



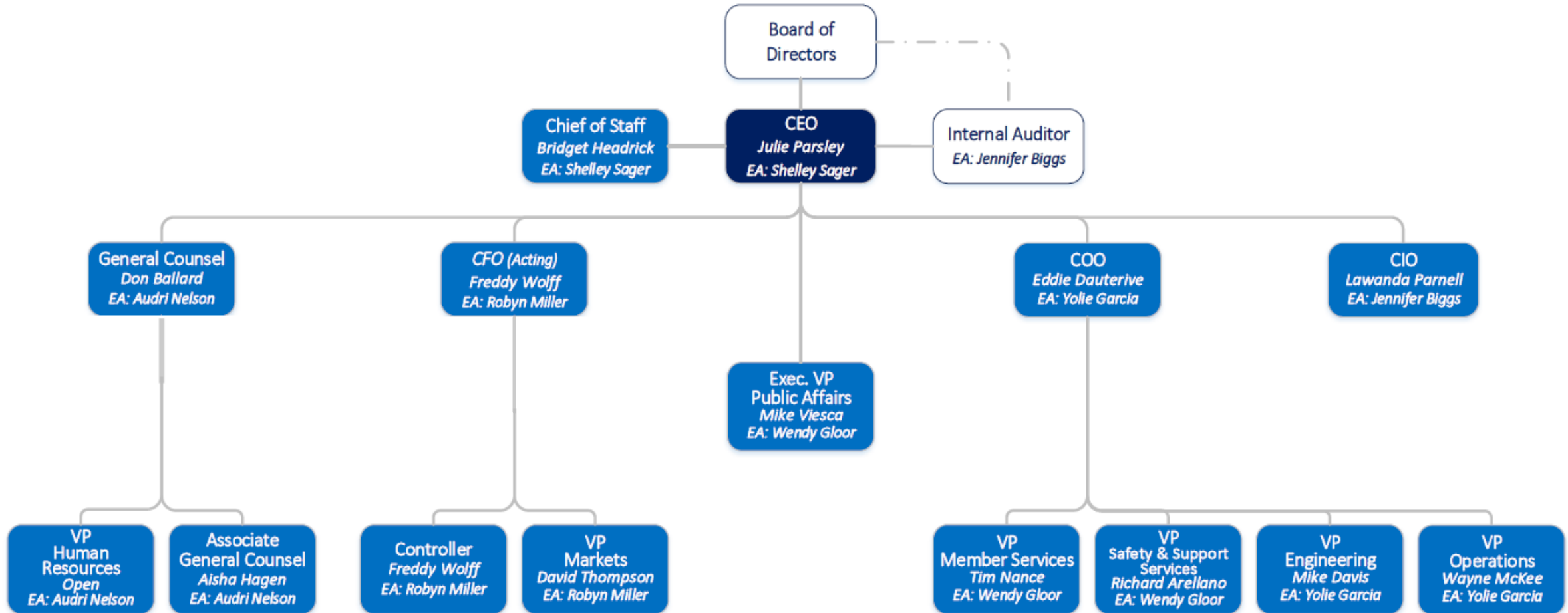
Cooperative Update

Julie Parsley, Chief Executive Officer

April 16, 2018

Board Meeting | Open Session

PEC Organization Structure – April 2018



Mike Viesca – Executive VP Public Affairs



- Oversee communications and marketing, media relations, legislative affairs, local government relations, and community engagement
- Serve as spokesperson for the cooperative
- For the past 10 years, Mike has worked for Burson-Marsteller, a global public relations and communications firm, as the Director of Public Affairs and Crisis Practice
- Mike was also Statewide Director of Media Relations for the Texas Department of Criminal Justice, and Deputy Press Secretary for the Texas Attorney General's Office



Aisha Hagen – Associate General Counsel



- Oversee legal services, litigation, regulatory affairs, tariffs, and records management
- Aisha has worked at PEC for eight years, most recently as Senior Counsel
- Aisha previously gained experience from Winstead PC and Thompson Coburn LLP where she practiced in Public Finance, Real Estate, and Corporate groups



Freddy Wolff – Acting CFO and Controller



- Controller oversees the general accounting functions, accounts payable, budget, and financial analysis
- Freddy joined PEC in 2012 as Controller, bringing more than 20 years of business experience
- Freddy gained prior experience with ERCOT and Dell Financial Services where he served in various financial leadership roles



David Thompson – VP Markets



- Oversee activities related to the wholesale and retail markets, including power supply, strategic growth, and rates
- David has been with PEC for almost two years as Director of Energy Regulatory Affairs
- David gained prior experience with ERCOT, Austin Energy, and LCRA



Richard Arellano – VP Safety and Support Services



- Oversee safety, fleet, vegetation management, facilities, and other support services
- Richard has worked for PEC for 10 years as a District Director
- Richard gained prior experience as President of Greater East End Management District, Development Coordinator of the Housing Authority for the City of Austin and Chief of Staff under Mayor Will Wynn for the City of Austin



Mike Davis – VP Engineering



- Oversee the engineering department, including system planning and design, metering, and GIS/mapping
- Mike joins us from LCRA, where he worked for more than 10 years, fulfilling roles that included Vice President of Enterprise Engineering and Safety
- Prior to LCRA, Mike worked as an engineer at ERCOT and Austin Energy



Tim Nance – VP Member Services



- Oversee Member Services, including the contact center, member messaging and content, revenue management, and energy services
- Tim has been with the cooperative for more than 20 years, focusing on improving and supporting member services with the last 5 years as Director of Member Relations
- Tim previously worked as a District Member Services Supervisor and Financial Accountant/Analyst at PEC



Wayne McKee – VP Operations



- Oversee operations, including district offices, construction, maintenance, and the control center
- Wayne has worked for PEC for over 18 years managing cross-functional departments
- Wayne brings over 38 years of experience in the electrical utility industry
- Wayne gained prior experience with Oncor Electric Delivery Company where he served in various roles in Distribution



First 100 Days and Beyond – Welcome Team!

First 30 Days

Learned & Observed:

- HQ & District visits to meet
 - District Directors
 - Lineman
 - Engineers
 - Member Services
 - Staff

Gathered information and shared my thoughts about the future

First 60 Days

Clarified & Refined:

- Organizational structure
- Expectations
- Existing plans
- Plans, decisions & actions

Moved to a structure that will best serve the employees, members, and co-op as a whole

First 100 Days

Alignment & Structure:

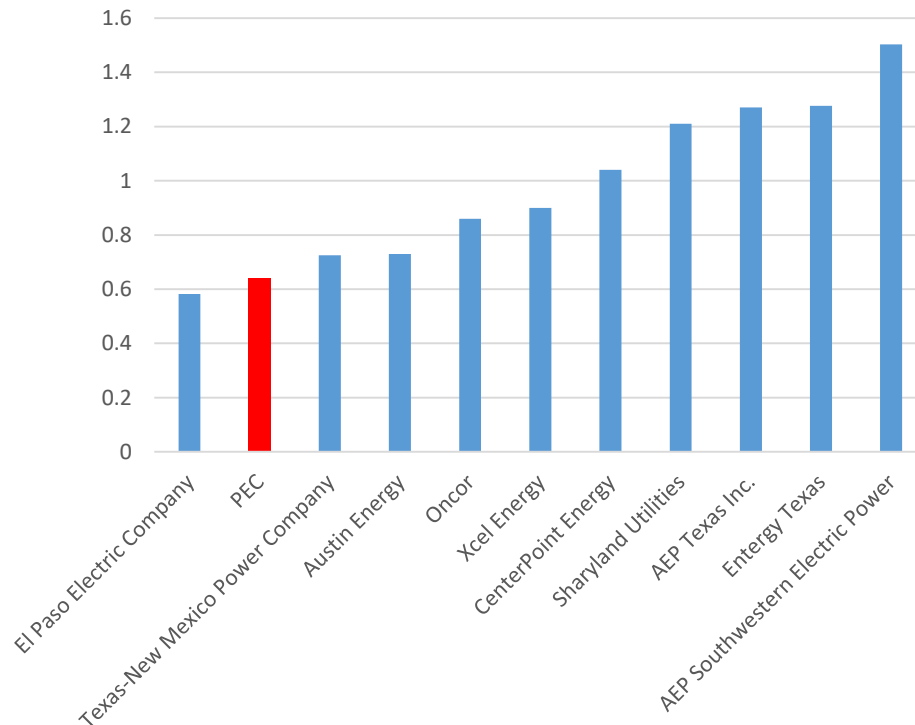
- Established executive and senior leadership
- Will enable future downstream alignment of functions

Will continue to define and clarify goal standards, and reinforce valued behaviors to ensure we recruit and retain talented teams

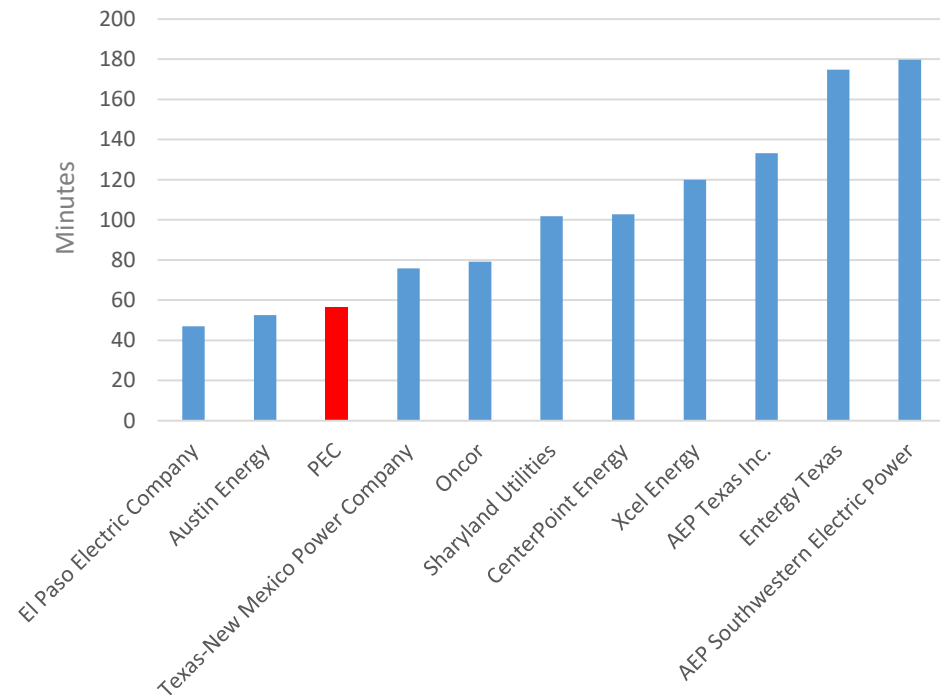
PEC's Reliability Compared to Other Texas Utilities (Outage Frequency and Duration)



**System Average Interruption Frequency Index
(SAIFI) – 2017 Forced***



**System Average Interruption Duration Index
(SAIDI) – 2017 Forced***



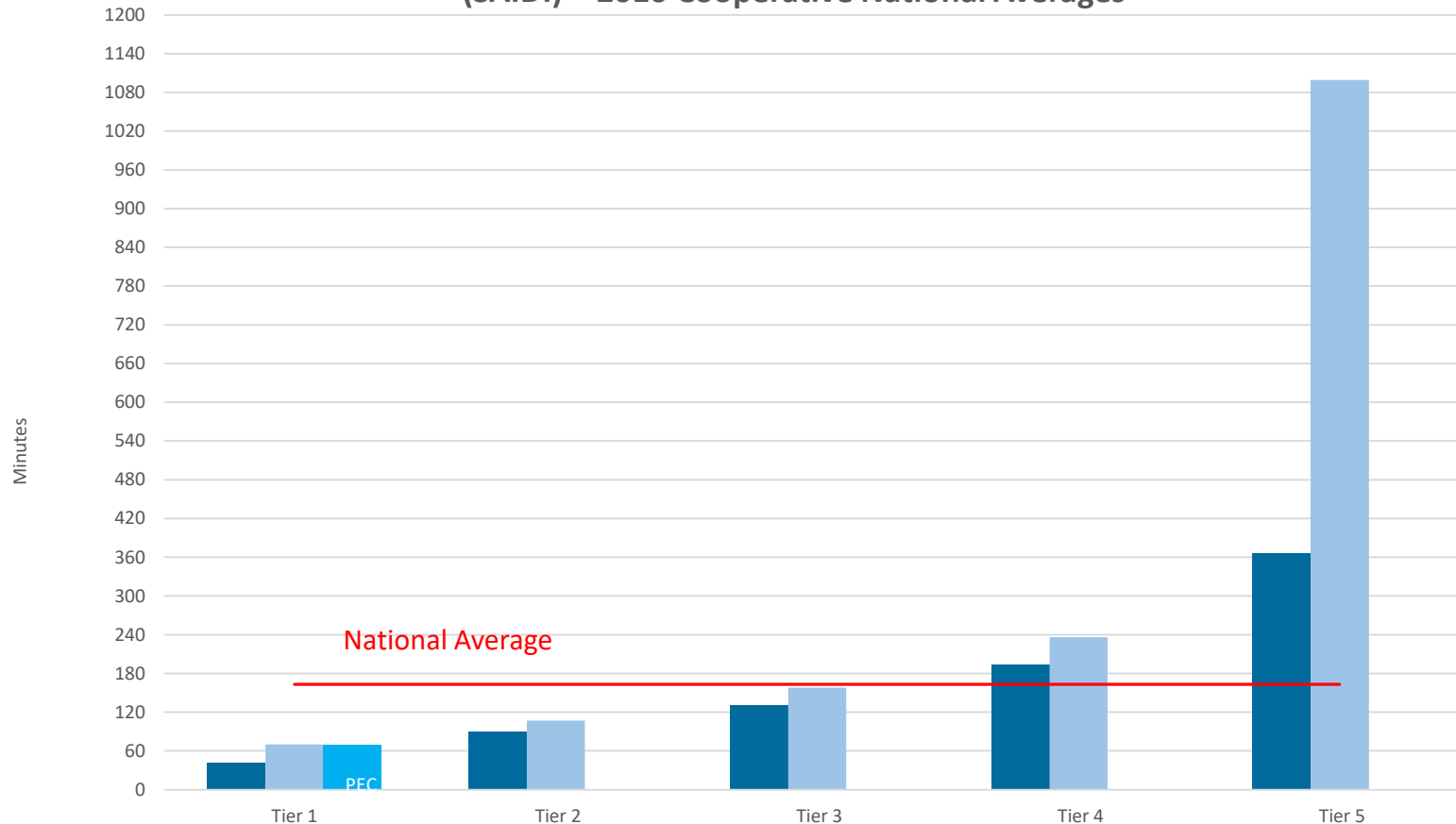
On average, a PEC customer has a chance of being interrupted once every 1.5 years, and the interruption would be less than one hour.

*Annual Forced Interruptions for SAIFI & SAIDI; Reports filed in PUCT Project No. 47924, 2017 Electric Service Quality Reports Pursuant to 16 TAC §§25.52 and 25.81

PEC's Reliability Compared to Cooperative National Averages (Outage Duration)



System Average Interruption Duration Index
(SAIDI) – 2016 Cooperative National Averages



- *PEC ranks in the top 20% of US cooperatives in SAIDI scores*
 - *99 out of 497*
- *Only 5 cooperatives in Texas rank higher (out of 67 distribution cooperatives)*

Regulatory Authority for Reliability - NERC



North American Electric Reliability Corporation (NERC)

- PEC is registered with NERC as a Distribution Provider (DP), Transmission Owner (TO), and Transmission Planner (TP)
- NERC works to reduce risks to the reliability and security of the electric grid
- Delegated its authority to monitor and enforce compliance to eight Regional Entities



[Florida Reliability Coordinating Council \(FRCC\)](#)
[Midwest Reliability Organization \(MRO\)](#)
[Northeast Power Coordinating Council \(NPCC\)](#)
[ReliabilityFirst \(RF\)](#)
[SERC Reliability Corporation \(SERC\)](#)
[Southwest Power Pool, RE \(SPP RE\)](#)
[Texas Reliability Entity \(Texas RE\)](#)
[Western Electricity Coordinating Council \(WECC\)](#)

Texas Reliability Entity, Inc. (TRE)



Texas Reliability Entity, Inc. (TRE)

- Regional Entity for the Electric Reliability Council of Texas (ERCOT) area
 - Develops and enforces compliance with NERC Reliability Standards
 - Develops regional standards
 - Reports on reliability and adequacy of the bulk power system
- Reliability Monitor for the ERCOT region for the Public Utility Commission of Texas

PEC Membership in TRE's Cooperative Sector

- Member-based organization, with no cost to be a member
- Members vote to approve the Bylaws and the Independent Directors for the Board of Directors



TRE Members in the Cooperative Sector:

Bandera Electric Cooperative
Bluebonnet Electric Cooperative
Brazos Electric Power Cooperative, Inc.
Golden Spread Electric Cooperative, Inc.
Guadalupe Valley Electric Cooperative, Inc.
Nueces Electric Cooperative, Inc.
Rayburn Country Electric Cooperative
San Bernard Electric Cooperative, Inc.
South Texas Electric Cooperative, Inc.



Questions?