

**Delaware County Electric Cooperative  
Membership Information Meeting Minutes  
February 23, 2016**

**I. Opening Business:** The Membership Information Meeting of the Delaware County Electric Cooperative, Inc. was held on February 23, 2016 at the Delaware County Public Safety Building at 208 Phoebe Lane, Delhi, New York, 13753.

**A. Call to Order:** The meeting was called to order at 7:00 p.m. by President, Oles.

**B. Meeting Attendees:** Director, Shawn Hartwell; Director, Meg Hungerford; Director, Paul Menke; President, Stephen Oles; Secretary, Edward Pick Jr.; Treasurer, Frank Winkler; CEO/General Manager, Mark Schneider; DCEC Administrative Assistant, Alicia Wyckoff; DCEC Attorney, Jeffrey Clark via phone conference; member, Cheryl Petersen of Delhi; member, Robert Dee of Delhi; member, David Clark of Delhi.

**II. Proposed Rate Structure Revision:** President Oles introduced each Director of the Board and specified which regions they represent. President, Oles turned the floor over to CEO/General Manager, Mark Schneider who presented a PowerPoint presentation on the proposed rate structure revision, which pending Board approval will be executed during the April billing cycle this year (slides from presentation attached).

Member Robert Dee inquired the percentage of SC-1 Residential to SC-2 Residential members. CEO Schneider stated it's approximately 3,000 SC-1 Residential and ~39% SC-2 Residential.

Member David Clark asked for clarification following CEO Schneider's presentation as to why a member who uses less than 1,500 kWh monthly has to pay more monthly. CEO Schneider gave an example of conserving energy by not using electric heat to heat a residence during the winter. This illustrates that the member is conserving energy during only the winter months but is not paying what it costs to serve them over the entire year. Member David Clark stated that he actually has a higher energy bill during the summer months. Secretary Pick gave some examples of why that may happen. He suggested it might be an old refrigerator, a fan running more, possibly watering the lawn. Member Robert Dee suggested using a P3 Kill A Watt Electricity Usage Monitor to review usage.

While explaining the Formulary Rate Adjustment, CEO Schneider commented that DCEC estimates how much energy members will buy during the annual budgeting process. When DCEC does the mid-year review adjustments are made to the Formulary Rate Adjustment. He also stated that DCEC is highly dependent on the weather because energy sales are higher during colder weather and energy sales are lower during warmer weather. Member Robert Dee commented that climate change will effect the weather and it won't just be warmer.

Member David Clark inquired how long the Co-op has been charging a fixed rate. CEO Schneider answered more than 15 years, which is how far back into history his personal knowledge extends. CEO Schneider also commented that staff, benefits and equipment are all considered fixed costs.

Member Robert Dee stated that he didn't understand why currently all service classes are not paying all three rate structures (fixed monthly charge, demand charge and energy charge). CEO Schneider stated that the demand charges could be a rate of the future. Additionally, 5,300 members need to be educated before we could start charging a demand rate.

Secretary Pick suggested that CEO Schneider explain demand to the members in attendance. Treasurer Winkler commented that DCEC does offer a load control program for hot water heaters that allows members to save \$4 monthly. Member David Clark has a gas hot water heater so he wasn't interested in learning more about this program. CEO Schneider gave two examples of two rate classifications and the difference in their demand. The first example was of an older retired couple who live at their residence full time. They watched a lot of television and they use the same amount of demand daily, continuously. The second couple is a young couple that have their primary residence down state and visit the Catskills on the weekends. When they arrive at their upstate residence they turn on the hot tub, water the lawn, etc. Both couples are using the same amount of energy but the older couple uses it equally over time. The younger couple uses all their energy in this example over a two day period, which places a higher demand on the Cooperative's distribution system.

Member Robert Dee suggested that DCEC needs a large battery. CEO Schneider stated that the grid is the best battery in the world. Member Robert Dee commented that he has an off the grid system. He also stated that storing energy is the challenge not making energy. CEO Schneider stated that Blenheim Gilboa Hydro project is a good example of efficient and clean energy storage.

**XVIV. Adjournment:** There being no further business to come before the Board, President Oles adjourned the meeting at 7:50 pm.

Respectfully submitted,

Edward Pick Jr.,  
Secretary