

from Richard G. Johnstone, Jr. President & CEO

January 9, 2019

2019 General Assembly

Virginia Co-ops Set Course for Success

The 400th Anniversary of the **Virginia General Assembly** kicks off **Wednesday, January 9th** at 12:00 noon. With two **narrowly-divided chambers**, a bitterly partisan political environment, and an election this coming November that will have **all 140 members up for re-election**, **politics**, **not policy**, **may well dominate** the next two months in Richmond. Several key issues have risen to the forefront and are set to dominate the focus of your elected officials: **tax reform** and the **budget** (included in this is **broadband funding**), **casino gambling**, **gun control**, and **energy**.

Your Association has a package of **reforms for Electric Cooperatives** and we are quietly assembling a **bipartisan coalition of support** to break through the expected partisan gridlock. One bill, patroned by **Delegate Lee Ware** and **Senator Steve Newman**, allows for reforms and enhancement to your local Cooperative Board's authority to **raise or lower rates**; a streamlined program adoption procedure at the SCC that **would permit a co-op to adopt** (through administrative filing) a program that's **already been approved for another cooperative**; and allow non-ODEC cooperatives to recover the cost of acquiring generation through a **G-RAC (Generation Rate Adjustment Clause)**.

A second bill, to be patroned by **Delegate Tim Hugo** and **Senator Glenn Sturtevant**, is the product of three years of Rubin Group negotiations. Through this compromise, Electric Cooperatives would **raise the net metering cap** to a **cumulative 5%**, and permit **third party power purchase agreements** to become legal (initially for tax-exempt entities – ultimately for everyone); Cooperatives would also get the ability to **better recover full distribution costs** through **demand charges**.

We want to recognize and give a **special thank you** to a subgroup composed of **Marcus Harris** (ODEC), **Greg White** (NNEC), **Mike Keyser** (BARC), **Michael Aulgur** (SVEC), **Matt Faulconer** (REC), and **Howard Spinner** (NOVEC). This "Group of Six" spent countless hours working closely with your **Governmental Affairs team** in the **Rubin Group negotiations** to craft a **final compromise** that is **fair to distribution cooperatives**, **protects ODEC**, and is **equitable to our memberowners**.

Combined, these two bills would give Cooperatives the flexibility and tools moving forward to navigate the proliferation of renewables and battery storage in the ever-changing electric distribution marketplace. As these bills are finalized, your Governmental Affairs Department will **share talking points** with your **designated legislative liaisons**.

Should you have any questions about these, or any other bills that you see or read about, please contact **Andrew Vehorn at avehorn@vmdaec.com** or on his cell at **757-647-0134**.

-Report by Andrew Vehorn, VMD Association Director of Government Affairs.

The Co-op Family

'Go Fund Me' Page to Help Children of Slain CBEC Employee

A fundraising effort is underway for the three children of Ashley Bayne, the Craig-Botetourt Electric Cooperative employee who was tragically shot and killed outside of the co-op just days before Christmas. Contributions can be made online at www.GoFundMe.com/AshleyBayne or by check made out to "Ashley Bayne Donation Account." Donations will be deposited into an account at Farmers and Merchants Bank in New Castle, VA and ultimately provided to the father for long-term support of the children.

"I am humbled by the outpouring of support from the cooperative family across the country. During our darkest hour, you've shown our members, employees, and community an exceptional light," said **Shawn Hildebrand**, **CBEC CEO.** "I ask that our cooperative family continue to keep Ashley's children and family in your prayers."

Donations by check can be mailed to **Dathie Washington** at VMDAEC, 4201 Dominion Boulevard, Glen Allen, VA 23060. Please note your donation in the memo line of the check. For questions about online giving, please contact **Andrew Vehorn** at avehorn@vmdaec.com or 757-647-0134.

-Report by Andrew Vehorn, VMD Association Director of Government Affairs.



CBEC flag at half staff in honor of Ashley Bayne. (Photo by Andrew Vehorn.)

Commitment to Safety

SVEC Marks 2 Million Hours Without Lost-Time Accident

For the first time in the more than 80-year history of **Shenandoah Valley Electric Cooperative**, employees have worked a combined **2 million hours without a lost-time accident**. The cooperative celebrated the occasion recently.



SVEC employees from the Winchester District celebrate the cooperatives impressive safety milestone.

-Report by Preston Knight, SVEC Public Relations Representative.

"This achievement would not have been realized without the conscious decision of each and every employee to work safely, watch out for one another and report everything so that the root cause could be determined and prevented from occurring again," said **Greg Rogers**, the cooperative's vice president of engineering and operations.

Even more impressive is that employees in the Winchester District have surpassed 2.5 million hours without a lost-time accident. The Rockingham District has topped 1.35 million hours, while the engineering department is also over the 1 million mark.

Safety is a top priority at the cooperative and SVEC is proud to celebrate 2 million hours of organization-wide well-being. We look forward to the next million!

Co-op Honors

Congress Pays Tribute to DEC's 'Beat the Peak' Program

The **United States Senate** in October passed a bipartisan resolution **honoring Delaware Electric Cooperative** and its **"Beat the Peak" program** for saving co-op members millions of dollars.

The resolution was sponsored by Delaware **U.S. Senator Chris Coons (D)** and **Colorado U.S. Senator Cory Gardner (R)**. The resolution praised Delaware Electric Cooperative for being the **first co-op in the nation** to offer a "Beat the Peak" program.

"Beat the Peak" alerts are issued by DEC when the cost to generate or purchase power is extremely high. When members voluntarily conserve energy during peak periods of energy use, the co-op is able to lower the cost of power for all members.

In 2018, the program saved members nearly \$2 million.

According to Senator Coons, "We are extremely proud that Delaware Electric Cooperative was the first electric cooperative in the nation to offer a 'Beat the Peak' program, which to date has saved Delaware members \$27 million over the past ten years. It is my hope that raising awareness of the many benefits provided by these voluntary energy-reduction programs will result in more electric cooperatives adopting and offering these programs across the country."



Delaware Electric Cooperative CEO Bill Andrew is shown with DEC member consumer Jill Rubacky, who's helping DEC to "Beat the Peak."

More than 55,000 Delaware Electric Co-op members are now participating in the program. "Beat the Peak" is a registered trademark of DEC.

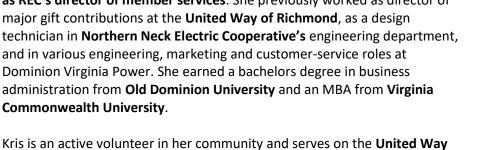
-From the DEC 2018 issue of Delaware Living.

Co-op People

Kris Sieber Promoted to REC Manager of Member Services

Rappahannock Electric Cooperative (REC) has promoted S. Kris Sieber to manager of member services. In her new role, she will manage member connections across the service territory, energy use information and advice, and supporting the success of businesses served by REC.

Kris brings 30 years of experience in the electric industry, including 17 years as REC's director of member services. She previously worked as director of major gift contributions at the United Way of Richmond, as a design technician in Northern Neck Electric Cooperative's engineering department, and in various engineering, marketing and customer-service roles at Dominion Virginia Power. She earned a bachelors degree in business administration from Old Dominion University and an MBA from Virginia Commonwealth University.





S. Kris Sieber

Leadership Team and as chairman of the Fredericksburg SPCA board. She is currently the member service chairman of the Association of Large Distribution Cooperatives and lives in Spotsylvania County. Congratulations Kris!

John Arp Named Manager of REC's Western Region



John Arp

John Arp was recently promoted to manager of Rappahannock Electric Cooperative's (REC) western region. In his new role, he will oversee the operations, design and construction departments in REC's western territory, which stretches from just north of **Charlottesville** to **Winchester**, and from Spotsylvania County to the slopes of the Blue Ridge Mountains.

John brings 19 years of electric utility experience to his new position. He joined REC in 2012 as a staff electrical engineering supervisor and most recently served as director of system planning and engineering design. He previously worked 13 years for Allegheny Energy, which became First Energy in 2012, as a system planning engineer.

John holds a bachelors degree in electrical engineering from Tennessee **Technological University** and earned professional engineer certifications in Pennsylvania and Virginia in addition to working as a journeyman electrician. He lives with his wife, Melissa, and two teenage sons in Spotsylvania County. **Congratulations John!**

REC Names New Director of Vegetation Management Services

Rappahannock Electric Cooperative (REC) has promoted **Cindy Musick** to **director of vegetation management services**. In her new role, she will direct REC's **professional foresters** and **contractor crews**. She brings extensive experience to this position, including **six years** as a **forester** working out of REC's **Blue Ridge** office. Prior to joining REC, Cindy worked for **11 years** at **Potomac Electric Power Company** (PEPCO) and also at **Hawaiian Electric**, the **Bureau of Land Management** in **Montana** and the **U.S. Forest Service** in **West Virginia**. She has written several **nationally published articles** about proper **vegetation management techniques** and has served as an adjunct instructor of biology at **Marymount University** and as a **forestry researcher** at **Virginia Tech**.

Cindy earned a bachelor of science degree in forest resources management from **West Virginia University** and a masters in environmental science and policy from **Johns Hopkins University**. She is currently pursuing a doctor of philosophy degree in forestry from **West Virginia University**. An **International Society of Arboriculture-certified arborist** and a **utility-**



Cindy Musick

certified arborist, Cindy serves as a board member for **Trees Virginia** and for the **mid-Atlantic chapter** of the **International Society of Arboriculture**.

Active in her community, she is vice president on the board of directors for Sleepy Hollow Bath and Racquet in Falls Church. She lives in Fairfax County with her husband, Frank, and their two teenage sons. **Congratulations Cindy!**

Mary Howell Joins the Virginia Cooperative Council



Mary Howell

Mary Howell joined the Virginia Cooperative Council (VCC) on January 1, after serving almost 7 years as the VMD Association's principal PR professional. At the VCC, Mary takes the helm as Executive Secretary succeeding Allen Melton, who is retiring after 27 years of involvement with this educational organization. Membership in the Council is open to all types of cooperative businesses, and many of Virginia's electric cooperatives are long-time supporters.

Before joining the VMD Association in 2012, Mary worked as association manager for **Easter Associates** and as communications director for the **Virginia Governmental Employees Association**.

"I'm delighted to remain part of Virginia's family of cooperatives," she said. "For years, Virginia's electric cooperatives have helped promote **VCC's** annual **Virginia Institute of Cooperative Education** to high school students from their service territories, including recent Youth Tour participants, and I look forward to continuing this partnership."

More information about the VCC, including details on the **March 29-31, 2019 Institute**, are posted on VCC's newly updated website, <u>www.virginia.coop</u>.

Thanks for your years of distinguished service, Mary, and we look forward to working with you in this exciting new role!

Help Us Keep You Informed!



If you have story ideas, news or information of interest and benefit to other members of the electric cooperative community in our three-state area, please contact

Phyllis Long at plong@vmdaec.com (804) 968-4077