

NOTICE OF BOARD MEETING

A regular meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. will be held **Tuesday, May 12, 2020 at 5:00 pm.** In light of the declared state of emergency in Delaware County due to the COVID-19 virus, directors and other meeting participants are encouraged to participate via telephone:

Dial-in Number: (866) 316-1519 Passcode: 963796#

The board of directors will act on the following:

AGENDA

I. Opening Business:

- A. Call to Order
- B. Roll Call - Determination of Quorum
- C. Adoption of Agenda [packet page 1]

II. Minutes of April 28, 2020 Board Meeting [packet pages 2-6]

III. COVID-19 Cooperative Response Update

- A. Operational and Member Services Response [oral report by CEO Schneider]
- B. Planning for possible 2020 Annual Meeting during COVID-19 Pandemic [packet pages 7-9]
- C. Planning for possible Continuation of Remote Board Meetings [packet pages 10]
- D. Cooperative Participation in Payroll Protection Program [oral report by CEO Schneider]

IV. Headquarters Project [oral report by CEO Schneider]

V. Policy – Member Owned Distributed Generation [packet pages 11-13]

VI Preview of New Service Specification [packet pages 14-16]

VII. Project Roundup Next Steps [packet page 17]

VIII. Meeting Reports

- A. NRECA Annual Meeting [reports by Directors Menke and Pick]
- B. NYSRECA Business Meeting Teleconference on 5/11/2020 [reports by attendees]

IX. Power Cost Risk Update [packet pages 18-19]

X. New Business:

XI. Future Business:

- A. Next Special Board Meeting, **Tuesday, 5/26/2020 @ 5:00 pm** [committee meeting prior to regular meeting?]
- B. NEAEC Annual Business Meeting Teleconference, Wednesday, 5/27/2020 @ 10 am [“Short Activity” in accordance with Cooperative’s policy on director compensation. Must designate voting delegates.]
- C. CoBank-facilitated Strategic Planning Discussion, 5/28/2020, Delhi, NY [CoBank Participation Cancelled or Postponed]
- D. Board Member Group Photo, Tuesday, 6/23/2020 @ 4:30 pm, Delhi, NY
- E. June update to board on truck grounding and/or barricading
- F. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD
- G. DCEC Family Fun Day, Friday, 8/7/2020, 5 pm, Delhi Courthouse Square
- H. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN
- I. Annual Meeting of Members, 9/18/2020, Delhi, NY
- J. NYAPP Annual Conference rescheduled, 10/20/2020 – 10/22/2020, Saratoga, NY

XII. Executive Session

XIII. Adjournment

Cooperative Stakeholders

- Members
- Employees
- Community
- Business Partners
 - Suppliers
 - RUS
 - CFC
 - Federated
 - Other cooperatives
 - NYSERDA
- Government
- Regulators

Cooperative Values

- Safety
- Service
- Open Communications
- Integrity/Honesty
- Professionalism
- Respect

**Delaware County Electric Cooperative
Board Meeting Minutes
April 28, 2020**

I. Opening Business: The regular monthly meeting of the Board of Directors of the Delaware County Electric Cooperative, Inc. was held April 28, 2020. Due to the declared state of emergency in Delaware County because of the COVID-19 virus, the meeting was held via phone conference.

A. Call to Order: The meeting was called to order at 5:00 p.m. by President Oles.

B. Roll Call - Determination of Quorum:

Stephen Oles	P
Edward Pick Jr.	P
Paul Menke	P
Laurie Wehmeyer	P
Frank Winkler	P
Steve Burnett	P
Jeffrey Russell	P

DCEC's CEO/General Manager, Mark Schneider, DCEC's Administrative Assistant, Alicia VanZandt; DCEC's Operations Manager, Ryan Sullivan; DCEC's Engineering & Technology Manager, Paul DeAndrea; DCEC's Line Foreman, Mike Pietrantonio; DCEC's Member, Kimberly Tosi and DCEC's Legal Counsel, Jeff Clark were all participating via telephone.

C. Adoption of Agenda: President Oles added following items to New Business, A. President Oles to Call for a Special Board Meeting and B. Motion to authorize officer signatures on RUS drawdown documents. The board adopted the agenda with above mentioned amendments by unanimous consent.

II. Consent Agenda: CEO/General Manager Mark Schneider made the clarification that any balances listed on the Bad Debt Resolution and Collection Report will not be turned over to collections during the State of Emergency. A motion was made by Secretary Pick to approve the Consent Agenda as presented. The motion was seconded by Director Russell. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

III. Finance Committee Chair Report:

A. Meeting Report from April 28, 2020 Finance Committee Meeting: Chairman Paul Menke reported that all Finance Committee members were present and that according to the Auditor Mike Roseberry everything looks good on audit report and 990 draft.

B. Motion to Accept the 2019 Audited Financial Reports: Chairman Paul Menke made a motion to accept the 2019 audited financial reports. Roll call vote: Pick-Aye. Menke-Aye.

Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

C. Motion to Accept the 2019 Form 990 Report: Chairman Paul Menke made a motion to accept the 2019 Form 990 report. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

IV. General Manager's Report: Vice President Winkler asked if any poles were broken causing the outage in Andes of the substation feeder. General Manager/CEO Schneider reported that no poles were broken that trees took down wires, cross arms, and insulators.

Vice President Winkler inquired if the Apprentice job description was outdated. General Manager/CEO Schneider replied that yes it was sufficiently outdated and during the recent employment audit provided by Bond Schoeneck & King it was suggested to update and review all employee job descriptions on a routine basis.

President Oles remarked that he would like General Manager/CEO Schneider and DCEC's Attorney Jeffrey Clark to review and report conclusions at the next board meeting in regards to Article V. Section 4 of the Cooperative's bylaws. President Oles would like to know how the board can stay in compliance with bylaws or if DCEC is unable to do so because of the state of emergency how to proceed with teleconference participation in board meetings.

VI. COVID-19 Cooperative Response Update:

A. Operational and Member services Response: Line Foreman Mike Pietrantoni gave his report to the board. The report included comments such as how the on call sheet had to be amended to accommodate the segregation plan. Line Foreman Mike Pietrantoni continued to report that it's been tough but the employees have done well implementing the segregation plan. President Oles inquired if there is less make ready work for the broadband project. Line Foreman Mike Pietrantoni confirmed that yes there is less this year. Vice President Winkler thanked Line Foreman Mike Pietrantoni and General Manager/CEO Mark Schneider for making such a comprehensive plan and adjustments to operations on the fly. The board inquired if all employees fully understand what they need to do if they start to have any symptoms of corona virus. Line Foreman Pietrantoni confirmed that all employees are well aware of the symptoms and to stay home if they start to develop symptoms. Line Foreman Mike Pietrantoni continued to state that James Green is doing an outstanding job as acting Line Foreman whenever Line Foreman Mike Pietrantoni is on furlough. General Manager/CEO Mark Schneider remarked that there is an all employee conference call at 3 pm on the 29th of April he will just reiterate what the symptoms are and what the appropriate practice is if an employee starts to display COVID-19 type symptoms. Director Wehmeyer asked if DCEC is taking employees temperatures before arriving to work. General Manager/CEO Mark Schneider and Line Foreman Mike Pietrantoni stated that DCEC is not currently doing that nor does it have plans to do so in the future. Line Foreman Mike Pietrantoni went on to report that his local fire department ordered an easy scan thermometer months ago and is still waiting for the order. Director Russell asked if DCEC is still practicing the one person per truck. Line Foreman Mike Pietrantoni answered that yes for the most part DCEC is still enforcing this practice however, it is not always achievable to be 6 feet

apart and whenever employees are not able to be, masks are worn. President Oles instructed Line Foreman Mike Pietrantonio to please tell acting Line Foreman James Green on behalf of members and board that everyone appreciates his hard work and they are grateful. General Manager/CEO Schneider added that the new segregation plan is extended to May 17, 2020 and it states that employees are to wear face masks when appropriate social distancing is not possible. General Manager/CEO Schneider also remarked that the new segregation plan addresses the safe procedure about when and how paper materials from mail and night box are to be handled.

B. Planning for possible 2020 Annual Meeting during COVID-19 Pandemic: General Manager/CEO Schneider stated that he, DCEC's Attorney Jeffrey Clark, and Administrative Assistant Alicia VanZandt will schedule a meeting to discuss several scenarios and concepts that abide by the Cooperative bylaws in regards to holding the DCEC Annual Meeting if COVID-19 is still an active concern or if there is still a Governor's executive order in place. General Manager/CEO Schneider remarked that authenticating member voting will be a must. Vice President Winkler suggested to promote and encourage a high level of absentee ballot voting. President Oles remarked that he would be interested to know what the process would be for a gathering of 50 people or 150 people or 250 people. He also stated that perhaps we will need to ensure all members are seated 6 feet apart and maybe DCEC only allows the voting member to attend the meeting.

C. Resolution – Support Cooperative Participation in Payroll Protection Program: General Manager/CEO Schneider stated that he would like the board to be fully aware of the route that DCEC had to take in the interest of time to apply for the Payroll Protection Program (PPP). General Manager/CEO Schneider reported that after a webinar that CFC presented on the PPP, CFC recommended that the Cooperative move forward with applying for the loan and to move quickly as funds will likely run out. General Manager/CEO remarked that the funds can be returned with no penalty and with no interest if done before the 7th of May if the board decides the funds are not needed. DCEC's Attorney Jeffrey Clark remarked that these funds are subject to government audits. Vice President Winkler made a motion to approve the resolution as written. The motion was seconded by Secretary Pick. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

VII. Headquarters Project: General Manager/CEO Schneider stated that he would like to put a contract in place within the next 10 days or so with Tom Howard Construction. General Manager/CEO Schneider remarked that the industry standard contract will need to be reviewed and completed with the help of DCEC's Attorney Jeffrey Clark. General Manager/CEO Schneider reiterated that the memorandum of understanding regarding the removal of the historic train depot building has been signed by all parties. General Manager/CEO Schneider also recapped that the demolition permits for the Wickham shed and the train depot structure have been submitted. General Manager/CEO Schneider repeated that none of DEP comments have material impacts on costs, so he do not consider this a risk to the project or a road block. General Manager/CEO Schneider remarked that he believes that Tom Howard will begin around May 15, 2020.

Director Russell had no additional comments. Secretary Pick thanked General Manager/CEO

Schneider and stated that it was a successful day meeting all contractors and the team. Secretary Pick stated that he is pleased with the team that Tom Howard has put together and believes that these contractors are comfortable with their jobs.

VIII. Policies:

A. Safety RESAP: The board suggested the following amendments to the last paragraph. “All employees of the Cooperative must take an active role in protecting themselves, fellow employees, Cooperative members and the general public from unsafe conditions. Employees of the Cooperative are required to follow safe work practices and procedures and adhere to all Cooperative safety rules. The current safety rules of the Cooperative shall be documented in the Delaware County Electric Cooperative Safety Manual, which shall be provided to all Cooperative employees in printed and electronic format after modifications to the Manual.” A motion was made to approve this policy with the two above mentioned amendments by Vice President Winkler. The motion was seconded by Secretary Pick. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

B. Energy Conservation & Efficiency: A motion was made to approve the policy by Vice President Winkler as written. The motion was seconded by Director Wehmeyer. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

IX. Preview of New Services Specification: Tabled.

X. Project Roundup Next Steps: Tabled.

XI. Meeting Report - NRECA Annual Meeting: Tabled.

XII. Power Cost Risk Update: Tabled.

XIII. Red Flag Report: CEO/General Manager Mark Schneider presented the Red Flag Report to the entire board. The board had an opportunity to ask questions.

XIV. NYSEG Transmission Upgrades: Engineering Manager Paul DeAndrea presented a brief overview of the NYSEG transmission projects planned for the Delhi area. Overall the impacts of the NYSEG projects will be beneficial to the Cooperative’s members, but the path of the 46 kV transmission feed to the Cooperative’s Delhi substation will be long and therefore exposed to more tree impacts. The main positive impact for the area will be stronger/stiffer sources of 115 kV and 46 kV lines in the area.

XV. New Business:

A. President Oles to Call for a Special Board Meeting: President Oles called for a meeting at 5 pm on May 12, 2020. The special meeting is necessary to keep the length of teleconference-based meetings. There was no objection from any other director. The meeting will be

scheduled.

B. Motion to Authorize RUS Drawdown: A motion was made by Vice President Winkler to adopt certificate of authorization and to instruct the Cooperative's officers to sign all required forms for the 595 RUS form drawdown request. The motion was seconded by Director Russell. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

XVI. Future Business:

A. Next Special Board Meeting, Tuesday, 5/12/2020 @ 5:00 pm

B. Closing on Sale of 39 Elm Street – moved to 4/30/2020 by mutual agreement of buyers and Cooperative

C. NYSRECA Meeting & Albany Advocacy Day, 5/11/2020 – 5/12/2020, Albany [ADVOCACY DAY CANCELLED, BUSINESS MTG VIA CONFERENCE CALL ON 5/11/2020, "SHORT ACTIVITY" IN ACCORDANCE WITH COOPRATIVE'S POLICY ON DIRECTOR COMPENSATION]

D. CoBank-facilitated Strategic Planning Discussion, 5/28/2020, Delhi, NY

E. June update to board on truck grounding and/or barricading

F. NYSRECA Annual Meeting, 7/23/2020, Otsego County Location TBD

G. DCEC Family Fun Day, Friday, 8/7/2020, 5 pm, Delhi Courthouse Square

H. NRECA Region I/IV Meeting, 9/9/2020 – 9/11/2020, Indianapolis, IN

I. Annual Meeting of Members, 9/18/2020, Delhi, NY

J. NYAPP Annual Conference rescheduled, 10/20/2020 – 10/22/2020, Saratoga, NY

XVII. Executive Session: A motion was made to go into executive session by Director Wehmeyer at 6:51 pm. The motion was seconded by Director Burnett. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor. A motion was made by Secretary Pick to exit executive session at 7:28 pm. The motion was seconded by Director Burnett. Roll call vote: Pick-Aye. Menke-Aye. Wehmeyer-Aye. Winkler-Aye. Burnett-Aye. Russell-Aye. Oles-Aye. The motion passed with 7 votes in favor.

XV. Adjournment: There being no further business on the agenda, President Oles adjourned the meeting at 7:29 pm.

Respectfully submitted,

Edward "Rusty" Pick, Jr.,
Secretary



Planning for Possible 2020 Annual Meeting during COVID-19 Pandemic

Consistent with the timeline presented to the board at your 4/28/2020 meeting, Mrs. VanZandt, Mr. Clark, and Mr. Schneider have performed the following actions related to preparations for the possibility of COVID-19 impacts on the 2020 annual meeting:

Responsible Party	Action
Clark	Monitor REC Bar Association list serve for discussion on upcoming annual meetings happening now'ish.
Schneider	Dialog with Tim Johnson on this topic, including understanding how Johnson will handle OEC's August, 2020 annual meeting
Schneider	Monitor guidance out of Albany being provided to local school boards in relation to open meetings law, budget votes, trustee elections, etc.
Clark	Monitor NRECA for any more formal guidance, such as Ty Thomson just released.
VanZandt Schneider Clark	Prepare a conceptual plan as to how we will manage the 2020 annual meeting if we cannot hold a "normal" annual meeting at a physical location such as a school auditorium on the planned date of 9/18/2020. Provide suggestions for critical elements such as: 1) candidate petitions, 2) voting, 3) presentation of required reports, 4) how to handle the desire by a member to make a motion, 5) balancing the need for notice with the need to allow dynamic participation by members, 6) providing a social interaction, 7) honoring the age old traditions. I have ideas in mind for all these issues, but I don't want to poison your thinking before you get a chance to come up with your own ideas.
VanZandt	identify "normal" activities that she would do to prepare (including spending money) that she should not do at this time based on the assumption that we will not have a typical annual meeting in 2020
VanZandt Schneider Clark	Present 1-page summary of our proposed solution to the full board and get feedback.

Proposed Plan

Cooperative staff will hope for the best and plan for the worst. This means that we will hope the 9/18/2020 annual meeting can be held in its customary fashion. We will also plan for how we'll change the plan if the COVID-19 pandemic limits our ability to have a normal meeting. The proposed plan was developed with two goals:

- 1) Comply with the Cooperative's bylaws as they exist today, noting that the bylaws can only be changed by the members, not by the board of directors.
- 2) Provide all members the best opportunity to participate in the democratic governance of the Cooperative including director elections.

All communications about the 2020 annual meeting will clearly state that the Cooperative is planning for the possibility of restrictions due to COVID-19. Every opportunity will be taken to encourage all members to submit an absentee ballot, which will assure that their vote is counted regardless of how the annual meeting is impacted by COVID-19.



All normal provisions for the annual meeting will be made including arrangements with the host facility, volunteers, employees, and vendors who would normally participate in the annual meeting. For example:

<u>Vendor</u>	<u>product</u>	<u>deadline</u>
Myron	pocket calendars	7/6/2020
Brooks BBQ	dinners	8/1/2020
Nelson Brothers Band	live music	8/1/2020
Choice Concepts	battery back-up LED (gift to each voting member)	7/6/2020
Aqua Valley Springs	water	?

Executive orders and other COVID-19 related information will be monitored on an on-going basis. If and when it becomes evident that the normal annual meeting will not be possible, members will be notified and asked not to come to the annual meeting.

An annual meeting will be convened on Friday, September 18, 2020 at the Cooperative's headquarters at 5 North Depot Street. The only participants will be the 7 directors, Attorney Clark, and CEO/General Manager Schneider. No elections or other business will be conducted. A single motion will be made by one member/director to adjourn the annual meeting to a future date certain. All 7 members in attendance will vote in the affirmative to adjourn the meeting to a date certain. The "date certain" will be selected prior to making the motion based on the best estimate of when COVID-19 restrictions will be lifted. If COVID-19 restrictions still prevent a normal meeting on the new meeting date, this process can be repeated until a normal meeting can be held at which a quorum is present.

In preparation for implementing this plan, members will be notified that their absentee ballot will be counted at the annual meeting at which a quorum is present, regardless of whether that meeting takes place on September 18, 2020 or at a later date. In other words, the moving of the date of the annual meeting by adjournment will not invalidate a member's absentee ballot.

The process for nominations of board candidates will not be materially changed due to COVID-19. The Nominating Committee is performing its duty via teleconferences, so normal nominations are forthcoming. Members can also still self-nominate by collecting 15 signatures from other members. Collection of petition signatures can be accomplished without violating COVID-19 executive orders by wearing appropriate PPE.

Presentation of the normal reports including the Treasurer's report, President's report, and CEO/General Manager's report will take place at the meeting when a quorum is present. If the initial meeting needs to be adjourned to a later date, then the reports will be delivered at the later date.

At any annual meeting at which a quorum is not present, the only motion that will be accepted or acted upon is a motion to adjourn the meeting to a later date. Any business conducted at a meeting without a quorum could be considered invalid.

The agenda for the meeting will not be changed if the meeting needs to be adjourned to a later date. However, notice will be re-issued to all members via website, Facebook, and a printed postcard in the event that the meeting is adjourned to a later date. In this way, the members' right to proper notice will be preserved.



If the meeting is adjourned then no elections will have taken place. Therefore, the current serving directors' terms will continue until an election can be held in accordance with the Cooperative's bylaws. This is consistent with the bylaws, which state,

"At each annual meeting, a number of directors, equal to the number of directors whose terms expire at the time of such meeting, shall be elected to hold office for a 3-year term."

The bylaws indicate that a director's term expires at the annual meeting, so if the annual meeting is adjourned to a later date, say a month later, the bylaws support the continuance of a serving director's term until the annual meeting can be held.

All practical and reasonable steps will be taken by staff and management to honor the annual meeting customs and traditions that the members hold dear, regardless of whether the meeting happens on 9/18/2020 or is adjourned to a later date. Those customs and traditions include the chicken BBQ dinner and small gift for all registered members in attendance.

The following actions are remaining to be completed in preparation for the 2020 annual meeting of members:

Date	Responsible Party	Action
Prior to 6/23/2020	VanZandt Schneider Clark	Work out details of the board sanctioned conceptual plan. This includes making arrangements with vendors, testing technology, drafting newsletter articles and other member communications on the topic.
6/23/2020 board mtg	VanZandt Schneider Clark	Present detailed plan and ask board to pass a resolution. The resolution will acknowledge any deviations from the bylaws, which are required to prevent threats to health and safety of members, staff, and the general public.
~7/6/2020	VanZandt	Newsletter articles finalized and placed in July Catskill Hi-Line newsletter. Carry the same information over to the website and Facebook.
~8/6/2020	VanZandt	Publish special annual meeting edition of Catskill Hi-Line, reinforcing what we've been saying in the prior newsletter, on the website, and on Facebook
~9/1/2020	VanZandt	Official notice of annual meeting postcard.
9/18/2020	VanZandt and all staff and directors	Execute the annual meeting plan that the board approved at their June meeting and which the members have been told about starting in July.



RESOLUTION

Cooperative Board of Director Meetings - Allowance of and Limitation on Telephonic Participation

May 12, 2020

WHEREAS, Article V, Section 4 of the bylaws of the Delaware County Electric Cooperative, Inc. (the "Cooperative") requires each director to "appear in person for at least 9 regular meetings of the board of directors in each year of his or her term, where a term year starts and ends at the annual meeting of the members;" and

WHEREAS, the Cooperative's bylaws constitute a contract between the Cooperative and its members; and

WHEREAS, the Cooperative is currently managing the threats and impacts caused by the COVID-19 virus pandemic; and

WHEREAS, the Cooperative's compliance with Governor Cuomo's executive orders on social distancing make in-person attendance of board members at regular board meetings impossible; and

WHEREAS, each of the Cooperative's board members had already attended in person 6 regular board meetings (September through February) at the time that the Governor's executive order on social distancing was enacted and 2 regular board meetings (March through April) via teleconference since the executive order was issued; and

WHEREAS, the Cooperative will be in violation of Article V, Section 4 of its bylaws if circumstances continue to make in-person participation of directors impossible at 2 or more of the regular meetings scheduled for May, June, July, and August of 2020; and

WHEREAS, such circumstances were not anticipated or addressed by the Cooperative's bylaws, the Cooperative's articles of incorporation, or New York State Rural Electric Cooperative Law; and

WHEREAS, in the absence of guidance from the documents listed above, general contract law applies; and

WHEREAS, general contract law requires the Cooperative to provide modified or delayed performance of an obligation when the contemplated obligation becomes impossible;

NOW, THEREFORE, BE IT RESOLVED, that telephonic participation by directors in regular Cooperative board meetings shall be deemed adequate modified performance of the directors' obligation of in-person attendance at regular meetings of the board effective March 18, 2010 until the date of the 2020 Annual Meeting of Members of the Cooperative; and

BE IT FURTHER RESOLVED, that the Board of Directors directs management to take any and all appropriate steps to carry out the intent of this resolution.

CERTIFICATE OF SECRETARY

I, Edward G. Pick, Jr., certify that I am Secretary of the Delaware County Electric Cooperative, Inc. Board of Directors and that the above is a true excerpt from the minutes of the regular board meeting of the Board of Directors of Delaware County Electric Cooperative, Inc., held on the 12th day of May, 2020 at which a quorum was present and that the above portion of the minutes has not been modified nor rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of Delaware County Electric Cooperative, Inc. this 12th day of May, 2020.

(Seal)

(Signature of Secretary)



POLICY

SUBJECT: Member-Owned Distributed Generation

POLICY: **Emergency or Standby Generation**

Member-owned emergency or standby generation that is intended to serve the member only during outages shall be connected to the member's service using an approved transfer switch. The installation shall be inspected and approved by an electrical inspection agency. In no case shall an emergency or standby generator be connected to the Cooperative's distribution lines.

Generation Connected in Parallel

It shall be the policy of the Cooperative to accommodate members who wish to generate electricity on their own premises using qualified renewable energy resources while remaining connected to the Cooperative's electrical system ("self generation"). Member-owned self generation is consistent with the Cooperative's goals of minimizing dependency on fossil fuel sources of energy that it secures for its members.

The Cooperative will make information readily available to members pertaining to the procedures for application and appropriate technical requirements for self generation. It is recognized that industry-established procedures and requirements must be followed to ensure the protection of Cooperative personnel and facilities, and the public.

The Cooperative will use reasonable efforts to provide support and guidance to members who are interested in developing and investing in renewable energy facilities. However, it shall be the responsibility of the member, financial and otherwise, to comply with interconnection requirements, arrange for contractors, secure financing and operate and maintain such facilities in compliance with this policy.

The Cooperative recognizes that extensive self generation could adversely impact the Cooperative's wholesale energy costs, which may, in turn, affect the cost of electric service to its members. For this reason, self generation sources that are interconnected to the Cooperative's electrical systems shall normally be limited to 15 kW maximum nameplate capacity. Proposed distributed generation systems rated greater than 15kW but less than 10 MVA will be considered on an individual basis subject to the constraints of the Cooperative's system. Self generation with a nameplate capacity of greater than 10 MVA will not be considered.



Further, it is recognized that self generation may result in circumstances where such generation exceeds the member's electrical consumption. During those times, and for systems rated at 15 kW or less, the Cooperative shall purchase that amount of energy that exceeds consumption and is injected into the Cooperative's electrical system at DCEC's avoided cost of wholesale energy, as shown on Rural Utility Service Form 7, Part K. Members who have executed with the Cooperative an Agreement for Interconnection of Member-Owned Distributed Generation prior to November 26, 2013 are eligible to continue selling their excess energy production to the Cooperative on a net-metered basis for a period not to exceed 10 years from the date of execution of their Agreement.

As a condition of connecting self generation systems rated at 15 kW or less to the Cooperative's system, a member must maintain liability insurance in the amount of \$300,000 and, if requested by DCEC, provide DCEC proof of insurance.

Distributed generation systems rated greater than 15 kW but less than 10 MVA will be considered on an individual basis through a separate purchased power agreement or power wheeling arrangement. As a condition of connecting self generation systems rated greater than 15kW but less than 10 MVA, a member must provide DCEC proof of liability insurance in an amount of at least \$1 million dollars with the Cooperative named as an additional insured.

PROCEDURE:

Members interested in self generation shall contact the Cooperative and become familiar with relevant rules, requirements and procedures. The member shall submit a completed "Interconnection Application for Distributed Generation" to the Cooperative providing details of the project plans, along with a \$50.00 application fee. The Cooperative will review the information provided in the application and shall respond to the member with comments or acceptance within twelve (12) business days of receipt.

Cooperative staff shall encourage the member to consider a full range of energy conservation, energy efficiency, and renewable generation options as part of their research and planning, prior to installing self-generation at their service location. Cooperative staff shall provide information to the member about the availability of home energy audits to aid in the member's research and planning.

Upon acceptance by the Cooperative of the application, the member shall execute an "Interconnection Agreement for Distributed



Generation” which includes acknowledgement of the member’s obligations and responsibilities. Upon completion of the installation by the member of the self generation facility, the member will notify the Cooperative to schedule a pre-connection inspection of the facility. The member shall pay the Cooperative a \$100.00 inspection fee for each visit to the premises.

The member shall not connect the facility to the Cooperative’s electrical system until it receives written permission from the Cooperative to do so. The Cooperative shall provide such permission upon receipt of all relevant payments and upon validation that the facility complies with all stated requirements. The Cooperative shall have the right to access and inspect the facilities on the member’s premises at any time and shall have the right to disconnect the facility if it is found that the facility violates any provisions of the interconnect requirements and/or due to concerns over employee or public safety or the reliability of Cooperative electric service.

RESPONSIBILITY: General Manager

DELAWARE COUNTY ELECTRIC COOPERATIVE, INC.

Approved by Board of Directors May 26, 2009

Revised by Board of Directors Dec 27, 2011

Revised by Board of Directors Nov 26, 2013

Revised by Board of Directors Jul 22, 2014

Revised by Board of Directors Sep 27, 2016

Revised by Board of Directors May 12, 2020

UNDERGROUND SERVICE CONNECTIONS FROM OVERHEAD LINES

DRAFT

(3/12/2020)

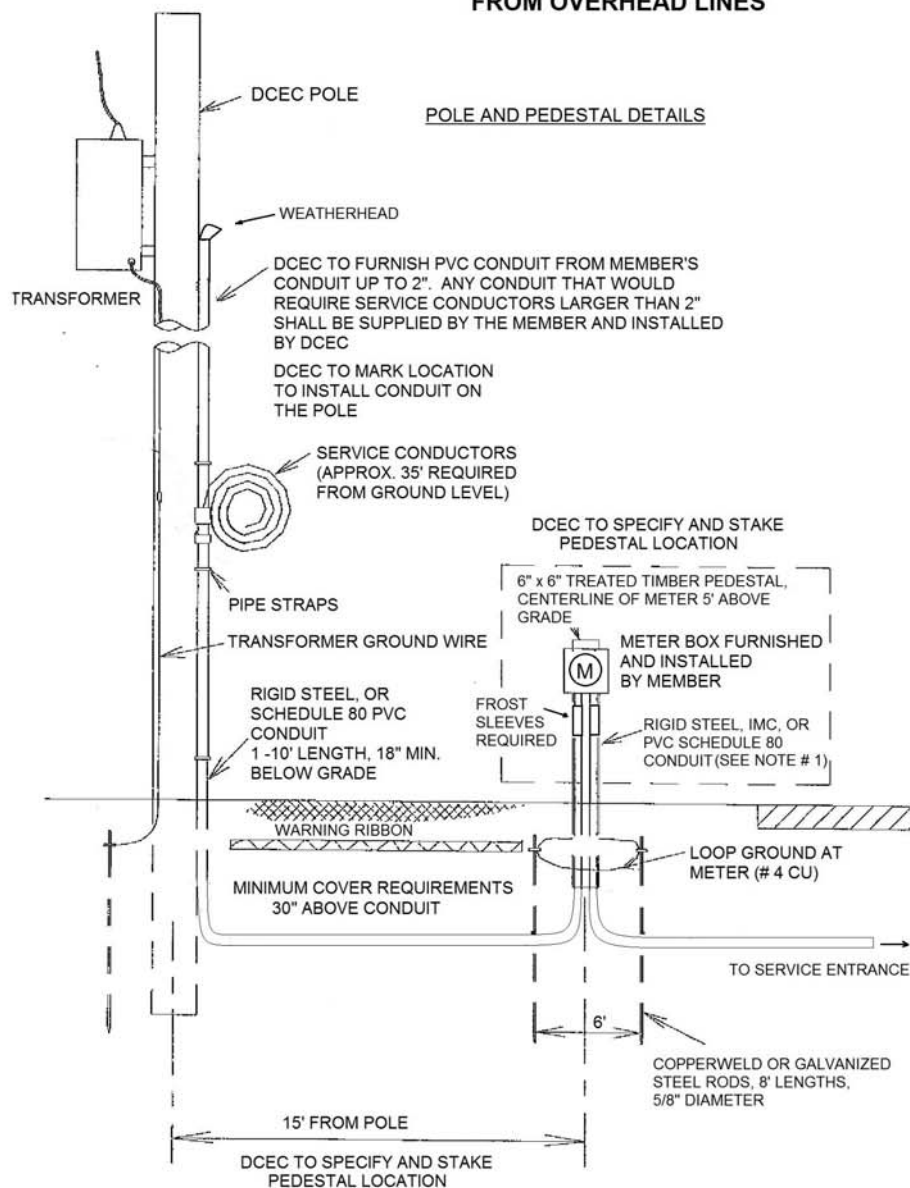


FIGURE 1

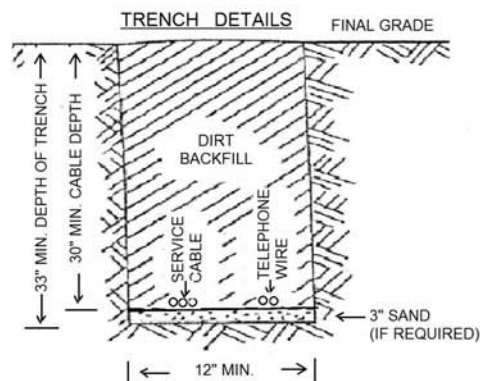


FIGURE 2

DCEC SYSTEM
UNDERGROUND SERVICE
CONNECTIONS FROM OVERHEAD
LINES

3/12/2020

PD

3/24/2020 DRAFT

MINIMUM REQUIREMENTS: METER LOCATIONS ON PEDESTALS – WITH UNDERGROUND

SINGLE PHASE, 120/240 VOLTS, 3 WIRE SERVICE, 200 AMPERE, MINIMUM

GENERAL

The member shall purchase a meter base from the Cooperative or purchase an approved meter base and install it on the pedestal at member's expense (See FIGURE 1).

All service entrance equipment from the meter box to the house is to be supplied and installed by the member, including proper size conduit from the meter base to 30" below ground level. **A frost sleeve is required between the meter pan and ground level** (See FIGURE 2).

Conduit from the meter base to 30" below ground level shall be rigid, galvanized steel or rigid non-metallic conduit or Schedule 80 PVC. It shall be of proper size as indicated, below, and securely fastened to the pedestal and the side of the house with suitable clamps.

The main switch or service panel shall be located at a readily accessible location nearest the point of entrance of the service entrance conductors in the house as stated in the National Electric Code.

Prior to the installation of the new service, contact an electrical inspection agency approved by the Cooperative if you have any questions.

GROUNDING

Ground wire shall be one continuous length without a splice or joint from the main switch to the grounding electrode. Ground clamps must connect the ground wire securely on the two driven grounding electrodes which are to be located a minimum of 6' apart in undisturbed earth.

Driven grounding electrodes must be 5/8" x 8' copper clad rod or 5/8" x 8' solid, galvanized rod. PVC conduit installed on the pedestal and or the house requires a 3-wire cable from the pedestal to the house. If a disconnect is located beneath the meter box, then a four 4-wire cable shall be installed between the meter box and the house. If metal conduit is used on either end, it must be bonded to either the meter box and or the main service panel.

If a continuous run of metallic conduit is installed from the meter box on the pedestal to the house main panel, then bonding bushings must be used to bond the meter box and main panel together. In this case, a 3-wire cable may be used between each point.

For all of the above, two (2) grounding electrodes must be installed at the house.

NOTES

1. All installations to be made according to the diagram.
2. All material to be approved by Underwriters Laboratory.
3. All wiring to be in accordance with the National Electric Code and certified by a Cooperative approved inspection agency.
4. Always have a qualified electrician take care of your wiring needs.
5. Members not following these minimum requirements may be refused service connection.
6. Service connections and/or meter removal shall be done only by authorized Cooperative personnel.
7. A reduced neutral conductor may be allowed.
8. All service entrances will be located by Cooperative personnel. Any change to the service entrance location without the authorization of Cooperative personnel may cause an additional expense to the member.

Service entrance conductor and grounding conductor schedule.

ITEM	MATERIAL	100 Ampere Service		150 Ampere Service		200 Ampere Service		300 Ampere Service		400 Ampere Service		600 Ampere Service	
1	Service Entrance Cable, Type SEU Copper Wire	#2/0		#2/0		#2/0							
2	Service Entrance Cable, Type SEU Aluminum Wire		#4/0		#4/0		#4/0						
3	Copper wire, Type THW in Conduit	#2/0		#2/0		#2/0		350 MCM		500 MCM		6-350 MCM	
4	Aluminum Wire, Type THW in Conduit		#4/0		#4/0		#4/0		500 MCM		750 MCM		6-500 MCM
5	Minimum Conduit Size	2"	2"	2"	2"	2"	2"	3"	3"	3"	3 ½"	4"	4"
6	Minimum Conduit Size for UG Service Conductors	2"	2"	2"	2"	2"	2"	3"	3"	4"	4"	4"	4"
7	Copper Ground Wire to Driven Grounding Electrode	#4	#4	#4	#4	#4	#4	#1/0	#1/0	#1/0	#1/0	#1/0	#1/0



Project Roundup Next Steps

3/24/2020

The board of directors reviewed a number of options to implement Project Roundup for our membership. The board decided to implement a project roundup scholarship program with the following general characteristics:

- Members will opt in if they want to contribute rather than having to opt out if they don't want to contribute. Based on the experience of other cooperatives around the country, opt in programs have produced approximately 15% participation after a number of years of the program.
- Participating members will "round up" the amount of each of their monthly bills to the next whole dollar amount, resulting in an average annual contribution from participating members of \$6. Annual program contributions through monthly billing after 10 years are estimated at approximately \$4,800.
- Additional off-bill contributions (checks) may be accepted also, but they will not be tax deductible for the contributors because the board has opted not to establish a 501(c)3 subsidiary for this purpose.
- Scholarships for the pursuit of post-secondary education in any field in any kind of institution including trade schools, colleges, and universities.
- Eligibility requires Cooperative membership of a parent/grandparent.
- Award a small number of "competitive" scholarships rather than offer a large or unlimited number of "entitlement" scholarships.

The board asked me to propose next steps, so here goes:

I propose the following implementation timeline:

Board approval of program details	June, 2020 board meeting.
Member education and contribution solicitation	Beginning in August of 2020 and quarterly thereafter, with special emphasis once per year in the Cooperative's editorial calendar.
Solicit first student applications as an enticement to student legislative delegate applicants.	January of 2021.
Select the 2021 student delegate, who would then also be the 2022 scholarship awardee.	March of 2021.
Award 1 st scholarship	Summer of 2022 for the period starting July of 2022 and ending June of 2023.
Repeat student applications and awards.	Annually.

I propose the following eligibility requirements for scholarship recipients:

- Applicant eligibility identical to student delegate eligibility requirements.
- Eligibility for continued receipt of annual awards conditional upon continuing in good status within the selected educational program.

I propose the following financial commitment on behalf of the Cooperative as a business:

- Commit \$1,000 per year for one to four years of post-secondary education for each awardee, even if scholarship amounts exceed the Project Roundup funds collected.
- Highest possible annual cost would could grow by year 2025 to 4 awardees simultaneously receiving \$1,000 for a total of \$4,000.



Power Costs Risk Update
3/24/2020

This power cost risk report will break down the elements of the Cooperative's wholesale power costs and comment on the risk of volatility and high pricing in each power cost category.

Power Cost Category	Volatility Risk In Next 6 Months	High Price Risk In Next 6 Months	Comments
NYPA hydro energy and demand	None	None	Current hydro contract provides cost-based rates through the year 2040. Semi-annual rate stabilization reserve meetings provide insight into NYPA operating and capital costs performance in the previous and future years.
Market based energy	Medium	Very Low	Overall economic conditions in the near term will result in lower state-wide demand, which lowers prices. Also, in the long term, increases in renewable generation will result in more hours where the market clears at or near \$0.00 per kWh for energy.
NYISO bulk transmission losses	Low	Very Low	Low levels of economic activity will result in lower bulk transmission flows and lower bulk transmission losses.
NYSEG Transmission Service Charges (TSC)	Medium	Medium	NYSEG transmission charges for wheeling our energy through their low-voltage transmission and sub-transmission lines are inherently volatile because they are formula-based rates. As other sources of revenue for NYSEG's transmission system go up and down, the rates we pay do the opposite. Many of the costs in the NYSEG TSC are fixed, so we expect to pay higher TSC rates in 2020 as the overall energy volume across the NYSEG system are reduced.
NYISO congestion charges	Low	Very Low	Low economic activity will also suppress congestion costs. We continue to "insure" against congestion costs with Transmission Congestion Contracts (TCCs) for 7 Megawatt of congestion. Unlike 2019, I anticipate we will "lose" on our TCCs in 2020.
New York State Clean Energy Standard costs including Renewable Energy Credits (RECs) and Zero Emissions Credits (ZECs)	Medium	Medium	RECs still constitute a small portion of our overall power cost, but ZECs actually constitute a large and growing portion. ZEC prices are set by the PSC in order to guarantee certain nuclear plants a guaranteed revenue stream. As overall energy prices fall, we can expect ZEC prices to increase to make up for it. There is no standard hedge available for ZEC prices and I'm certain nobody is betting on lower ZEC prices. Therefore, any hedging activity by the Cooperative would have to be very creative and rely upon investments in



			financial instruments not directly related to the energy market. Such investments would be difficult to explain to the typical member and to our auditors. I recommend against taking any action to mitigate ZEC cost risk at this time.
NYISO Ancillary Services and "Uplift"	High	Medium	Ancillary Services are things like fast ramping capability and voltage support. Uplift is how the NYISO spreads administrative and general costs to all the Load Serving Entities (LSEs) in the state. These costs don't go down proportionally with lower energy sales. Therefore, we'll pay more per kWh for these services under the current economic conditions. This cost category represents a low percentage of our overall wholesale power costs and therefore does not require any specific mitigation measure.
Member-owned distributed generation	Very Low	None	At the present time, this risk is very low due to the low volume of purchases from member-owned distributed solar/wind owners. Also, the price we pay to members is calculated based on the whole year's average wholesale cost per kWh, so the price is inherently stable.
National Grid borderline energy for single member	Medium	Very Low	The price we pay to National Grid for energy will be proportional to the overall market energy price in NY.

Overall the Cooperative is in a great position with respect to wholesale power cost risk. No action is recommended at this time.