

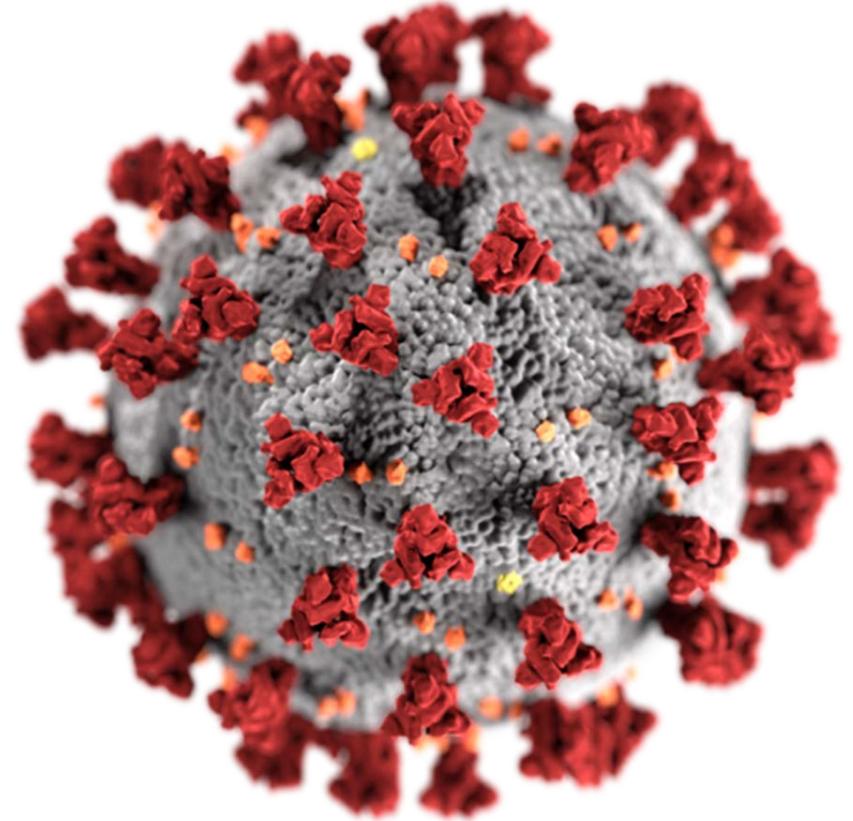


# Cooperative Update

Julie C. Parsley | Chief Executive Officer

# COVID-19 Update

- Developing return-to-office strategy
  - Currently surveying upper management
  - Developing Remote Working Policy
- Pandemic EOP still in effect today
- All office lobbies are open with COVID protocols in place



# May Regulatory Update

## Electric Reliability Council of Texas (ERCOT)

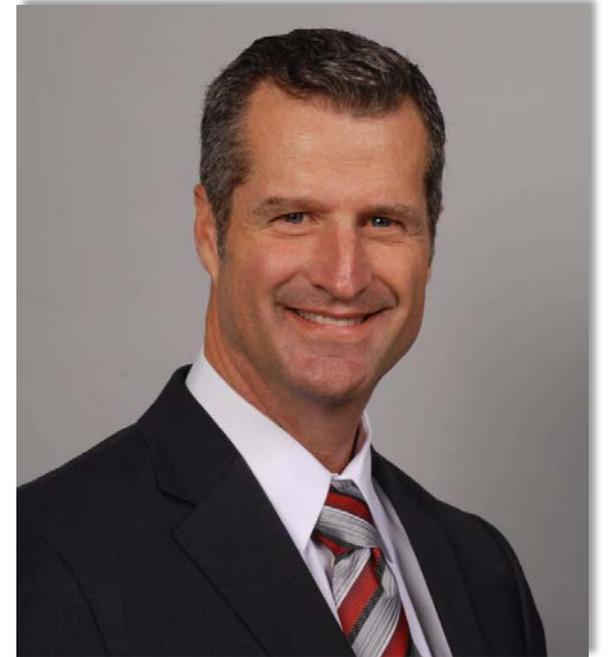
- Attended Board Meeting on April 27
- Brad Jones appointed Interim CEO, for one-year term

## Public Utility Commission (PUC) Open Meeting on May 6

- Project No. 51871, Review of the ERCOT Scarcity Pricing Mechanism – Approved publication of the proposal to modify the value of the low system-wide offer cap (LCAP) by eliminating a provision that ties the value of LCAP to natural gas price index
- No other action taken related to the February storm

## ERCOT/PUC Summer Preparedness Workshop

- Newly appointed PUC Chairman Peter Lake and Commissioner Will McAdams addressed stakeholders in advance of the coming summer season
- Gas and electric coordination is focus for the summer – gas generation supply chain identification and outage mitigation is ongoing in the market and at PEC



*Brad Jones*  
*ERCOT Interim CEO*

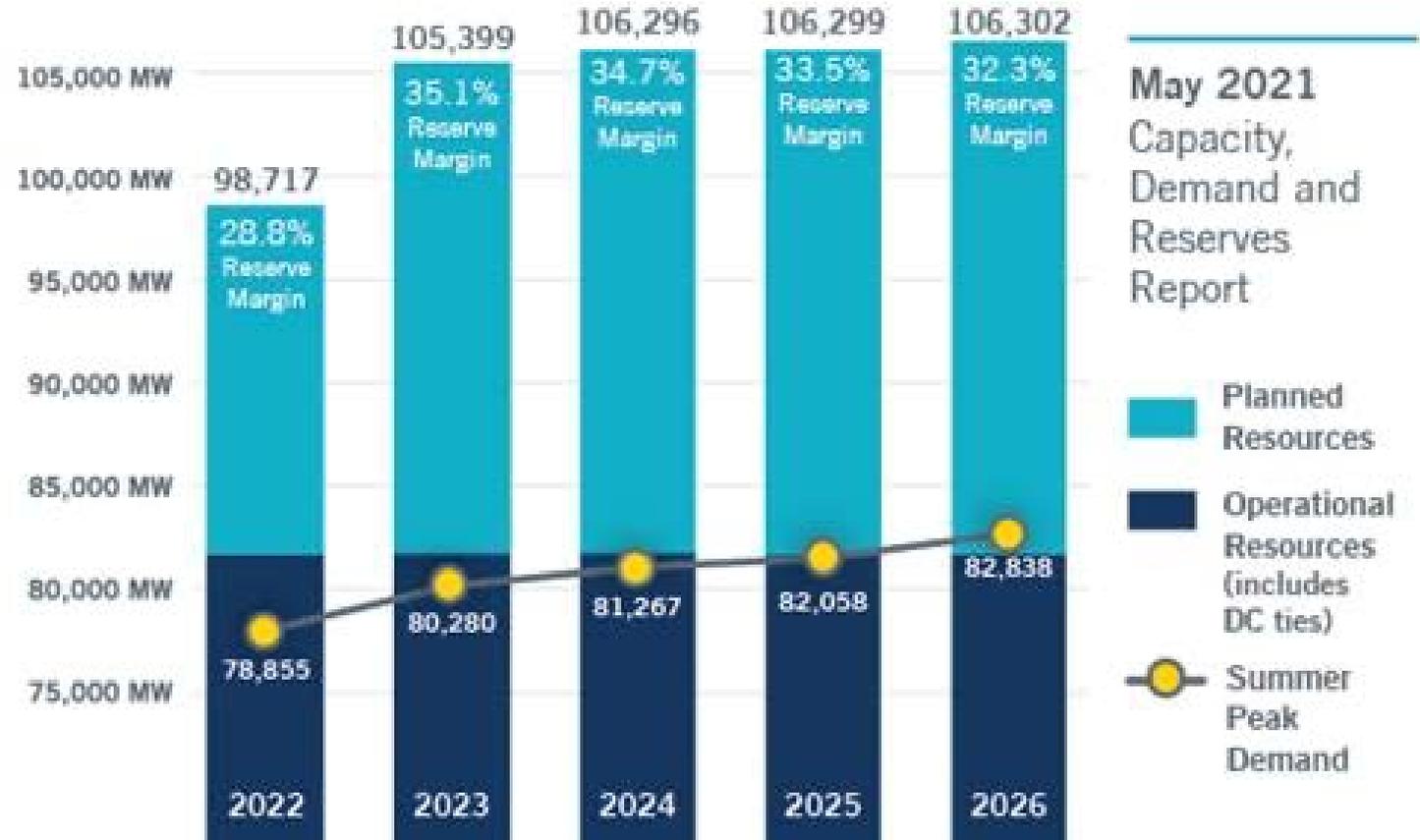
# ERCOT's Summer 2021 Peak Demand Forecast

- Seasonal Assessment of Resource Adequacy indicated summer peak forecast of 77,144 MW
- Capacity, Demand, and Reserves report projects a 15.7% reserve margin

Summer 2021  
Seasonal Assessment of  
Resource Adequacy

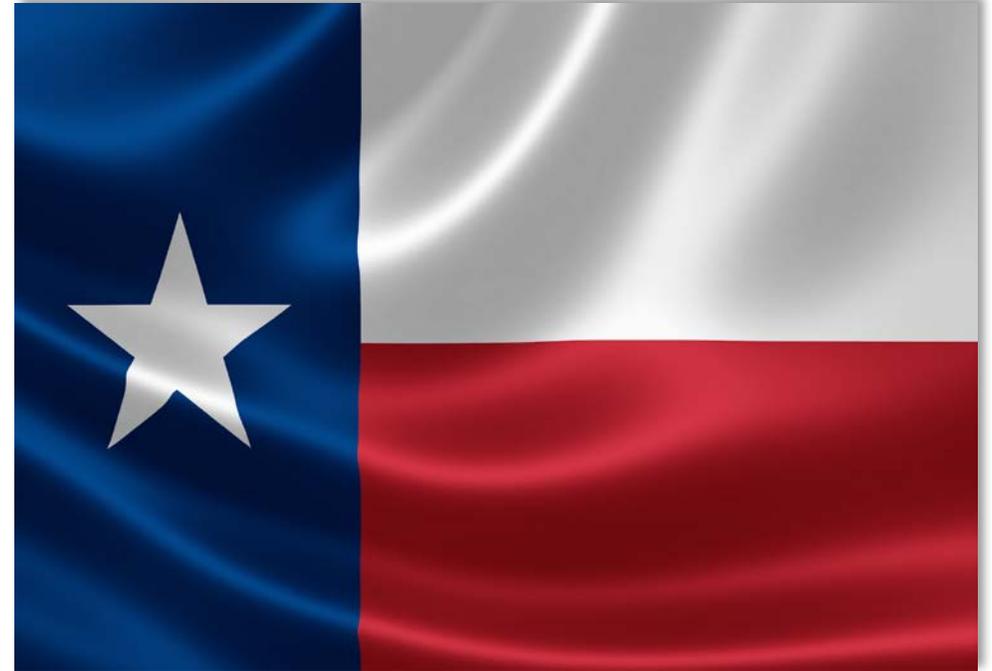
**77,144 MW**  
Summer 2021 peak demand  
forecast

**86,862 MW**  
Total resource capacity



# Texas Legislative Update

- HB 19: Commercial vehicle tort reform
- SB 3: Winter Storm “Omnibus” bill
- HB 1505: Pole attachments
- SB 1580: Cooperative securitization
- HB 4492: Uplift/securitization
- May 22: Last Day to report SBs/HBs
- May 26: Last Day for 3<sup>rd</sup> readings
- May 30: Last Day for adopt/concur conf. committee report
- May 31: Legislature adjourns (Sine Die)



# YOUR VOTE IS YOUR VOICE!



- Members in districts 1, 6, and 7 will elect their leadership
- Voting open May 19-June 11
- Variety of voting methods
  - Via SmartHub
  - Online
  - By mail
  - In person at a PEC office
  - Using QR code and smartphone

# Tune into Annual Meeting on June 18

- Annual Meeting scheduled for Friday, June 18, at HQ
- Business meeting will include update from Board President and CEO, plus highlights from 2020
- Limited seating for members on first-come-first-served basis
- Meeting will be livestreamed



# Congratulations to 39 PEC Scholarship Recipients!



# PEC Community Grants: 7 Spring Recipients



**DOG ALLIANCE**



*Horseshoe Bay*

NATURE PARK



# Welcome to Camp Save-a-Watt!

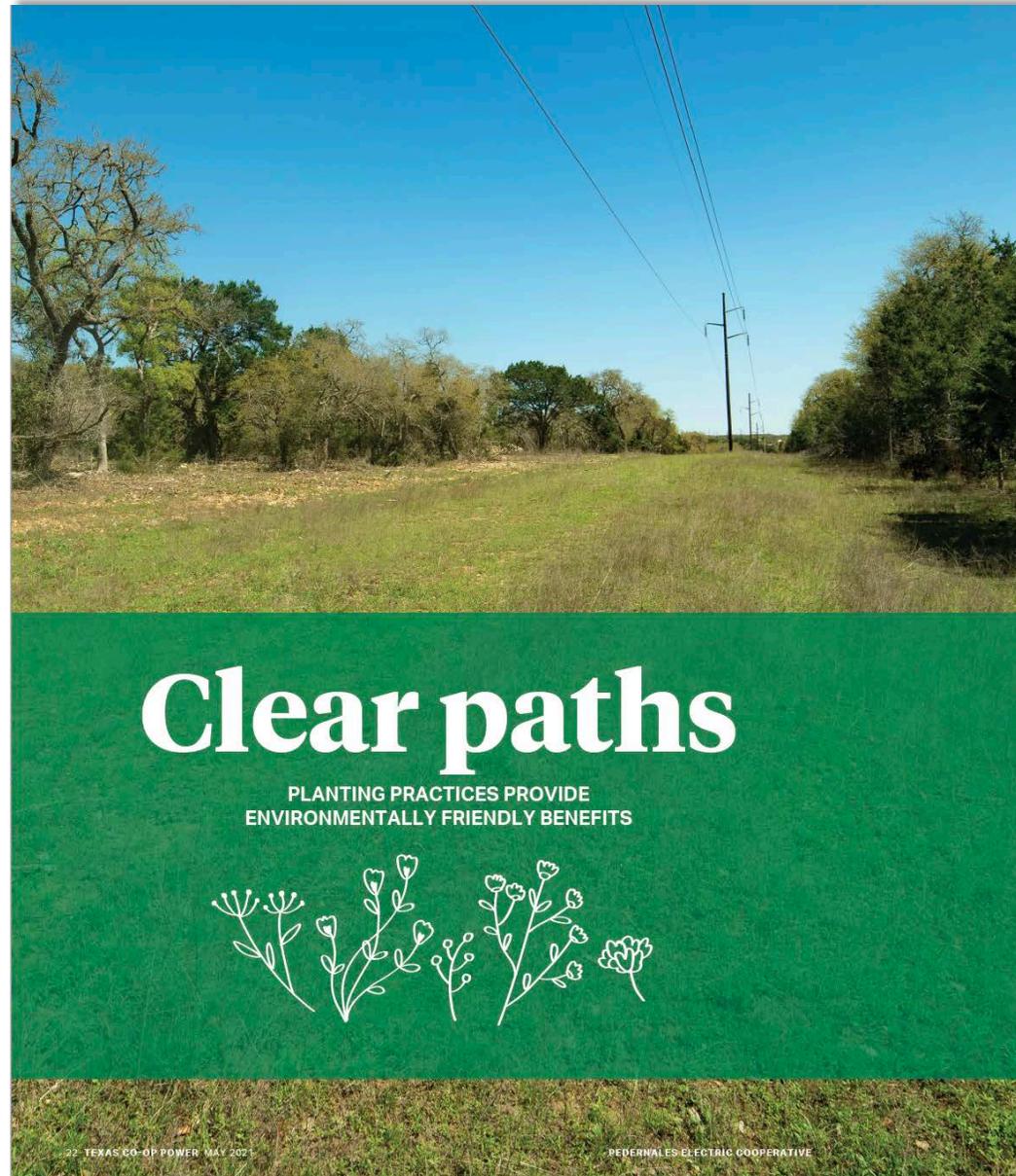
- New, free online summer camp for children in grades K-2
- Each week, campers will:
  - Learn electricity basics
  - Discover new ways to conserve energy
  - Practice electric safety at home
  - Make camp crafts
- Registration is open until June 1 at [camp.pec.coop](http://camp.pec.coop)!



# Member Appreciation

"I appreciated the May '21 article "Clear Paths" - planting practices for environmentally friendly benefits ... has recognized the advantages of reducing mowing, planting friendly seed mixes & allowing growth of native grasses. Thank you for setting a business standard by being environmentally intentional & providing forage for wildlife & essential pollinators!!!"

- A happy member from Florence



Of all the important work done at PEC, none has a closer relationship to nature than vegetation management. While PEC adheres to federal vegetation management standards that are critical for ensuring the safe delivery of reliable electric service, we're taking it a step further by planting environmentally friendly seed mix, known as food plots, along our transmission and distribution easements.

Mowing easements can be a major — but necessary — expense to maintain access to electric equipment. In 2019, PEC started reseeding easements with food plots that help reduce the need to mow, while also benefiting animals and pollinating insects.

The new seed mix, which only grows to 12 inches in height at maturity, is an attractive food to animals like deer — so they can do the mowing for us while they eat! These edible easements help keep wildlife off the roads, and including native wildflowers in the seed mix benefits important pollinators like butterflies.

The benefits are two-fold: reducing mowing costs and making PEC more responsible stewards of the environment. Plus, it allows us to be better neighbors to our members. "Landowners recognize the benefits of open easements and share our goals of providing reliable electric service," PEC Vegetation Management Supervisor Ryan Krause explained. "And all of our members benefit from the cost savings."

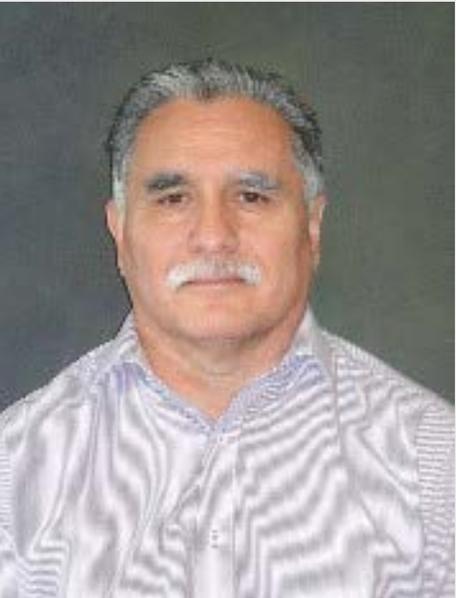
In the second spring since starting to use the food plots, the benefits of this program are in full bloom. "We have dramatically cut back on mowing to allow for native grasses to grow on both transmission and distribution easements," Krause said. "This allows us to divert more resources to the removal of invasive, woody species and replace them with food plot and wildflower seeds."

In situations where easements run through private property, PEC works directly with the landowner to ensure there are no issues with planting. The seed mix can be eaten by cattle, and the wildflowers can be omitted in areas where livestock graze.

"These integrative management techniques take time, but the results have become evident this spring," Krause said. It is now common to spot deer, butterflies, and other wildlife in our easements. Mowers? Less so.



# Employee Kudos



**Art Lopez**

Member Relations  
Agent  
*Marble Falls*

**Sarah Fischer**

Energy Service  
Advisor  
*Kyle*

**Lisa DiPhillipo**

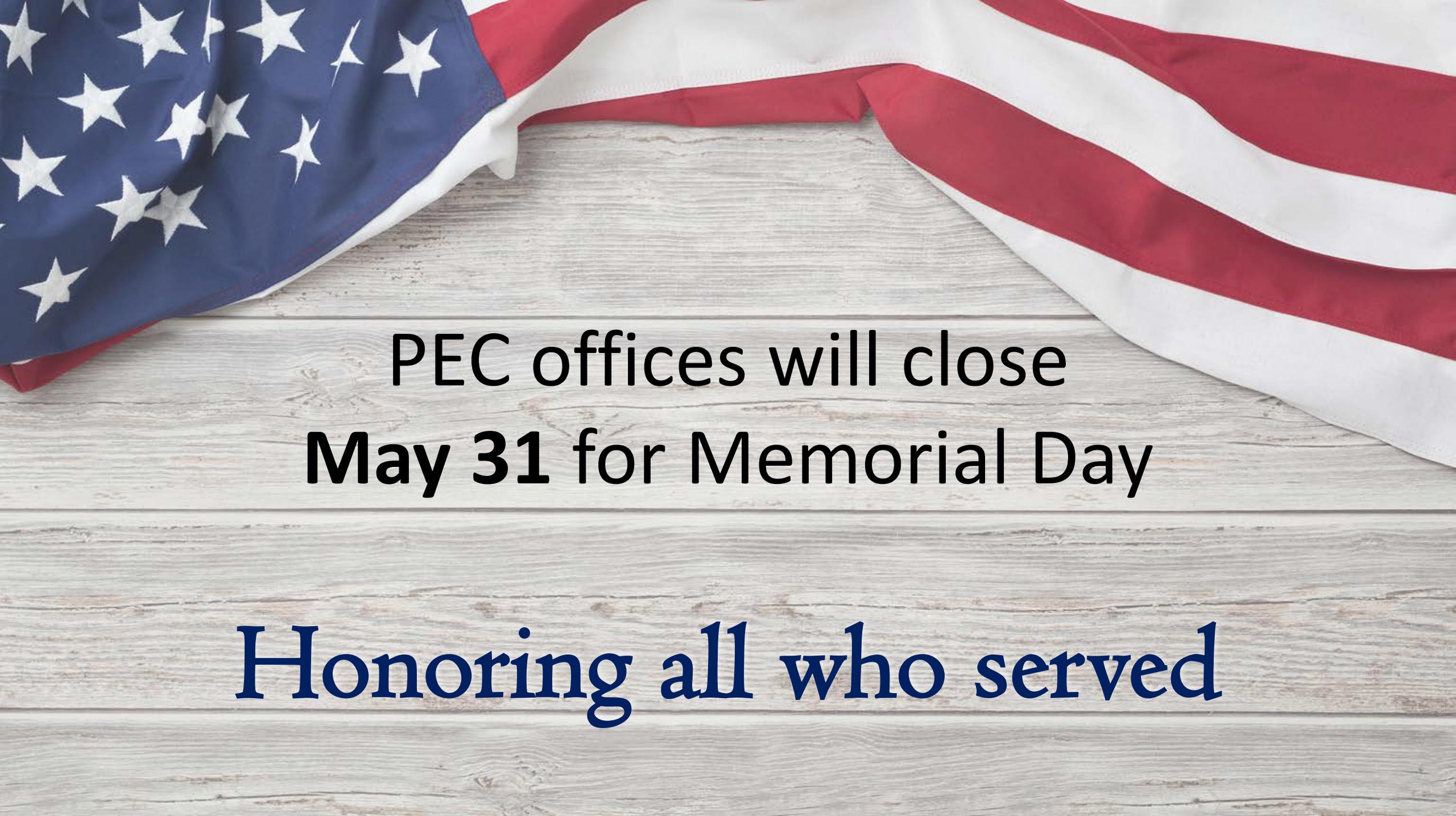
Member Relations  
Agent 2  
*Marble Falls*

**Craig Meador**

Regional Operations  
Manager  
*Junction*

**Juanita Garcia**

Member Relations  
Supervisor  
*Oak Hill*

An American flag is draped across the top of the image, with the stars and stripes clearly visible. The flag is set against a background of light-colored, weathered wooden planks. The text is centered over the wooden background.

PEC offices will close  
**May 31** for Memorial Day

*Honoring all who served*

