite and Risk Tolerance.
- 3.4.5.3. Ensuring all Commodity Hedging and transactional activities are performed in accordance with this Policy, Policy Appendix, and related internal documentation.
- 3.4.5.4. PEC's ongoing compliance with Policy requirements.

### 3.5. Delegation of Authority and Responsibilities

#### 3.5.1. Chief Executive Officer ("CEO")

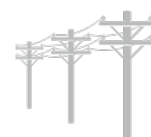
The CEO, on behalf of the Board and in accordance with the Board's [Authority and Responsibilities Policy](#), is granted the following authority and responsibilities as it relates to this Policy:

- 3.5.1.1. Execute energy hedge or physical transactions as granted under the authority imposed by the Board.
- 3.5.1.2. Ensure all transactional and risk activities of PEC are in accordance with this Policy.
- 3.5.1.3. Approve documentation for the administration of this Policy.
- 3.5.1.4. Ensure adequate measurement of PEC's Risk Tolerance for exposure.
- 3.5.1.5. Delegate and assign responsibilities to support functions to ensure a clear separation of duties.
- 3.5.1.6. Establish and implement a succession plan with respect to the duties of the CFO under this Policy.
- 3.5.1.7. Approve controls and periodically review the effectiveness of the program.
- 3.5.1.8. Approve contracts and other transactions necessary to implement this Policy.
- 3.5.1.9. Conduct PSC meetings regularly as required.

#### 3.5.2. Chief Financial Officer ("CFO")

The CFO is charged with the following responsibilities as it relates to this Policy:

- 3.5.2.1. Chair the PSC and monitor program performance and compliance with the Policy documentation.
- 3.5.2.2. Maintain appropriate financial controls for all hedge and operational transactions.
- 3.5.2.3. Maintain a separation of duties between individuals authorized to execute commodity transactions and those who monitor and report on such transactions.
- 3.5.2.4. Maintain an organization to monitor and report on all hedge transactions, and ensure documents and procedures developed to execute this Policy are reviewed periodically.
- 3.5.2.5. Manage risk reporting on a periodic basis to ensure adequate analysis of the Risk Tolerance is maintained.



- 3.5.2.6.** Establish measures for appropriate knowledge transfer and cross-training amongst PEC employees to ensure continuity of operations of the PSC under this Policy.

**3.5.3. Chief Compliance Officer (“CCO”)**

The CCO is charged with the following responsibilities as it relates to this Policy:

- 3.5.3.1.** Serve as a member of the PSC and is charged with ensuring that the hedge program complies as required with all internal PEC policies as applicable.
- 3.5.3.2.** Monitor compliance with the Cooperative’s Standards of Conduct Relating to Market-Sensitive Information.
- 3.5.3.3.** Ensure that any violations of this Policy or trade execution are escalated as set forth in the Policy Appendix or internal procedures.
- 3.5.3.4.** Monitor implementation of this Policy to ensure PEC maintains compliance with its obligations as a Load Serving Entity and Resource Entity registered with ERCOT.
- 3.5.3.5.** Report quarterly to the Board any material issues of Commodity Trade Compliance as set forth in the Policy Appendix or internal procedures.

**3.5.4. General Counsel (“GC”)**

The GC is charged with the following responsibilities as it relates to this Policy:

- 3.5.4.1.** Advise the PSC on federal and state regulatory requirements, and other legal requirements, associated with activities conducted under this Policy.
- 3.5.4.2.** Establish and monitor record retention procedures in accordance with PEC’s Records Management Policy and Procedures to properly effectuate this Policy.

**3.5.5. Vice President of Finance (Controller)**

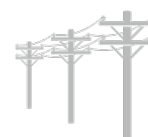
The Vice President of Finance (Controller) is charged with the following responsibilities as it relates to this Policy:

- 3.5.5.1.** Provide updates on potential risks and uncertainties associated with the Power Supply five-year rolling forecast of the Cost of Power.
- 3.5.5.2.** Ensure adequate quantification of the forecasted impacts of changes in market conditions, and market-based factors that may affect the Cost of Power.
- 3.5.5.3.** Establish Front Office, Middle Office, and Back Office financial controls to measure and control risk associated with the Power Supply and the Cost of Power in accordance with this Policy.
- 3.5.5.4.** Oversee and effectuate Credit Risk practices.

**3.5.6. Director of Power Supply and Delivery (non-voting)**

The Director of Power Supply and Delivery is charged with the following responsibilities as it relates to this Policy:

- 3.5.6.1.** Manage the Power Supply and delivery of the PEC commercial and retail electricity load.
- 3.5.6.2.** Provide the PSC updates on current and open Power Supply Portfolio positions and strategies to maintain risk exposures within tolerances set by this Policy.



**3.5.6.3.** Keep the PSC informed of market fundamentals and pricing updates affecting the Power Supply.

**3.5.6.4.** Provide the PSC status updates on Power Supply and strategies.

**3.5.7.** Director of Risk and Strategic Analysis (non-voting)

The Director of Risk and Strategic Analysis is charged with the following responsibilities as it relates to this Policy:

**3.5.7.1.** Develop the models used by PEC to perform risk reporting and analysis.

**3.5.7.2.** Provide the PSC periodic updates on load forecast.

**3.5.7.3.** Regularly report to the PSC regarding PEC's Power Supply position.

**3.6. Energy Transaction and Risk Management Activities**

PEC's energy transactions and risk management activities will comply with this Policy, other applicable PEC policies, and all applicable laws, rules, and regulations.

Energy transactions and risk management activities may include:

**3.6.1. Commodity-Related Transactions**

**3.6.1.1.** PEC may enter into transactions as needed to effectively manage the Power Supply Portfolio position.

**3.6.1.2.** PEC's commodity-related transactions may include the purchase and sale of power as well as related products and services, which may include financially settled transactions.

**3.6.2. Credit Risk Management**

**3.6.2.1.** PEC will ensure the integration of appropriate credit analysis to evaluate counterparty risk.

**3.6.2.2.** PEC will ensure from its analysis that appropriate credit provisions are adequate on a counterparty-by-counterparty basis.

**3.6.2.3.** PEC will regularly evaluate counterparty credit worthiness and require collateral as needed in accordance with the Policy Appendix and internal procedures.

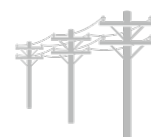
**3.6.2.4.** PEC will monitor credit-related financial exposure daily.

**3.6.3. Credit and Collateral Management**

**3.6.3.1.** PEC is granted authority to post collateral to counterparties for permitted transactions as may be required from time to time as a part of the hedge program, in the forms approved in the Policy Appendix.

**3.6.3.2.** PEC may extend unsecured credit to a counterparty only to the extent it is in conformance with this Policy and requirements set forth in the Policy Appendix.

**3.6.3.3.** All requirements for collateral will be a part of a process to be managed at the PSC level following the review of appropriate diligence of the contemplated transactions.



### 3.7. Delegation of Authority Limits

PEC employs a limit structure on its Power Supply Portfolio management activities as documented in the Policy Appendix that is intended to manage risk within the overall Risk Tolerance established by the Board.

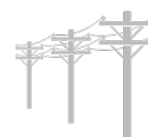
- 3.7.1. Approval limits for transactions relating to the sale and purchase of energy commodities (physical or financial) under this Policy may be delegated by the CEO or PSC as specified below:
  - 3.7.1.1. Approved transaction activities and products.
  - 3.7.1.2. Term/tenor limits associated with approved transactions.
  - 3.7.1.3. Approved product locations and pricing.
  - 3.7.1.4. Approved counterparties.
- 3.7.2. Commodity Hedging and optimization is permitted for the purpose of managing volumetric operational or price volatility risk.
- 3.7.3. Periodic review by the Independent Risk Monitor, which shall occur at least semi-annually, is required to ensure adequate risk quantification, valuation methodology, and deal approval requirements.

### 3.8. Reporting and Internal Controls

- 3.8.1. The CEO and/or members of the PSC will update the Board regularly on its activity under this Policy and will also provide the Board with updates on the Risk Tolerance, relevant risk reporting, any Policy violations or Risk Tolerance exceedances, business requirements, and notable industry matters as applicable.
- 3.8.2. The Policy Appendix sets forth Front Office, Middle Office, and Back Office requirements under this Policy. The CEO, in consultation with the PSC, will develop and adopt additional internal procedures and processes to ensure effective implementation of this Policy in conformance with the Board's approved Risk Appetite and Risk Tolerance. This documentation will be periodically updated and monitored as needed to ensure adherence to industry standards.
- 3.8.3. Internal documentation is maintained separately for structured transactions to ensure that all transactions are explicitly authorized and reviewed within this Policy.

## 4. DEFINITIONS

- 4.1. **Ancillary Services** – A service necessary to support the transmission of energy to Load Serving Entities while maintaining reliable operation of the transmission system.
- 4.2. **Back Office** – Primarily responsible for ensuring that financial records of PEC's Power Supply operations accurately reflect the current state of energy risk management and Power Supply Portfolio management activity.
- 4.3. **Commodity Hedging** – A risk management strategy that involves entering into transactions to reduce or offset the risk of adverse movements in commodity prices.
- 4.4. **Commodity Risk** – The possibility that the price of a commodity, such as electric energy, may be different than projected, resulting in unexpected financial outcomes.



- 4.5. **Commodity Trade Compliance** – The range of regulatory obligations that must be complied with by the Cooperative in undertaking commodity trading activities under this Policy.
- 4.6. **Congestion Revenue Rights (“CRRs”)** – A financial instrument that may result in a charge of a payment to the owner of the instrument when the transmission system is congested.
- 4.7. **Cost of Power** – The cost to PEC to meet the Electric Energy Requirements.
- 4.8. **Credit Risk** – Risk associated with the financial impact of a counterparty’s potential default on its obligations to PEC.
- 4.9. **Electric Energy Requirements** – All electric energy consumed by the Cooperative and Ancillary Services that are required to meet PEC Members’ energy requirements.
- 4.10. **Front Office** – Primarily responsible for managing the energy supply portfolio associated with PEC’s wholesale market activities and directing its daily physical and financial trading.
- 4.11. **Independent Risk Monitor** – Contracted resource tasked to provide an independent review of PEC’s risk monitoring and reporting practices in accordance with industry standards.
- 4.12. **Load Serving Entity (“LSE”)** – An entity that sells energy to customers, Members, or wholesale customers and that has registered as a Load Serving Entity with ERCOT.
- 4.13. **Load Zone** – A group of electrical buses assigned to the same geographic region as designated by ERCOT.
- 4.14. **Market Risk** – Risk associated with uncertainty in commodity pricing, commodity supply and demand, volatility, and market liquidity.
- 4.15. **Middle Office** – Primarily responsible for monitoring PEC’s energy management risk exposures and mitigation measures and ensuring compliance with relevant policies, guidelines, and procedures.
- 4.16. **Point-to-Point Obligation (“PTPs”)** – A forward contract that can result in either a payment or a charge to the Congestion Revenue Rights owner of record.
- 4.17. **Power Supply** – A collective term used to refer to wholesale power purchases and sales needed to serve PEC’s load obligation.
- 4.18. **Power Supply Portfolio** – A grouping of contracts, resources and any other assets used by PEC to meet the Electric Energy Requirements.
- 4.19. **Qualified Scheduling Entity (“QSE”)** – A market participant that is qualified by ERCOT for settling payments and charges.
- 4.20. **Renewable Energy Credits** – A tradeable instrument that represents all of the renewable attributes associated with one MWh of production from a certified renewable generator.
- 4.21. **Resource Entity** – A market participant that owns or controls a resource that sells energy or Ancillary Services into the ERCOT market and is registered as a Resource Entity.
- 4.22. **Risk Appetite** – A general level of risk that the Cooperative is willing to accept in order to meet the objectives of this Policy.
- 4.23. **Risk Management** – The process of managing uncertainty with the identification of procedures, to mitigate or minimize the risk.



**4.24. Risk Tolerance** – The acceptable level of Commodity Risk that quantifies the Risk Appetite.

**5. POLICY ENFORCEMENT**

The CEO, through the Administrator, will enforce this Policy. Violation of this Policy may result in disciplinary action, up to and including, termination.

**6. REFERENCES AND RELATED DOCUMENTS**

[Authority and Responsibilities Policy](#)

[Designation of Competitive Matters Policy](#)

[Open Records Policy](#)

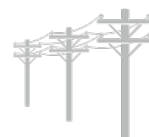
Policy on Policies

Records Management Policy and Procedures

Record Retention Schedule

Standards of Conduct Relating to Market-Sensitive Information.

Date adopted:	TBD, 2024
Last reviewed:	TBD, 2024
Review frequency:	Annually
Amendment dates:	
Effective date:	TBD, 2024
Approver:	Board of Directors
Applies to:	Board of Directors All Employees Identified in Program Documents
Administrator:	Chief Financial Officer
Superseding effect:	This Policy supersedes all previous policies and memoranda concerning the subject matter. Only the Approver may authorize exceptions to this Policy.





# Power Supply and Commodity Risk Policy

Randy Kruger, Jr. | CFO



# Delegation of Authority Overview

- In the changing ERCOT power market, PEC needs the ability to nimbly execute power supply transactions, often within tight time constraints. PEC staff is requesting that the Board provide the authority to engage in transactions bound by the following guardrails:
  - Clear parameters for the types of transactions permitted, which are consistent with industry best practices, as set forth in the Power Supply and Commodity Risk Policy;
  - A monetary budget for the purchase of power supply through the yearly budgeting process with a requirement that power costs stay within a tolerance set by the PEC Board;
  - Review of and approval of transactions by the Power Supply Committee, which creates checks and balances; and
  - Regular reporting requirements to the Board regarding power supply transactions.

# Power Supply and Commodity Risk Policy

- Policy provisions are contained in three documents
  - **Power Supply and Commodity Risk Management Policy** ("Policy"), the public facing board policy
  - **Power Supply and Commodity Risk Management Policy Appendix** ("Policy Appendix"), the confidential board policy
  - **Commodity Risk Management Procedures Manual** ("Manual"), the CEO level manual governing day-to-day operational details

# Policy Drafting Team

- These policy document have been drafted and reviewed by many subject matter experts to ensure best practices are being adopted.

Name	Role
<i>Internal</i>	
Randy Kruger	CFO
Andrea Stover	GC
Christian Powell	CCO
Kat Jones	VP Finance (Controller)
Erika Kane	Associate General Counsel
Lance Cunningham	Director of Market Risk and Strategic Analysis
Rob Strobel	Director of Power Supply and Delivery
<i>External</i>	
Glenn Labhart	CEO Labhart Risk Advisors
Elaine Walsh	Baker Botts firm wide power practice chair

# Executive Summary of Policy Features

- The main purpose of the power supply policy is to ensure base power rate stability for PEC members, while giving PEC management the ability to nimbly execute within guardrails.
  1. Defines board risk tolerance
  2. Establishes minimum hedge levels
  3. Delegates day-to-day management to Power Supply Committee
  4. Defines authorized markets and transaction types
  5. Sets general and specific transaction limits
  6. Sets counterparty credit standards
  7. Establishes reporting and internal control standards
  8. Requires CEO and CFO to establish procedures for succession planning and continuity of operations

# Power Supply Committee (PSC) Role

- The PSC will set sub-limits below those conducting daily transactions and hold primary responsibility for managing price risk volatility to tolerances set by the board.
- The PSC will advise the CEO regarding:
  - The creation, amendment, approval, and administration of internal documentation related to or supportive of the Policy.
  - Setting limits in conformance with the Risk Appetite and Risk Tolerance.
  - Ensuring all commodity hedging and transactional activities are performed in accordance with the Policy, Policy Appendix, and related internal documentation.
  - PEC's ongoing compliance with Policy, legal, and regulatory requirements.

# 3(b) PSC Staffed by Highly Qualified Personnel

Title	Name	Voting	Role	Years Experience	Background
<b>CEO</b>	Julie Parsley	Yes	General oversight and delegation authority for the Policy.	30	Regulatory, public policy and legal—Public Utility Commission Commissioner, Texas Solicitor General, private law practice
<b>CFO</b>	Randy Kruger	Yes	Chair of the PSC and responsible for monitoring program performance and compliance with the Policy	32	Energy trading, risk management and finance—Direct Energy Business, JP Morgan Commodities, Bear Stearns Commodities, Calpine, Arthur Andersen
<b>GC</b>	Andrea Stover	Yes	Advise the PSC on federal and state regulatory requirements, and other legal requirements associated with activities conducted under this Policy	20	Energy and utility law—Baker Botts co-chair Energy Regulatory Section, represented clients in matters before ERCOT, Texas PUC, ERCOT, FERC and state and local courts
<b>CCO</b>	Christian Powell	Yes	Ensure compliance with external laws and regulations as well as internal policies.	20	Utility regulatory, compliance and risk management—represents PEC on ERCOT Technical Advisory Committee, Wholesale Market Subcommittee, and Retail Market Subcommittee, 18 years with LCRA
<b>VP Finance</b>	Kat Jones	Yes	Responsible for risk reporting, settlements, credit and related controls	21	Energy trading, risk management and finance—NRG, Direct Energy Business, Centrica
<b>Dir. Power Supply and Delivery</b>	Rob Strobel	No	Execute transactions and maintain appropriate hedge levels as well as manage LCRA contract	28	Energy trading and origination—Energy Edge, AEP, Deutsche Bank Energy Trading, Citi Group Energy, Cinergy, Dynegey
<b>Dir. Market Risk and Strategic Analysis</b>	Lance Cunningham	No	Develop risk models and perform risk reporting and analysis.	37	Energy trading and risk management—Denton Municipal Electric, Luminant, Enron
<b>Independent Risk Monitor</b>	Glenn Labhart	No	Appointed by the PSC to perform periodic, independent review of PEC’s risk monitoring and reporting practices in accordance with industry standards	45	Energy trading and risk management—CEO of Labhart Risk Advisors, provides commodity risk advisory services to clients engaged in all aspects of the energy value chain, former trader and Chief Risk Officer for Dynegey, GARP Global Risk Manager of the Year 2001.

# PEC's policy is consistent with industry standards

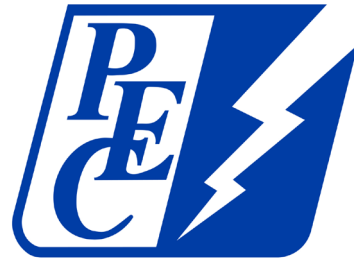
- Long term open positions are closed **over multiple years**, making risk management nimbler to manage shorter term volatility
- Transactions are executed to keep positions within **guardrails**
  - policies set out authorized products, volume limits, tenor, credit and delegations of authority
- Policies have **robust reporting and monitoring** framework
  - Policies **segregate duties** between people transacting, reporting and settling transactions



	Power Supply Committee, CEO, CFO, GC, CCO, VP Finance, Director of Power Supply and Delivery, Director of Strategic Analysis and Market Risk	CEO, Risk Management Committee and CFO	Audit Compliance & Governance Committee, Risk Oversight Committee, Chief Risk Officer, Front Office	Commodity Risk Management Committee, CFO, COO, Front Office	Risk Management Committee (City Manager, DME General Manager, Director of Finance, DME Regulatory & Risk Manager) also DOA down to trader level
Delegation of Authority					
Description of Risk Management Objectives	✓	✓	✓	✓	✓
Definition of Risk Management Activities	✓	✓	✓	✓	✓
Limits					
Authorized Products	✓	✓	✓	✓	✓
Term/Tenor Limits	✓	✓	✓	✓	✓
Volume Limits	✓	✓	✓	✓	✓
Approved locations and sources	✓	✓	✓	✓	✓
Approved counterparties/credit	✓	✓	✓	✓	✓
Limits on speculating	✓	✓	✓		✓
Standards of Conduct and Care	*	✓			✓
Reporting and Internal Controls	✓	✓	✓	✓	✓

\* Covered by PEC Code of Conduct





PEDERNALES ELECTRIC COOPERATIVE



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**File #: 2024-355, Version: 1**

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**Resolution - Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas - C Powell**

**Submitted By: Christian Powell**

**Department: Compliance & Regulatory**

**Financial Impact and Cost/Benefit Considerations: As previously discussed in Executive Session.**

Pedernales Electric Cooperative, Inc. ("PEC") is a transmission service provider and allowed to file an interim transmission cost of service rate filing pursuant to 16 Texas Administrative Code ("TAC") § 25.192(h) as established by the Public Utility Commission of Texas ("PUCT"). 16 TAC § 25.192(h) provides that a transmission service provider may apply to update its transmission rate on an interim basis not more than twice per calendar year to reflect changes in its invested capital and other designated items.

PEC's transmission cost of service rates were established through a final order issued by the PUCT in Docket No. 22533 on March 7, 2001, and updated through interim rate updates in Docket No. 49584 approved on July 30, 2019, Docket No. 51375 approved on November 10, 2020, Docket 52884 approved on January 19, 2022, Docket 54305 approved on January 3, 2023, and Docket 55927 approved on January 19, 2024. PEC's transmission cost of service rates established in Docket No. 55927 reflect invested capital through the end of August 2023.

PEC plans to file for an interim update of its transmission cost of service rates to reflect the addition and retirement of transmission facilities from September 1, 2023 through September 30, 2024, with appropriate depreciation, associated taxes, and the PUCT-authorized rate of return on such facilities, as well as changes in loads, included pursuant to 16 TAC § 25.192(h).

**NOW THEREFORE BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE**, that the Cooperative may file an interim transmission cost of service rate filing pursuant to 16 TAC § 25.192(h) at the PUCT as discussed by the Board this day; and

**BE IT FURTHER RESOLVED**, that the Chief Executive Officer, or a designee, is authorized to take all such actions as needed to implement this resolution.



# 2024 Interim TCOS Filing

Christian Powell | Chief Compliance Officer

# Transmission Cost of Service (TCOS) Overview

- TCOS filings are governed by Public Utility Commission of Texas (PUCT) Substantive Rule §25.192
  - PEC's last full TCOS case was approved in 2001 (Docket No. 22533)
  - PEC's first interim update with 20 years of transmission capital investment was approved in July 2019 (Docket No. 49584) (interim filings do not adjust transmission O&M expense)
  - PEC has filed four subsequent interim updates
    - 2020 (Docket No. 51375)
    - 2021 (Docket No. 52884)
    - 2022 (Docket No. 54305)
    - 2023 (Docket No. 55927)
- TCOS includes the return *of* and *on* investment in the transmission system
- TCOS for all ERCOT transmission utilities is paid by all distribution providers in ERCOT based on 4CP load ratio share (PEC is 2.34% of the 4CP load in ERCOT)

# Overview of PEC 2024 TCOS Interim Update

- Seeks inclusion of actual capital investment made as of September 30, 2024 and since the amounts approved in PEC's 2023 interim TCOS update
  - Details transmission capital projects placed into service between September 1, 2023 through September 30, 2024 that are "used and useful"
  - Reflects changes in transmission invested capital, appropriate depreciation, associated taxes, the PUCT-authorized rate of return (PEC ROR is 9.6%), and changes in loads
- Filing supported by written testimony from PEC witnesses
- Board approval requested to file application at the PUCT
- Prudence of transmission investment since PEC's first full TCOS will be reviewed during PEC's next full TCOS filing



pec.coop



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**File #:** 2024-335, **Version:** 1

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**Resolution - Approval of Junction Warehouse Expansion - N Fulmer**

**Submitted By:** Nathan Fulmer

**Department:** Operations

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session; (amounts to be included in the Cooperative's Capital Improvement Budgets).

The Cooperative requires construction services to complete improvements to the Junction Warehouse facilities including civil site work, entrance gate realignment, perimeter fencing, construction of a fleet support building, expansion of existing warehouse and office spaces, and supporting site infrastructure. The Cooperative will execute a construction service contract.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Board approves the service contract for the capital improvement project to expand the Junction Warehouse facilities in amounts approved in the annual Capital Budgets; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to execute and deliver such contract on behalf of the Cooperative as described herein; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take any further actions as may be needed to implement this resolution.





2024-335 - Resolution  
Approval of Junction Warehouse Expansion

Nathan Fulmer, Chief Operations Officer Distribution

# Junction Warehouse Expansion Overview

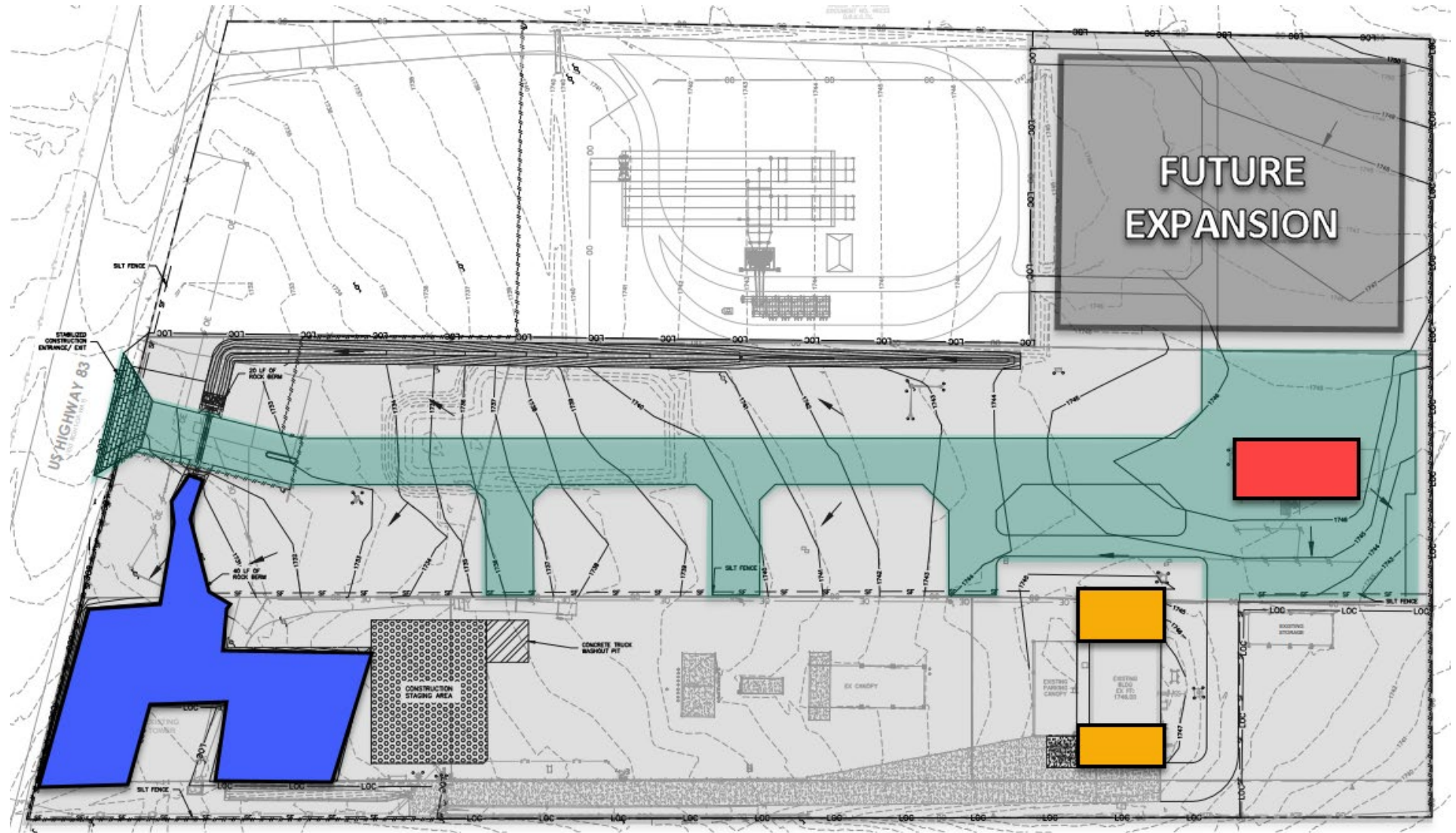
## Scope of Work Overview

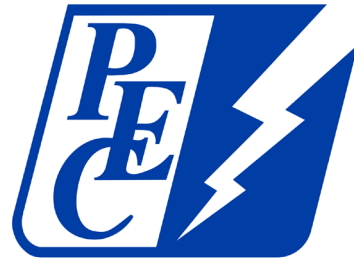
- Expand Existing Warehouse & Office Space
- Construct Fleet Support Building
- Main Entrance and Gate Realignment
- Warehouse Storage Yard Base
- Perimeter Fence Replacement
- Stormwater Runoff Containment
- Civil Site Work
- Supporting Infrastructure



# Junction Warehouse Expansion Overview

- WH & Offices
- Fleet Support
- Gate & Drive
- Stormwater





PEDERNALES ELECTRIC COOPERATIVE



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File #: 2024-336, Version: 1

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## Resolution - Approval of Distribution Construction Contract Master Services Agreement - N Fulmer

**Submitted By: Nathan Fulmer**

**Department: Operations**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**

The Cooperative requires contractors to support overhead and underground distribution line construction, emergency response, service work and other services and has requested qualifications from vendors to consider contracts for the performance of these services for the period January 1, 2025 to December 31, 2029. The Cooperative anticipates reviewing the performance of the vendors each year and may request qualifications from additional vendors and add or remove vendors depending on the outcome of the reviews. The amounts approved over this period will be included annually in the Capital and Operating Budgets.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board approves contracting for distribution contractor services with terms through December 31, 2029, and in amounts approved in the annual Capital and Operating Budgets, as discussed this day;

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to execute and deliver contracts from time to time for distribution contractor services on behalf of the Cooperative as described herein; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take any further actions as may be needed to implement this resolution.



2024-336 Resolution -  
Approval of Distribution Construction Contract Master  
Services Agreement

Nathan Fulmer, Chief Operations Officer - Distribution

# Distribution Construction Services Overview

- **5 Year Master Services Agreement (2025 thru 2029)**
- **Vendors Qualified, Added & Removed Throughout Term**
- **Distribution Operations Functions Supported**
  - Emergency Construction Services
  - Line Construction
  - Pole Contacts Make Ready
  - Service Work & Maintenance
  - Excavation Services
- **Embedded Cost Controls**



# Scope of Work Overview

- **Emergency Response Construction Services**
  - Emergency response support (EOP, Normal Operations, etc.)
  - Increasing Emergency Response vendors to ensure resource availability
- **Line Construction**
  - Planned projects (overhead, underground, capital replacements, etc.)
  - Single price production units for all vendors based on market value research.
- **Pole Contacts**
  - Pole Contacts 'Make-Ready' work for new attachments.
- **Service Work**
  - Staff augmentation and project support (metering, maintenance, new connects, etc.)
- **Excavation Services**
  - Dry utility civil work (vault, pipe, & pad installation) to support projects requiring PEC to install URD civil infrastructure.





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File #: 2024-329, Version: 1

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## Resolution - Approval to Review and Reaffirm/Amend Audit Committee Charter - A Stover

**Submitted By: Andrea Stover**

**Department: General Counsel**

**Financial Impact and Cost/Benefit Considerations: Expenditure of Cooperative funds estimated in the amount of \$0; expenditures of staff time estimated in amount of 0 hours (other than ordinary processing requirements).**

The Board's Committee Guidelines require that the Board annually review, reaffirm, or amend the charters of all Standing Committees. On July 15, 2013, the Board voted to dissolve all standing committees except the Audit Committee. The Audit Committee charter was last reviewed and approved by the Board on July 15, 2022.

The Guidelines further provide that a Standing Committee may be established by a vote of at least two-thirds of the directors in attendance at a meeting. A Standing Committee shall exist until such time, if any, as the Standing Committee is abolished by a vote of at least two-thirds of the directors in attendance at a meeting.

Each Standing Committee shall be composed of at least three (3) directors, including a chairperson, appointed annually by the Board President, and approved by a majority of the Board, at a Regular or Special Called Board Meeting following the Annual Membership Meeting, or at any other time when a vacancy occurs in the chair. The current members of the Audit Committee are James Oakley, Amy SJ Akers, and Milton Rister. The Audit Committee last met on October 15, 2024.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS** that the Board has reviewed the charter of the Audit Committee and reaffirms the charter of the Audit Committee as presented to and discussed by the Board this day, with such amendments or changes, if any, as were discussed and approved by the Board; and

**BE IT FURTHER RESOLVED** that the Chief Financial Officer, as designee of the Chief Executive Officer, is hereby authorized and directed to take all such action as may be necessary to implement this resolution.



# Revision to Audit Committee Charter

Andrea Stover, General Counsel

# Audit Committee Charter

## Background

- The Board's Audit Committee provides an independent review of the Cooperative's accounting and financial reporting, oversees the annual financial audit, makes recommendations to the Board, and receives periodic reports from the Cooperative's internal audit function.
- The Board's Audit Committee has a Charter that was originally adopted in September of 2009, and amended several times since.
- PEC strives for a regular review of this Charter.
- During the current review, PEC has identified certain revisions and improvements for clarity of the Charter and the Committee's duties and responsibilities.
- These revisions were presented to the Board as a draft resolution in October of 2024 and now for approval at the November 2024 Board Meeting. If approved, the revised version will be effective following this Board meeting.

# Proposed Revisions to the Audit Committee Charter

- The title was changed from “Charter of the Audit Committee of the Board of Directors of Pedernales Electric Cooperative, Inc.” to “Audit Committee Charter”.
- The term “internal auditor” was changed throughout the document to “internal audit function”.
- Certain duties and responsibilities were relocated within the list to improve the organization of the document.
- Item (g) filing requirement was removed because it is not applicable to this Committee.
- The references to the “Institute of Internal Auditors’ Definition of Internal Auditing” and the “International Standards for Professional Practice of Internal Auditing” were removed because they are not applicable to this Committee.
- The term “chief audit executive” was replaced with “executive overseeing the Cooperative audit function”.
- Item (p) was revised to clarify the duty as reviewing the Cooperative’s Form 990 Return of Organization Exempt From Income Tax.
- Item (q) was removed because it is either no longer applicable to the Committee (in the case of the Insurance Continuation Plan) or addressed in other Board Policies (in the case of the Defined Benefit Retirement Plan and 401(k) Savings Plan).
- Various other non-material language updates were made for policy consistency.







## ~~CHARTER OF THE BOARD OF DIRECTORS OF PEDERNALES ELECTRIC COOPERATIVE, INC.~~ **CHARTER OF THE AUDIT COMMITTEE**

### 1. PURPOSE OF THE AUDIT COMMITTEE

The purpose of the Audit Committee of Pedernales Electric Cooperative, Inc. (~~the "PEC" or "Cooperative"~~) Board of Directors ("Board") is to provide independent review of the Cooperative's accounting and financial reporting, oversee the annual financial audit, make recommendations to the Board, and receive periodic reports from the Cooperative's internal auditor ~~of function~~.

### 2. COMPOSITION AND TERM OF THE COMMITTEE

The Audit Committee shall be elected annually at a regular ~~B~~board meeting, within three (3) months after the Annual Meeting. It shall be composed of three (3) members of the Board, each to serve one (1) year terms. The Board President shall appoint the chair of the Audit Committee with approval by the Board.

### 3. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The duties and responsibilities of the Audit Committee shall be to:

- a) Review significant accounting and reporting issues, including complex or unusual transactions and ~~highly judgmental areas, and~~ recent professional and regulatory pronouncements, and understand their impact on the financial statements as part of the annual financial audit.
- ~~b) to~~ Determine whether the Cooperative is complying with specific Board directions and adopting best management practices to cover all regular and special audit requirements.
- ~~b)c)~~ Recommend selection of an external independent financial auditor ("external auditor").
- ~~e)d)~~ ~~to~~ Periodically meet with the ~~external financial~~ auditors to review the preparation of the annual financial audit and management letter, and to coordinate with management to discuss the management letter with the full Board and to review ~~expense audit and internal~~ audit issues.
- ~~e)e)~~ Review with management and the external auditors all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
- ~~e)~~ ~~recommend selection of an external independent auditor;~~
- f) Understand how management develops interim financial information, and the nature and extent of ~~internal and~~ external auditor involvement.
- ~~g)~~ ~~Review interim financial reports with management and the external auditors when filing with regulators, and to consider whether they are complete and consistent with the information known to Audit Committee members.~~

**Commented [MB1]:** Note: Changes were made to this section to reflect the clarification of the item, the relocation of the item for improved organization, or the removal of the item because it is otherwise managed by the Board under a separate PEC policy.



- ~~h)g)~~ Consider the effectiveness of the company's internal controls ~~system, including information technology security and control.~~
- ~~h)h)~~ Review the effectiveness of the ~~Cooperative's internal~~ audit function, including conforming with the ~~Institute of Internal Auditors' Definition of Internal Auditing, PEC Code of Conduct, and PEC Ethics and Compliance Program, and the International Standards for Professional Practice of Internal Auditing.~~
- ~~h)i)~~ On a regular basis, meet separately with the ~~chief audit~~ executive overseeing the Cooperative's audit function to discuss any matters that the Audit Committee or the Cooperative's internal-audit function believes should be discussed privately.
- ~~h)j)~~ Review the external auditor's' proposed audit scope and approach, including coordination of the audit effort with internal the Cooperative's audit function.
- ~~h)k)~~ Review the performance of the external auditors.
- ~~h)l)~~ On a regular basis As needed, meet separately with the external auditors to discuss any matters that the Audit Committee or external auditors believe should be discussed privately.
- ~~h)m)~~ Regularly report to the Board ~~of Directors~~ about Audit Committee activities, issues, and related recommendations.
- ~~e)~~ ~~institute and oversee special investigations as needed;~~
- ~~h)n)~~ ~~Rto~~ review the Cooperative's Form 990 Return of Organization Exempt From Income Tax including, but not limited to, expenses of the Board, the financial compensation package of PEC executive-level/key employees staff, and employee benefits;
- ~~e)~~ ~~to consider and make recommendations to the Board in all matters concerning the Board's role as sponsor of the Cooperative's Employees Defined Benefit Retirement Plan, Insurance Continuation Plan, the Cooperative's Employees' 401(k) Savings Plan (collectively, the "Plans"); and~~
- ~~h)o)~~ ~~to~~ Perform any and all such other duties as may be assigned to the Audit Committee by the Board from time-to-time, including, without limitation, overseeing special investigations as may be needed.

#### 4. COMMITTEE MEETING

The Audit Committee shall meet at least two (2) times per year with authority to convene additional meetings as necessary and convenient. Personal attendance of Audit Committee members is preferred and encouraged, but Audit Committee members may attend via tele-conference or video conference when attendance in person is not possible.

#### 5. SCOPE OF AUTHORITY OF THE AUDIT COMMITTEE

The Audit Committee is advisory, and shall have no authority to act on behalf of the Board or the Cooperative, except in matters where that authority has been expressly granted or otherwise delegated to the Audit Committee by Board approval of this Charter, or by Board vote in a meeting conducted in compliance with the Cooperative's Board Meetings Policy. Notwithstanding the foregoing, the Chair of the Audit Committee is authorized, as a duly authorized agent of the



Cooperative, for and in the name and on behalf of the Cooperative, to execute any engagement letter(s) with an external auditor~~s~~, consistent with and pursuant to terms of such engagement~~s~~ as approved by Board resolution.

## 6. GOVERNING LAWS AND POLICY

The Audit Committee will be governed in all respects by state and federal law, the Cooperative's Articles of Incorporation, the Cooperative's Bylaws, the Board Meetings Policy, and the Board Committee Guidelines.

Date adopted:	September 21, 2009
Last reviewed:	<del>June 19, 2020</del> <u>TBD</u>
Review frequency:	Annually
Amendment dates:	July 6, 2012; August 15, 2016; June 17, 2017; July 19, 2019; June 19, 2020; <u>TBD</u>
Effective date:	<del>June 19, 2020</del> <u>TBD</u>
Approver:	Board of Directors
Applies to:	Board of Directors Audit Committee
Administrator:	Board of Directors and General Counsel
Superseding effect:	This <u>Charter</u> <del>Policy</del> supersedes all previous <del>policies and memoranda</del> <u>charters</u> concerning the subject matter. Only the Approver may authorize exceptions to this <del>Policy</del> <u>Charter</u> .



## **AUDIT COMMITTEE CHARTER**

### **1. PURPOSE OF THE AUDIT COMMITTEE**

The purpose of the Audit Committee of Pedernales Electric Cooperative, Inc. ("PEC" or "Cooperative") Board of Directors ("Board") is to provide independent review of the Cooperative's accounting and financial reporting, oversee the annual financial audit, make recommendations to the Board, and receive periodic reports from the Cooperative's internal audit function.

### **2. COMPOSITION AND TERM OF THE COMMITTEE**

The Audit Committee shall be elected annually at a regular Board meeting, within three (3) months after the Annual Meeting. It shall be composed of three (3) members of the Board, each to serve one (1) year terms. The Board President shall appoint the chair of the Audit Committee with approval by the Board.

### **3. DUTIES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE**

The duties and responsibilities of the Audit Committee shall be to:

- a) Review significant accounting and reporting issues, including complex or unusual transactions and recent professional and regulatory pronouncements, and understand their impact on the financial statements as part of the annual financial audit.
- b) Determine whether the Cooperative is complying with specific Board directions and adopting best management practices to cover all regular and special audit requirements.
- c) Recommend selection of an external independent financial auditor ("external auditor").
- d) Periodically meet with the external auditor to review the preparation of the annual financial audit and management letter, and to coordinate with management to discuss the management letter with the full Board and to review audit issues.
- e) Review with management and the external auditor all matters required to be communicated to the Audit Committee under generally accepted auditing standards.
- f) Understand how management develops interim financial information, and the nature and extent of external auditor involvement.
- g) Consider the effectiveness of the company's internal controls.
- h) Review the effectiveness of the Cooperative's audit function, including conforming with the PEC Code of Conduct, and PEC Ethics and Compliance Program.
- i) On a regular basis, meet separately with the executive overseeing the Cooperative's audit function to discuss any matters that the Audit Committee or the Cooperative's audit function believes should be discussed privately.
- j) Review the external auditor's proposed audit scope and approach, including coordination of the audit effort with the Cooperative's audit function.



- k) Review the performance of the external auditor.
- l) As needed, meet separately with the external auditor to discuss any matters that the Audit Committee or external auditor believe should be discussed privately.
- m) Regularly report to the Board about Audit Committee activities, issues, and related recommendations.
- n) Review the Cooperative's Form 990 Return of Organization Exempt From Income Tax including, but not limited to, the financial compensation of PEC executive-level/key employees;
- o) Perform any and all such other duties as may be assigned to the Audit Committee by the Board from time-to-time, including, without limitation, overseeing special investigations as may be needed.

#### **4. COMMITTEE MEETING**

The Audit Committee shall meet at least two (2) times per year with authority to convene additional meetings as necessary and convenient. Personal attendance of Audit Committee members is preferred and encouraged, but Audit Committee members may attend via teleconference or video conference when attendance in person is not possible.

#### **5. SCOPE OF AUTHORITY OF THE AUDIT COMMITTEE**

The Audit Committee is advisory and shall have no authority to act on behalf of the Board or the Cooperative, except in matters where that authority has been expressly granted or otherwise delegated to the Audit Committee by Board approval of this Charter, or by Board vote in a meeting conducted in compliance with the Cooperative's [Board Meetings Policy](#). Notwithstanding the foregoing, the Chair of the Audit Committee is authorized, as a duly authorized agent of the Cooperative, for and in the name and on behalf of the Cooperative, to execute any engagement letter(s) with an external auditor, consistent with and pursuant to terms of such engagement as approved by Board resolution.

#### **6. GOVERNING LAWS AND POLICY**

The Audit Committee will be governed in all respects by state and federal law, the Cooperative's [Articles of Incorporation](#), the Cooperative's [Bylaws](#), the Board Meetings Policy, and the [Board Committee Guidelines](#).



Date adopted:	September 21, 2009
Last reviewed:	TBD
Review frequency:	Annually
Amendment dates:	July 6, 2012; August 15, 2016; June 17, 2017; July 19, 2019; June 19, 2020; TBD
Effective date:	TBD
Approver:	Board of Directors
Applies to:	Board of Directors Audit Committee
Administrator:	Board of Directors and General Counsel
Superseding effect:	This Charter supersedes all previous charters concerning the subject matter. Only the Approver may authorize exceptions to this Charter.



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**File #:** 2024-337, **Version:** 1

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**Draft Resolution - Approval of 2025 Election Timeline and 2025 Election Communications Plan - A  
Stover/C Tinsley Porter**

**Submitted By:** Andrea Stover  
**Department:** General Counsel/External Relations  
**Financial Impact and Cost/Benefit Considerations:** N/A

Section 3.2 of the Pedernales Electric Cooperative Inc. (PEC) Election Policy and Procedures provides that “at a Regular Board Meeting at least [six] 6 months prior to each Annual Meeting, the General Counsel or designee will develop and present to the Board a proposed timeline, with specific dates and deadlines for election-related events . . . (“Election Timeline”).” After such presentation in accordance with Section 3.2, “[t]he Board will consider, amend (if desired), and approve an Election Timeline at least [five] (5) months prior to each Annual Meeting.” The proposed Election Timeline sets out the key dates relative to the 2025 election to be held before the PEC Annual Meeting, currently scheduled for June 2025 (“2025 PEC Election”).

Given the PEC Annual Meeting is more than six (6) months away, the PEC Board may now review and approve the 2025 Election Timeline.

In addition, Section 7.3 of the PEC Election Policy and Procedures provides that “at or before the Regular Board Meeting five (5) months before an election, the PEC Communications Department will present to the Board an Election Communications Plan (“Communications Plan”), outlining the communications efforts that will be employed to inform PEC members of the issues in any Non-Director Election and the Candidates, and the contact information for Members who have questions about the election process.”

Section 7.3 of the PEC Election Policy and Procedures also provides that “at a minimum, the Communications Plan will include prominent references to the Election on PEC’s Internet site, posting of Candidates’ biographical materials and conflict-of-interest certification and disclosure forms of Candidates, use and distribution of printed materials and information on how to obtain answers to Election-related questions, obtain Ballots (including replacement Ballots), and cast Ballots; and PEC Corporate Statistics in a form approved by the Board in the Communications Plan . . . . PEC Corporate Statistics may be communicated multiple times during the election cycle as approved in the Communications Plan.”

Given the PEC Annual Meeting is more than five (5) months away, the PEC Board may now review and approve the 2025 Communications Plan.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that pursuant to Sections 3.2 of the PEC Election Policy and Procedures, the Election Timeline in the form presented to the Board, and with any changes approved by the Board, is adopted as the 2025 Election Timeline and Communication Plan for the 2025 PEC Election; and

**BE IT FURTHER RESOLVED** that pursuant to Section 7.3 of the PEC Election Policy and Procedures, the Communications Plan in the form presented to the Board, and with any changes approved by the Board, is adopted as the 2025 Election Communications Plan for the 2025 PEC Election; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, the General Counsel, or their designees, are

hereby authorized to take all such action as may be necessary to implement this resolution and conduct the 2025 PEC Election.



All due dates apply to all election ballots.

#	Item	EPP or Other Policy	Responsible Party	Due Date	**2024-2025 Deadline
1	Draft Resolution - Approval of Annual Election Services Provider Contract	4.1	BOD/GC/GT	At or before the August regular board meeting	6/17/24
2	Final Resolution - Approval of Annual Election Services Provider Contract	4.1	BOD/GC/GT	At or before the August regular board meeting	7/19/24
3	Draft Resolution - Establish Annual Meeting date and location	3.1	BOD/GC/GT	At or before the August regular board meeting but no later than December each year	9/20/24
4	Final Resolution - Establish Annual Meeting date and location	3.1	BOD/GC/GT	At or before the August regular board meeting but no later than December each year	10/25/24
5	Present draft Election Timeline	3.2	GT	At least six (6) months prior to Annual Meeting	11/15/24
6	Communications draft plan overview presented to the BOD	7.3	ER	At or before regular board meeting five (5) months before an election	11/15/24
7	Approve Election Timeline	3.2	BOD	At least six (6) months prior to Annual Meeting	12/20/24
8	Final communications plan to be approved by the BOD	7.3	BOD	At or before regular board meeting five (5) months before an election	12/20/24
9	Conduct internal coordination meeting and establish PEC Election Team	3.3	GC/GT/ER/IT/Mapping/Member Relations/SBS	Upon approval of the Election Timeline ( <i>meeting set after approval of election timeline</i> )	1/3/25
10	Retain background verifier	6.2.1.7	GC/GT	As specified in this timeline	1/3/25
11	Post and make available nomination application and ballot materials	6.2.1.1.1	BRS/GT/ER/Mapping/Member Relations	At least five (5) months prior to Annual Meeting	1/21/25
12	Direct the General Counsel to prepare proposed Non-Director election items	6.1	GC/BOD	No later than the regular board meeting five (5) months prior to an election	1/17/25
13	Membership List available	7.7	GT/IT/Member Relations	Two (2) months before the deadline for candidate application as specified in Section 6.2.1.4.	1/24/25
14	Directors requested to submit the name(s) of a person or persons (including an alternate) residing in the directors' district eligible and willing to serve on the QEC	6.2.1.6	BOD/GT	As specified in this timeline	1/31/25
15	Directors submit name(s) of persons (including an alternate) residing in the directors' district eligible and willing to serve on the QEC	6.2.1.6	BOD/GT	At least a week before the regular board meeting four (4) months prior to an election	2/7/25
16	Election Services Provider to present quality control steps to the General Counsel	7.11	SBS/GC/GT	Four (4) months prior to the member meeting, the Election Services provider shall provide PEC a list of quality control steps to be taken before the member meeting, including process for the release and announcement of election results	2/21/25
17	BOD appoints the QEC	6.2.1.6	BOD/QC	At the regular board meeting (4) months before an election	2/21/25
18	Nomination application and ballot materials deadline to be delivered to the Governance Team at PEC Headquarters in Johnson City, TX	6.2.1.4	Candidate Applicants/GT	At or before 5:00PM on the last business day falling 82 days or more before the date of the member meeting	3/24/25
19	Member Record Date for Petition Signatures	5.1	GT/Member Relations	At or before 5:00PM on the Record Date for a member to be eligible to sign a nomination petition is the date of the verification of the signatures by PEC	3/24/25

## All due dates apply to all election ballots.

#	Item	EPP or Other Policy	Responsible Party	Due Date	**2024-2025 Deadline
20	QEC meeting date	6.2.1.6	QEC/GC/EC/GT	The QEC reviews all candidate material and then makes recommendation to the BOD of the candidates' slate	4/2/25 & 4/3/25
21	Candidate Orientation/Photographs	7.1, 7.5	Candidate Applicants/GT/ER	The week preceding the April regular meeting of the BOD	4/7/25
22	Election withdrawal deadline for removal from ballot	7.2	Candidate Applicants	Before BOD approval of ballot	TBD
23	Presentation and approval of candidate slate, ballot, and any non-director election items	6.2.1.9, 6.2.1.10	QEC/GC	At least two (2) months prior to an election	TBD
24	Written notice of annual member meeting	TX Utilities Code 161.068	GC/GT	Between 30 and 10 days before the date of the Annual Meeting	5/21/25
25	*Mailing of ballots	7.4.1	SBS	Delivered between 25 and 30 days before the Annual Meeting	*5/21/25
26	Online voting site goes live	7.4.2	SBS	30 days before the Annual Meeting	5/21/25
27	Electronic voting devices available to membership at PEC offices		Election Committee/GT	Mobile devices are set-up in various district offices by 5:00PM on the business day prior to live online voting	5/20/25
28	Initial voting email notifications	7.4.3	SBS	Between 25 and 30 days before the Annual Meeting	5/21/25
29	Initial PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan	5/21/25
30	Update on voter turnout (totals by each director election district)	7.10.2	GC/GT	Once weekly after ballots are initially mailed	5/28/25
31	Supplemental mailing of ballots to members since previous mailing	7.4.1	SBS/IT	As specified in this timeline	5/28/25
32	Second voting email notifications	7.4.3	SBS	As specified in this timeline	5/28/25
33	Second PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan.	5/28/25
34	Update on voter turnout (totals by each director election district)	7.10.2	GC/GT	Once weekly after ballots are initially mailed	6/4/25
35	Supplemental mailing of ballots to members since previous mailing	7.4.1	SBS/IT	No later than 16 days before the member meeting at which election results are announced	6/4/25
36	Third voting email notifications	7.4.3	SBS	As specified in this timeline	6/4/25
37	Third PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan	6/4/25
38	Update on voter turnout (totals by each director election district)	7.10.2	GC/GT	Once weekly after ballots are initially mailed	6/11/25
39	Final reminder voting emails	7.4.3	SBS	As specified in this timeline	6/11/25
40	Final PEC Corporate Fact Sheet emailed to all PEC members	7.3	ER	As approved in the communications plan	6/11/25
41	Supplemental mailing of ballots to members since previous mailing	7.4.1	SBS/IT	As specified in this timeline	6/11/25
42	Record Date for casting ballot	5.2 Bylaws, Art. II, § 9	IT/GT	Close of business (5:00PM) at least eight (8) business days before Annual Meeting	6/12/25
43	Deadline for mailing or casting online ballots; ballots must be received by Election Services Provider	8.2, 8.4 Bylaws Art. II, § 8	SBS	No later than 5:00PM, seven (7) days prior to the member meeting at which elections results are announced	6/13/25

All due dates apply to all election ballots.

#	Item	EPP or Other Policy	Responsible Party	Due Date	**2024-2025 Deadline
44	Pre-announcement and pre-results delivery quality control; post tabulation quality control	7.11, 7.12, 8.2, 8.4 & 8.7 Bylaws Art. II, § 8	SBS/GC	No later than four (4) days prior to the member meeting at which pre-announcement and pre-results delivery quality control and pre/post-tabulation quality control is performed by SBS	6/16/25
45	Election Services Provider certifies election results and provides results to PEC	7.11, 8.4, 8.8	GC/GT	No later than four (4) days prior to the member meeting at which election results are announced	6/16/25
46	Candidates and board advised of election results immediately before results released to membership	7.11, 8.4	GC/GT	Three (3) days prior to the member meeting at which election results are announced	6/17/25
47	Election results released to PEC membership	7.11, 8.4	GC/GT/ER	No later than three (3) days prior to the member meeting at which election results are released	6/17/25
48	Announcement of certified election results at Annual Meeting	8.4, 8.8	SBS, or as designated by BOD	On the date of member meeting and as specified in this timeline election results are announced	6/20/25
49	Post-election director acknowledgements	8.90	BOD	On the date of member meeting after the meeting has concluded	6/20/25
50	Final election results district-by-district	9.1	SBS	Within five (5) business days of the Annual Meeting, SBS will provide district-by-district results	6/25/25
51	Post-election analysis	9.2	GC/GT	Within two (2) months after the Annual Meeting	8/15/25

\*Ballots mailed for intended delivery to members on the first day of voting period. It is anticipated that U.S. addresses will be mailed 3 days in advance; international addresses 10-15 days in advance of the first day of voting.

\*\*Dates listed are subject to change with BOD meeting dates.

LEGEND			
Board of Directors	BOD	Election/Board Counsel	EC
Board Reporting Secretary	BRS	Qualifications & Election Committee	QEC
Governance Team	GT	Survey & Ballot Systems (Election Services Provider)	SBS (ESP)
General Counsel	GC	Articles of Incorporation	Art.
External Relations	ER	Election Policy and Procedures	EPP
Information Technology Department	IT		



# 2025 Election Timeline and Communications Plan

Andrea Stover | General Counsel

Caroline Tinsley Porter | Director, External Relations

# 2025 Election Dates and Information – Districts 4 and 5

- **Candidate Application and Petition Forms**
  - Forms available - January 21, 2025
  - Filing Deadline - March 24, 2025
- **Qualifications and Elections Committee (QEC)**
  - Committee member proposals due February 7, 2025
  - Board approves QEC members by February 21, 2025
  - QEC meets April 2, 2025, and April 3, 2025 to approve candidates
- **Board Candidate Orientation:** April 7, 2025
- **Voting:** May 21, 2025 – June 13, 2025, at 5 p.m.
- **Election Results Released:** June 17, 2025
- **Annual Membership Meeting:** June 20, 2025, at 9 a.m. The June Regular Board Meeting occurs at the conclusion of the Annual Membership Meeting.



# Communications Objectives and Platforms

## Objectives

- To promote and inform members of the 2025 election, including voting, district boundaries, registration, respective candidates, and deadlines
- To encourage member participation and provide instructions and tools for members to see voting eligibility
- To share the various convenient ways to vote
- To reinforce the cooperative difference

## Platforms

- PEC Website
- Texas Co-op Power Magazine
- Press Releases
- Bill messaging
- Social Media
- SmartHub
- Print and digital advertising



# Communications Plan Timeline

Phase	Timeline
<p><b>I. Nomination Application and Petition Forms</b></p> <ul style="list-style-type: none"> <li>• Texas Co-op Power</li> <li>• Bill messaging</li> <li>• Print and digital ads</li> </ul>	January – March 2025
<p><b>II. Candidates</b></p> <ul style="list-style-type: none"> <li>• Candidate application deadline and orientation through digital platforms</li> </ul>	January – April 2025
<p><b>III. Voting</b></p> <ul style="list-style-type: none"> <li>• Voting begins: Promote on all communications platforms</li> <li>• Annual Membership Meeting notice</li> <li>• PEC corporate statistics provided to membership</li> <li>• Texas Co-op Power dustcover to voting districts</li> </ul>	May – June 2025
<p><b>IV. Election Results and Annual Membership Meeting</b></p> <ul style="list-style-type: none"> <li>• Election results released to membership</li> <li>• Annual Membership Meeting election results announced; welcome new directors</li> <li>• Inform members of election results on various channels</li> </ul>	June – August 2025

Note: All phases include social media communications.



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**File #:** 2024-343, **Version:** 1

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**Winter Preparedness Report - N Fulmer/J Urban**

**Submitted By:** Nathan Fulmer/JP Urban  
**Department:** Chief Operations Officer - Distribution/External Relations



# Winter Preparedness & EOP

JP Urban | Chief Administrative Officer

Nathan Fulmer | Chief Operations Officer — Distribution

# Winter Preparedness Overview

**PEC is proud to operate in a “stay ready” posture 24/7/365**

To understand improvements made this year and expectations for capabilities into the coming winter season, this review will cover:

1. System Improvements
2. Member Messaging
3. Operational Preparedness
4. Workforce Preparedness





# 1. System Improvements



# AMI Meter Visibility

**PEC's AMI meter exchange program is complete, with full deployment in PEC's Eastern service area.**

Our Distribution Operations Control Center now has improved condition visibility and is less reliant on predictive modeling.

Damage assessments from boots-on-the-ground crews will always be critical for understanding localized damage and the full extent of restorations, including estimated restoration times.



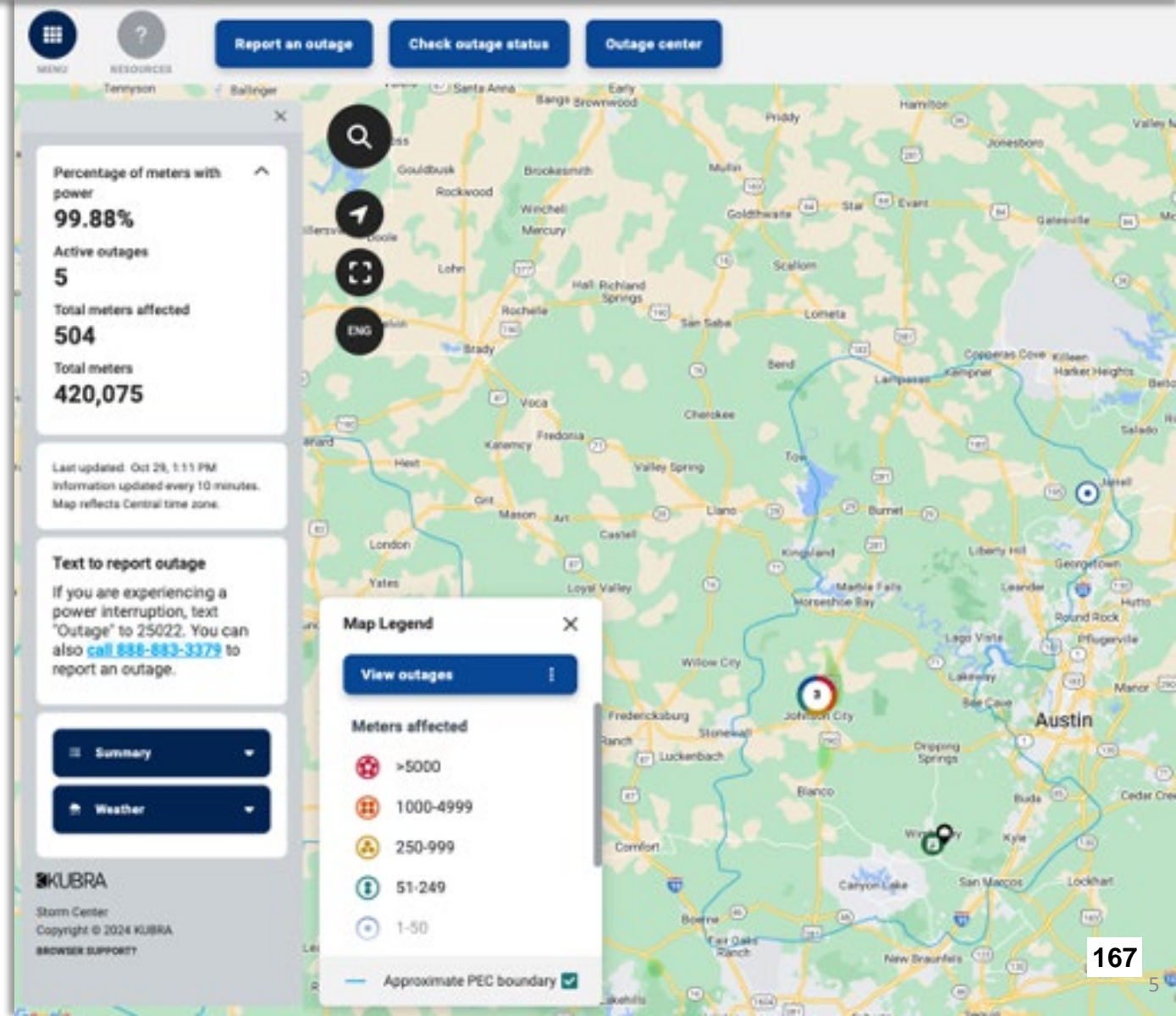
# New Outage Map

**Earlier this spring, PEC launched a new and improved KUBRA outage map.**

The new map and online outage center provides outage details and provides additional opportunities to communicate critical information.

Members can also quickly and easily report an outage online without having to log into SmartHub or call PEC.

The KUBRA map is both desktop and mobile device friendly.



# Streamlined Outage Reporting



## Texting

### Benefits:

- Report/confirm outage
- ETR updates
- Restoration updates

### Notes:

- 88% of accounts with # on file
- 21,000 mobiles added in 2024
- 340,000 unique #s in system



## KUBRA Map

### Benefits:

- Report without login
- Check outage report status
- Desktop and mobile



## Dedicated Outage Line

### Benefits:

- Automated High Volume Call Answering system with 500 lines
- Report/confirm outage
- Option to escalate to live agent



## SmartHub

### Benefits:

- Outage reporting only





## 2. Member Messaging



# Proactive Member and Public Messaging

**PEC continues to evaluate and enhance our emergency communications cadence to improve messaging accuracy and timing. The Cooperative has also reviewed best practices to communicate during inclement weather.**

- External Relations team has reviewed communications workflows twice — in the spring and again in August.
- Prepared to issue communications to PEC members, employees, and the media and public well before inclement weather hits.
- Strengthened relationships with local radio stations and television news desks to quickly amplify PEC's messages.

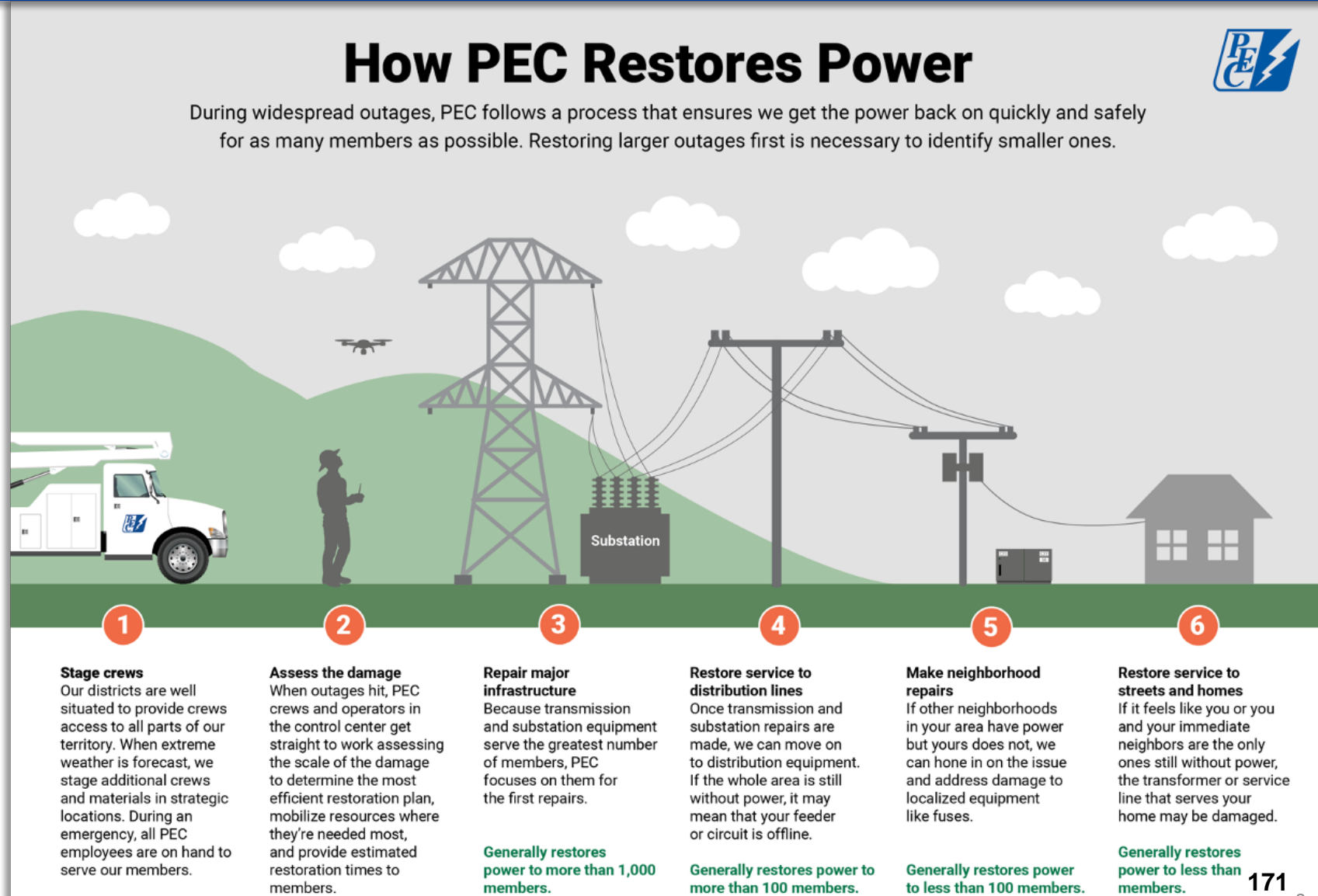


# Key Steps to Restoration

**New graphics and communications focus on how PEC restores power.**

Simplified communications have been created and are beginning to roll out.

PEC will lean on infographics and improved data reporting to offer twice daily updates to PEC staff, members, and media and public officials.



# Municipal and Community Outreach

**In advance of winter, PEC's Community Relations team has proactively hosted training events with county and municipal leadership, plus roadshows at senior activity centers.**

- Power Connections hands-on training and roundtable discussions with Burnet County, plus seven cities.
  - Very popular; will continue to offer these throughout the year.
- Four presentations to over 300 senior members.







# 3. Operational Preparedness



## Facility Planning

- Emergency provisions and inventories checked.
- Block heaters installed at warehouse yards.
- Generators have been tested.

## Fleet Preparations

- Abundant tire chains available.
- Secured reserve fuel supply and arranging extra fuel deliveries.
- Fuel additives ordered.
- Block heaters installed on diesel trucks.



# Distribution Operations Control Center

- Completed two drills this fall.
- Additional technical positions now help with outage flow and management.
- Two new supervisor positions provide better floor leadership, guidance, and better direct communications in and out of the control center.
- Processes introduced to proactively monitor system conditions and make appropriate/needed changes before significant weather events.





# Distribution Maintenance

## Pole Testing & Treatment (PTT)

- Over 30K poles treated to extend life and prevent decay.
- 2,700 poles replaced or restored with C-Truss supports that bring poles back to 100% of design strength.

## Vegetation Maintenance

- From PEC's LiDAR assessments, addressed 8,700 critical locations in Wildlife Urban Interface areas.
- Addressed 240 spans in the Balcones Canyonland Preserve.
- Completed 226 spans of transmission proximity clearing.

## Technical Services

- Completed switchgear inspections throughout, including DGA samples on oiled-filled units, setting verifications, and an infrared scan of terminations at each location.



2024 YTD Inspections	
Maintenance Program	Completions
PTT	41,457
Vegetation Spans (C&D)	18,429
Technical Services	1,406
	176





## 4. Workforce Preparedness



# Emergency Staffing Plan

PEC leadership is preparing all PEC employees for potential calls-to-action this winter. Employees can safely support emergency response efforts through several options:

- Support member escalations and communications.
- Support outage verifications and phone queues at nearby offices.
- Support district office logistics by providing employees with food, water, bedding, supplies, etc.
- Support travel arrangements if capable of safely traversing winter road conditions.

In advance of the winter season, it is critical that our employees prepare themselves for another multi-day event that will require all-hands-on-deck.

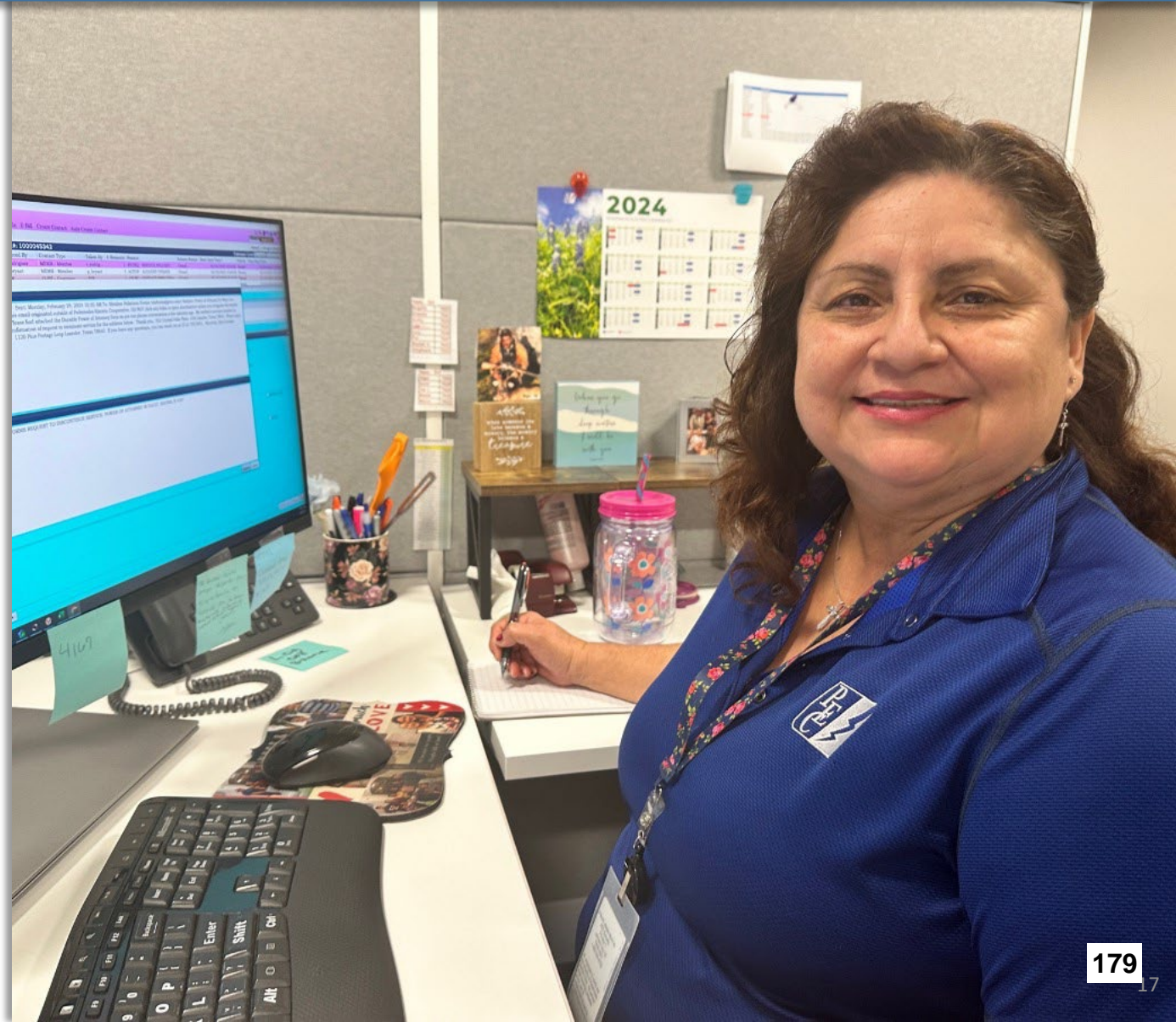




# Agent Remote Work Program

**Member Relations Agents have flexibility to work remotely and are prepared to take calls and enter outages from home, if needed.**

- Approximately 47 agents are currently eligible for non-EOP remote work.
- Preparing for winter season, further training, availability, and equipment will be reviewed for EOP scenarios.



# PEC's Commitment

Despite all efforts for preparedness, PEC members may still experience outages during a storm event.

## What PEC Can Control

PEC understands our members depend on our services and timely communication.

Our responsibility to the membership is also balanced with our responsibility to employee safety.

## What PEC Cannot Control

Transmission services, falling trees, vehicle accidents, high winds, lightning, pole failure, downed lines, equipment failure, and rotating load-shed can cause service outages of any size across the service territory.

Despite designations for critical load or medical necessity, these sites cannot be guaranteed an uninterrupted, regular, or continuous power supply.

**PEC personnel will endeavor to promptly and safely respond to the membership, as well as help educate the membership of their need for preparedness for emergency events.**



PEDERNALES ELECTRIC COOPERATIVE



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File #: 2024-344, Version: 1

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## Resolution - Approval of 2025 Board of Directors List of Proposed Future Meetings - E Pataki

**Submitted By: Andrea Stover on the behalf of Emily Pataki**

**Department: General Counsel**

**Financial Impact and Cost/Benefit Considerations: N/A**

Pursuant to Article IV, Section 1 of the Pedernales Electric Cooperative, Inc. ("Cooperative") Bylaws, "A regular meeting of the Board of Directors shall be held on the third Monday of each month at the E. Babe Smith Headquarters Building of the Cooperative in Blanco County, Texas, unless another meeting location, time and/or date is set by the Board of Directors ("Regular Board Meeting")."

The Board may now consider the proposed 2025 Board Meeting Calendar which includes the proposed dates of the Regular Board Meetings for 2025.

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE COOPERATIVE** that the Cooperative adopt the proposed 2025 Board Meeting Calendar which includes the dates of its Regular Board Meetings that was presented to and discussed by the Board this day; and

**BE IT FURTHER RESOLVED** that the Chief Executive Officer, or designee, is authorized to take all such actions as may be necessary to implement this resolution.



# 2025 Proposed Board Meetings

Emily Pataki | Board President



# Proposed 2025 Date Changes

## March meeting

- March 28, 2025
  - Proposed date due to March 17-21 conflicts with Spring Break for several school districts

## April meeting

- April 17, 2025
  - Proposed date due to conflict with Good Friday, April 18, a PEC holiday

## October Meeting

- October 24, 2025
  - Proposed date due to conflict with 2025 International Lineman's Rodeo, October 15-18





# Proposed 2025 Board Meetings

All meetings will begin at 9 a.m. at PEC Headquarters

- Friday, January 17: Regular Meeting
- Friday, February 21: Regular Meeting
- Friday, March 28: Regular Meeting
- Thursday, April 17: Regular Meeting
- Friday, May 16: Regular Meeting
- Friday, June 20: Regular Meeting immediately following the 2025 Annual Membership Meeting
- Friday, July 18: Regular Meeting
- Friday, August 15: Regular Meeting
- Friday, September 19: Regular Meeting
- Friday, October 24: Regular Meeting
- Friday, November 21: Regular Meeting
- Friday, December 19: Regular Meeting





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## *Proposed 2025 Board Meeting Calendar*

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- Friday, January 17, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, February 21, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, March 28, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Thursday, April 17, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, May 16, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, June 20, 2025 Regular Meeting immediately following the conclusion of the 2025 Annual Membership Meeting at 9:00 a.m., at PEC Headquarters
- Friday, July 18, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, August 15, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, September 19, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, October 24, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, November 21, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters
- Friday, December 19, 2025 Regular Meeting at 9:00 a.m., at PEC Headquarters



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**File #:** 2024-345, **Version:** 1

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## List of Board Approved Future Meetings

**Submitted By:** Andrea Stover

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A

From time to time, the Board may set the annual Board meetings schedule as attached to this agenda item. Further, the Cooperative's Bylaws describe the types of meetings, notice requirements, and Board quorum as outlined below.

**BYLAWS ARTICLE IV - Meetings of Directors Section 1. Regular Board Meetings:** A regular meeting of the Board of Directors shall be held on the third Monday of each month at the E. Babe Smith Headquarters Building of the Cooperative in Blanco County, Texas, unless another meeting location, time and/or date is set by the Board of Directors ("Regular Board Meeting").

**Section 2. Special Board Meetings:** Special meetings of the Board of Directors ("Special Board Meetings") may be called by the President or any four (4) Directors. The person or persons authorized to call a Special Board Meeting may fix the time and place for the holding of any Special Board Meeting called by them.

**Section 3. Telephonic or Electronic Participation in Board Meetings:** For good cause and with approval of the Board of Directors, a Regular Board Meeting or Special Board Meeting (each a "Board Meeting") may be conducted with Directors participating but not physically present but deemed present in person through a means of communication by which all Directors participating in the Board Meeting may simultaneously hear, reasonably and verifiably identify themselves, and generally simultaneously and instantaneously communicate with each other during the Board Meeting. Directors that are not physically present may deliberate and vote on the question of approving telephonic or electronic participation. A vote to approve telephonic or electronic participation in any Board Meeting is exempt from the notice requirements herein specified. Such Board Meeting shall be compliant with the Cooperative's Open Meetings Policy, and Members shall have the opportunity to monitor the Board Meeting electronically or in person. A Director may be compensated for a Board Meeting at which that Director participated but was not physically present only with Board approval.

**Section 4. Notice:** Notice of the time, place and purpose of any Regular Board Meeting shall be given at least seventy-two (72) hours previous thereto, by written notice, delivered personally, electronically, or by mail, to each Director at the Director's last known address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed with postage thereon prepaid. Meeting notices and agendas will be posted on the Cooperative's website at least seventy-two (72) hours before each Regular Board Meeting. In an emergency or when there is an urgent necessity, the notice of a Board Meeting or the supplemental notice of a subject added as an item to the agenda for a Board Meeting for which notice has been posted in accordance with this Section is sufficient if it is posted for at least two (2) hours before the Board Meeting is convened. An emergency or an urgent necessity exists only if immediate action is required because of a reasonably unforeseeable situation. The Board of Directors shall clearly identify the emergency or urgent necessity in the notice or supplemental notice under this Section.

**Section 5. Board Quorum:** Four (4) or more Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, except in the case when four (4) or more vacancies exist on the Board, in which case a majority of the Board shall constitute a quorum ("Board Quorum").

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## *2024 Board Meeting Calendar*

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- January 19, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- February 16, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- March 22, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- April 19, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- May 17, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- June 21, 2024 Regular Meeting immediately following the conclusion of the 2024 Annual Membership Meeting on Friday at the PEC Headquarters
- July 19, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- August 16, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- September 20, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- October 25, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- November 15, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters
- December 20, 2024 Regular Meeting at 9:00 am on Friday at the PEC Headquarters





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**File #:** 2024-346, **Version:** 1

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## **Board Planning Calendar (Written Report in Materials)**

**Submitted By:** Andrea Stover

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** N/A

In connection with agenda planning and strategy, the Cooperative provides an annual calendar of all agenda items to assist with compliance and address governance matters. The annual calendar also includes ad hoc items. As well, a three-month outlook of upcoming Board agenda items is included.

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
1	1	2025 Election Timeline Update	General Counsel	JAN BOD Mtg	Compliance EPP	Reoccurring
2	1	Approval Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	COO	JAN BOD Mtg	Strategic	Reoccurring
3	1	Approval Resolution – Approval of 2025 TEC Annual Membership Dues	CEO	JAN BOD Mtg	Strategic	Annual
4	1	Approval Resolution – Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
5	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	JAN BOD Mtg	Strategic	Reoccurring
6	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	JAN BOD Mtg	Strategic	Reoccurring
7	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Base Power Charge	Markets	JAN BOD Mtg	Compliance	Reoccurring
8	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Open Records Fees	Markets	JAN BOD Mtg	Compliance	Ad-hoc
9	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Rates	Compliance & Regulatory	JAN BOD Mtg	Compliance	Annual
10	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Service Availability Charge & Delivery Charge	Markets	JAN BOD Mtg	Compliance	Ad-hoc
11	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Sustainable Power Credit	Markets	JAN BOD Mtg	Compliance	Ad-hoc
12	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Three-Phase Rates	Markets	JAN BOD Mtg	Compliance	Ad-hoc
13	1	Cooperative Update	CEO	JAN BOD Mtg	Strategic	Reoccurring
14	1	Draft Resolution – Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Item(s)	General Counsel	JAN BOD Mtg	Strategic	Reoccurring
15	1	Draft Resolution – Approval of Appointments to 2025 Qualifications and Elections Committee (QEC)	General Counsel	JAN BOD Mtg	Compliance	Reoccurring
16	1	Draft Resolution – Approval of Construction Contract T318 Blanco – Devils Hill 138kV Line	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
17	1	Draft Resolution – Approval of Construction Contract for Whitestone T1 and T2 Upgrade	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
18	1	Long-Term Distribution/Substation Capacity/Transmission Planning Update	COO-T/COO-D	JAN BOD Mtg	Strategic	Ad-hoc
19	1	Markets Report	Markets	JAN BOD Mtg	Strategic	Reoccurring
20	1	Personnel Matters	Human Resources	JAN BOD Mtg	Strategic	Reoccurring
21	1	Real Estate Semiannual Update	Compliance & Regulatory	JAN BOD Mtg	Strategic	MAR/SEP
22	1	Review of 2025 Corporate Initiatives and CEO Action Items	CEO	JAN BOD Mtg	Strategic	Reoccurring
23	1	Safety/Security	Human Resources	JAN BOD Mtg	Strategic	Reoccurring
24	1	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JAN BOD Mtg	Compliance	Ad-hoc
25	2	2025 Election Timeline Update	General Counsel	FEB BOD Mtg	Compliance EPP	Reoccurring
26	2	Approval Resolution – Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Item(s)	General Counsel	FEB BOD Mtg	Strategic	Reoccurring
27	2	Approval Resolution – Approval of Appointments to 2025 Qualifications and Elections Committee (QEC)	General Counsel	FEB BOD Mtg	Compliance	Reoccurring
28	2	Approval Resolution – Approval of Construction Contract T318 Blanco - Devils Hill 138kV Line	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
29	2	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	FEB BOD Mtg	Strategic	Reoccurring
30	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	FEB BOD Mtg	Strategic	Reoccurring
31	2	Cooperative Update	CEO	FEB BOD Mtg	Strategic	Reoccurring
32	2	Cyber Security Semiannual Update	Compliance & Regulatory	FEB BOD Mtg	Strategic	FEB/AUG
33	2	Draft Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
34	2	Draft Resolution – Approval of T318 Blanco - Devils Hill 138kV Line Easement Amendments	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
35	2	Draft Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
36	2	Draft Resolution – Approval of T360 Friendship - Rutherford 138kV Line Pole Order	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
37	2	Key Performance Indicator (KPI) of 2024 Period 2 Results	COO	FEB BOD Mtg	Strategic	Reoccurring
38	2	Markets Report	Markets	FEB BOD Mtg	Strategic	Reoccurring
39	2	Personnel Matters	Human Resources	FEB BOD Mtg	Strategic	Reoccurring
40	2	Safety/Security	Human Resources	FEB BOD Mtg	Strategic	Reoccurring
41	2	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	FEB BOD Mtg	Compliance	Ad-hoc
42	3	2025 Election Timeline Update	General Counsel	MAR BOD Mtg	Compliance EPP	Reoccurring
43	3	Approval Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
44	3	Approval Resolution – Approval of T318 Blanco - Devils Hill 138kV Line Easement Amendments	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
45	3	Approval Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
46	3	Approval Resolution – Approval of T360 Friendship - Rutherford 138kV Line Pole Order	COO-T	MAR BOD Mtg	Strategic	Ad-hoc
47	3	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	MAR BOD Mtg	Strategic	Reoccurring
48	3	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	MAR BOD Mtg	Strategic	Reoccurring
49	3	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	MAR BOD Mtg	Compliance	Quarterly
50	3	Cooperative Update	CEO	MAR BOD Mtg	Strategic	Reoccurring
51	3	Draft Resolution – Approval and Certification of 2025 Election Ballot	General Counsel	MAR BOD Mtg	Compliance	Reoccurring
52	3	Draft Resolution – Approval of 2025 Annual Membership Meeting Agenda	General Counsel	MAR BOD Mtg	Compliance	Annual
53	3	Markets Report	Markets	MAR BOD Mtg	Strategic	Reoccurring
54	3	Personnel Matters	Human Resources	MAR BOD Mtg	Strategic	Reoccurring
55	3	Safety/Security	Human Resources	MAR BOD Mtg	Strategic	Reoccurring
56	4	2024 Financial Audit	Audit Committee	APR AuditCommittee Mtg	Compliance	Reoccurring
57	4	Presentation of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM)	Audit Committee	APR AuditCommittee Mtg	Compliance	Reoccurring
58	4	2025 Election Timeline Update	General Counsel	APR BOD Mtg	Compliance EPP	Reoccurring
59	4	Approval Resolution – Approval and Certification of 2025 Election Ballot	General Counsel	APR BOD Mtg	Compliance	Reoccurring
60	4	Approval Resolution – Approval of 2024 Financial Audit and Management Letter by Bolinger, Segars, Gilbert & Moss (BSGM) - Audit Committee Chair	CFO	APR BOD Mtg	Compliance	Reoccurring
61	4	Approval Resolution – Approval of 2025 Annual Membership Meeting Agenda	General Counsel	APR BOD Mtg	Strategic	Annual
62	4	Approval Resolution – Approval of Director Candidates for 2025 Pedernales Electric Cooperative Board of Director's Election Ballot	General Counsel	APR BOD Mtg	Compliance	Reoccurring
63	4	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	APR BOD Mtg	Strategic	Reoccurring
64	4	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	APR BOD Mtg	Strategic	Reoccurring
65	4	Cooperative Update	CEO	APR BOD Mtg	Strategic	Reoccurring
66	4	Draft Resolution – Approval of T360 Friendship – Rutherford 138kV Line Construction Contract	COO-T	APR BOD Mtg	Strategic	Ad-hoc
67	4	Markets Report	Markets	APR BOD Mtg	Strategic	Reoccurring
68	4	Personnel Matters	Human Resources	APR BOD Mtg	Strategic	Reoccurring
69	4	Qualifications and Elections Committee (QEC) Recommendation of Qualified Candidates – QEC Rep	General Counsel	APR BOD Mtg	Compliance	Reoccurring
70	4	Report on Property, Liability, and Corporate Insurance Policies	Compliance & Regulatory	APR BOD Mtg	Strategic	Annual
71	4	Safety/Security	Human Resources	APR BOD Mtg	Strategic	Reoccurring

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
72	4	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	APR BOD Mtg	Compliance	Ad-hoc
73	5	2025 Election Timeline Update	General Counsel	MAY BOD Mtg	Compliance EPP	Reoccurring
74	5	Approval Resolution – Approval of T360 Friendship – Rutherford 138kV Line Construction Contract	COO-T	MAY BOD Mtg	Strategic	Ad-hoc
75	5	Approval Resolution – Review and Approval of 2025 CEO Performance Evaluation and Compensation	Board of Directors	MAY BOD Mtg	Compliance	Reoccurring
76	5	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	MAY BOD Mtg	Strategic	Reoccurring
77	5	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	MAY BOD Mtg	Strategic	Reoccurring
78	5	Cooperative Update	CEO	MAY BOD Mtg	Strategic	Reoccurring
79	5	Draft Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	MAY BOD Mtg	Compliance	Annual
80	5	Ethics and Compliance Semiannual Update	Ethics/Compliance	MAY BOD Mtg	Compliance	MAY/NOV
81	5	Markets Report	Markets	MAY BOD Mtg	Strategic	Reoccurring
82	5	Moment of Silence in Commemoration of Memorial Day	Board President	MAY BOD Mtg	Strategic	Reoccurring
83	5	Personnel Matters	Human Resources	MAY BOD Mtg	Strategic	Reoccurring
84	5	Safety/Security	Human Resources	MAY BOD Mtg	Strategic	Reoccurring
85	5	Summer Preparedness	COO	MAY BOD Mtg	Strategic	Annual
86	5	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	MAY BOD Mtg	Compliance	Ad-hoc
87	6	Acknowledgement and Seating of Directors Elected at Annual Membership Meeting	General Counsel	JUN BOD Mtg	Compliance Bylaws	Annual
88	6	Approval Resolution – Approval of Texas Electric Cooperative (TEC) Delegates for TEC Annual Meeting	Board President	JUN BOD Mtg	Compliance TEC	Annual
89	6	Approval Resolution – Approval of the Appointment of Audit Committee and Audit Committee Chairperson	General Counsel	JUN BOD Mtg	Compliance Bylaws	Annual
90	6	Approval Resolution – Approval of Written Certification of the Election Results	General Counsel	JUN Annual Membership	Compliance EPP	Annual
91	6	Approval Resolution – Review and Approval of Privacy Policy	Compliance & Regulatory	JUN BOD Mtg	Compliance	Reoccurring
92	6	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	JUN BOD Mtg	Strategic	Reoccurring
93	6	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	Chief Strategic Officer (CSO)	JUN BOD Mtg	Strategic	Reoccurring
94	6	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	JUN BOD Mtg	Compliance	Quarterly
95	6	Conduct Annual Membership Meeting	CEO	JUN Annual Membership	Compliance Bylaws	Annual
96	6	Cooperative Update	CEO	JUN BOD Mtg	Strategic	Reoccurring
97	6	Draft Resolution – Approval of Election Services Provider Contract	Legal Services	JUN BOD Mtg	Compliance	Reoccurring
98	6	Election – Office of President	General Counsel	JUN BOD Mtg	Compliance	Reoccurring
99	6	Election – Office of Secretary and Treasurer	General Counsel	JUN BOD Mtg	Compliance	Reoccurring
100	6	Election – Office of Vice President	General Counsel	JUN BOD Mtg	Compliance	Reoccurring
101	6	Markets Report	Markets	JUN BOD Mtg	Strategic	Reoccurring
102	6	Personnel Matters	Human Resources	JUN BOD Mtg	Strategic	Reoccurring
103	6	Receipt of Conflict of Interest Disclosure Form, Director Affirmation, and Directors’ Code of Conduct Acknowledgement	General Counsel	JUN Annual Membership	Compliance	Annual
104	6	Safety/Security	Human Resources	JUN BOD Mtg	Strategic	Reoccurring
105	6	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JUN BOD Mtg	Compliance	Ad-hoc
106	7	Annual Review of Conflicts of Interest Certification and Disclosure Forms from Directors	General Counsel	JUL BOD Mtg	Compliance Bylaws	Annual
107	7	Approval Resolution – Approval of Election Services Provider Contract	Legal Services	JUL BOD Mtg	Compliance	Reoccurring
108	7	Approval Resolution – Approval of Written Certification of the Election Results	Legal Services	JUL BOD Mtg	Compliance	Reoccurring
109	7	Approval Resolution – Approval to Appoint CFC Voting Delegates for CFC District Meeting	Board President	JUL BOD Mtg	Compliance CFC	Reoccurring
110	7	Approval Resolution – Approval to Appoint NRECA Voting Delegates for NRECA Regional Meeting	Board President	JUL BOD Mtg	Compliance NRECA	Reoccurring
111	7	Approval Resolution – Approval to Renew Contract for Election Service Provider	Legal Services	JUL BOD Mtg	Compliance	Reoccurring
112	7	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	JUL BOD Mtg	Strategic	Reoccurring
113	7	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	JUL BOD Mtg	Strategic	Reoccurring
114	7	Cooperative Update	CEO	JUL BOD Mtg	Strategic	Reoccurring
115	7	Election Update – Annual Voter Turnout	Legal Services	JUL BOD Mtg	Compliance EPP	Annual
116	7	Key Performance Indicator (KPI) Update of 2024 Period 1 Results	CSO	JUL BOD Mtg	Strategic	Reoccurring
117	7	Markets Report	Markets	JUL BOD Mtg	Strategic	Reoccurring
118	7	Personnel Matters	Human Resources	JUL BOD Mtg	Strategic	Reoccurring
119	7	Safety/Security	Human Resources	JUL BOD Mtg	Strategic	Reoccurring
120	7	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JUL BOD Mtg	Compliance	Ad-hoc
121	8	2024 Property (Real and Personal) Tax Appraisal Assessment and Strategy Update	Tax & Regulatory	AUG BOD Mtg	Strategic	Reoccurring
122	8	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	AUG BOD Mtg	Strategic	Reoccurring
123	8	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	AUG BOD Mtg	Strategic	Reoccurring
124	8	Cooperative Update	CEO	AUG BOD Mtg	Strategic	Reoccurring
125	8	Cyber Security Semiannual Update	Compliance & Regulatory	AUG BOD Mtg	Strategic	FEB/AUG
126	8	Directors’ Conflict of Interest Training and Directors’ Code of Conduct Training	Board Counsel	AUG BOD Mtg	Compliance	Reoccurring
127	8	Draft Resolution – Review and Approval of the Open Records Policy	Board Counsel	AUG BOD Mtg	Compliance	Reoccurring
128	8	Markets Report	Markets	AUG BOD Mtg	Strategic	Reoccurring
129	8	Personnel Matters	Human Resources	AUG BOD Mtg	Strategic	Reoccurring
130	8	Post Member-Election Analysis and Annual Review	General Counsel	AUG BOD Mtg	Compliance EPP	Annual
131	8	Safety/Security	Human Resources	AUG BOD Mtg	Strategic	Reoccurring
132	8	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	AUG BOD Mtg	Compliance	Ad-hoc
133	8	Medical Insurance Benefits Update	Human Resources	AUG BOD Mtg	Compliance	Reoccurring
134	9	Approval Resolution – Review and Approval of the Open Records Policy	Board Counsel	SEP BOD Mtg	Compliance	Reoccurring
135	9	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	SEP BOD Mtg	Strategic	Reoccurring
136	9	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	SEP BOD Mtg	Strategic	Reoccurring
137	9	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	SEP BOD Mtg	Compliance	Quarterly
138	9	Cooperative Update	CEO	SEP BOD Mtg	Strategic	Reoccurring
139	9	Draft Resolution – Approval of Election Policy and Procedures Amendments Related to 2024 Post-Election Analysis for Annual Director Elections and Annual Review of Election Policy and Procedures	General Counsel	SEP BOD Mtg	Compliance EPP	Annual
140	9	Draft Resolution – Approval to Establish 2025 Annual Membership Meeting Date and Location	General Counsel	SEP BOD Mtg	Compliance	Annual
141	9	Markets Report	Markets	SEP BOD Mtg	Strategic	Reoccurring
142	9	Personnel Matters	Human Resources	SEP BOD Mtg	Strategic	Reoccurring

# PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
143	9	Safety/Security	Human Resources	SEP BOD Mtg	Strategic	Reoccurring
144	9	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	SEP BOD Mtg	Strategic	Ad-hoc
145	10	Approval Resolution – Recommend Approval by Board of Directors of 2023 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Audit Committee	OCT Audit Committee Mtg	Compliance	Reoccurring
146	10	Annual Enterprise Risk Management (ERM) Update	Compliance & Regulatory	OCT BOD Mtg	Strategic	Annual
147	10	Annual Review of 2021-2026 Strategic Plan	Board President	OCT BOD Mtg	Strategic	Annual
148	10	Approval Resolution – Approval of 2023 IRS Form 990 – Bollinger, Sears, Gilbert & Moss, LLP	Tax & Regulatory	OCT BOD Mtg	Compliance	Reoccurring
149	10	Approval Resolution – Approval of Election Policy and Procedures Amendments Related to 2024 Post-Election Analysis for Annual Director Elections and Annual Review of Election Policy and Procedures	General Counsel	OCT BOD Mtg	Compliance EPP	Annual
150	10	Approval Resolution – Approval of Engineering Master Service Agreements	Engineering	OCT BOD Mtg	Strategic	Ad-hoc
151	10	Approval Resolution – Approval of Filing of Application as to Its Certificate of Convenience and Necessity with Public Utility Commission of Texas	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
152	10	Approval Resolution – Approval of Pole Contract T318 Blanco to Devils Hill	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
153	10	Approval Resolution – Approval of Power (Substation) Transformer 5-Year Master Service Agreement Extension	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
154	10	Approval Resolution - Approval of Terms for Interconnection with Transmission Provider in Williamson County	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
155	10	Approval Resolution – Approval of Transformer Move Master Service Agreement (5 yr. 2025-2029)	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
156	10	Approval Resolution – Approval to Establish 2025 Annual Membership Meeting Date and Location	General Counsel	OCT BOD Mtg	Compliance	Annual
157	10	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	OCT BOD Mtg	Strategic	Reoccurring
158	10	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	OCT BOD Mtg	Strategic	Reoccurring
159	10	Cooperative Update	CEO	OCT BOD Mtg	Strategic	Reoccurring
160	10	Draft Resolution – Approval of 2025 Operating Budget and 2025 Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	OCT BOD Mtg	Compliance	Reoccurring
161	10	Draft Resolution – Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative	CFO	OCT BOD Mtg	Compliance	Ad-hoc
162	10	Draft Resolution – Approval of Construction Contract for La Cima Substation	COO-T	OCT BOD Mtg	Strategic	Ad-hoc
163	10	Draft Resolution – Approval of Distribution Construction Contract Master Services Agreement	COO-D	OCT BOD Mtg	Strategic	Ad-hoc
164	10	Draft Resolution – Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
165	10	Draft Resolution – Approval of Junction Warehouse Expansion	COO-D	OCT BOD Mtg	Strategic	Ad-hoc
166	10	Draft Resolution – Approval to Review and Reconfirm/Amend Audit Committee Charter	General Counsel	OCT BOD Mtg	Compliance	Ad-hoc
167	10	Draft Resolution – Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy	CFO	OCT BOD Mtg	Compliance	Reoccurring
168	10	Draft Resolution – Review and Approval of the 2025 Rate Plan	CFO	OCT BOD Mtg	Compliance	Reoccurring
169	10	Markets Report	Markets	OCT BOD Mtg	Strategic	Reoccurring
170	10	Personnel Matters	Human Resources	OCT BOD Mtg	Strategic	Reoccurring
171	10	Real Estate Update	Compliance & Regulatory	OCT BOD Mtg	Strategic	MAR/SEP
172	10	Safety/Security	Human Resources	OCT BOD Mtg	Strategic	Reoccurring
173	10	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	OCT BOD Mtg	Compliance	Ad-hoc
174	11	Approval Resolution – Approval of 2025 Board of Directors List of Proposed Future Meetings	Board President	NOV BOD Mtg	Compliance	Reoccurring
175	11	Approval Resolution – Approval of 2025 Operating Budget and Capital Improvement Plan (CIP), Including Items Concerning Competitive Matters, Personnel, Contracts, and Real Estate	CFO	NOV BOD Mtg	Compliance	Reoccurring
176	11	Approval Resolution - Approval of Authorization for Increase of and Amendments to Commercial Paper Program and Unsecured Credit Facilities for the Cooperative	CFO	NOV BOD Mtg	Compliance	Ad-hoc
177	11	Approval Resolution – Approval of Distribution Construction Contract Master Services Agreement	COO-D	NOV BOD Mtg	Strategic	Ad-hoc
178	11	Approval Resolution – Approval of Filing of Interim Transmission Cost of Service with Public Utility Commission of Texas	Compliance & Regulatory	NOV BOD Mtg	Compliance	Ad-hoc
179	11	Approval Resolution – Approval of Junction Warehouse Expansion	COO-D	NOV BOD Mtg	Strategic	Ad-hoc
180	11	Approval Resolution – Approval of the Power Supply and Commodity Risk Policy and Rescission of Power Supply and Energy Management Policy	CFO	NOV BOD Mtg	Compliance	Reoccurring
181	11	Approval Resolution – Approval to Review and Reconfirm/Amend Audit Committee Charter	General Counsel	NOV BOD Mtg	Compliance	Ad-hoc
182	11	Approval Resolution - Review and Approval of the 2025 Rate Plan	CFO	NOV BOD Mtg	Compliance	Reoccurring
183	11	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	NOV BOD Mtg	Strategic	Reoccurring
184	11	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	NOV BOD Mtg	Strategic	Reoccurring
185	11	Cooperative Update	CEO	NOV BOD Mtg	Strategic	Reoccurring
186	11	Discussion of Tariff and Business Rules	Compliance & Regulatory	NOV BOD Mtg	Compliance	Reoccurring
187	11	Draft Resolution – Approval of 2025 Election Communications Plan	External Relations	NOV BOD Mtg	Compliance	Reoccurring
188	11	Draft Resolution – Approval of 2025 Election Timeline	General Counsel	NOV BOD Mtg	Compliance	Reoccurring
189	11	Draft Resolution – Approval of T358 Cedar Valley – Friendship Line Easement Acquisition	COO-T	NOV BOD Mtg	Strategic	Ad-hoc
190	11	Draft Resolution – Approval of Capital Credits Distribution during Calendar Year 2025	CFO	NOV BOD Mtg	Compliance	Reoccurring
191	11	Draft Resolution – Approval of Construction Contract T358 Cedar Valley – Friendship 138kV Line	COO-T	NOV BOD Mtg	Strategic	Ad-hoc
192	11	Draft Resolution – Approval of Construction Contract T587 Mountain Top – Blanco 138kV Line	COO-T	NOV BOD Mtg	Strategic	Ad-hoc
193	11	Draft Resolution – Approval of Reimbursement Agreement with Burnet County	General Counsel	NOV BOD Mtg	Strategic	Ad-hoc
194	11	Ethics and Compliance Semiannual Update	Ethics/Compliance	NOV BOD Mtg	Compliance	MAY/NOV
195	11	Markets Report	Markets	NOV BOD Mtg	Strategic	Reoccurring
196	11	Personnel Matters	Human Resources	NOV BOD Mtg	Strategic	Reoccurring
197	11	Recognition of Veterans Day	Board President	NOV BOD Mtg	Compliance	Reoccurring
198	11	Safety/Security	Human Resources	NOV BOD Mtg	Strategic	Reoccurring
199	11	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	NOV BOD Mtg	Compliance	Ad-hoc
200	11	Winter Preparedness	Operations	NOV BOD Mtg	Strategic	Annual
201	12	Approval Resolution – Approval of 2025 Election Communications Plan	CEO	DEC BOD Mtg	Strategic	Reoccurring
202	12	Approval Resolution – Approval of 2025 Election Timeline	General Counsel	DEC BOD Mtg	Compliance	Reoccurring
203	12	Approval Resolution – Approval of Appointment of Members to the Plan Administration Committee	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
204	12	Approval Resolution – Approval of Capital Credits Distribution during Calendar Year 2024	CFO	DEC BOD Mtg	Compliance	Reoccurring
205	12	Approval Resolution – Approval of Construction Contract for La Cima Substation	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
206	12	Approval Resolution – Approval of Construction Contract T587 Mountain Top - Blanco 138kV Line	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
207	12	Approval Resolution – Approval of T358 Cedar Valley - Friendship Line Easement Acquisition	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
208	12	Approval Resolution – Approval of Reimbursement Agreement with Burnet County	General Counsel	DEC BOD Mtg	Strategic	Ad-hoc
209	12	Approval Resolution – Review and Approval of 2024 Corporate Initiatives, CEO Action Items, and Performance Bonus Evaluation	Board VP	DEC BOD Mtg	Strategic	Annual
210	12	Approval Resolution – Review and Approval of the Capital Credits Policy	CFO	DEC BOD Mtg	Compliance	Reoccurring
211	12	Approval Resolution – Review and Approval of the Decorum Policy	External Relations	DEC BOD Mtg	Strategic	Ad-hoc
212	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	DEC BOD Mtg	Strategic	Reoccurring
213	12	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	DEC BOD Mtg	Strategic	Reoccurring

## PEC Annual Planning Calendar

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
214	12	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	DEC BOD Mtg	Compliance	Quarterly
215	12	Cooperative Update	CEO	DEC BOD Mtg	Strategic	Reoccurring
216	12	Draft Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	CSO	DEC BOD Mtg	Strategic	Reoccurring
217	12	Draft Resolution – Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
218	12	Draft Resolution – Approval of Construction Contract for Whitestone T1 and T2 Upgrade	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
219	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Base Power Charge	Markets	DEC BOD Mtg	Compliance	Reoccurring
220	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Open Records Fees	Markets	DEC BOD Mtg	Compliance	Ad-hoc
221	12	Draft Resolution – Approval to Amendment Tariff and Business Rules - Rates	Compliance & Regulatory	DEC BOD Mtg	Compliance	Annual
222	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Service Availability Charge & Delivery Charge	Markets	DEC BOD Mtg	Compliance	Ad-hoc
223	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Sustainable Power Credit	Markets	DEC BOD Mtg	Compliance	Ad-hoc
224	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Three-Phase Rates	Markets	DEC BOD Mtg	Compliance	Ad-hoc
225	12	Draft Resolution – Review and Approval of the Capital Credits Policy	Compliance & Regulatory	DEC BOD Mtg	Compliance	Reoccurring
226	12	Draft Resolution – Review and Approval of the Decorum Policy	Compliance & Regulatory	DEC BOD Mtg	Strategic	Ad-Hoc
227	12	Markets Report	Markets	DEC BOD Mtg	Strategic	Reoccurring
228	12	Personnel Matters	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
229	12	Plan Administration Committee (PAC) Update - B Dawson, Drew McCorckle, CAPTRUST Advisors	Human Resources	DEC BOD Mtg	Compliance	Reoccurring
230	12	Safety/Security	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
231	12	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	DEC BOD Mtg	Compliance	Ad-hoc

### 3-Month Outlook Planning Calendar DEC '24-FEB '25

Item	Month	Description	Owner	Due Date	Strategic/ Compliance	Occurrence
<b>DEC</b>						
1	12	Approval Resolution – Approval of 2025 Election Communications Plan	CEO	DEC BOD Mtg	Strategic	Reoccurring
2	12	Approval Resolution – Approval of 2025 Election Timeline	General Counsel	DEC BOD Mtg	Compliance	Reoccurring
3	12	Approval Resolution – Approval of Appointment of Members to the Plan Administration Committee	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
4	12	Approval Resolution – Approval of Capital Credits Distribution during Calendar Year 2024	CFO	DEC BOD Mtg	Compliance	Reoccurring
5	12	Approval Resolution – Approval of Construction Contract for La Cima Substation	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
6	12	Approval Resolution – Approval of Construction Contract T587 Mountain Top - Blanco 138kV Line	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
7	12	Approval Resolution – Approval of T358 Cedar Valley - Friendship Line Easement Acquisition	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
8	12	Approval Resolution – Approval of Reimbursement Agreement with Burnet County	General Counsel	DEC BOD Mtg	Strategic	Ad-hoc
9	12	Approval Resolution – Review and Approval of 2024 Corporate Initiatives, CEO Action Items, and Performance Bonus Evaluation	Board VP	DEC BOD Mtg	Strategic	Annual
10	12	Approval Resolution – Review and Approval of the Capital Credits Policy	CFO	DEC BOD Mtg	Compliance	Reoccurring
11	12	Approval Resolution – Review and Approval of the Decorum Policy	External Relations	DEC BOD Mtg	Strategic	Ad-hoc
12	12	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	CSO	DEC BOD Mtg	Strategic	Reoccurring
13	12	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	CSO	DEC BOD Mtg	Strategic	Reoccurring
14	12	CEO Corporate Initiatives and Action Items Quarterly Update	CEO	DEC BOD Mtg	Compliance	Quarterly
15	12	Cooperative Update	CEO	DEC BOD Mtg	Strategic	Reoccurring
16	12	Draft Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	CSO	DEC BOD Mtg	Strategic	Reoccurring
17	12	Draft Resolution – Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
18	12	Draft Resolution – Approval of Construction Contract for Whitestone T1 and T2 Upgrade	COO-T	DEC BOD Mtg	Strategic	Ad-hoc
19	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Base Power Charge	Markets	DEC BOD Mtg	Compliance	Reoccurring
20	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Open Records Fees	Markets	DEC BOD Mtg	Compliance	Ad-hoc
21	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Rates	Compliance & Regulatory	DEC BOD Mtg	Compliance	Annual
22	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Service Availability Charge & Delivery Charge	Markets	DEC BOD Mtg	Compliance	Ad-hoc
23	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Sustainable Power Credit	Markets	DEC BOD Mtg	Compliance	Ad-hoc
24	12	Draft Resolution – Approval to Amend Tariff and Business Rules - Three-Phase Rates	Markets	DEC BOD Mtg	Compliance	Ad-hoc
25	12	Draft Resolution – Review and Approval of the Capital Credits Policy	Compliance & Regulatory	DEC BOD Mtg	Compliance	Reoccurring
26	12	Draft Resolution – Review and Approval of the Decorum Policy	Compliance & Regulatory	DEC BOD Mtg	Strategic	Ad-Hoc
27	12	Markets Report	Markets	DEC BOD Mtg	Strategic	Reoccurring
28	12	Personnel Matters	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
29	12	Plan Administration Committee (PAC) Update - B Dawson, Drew McCorkle, CAPTRUST Advisors	Human Resources	DEC BOD Mtg	Compliance	Reoccurring
30	12	Safety/Security	Human Resources	DEC BOD Mtg	Strategic	Reoccurring
31	12	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	DEC BOD Mtg	Compliance	Ad-hoc
<b>JAN '25</b>						
32	1	2025 Election Timeline Update	General Counsel	JAN BOD Mtg	Compliance EPP	Reoccurring
33	1	Approval Resolution – Approval of 2025 Key Performance Indicators Plan Methodology	COO	JAN BOD Mtg	Strategic	Reoccurring
34	1	Approval Resolution – Approval of 2025 TEC Annual Membership Dues	CEO	JAN BOD Mtg	Strategic	Annual
35	1	Approval Resolution – Approval of Construction Contract T358 Cedar Valley - Friendship 138kV Line	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
36	1	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	JAN BOD Mtg	Strategic	Reoccurring
37	1	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	JAN BOD Mtg	Strategic	Reoccurring
38	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Base Power Charge	Markets	JAN BOD Mtg	Compliance	Reoccurring
39	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Open Records Fees	Markets	JAN BOD Mtg	Compliance	Ad-hoc
40	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Rates	Compliance & Regulatory	JAN BOD Mtg	Compliance	Annual
41	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Service Availability Charge & Delivery Charge	Markets	JAN BOD Mtg	Compliance	Ad-hoc
42	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Sustainable Power Credit	Markets	JAN BOD Mtg	Compliance	Ad-hoc
43	1	Approval Resolution – Approval to Amend Tariff and Business Rules - Three-Phase Rates	Markets	JAN BOD Mtg	Compliance	Ad-hoc
44	1	Cooperative Update	CEO	JAN BOD Mtg	Strategic	Reoccurring
45	1	Draft Resolution – Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Item(s)	General Counsel	JAN BOD Mtg	Strategic	Reoccurring
46	1	Draft Resolution – Approval of Appointments to 2025 Qualifications and Elections Committee (QEC)	General Counsel	JAN BOD Mtg	Compliance	Reoccurring
47	1	Draft Resolution – Approval of Construction Contract T318 Blanco – Devils Hill 138kV Line	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
48	1	Draft Resolution – Approval of Construction Contract for Whitestone T1 and T2 Upgrade	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
49	1	Long-Term Distribution/Substation Capacity/Transmission Planning Update	COO-T/COO-D	JAN BOD Mtg	Strategic	Ad-hoc
50	1	Markets Report	Markets	JAN BOD Mtg	Strategic	Reoccurring
51	1	Personnel Matters	Human Resources	JAN BOD Mtg	Strategic	Reoccurring
52	1	Real Estate Semiannual Update	Compliance & Regulatory	JAN BOD Mtg	Strategic	MAR/SEP
53	1	Review of 2025 Corporate Initiatives and CEO Action Items	CEO	JAN BOD Mtg	Strategic	Reoccurring
54	1	Safety/Security	Human Resources	JAN BOD Mtg	Strategic	Reoccurring
55	1	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	JAN BOD Mtg	Compliance	Ad-hoc
<b>FEB '25</b>						
56	2	2025 Election Timeline Update	General Counsel	FEB BOD Mtg	Compliance EPP	Reoccurring
57	2	Approval Resolution – Approval for Directing the General Counsel to Prepare 2025 Proposed Non-Director Election Ballot Item(s)	General Counsel	FEB BOD Mtg	Strategic	Reoccurring
58	2	Approval Resolution – Approval of Appointments to 2025 Qualifications and Elections Committee (QEC)	General Counsel	FEB BOD Mtg	Compliance	Reoccurring
59	2	Approval Resolution – Approval of Construction Contract T318 Blanco - Devils Hill 138kV Line	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
60	2	Approval Resolution(s) – Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions	COO	FEB BOD Mtg	Strategic	Reoccurring
61	2	Approval Resolution(s) – Approval of Real Property Acquisitions or Real Property Dispositions	COO	FEB BOD Mtg	Strategic	Reoccurring
62	2	Cooperative Update	CEO	FEB BOD Mtg	Strategic	Reoccurring
63	2	Cyber Security Semiannual Update	Compliance & Regulatory	FEB BOD Mtg	Strategic	FEB/AUG
64	2	Draft Resolution - Approval of Construction Contract for Cedar Valley T1 and T2 Upgrade and CV-FS Remote Ends	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
65	2	Draft Resolution – Approval of T318 Blanco - Devils Hill 138kV Line Easement Amendments	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
66	2	Draft Resolution – Approval of Construction Contract - Old Eighty-One Substation	COO-T	JAN BOD Mtg	Strategic	Ad-hoc
67	2	Draft Resolution – Approval of T360 Friendship - Rutherford 138kV Line Pole Order	COO-T	FEB BOD Mtg	Strategic	Ad-hoc
68	2	Key Performance Indicator (KPI) of 2024 Period 2 Results	COO	FEB BOD Mtg	Strategic	Reoccurring
69	2	Markets Report	Markets	FEB BOD Mtg	Strategic	Reoccurring
70	2	Personnel Matters	Human Resources	FEB BOD Mtg	Strategic	Reoccurring
71	2	Safety/Security	Human Resources	FEB BOD Mtg	Strategic	Reoccurring
72	2	Update on Competitive ERCOT Regulatory Matters	Compliance & Regulatory	FEB BOD Mtg	Compliance	Ad-hoc





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**File #: 2024-347, Version: 1**

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**Matters in Which the Board Seeks the Advice of Its Attorney as Privileged Communications in the Rendition of Professional Legal Services**

**Submitted By: Andrea Stover  
Department: General Counsel**



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**File #: 2024-348, Version: 1**

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**Litigation and Related Legal Matters - A Stover**

**Submitted By: Andrea Stover**  
**Department: General Counsel**



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**File #:** 2024-349, **Version:** 1

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**Resolution - Approval of Authorization for Initiation, Settlement, or Disposition of Litigation Matter(s) - A Stover**

**Submitted By:** Andrea Stover

**Department:** General Counsel

**Financial Impact and Cost/Benefit Considerations:** If any, as discussed in Executive Session.



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**File #: 2024-340, Version: 1**

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**Discussion of Tariff and Business Rules - C Powell/A Stover**

**Submitted By: Christian Powell/Andrea Stover**  
**Department: Compliance and Regulatory/General Counsel**



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**File #:** 2024-350, **Version:** 1

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**Ethics and Compliance Update - C Powell**

**Submitted By:** Christian Powell  
**Department:** Ethics & Compliance



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**File #: 2024-351, Version: 1**

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**Draft Resolution - Approval of Capital Credits Distribution during Calendar Year 2025 - J Smith**

**Submitted By: Janelle Smith**

**Department: Chief Financial Officer**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**





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**File #: 2024-353, Version: 1**

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**Draft Resolution - Approval of Determination and Approval of Necessity and Public Use for Transmission Easement Amendments for the Cedar Valley - Friendship Line (Engineering Project T358); and Authorization of the Cooperative to Use Eminent Domain to Acquire Property for the Cedar Valley - Friendship Line Easement Amendments - J Greene**

**Submitted By: Jonathan Greene**

**Department: Chief Operations Officer - Transmission**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**



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**File #:** 2024-354, **Version:** 1

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**Draft Resolution - Approval of Construction Contract T587 Mountain Top - Blanco 138kV Line - J Greene**

**Submitted By:** Jonathan Greene

**Department:** Chief Operations Officer - Transmission

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session.



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**File #:** 2024-356, **Version:** 1

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**Markets Report - R Kruger**

**Submitted By:** Randy Kruger  
**Department:** Markets



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**File #: 2024-357, Version: 1**

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**Update on Competitive ERCOT Regulatory Matters - C Powell/E Blakey**

**Submitted By: Christian Powell/Eric Blakey**  
**Department: Compliance & Regulatory**



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**File #:** 2024-358, **Version:** 1

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**Resolution(s) - Approval of Real Property Acquisitions or Real Property Dispositions - C Powell**

**Submitted By:** Christian Powell

**Department:** Compliance & Regulatory

**Financial Impact and Cost/Benefit Considerations:** As discussed in Executive Session.



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**File #: 2024-359, Version: 1**

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**Resolution(s) - Approval of Capital Improvement Plan Budget Amendments for Real Property Acquisitions - C Powell**

**Submitted By: Christian Powell**

**Department: Compliance & Regulatory**

**Financial Impact and Cost/Benefit Considerations: As discussed in Executive Session.**





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**File #:** 2024-360, **Version:** 1

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**Safety and Security Matters**

**Submitted By:** Human Resources  
**Department:** Human Resources



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**File #:** 2024-361, **Version:** 1

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**Personnel Matters**

**Submitted By:** Human Resources  
**Department:** Human Resources