Dirk:

Good evening, everyone. Welcome to Blue Ridge Energy's Telephone Town Hall for members. We're glad you joined us, and we hope you find tonight's call informative. Now, my name is Dirk, and I'll be moderating tonight's call. In just a moment, I'll turn the call over to Blue Ridge Energy's CEO, Doug Johnson. He has some informative updates to share with you about your cooperative.

But first, I'd like to explain the format for tonight's call. We encourage your questions. If you would like to ask a question during the call, simply press star three on your telephone at any time. You'll be connected with a staff person for a few moments, but you'll also be able to hear the telephone town hall while you're waiting to ask your question.

Now, if we can't get to all of your questions tonight, or if you prefer not to speak live, you'll be prompted to leave your message at the end of tonight's town hall. Please be sure to include your name and your telephone number so that we can contact you back. We'd like to get as many questions on air as possible tonight, so we're asking you to limit to just one question per member.

Now, if there are multiple questions about the same topic, we'll try to only take one caller with that question. That'll help us get as many members and different topics on air as possible. Again, to repeat, please press star three on your phone at any time during the town hall event. If you've got a question you'd like to ask, by pressing star three, you'll be taken to the question queue.

Remember, you can always reach Blue Ridge Energy anytime by telephone, at district offices, email, social media, or the website at blueridgeenergy.com. Again, blueridgeenergy.com. Now, before we take questions and we get to the announcements from your CEO, I'd like to start us off with a quick poll. This is where you use your telephone keypad to give us your input.

Again, you'll be answering by pressing the correct key on your telephone keypad, as I'll instruct at the very end of the call. Here's the question we're looking for your input on. Is this the first time you've participated in Blue Ridge Energy's Telephone Town Hall, or have you joined any of our earlier telephone town halls?

Press one if this is your first Blue Ridge Energy Telephone Town Hall, or press two if you participated in an earlier Blue Ridge Energy Telephone Town Hall. Again, using your telephone keypad, please respond to this question. Is this the first time you've participated in Blue Ridge Energy's Telephone Town Hall, or have you joined any of our earlier telephone town halls?

Press one if this is your first Blue Ridge Energy Telephone Town Hall. Please press two if you've participated in an earlier Blue Ridge Energy Telephone Town Hall. Now, while we're waiting for those results to be tallied, I'd like to thank you again for joining us this evening. Now, it's time to hear an update about your cooperative.

You're going to hear some important updates and good information for members this evening. At this time, I'd like to introduce Blue Ridge Energy's CEO, Doug Johnson, and turn the call over to him. Doug?

Doug Johnson:

Thank you, Dirk, and welcome to our members tonight, and thank you for joining us on this telephone town hall. I want to share we're enjoying excellent performance results for the first three quarters of 2023. I'm really pleased to share with you that our American Customer Satisfaction Index scores for the past four quarters, put Blue Ridge Energy in the top five electric utilities in the country.

I really want to give a big thank you to our employees that work so hard to provide outstanding service to you, and a big thank you to our members for these outstanding ratings and the opportunity we have to serve you. I've been regularly sharing our Brighter Future vision and its three strategic pillars. But before I review these, I want to talk about the energy transition that is happening in our country and state.

As I talked about last year, geopolitical activity and issues between Russia and Ukraine, sent the energy prices skyrocketing to levels we haven't seen in many years. Electric generation fuels, such as natural gas, almost tripled in cost during 2022. As a result, we experienced an $11 million energy true-up from Duke Energy, and part of which was also a result of Winter Storm Elliott last Christmas.

This true-up caused us to begin placing a $9 per 1,000 kilowatt-hour power cost adjustment charge on your monthly bills this past February. We expect to roll this increase into an overall rate increase in the fall of 2024, but this will be subject to our board of directors review and approval next year. We will be sharing more with you on this in the summer of 2024.

Well, while natural gas prices have moderated during 2023, we are still experiencing significant increases in our wholesale power costs from Duke Energy. Of course, the war that's happening in the Middle East, could create additional price impacts on oil and gas prices. A revised Duke Energy carbon plan is currently before the North Carolina Utilities Commission.

We're reviewing what the cost impacts will likely be for us and all of North Carolina's electric consumers. As Duke shutters coal plants, builds solar, wind, natural gas-fired power plants, small, modular nuclear and battery storage or hydro pump storage facilities, we will likely see our cost for wholesale power increase about 2% per year, year over year for the next 10 years.

Plus, there will likely be billions of dollars in transmission line investments, necessary to move the renewable energy from rural areas in the eastern part of North Carolina of our state, to the more heavily populated regions in the Piedmont and western parts. It's also important to note also that the bill charge currently on your bill, does not include these future carbon reduction plan costs from Duke Energy.

Let's take a moment and review our Brighter Future vision and some steps that we are taking to address this energy transition. Our first strategic pillar is member and community engagement. It's really our heartbeat as a cooperative is serving our members and customers well, providing energy solutions to help you manage your cost, and being really engaged with our communities.

But our second pillar is low carbon, and our vision goal here is a 50% reduction in carbon levels over 2005 by 2030, and net-zero carbon by 2050. Well, in 2021, the North Carolina General Assembly passed and the governor signed into law House Bill 951, or the Energy Solutions for North Carolina Bill. That sets the 2030 target for Duke at a 70% reduction, and gives the North Carolina Utilities Commission authority to establish this carbon reduction plan with Duke Energy.

Here's our main concern with the state's carbon reduction plan, is it goes too far too fast. As we respond to our elected officials about our state's energy policy, as your leaders, we regularly share three critical priorities. As members, I would ask you to join us as we talk to our elected officials, that there are three critical priorities when it comes to electricity: reliability, affordability, and yes, sustainability.

Now, if we get sustainability out there too far too quick, and our reliability begins to suffer where we can't keep the lights on during severe weather events or electricity becomes unaffordable, I would have to submit that we have not achieved success. Our third pillar is innovation, reliability, and cost, which goes right with what I just said. It takes constant work and investment to build grid reliability and resiliency.

Enabling us to continue to achieve top electric reliability results for our members. In conclusion, let me say this. Here are some initiatives that we are taking and working on to help the cooperative and you, our members, deal with these significant cost pressures. We're working with our members' foundation to provide more member bill assistance for hardship cases.

We're also working to achieve maximum value from our subsidiaries, to help us keep rates affordable and to help with rate increases. For example, the board approved an upstream of $2 million in cash from our propane and fuel subsidiary this year, to help offset some of the members' impact from this wholesale power cost increase I mentioned earlier, and we're planning on another $2 million in 2024.

We also must diligently manage our operating costs. I can tell you, this is a big challenge considering the high inflation that we are facing and have faced, and the continuing material supply disruptions that are continuing even today. Then we're going to be engaging you, our members, to help us reduce the peak demand for electricity as much as we can to help manage our cost.

During challenging times like this, I would also say it is very important to maintain Blue Ridge Energy's financial strength. I'm pleased to say your cooperative is in excellent financial condition, and this will help us to weather this storm. I want to thank you for staying with us tonight on this town hall meeting, and giving me the opportunity to share this update with you.

I will now turn it back over to Dirk to moderate our questions and answers. Dirk, I'll give it back to you. Thank you.

Dirk:

Thank you very much, Doug, for that informative update. Now for everyone on the line with us, if you've got a question you'd like to ask, now's the time to press star three on your telephone keypad to ask a question. Again, if you've got a question you'd like to ask, please press star three on your telephone keypad to enter the question queue. Doug is here to answer your questions.

But before we get to those questions, I'd like your input on the following poll question. Again, we're going to ask you to use your telephone keypad to register your response. Here's the question. Are you aware of the capital credits benefit of belonging to a cooperative, and the $5.8 million retired to members this spring? Please press one if yes, you're aware of capital credit refunds.

Press two if no, you're not familiar with the capital credits refunds. Again, we're looking for your input on this question. Are you aware of the capital credits benefit of belonging to a cooperative, and the $5.8 million retired to members this spring? Please press one if yes, you're aware of capital credits refunds. Press two for no if you're not familiar with capital credits refunds.

I see a number of people are responding. Thank you very much. It's always wonderful when I see so many people active on a call, this live telephone town hall, where you can press star three at any time during the call if you have a question you would like to ask. Matter of fact, let's go ahead and jump into the Q&A. I'm bringing up our first caller.

It looks like we've got Jeff on the line with us. Jeff, you are live on the call. What is it you want to know? Hello, Jeff?

Jeff:

Yes.

Dirk:

Sir, go ahead with your question.

Jeff:

Why do I have to pay taxes on untaxable heat and oil and kerosene?

Doug Johnson:

I'm not sure exactly what you're asking about.

Jeff:

Heating oil seems it's got a [inaudible 00:13:03].

Doug Johnson:

Yeah. Whatever we charge you a tax on, Jeff, would be what's required for us to by the state of North Carolina.

That's a North Carolina taxation policy, so that would be something we have to comply with based on North Carolina law.

Dirk:

All right. This is a live telephone town hall and your opportunity to ask a question happens now. If you've got a question you'd like to ask, please press star three on your telephone keypad. That'll get you in the queue to ask a question live. I've had such tremendous success, I'm going to ask everyone to respond to another poll question if you'd be so kind, so here it is.

Again, use your telephone keypad to register your opinion here. Are you aware that the cooperative's propane and fuel subsidiary offers senior citizens discounts on propane? Please press one if you are aware of the discounts for propane. Press two if you are not aware of the discounts for propane. Again, we're looking for your input on this question so listen carefully.

Are you aware that the cooperative's propane and fuel subsidiary offers senior citizens discounts on propane? Please press one if you are aware of the discounts for propane. Please press two if you're not aware the discounts for propane. I see a number of people registering their response. Thank you very much, and I truly appreciate everyone that's participating in these polls.

Your input is very important to us. Next, let's go ahead and go back to a caller. We're bringing live on the line, Patrick. Patrick, you are live. Go ahead with your question, sir.

Patrick:

Yes. I was just wondering if you guys are looking into nuclear power as an option?

There's actually a modular nuclear power that we can put in to generate power to help zero-carbon pollution.

Doug Johnson:

Yes. Patrick, that's definitely on the list, particularly with Duke's latest carbon reduction plan. The advanced or modular nuclear, which is much easier to deploy than the large-scale nuclear plants.

As you said so clearly, nuclear generates a lot of electricity, it's available and it is zero carbon. I think you're going to see a pretty significant renaissance in our state, if not the country, with utilization of nuclear power to meet our carbon goals. Thanks for the question.

Dirk:

All right. Next, we've got Grace joining us. Grace, welcome to the call. What's on your mind?

Grace:

Well, I just wondered why you all went to coal several years ago when we've been talking, our government and so forth has been talking for years now about lowering the carbon in the air.

I don't understand why you ever went to coal to begin with. I'm just trying to understand why that happened.

Doug Johnson:

Yeah, I didn't quite catch all that. Dirk, I don't know if you had a better connection. I think it had to do with coal generation.

Grace:

Yeah. I said ... Go ahead.

Dirk:

Go ahead, Ms. Grace.

Grace:

I said why did you go to coal several years ago whenever our government has been talking about for years how we need it, and everybody knows about the global warming and so forth, that we need to reduce the carbon level?

Why did Duke Energy make that choice to go to coal? I know it's a lot cheaper. My thinking is that if you had done something years ago, it would be a lot cheaper than it is going to be now, and we wouldn't be so pushed to do it and it costs so much more money.

Doug Johnson:

Yeah. I know in North Carolina, I can speak for what Duke Energy has done over the years. They generate all the power that we purchase. Blue Ridge Energy is not a generating utility, but for many, many, many years, most of our power was generated by coal, hydro and nuclear. Now, as we've entered into this carbon reduction phase, Duke is beginning to shutter coal plants.

They've gone from about 50% of their electric generation being coal to under 30% today, and there'll be additional cuts in coal. To your point that had we invested in something more like nuclear power plants years ago, we might be better off and that's probably true, but we can't go back and redo that. We have to create our energy policy today going forward. I think you'll see a pretty significant and continued movement away from coal in this country.

Dirk:

For everybody that joined us on tonight's live telephone town hall, you are listening to CEO Doug Johnson from Blue Ridge Energy answering your questions. If you have a question you'd like to ask, all you need to do is press star three to enter the question queue.

Again, if you've got a question you'd like to ask, please press star three on your telephone keypad. Next up, let's hear from Jeffrey. Jeffrey, welcome to the call. You are live. What's your question? Hello, Jeffrey?

Jeffery:

This is the right Jeffrey.

Dirk:

If you're a Jeffrey, let's go for it. What's on your mind, sir?

Jeffery:

Okay. I was wondering if the cooperative was going to either purchase land for solar community development, or increase the use of solar panels on homes?

Doug Johnson:

Okay. Well, yeah, we've been pretty active in doing our community solar gardens. We have five right now that we have on our system. Then we recently did a power purchase agreement with a solar company that did a large utility-scale solar facility in Caldwell County. We have another facility in Caldwell, that is in the process of being completed that will sell solar power to us.

Yes, there's continued interest, and we're continuing to work with a lot of members on rooftop solar. We have our net metering rates and our net billing rates. Our Energy Solutions team regularly works with people who are interested in having rooftop solar, what we call behind-the-meter generation at your home. We certainly have available expertise to work with any of our members who have an interest in that.

Dirk:

All right. Moving on, it looks like Elton's got a question for us. Elton, you are live on the call. What's your question?

Elton:

This is Elton. I was just wondering how is the co-op ensuring that members without electric vehicles, are not passed on the cost to subsidize the charging of electric vehicles, either by rate increases or whatever to cover the expenses generated by electric vehicles?

Doug Johnson:

Yeah. That's a really good question, Elton. It's one that we talk a lot about within our senior team. Of course, our board has a very firm belief that EV owners should not be subsidized in any manner by other members.

What we have done to date in some of our rates and charging facilities that we have, there is no member subsidization of anyone who doesn't want to buy an EV or has no interest in EVs. Making sure that you're not subsidizing the cost to other members who are interested in owning an EV.

It's a very important point and one which we're taking great care to make sure that we maintain the fairness in this issue. Thank you.

Dirk:

I'd like to call on everybody listening in on this call, to take a minute and answer this poll question. Again, your responses are very important to us. Did you know your cooperative offers Operation Round Up to help members with crisis energy bill assistance? Please press one if you are aware of Blue Ridge Energy's Operation Round Up program. Please press two if you're not aware or were not aware of Operation Round Up.

Again, looking for your input on this poll question using your telephone keypad for your response. Did you know your cooperative offers Operation Round Up to help members with crisis energy bill assistance? Please press one if you are aware of Blue Ridge Energy's Operation Round Up program. Press two if you are not aware of Operation Round Up. I see a number of people are registering their response.

Thank you very much for taking the time to do that. A quick reminder, please press star three if you have a question you'd like to ask during this call. Again, please press star three on the telephone keypad to enter the question queue. Let's go back to another question. This one comes from Spencer. Hello, Spencer. You're live on the call. Hello, what's your question?

Spencer:

Hello, hello. Similar to Patrick and Grace's questions of transitioning into semi-renewables. Obviously, I didn't know this at the time, but the man leading the call said that you guys were not a power producing agency, so you're purchasing it through Duke. What's the rate that they add on top of that, if any?

This transition to renewables, will there be any, whether it's hydro, solar or anything? Because obviously, I feel confident in the fact that with enough leniency and with enough forethought into it, you could make a full transition rather than pushing that cost off onto the customer, when it comes to coal and these conflicts that have arisen, when it comes to Ukraine and things of that nature.

Doug Johnson:

Right. Thank you, Spencer. Appreciate your question. I think part of the discussion also has to focus on what resources are dispatchable and what resources are intermittent. By that I mean that wind and solar are considered to be intermittent resources. You get the power from wind and solar when the sun shines and when the wind blows.

Dispatchable resources are those resources that generating utilities can dispatch and call on to meet loads as the load increases. We have to keep our mind on both of those in order to maintain reliability. As for your first question, we do a wholesale power cost contract with Duke Energy. It's a long-term agreement.

Blue Ridge has never generated electricity other than some of our solar projects that we do. We've always been a distribution utility that purchases power for the benefit of our members. All of that's regulated by the Federal Energy Regulatory Commission. The price and the markup that Duke receives, goes through the Federal Energy Regulatory Commission.

They approve our contract, our rate, and Duke's rate of return for selling us the power they generate. Hopefully, that answers your question. Thanks.

Dirk:

All right. Next up, it looks like it's Louise. Louise, welcome to the call. What's your question?

Louise:

Oh, thank you. Well, I've been a member since, well, I'm 81 years old, so many years and very happy with the service and all.

But one thing I miss so much, is the annual meetings we used to have. Is there any chance to that could ever be done again?

Doug Johnson:

Well, Louise, I've been around Blue Ridge for a long time, so I remember the annual meetings and that people enjoyed those. Here's the challenge. As we've been looking at how we can operate most efficiently for our members, the cost of doing a large gathering, like our annual meetings were, with entertainment and door prizes, and free food and all the things that went with it.

All the employee time that it took to make those events happen just became cost prohibitive. The cost of an annual meeting was going up over a couple $100,000 a year, and we just felt like that we were not having enough people attend our meetings to justify that cost. Several years ago now, we moved to, we do an annual meeting. It's an online event.

You can either come to the corporate office for it or you can join by telephone, but we just don't do the big, old-fashioned annual meeting as you referenced. I don't see that coming back at this point in time. Thanks for your question, Louise, and thanks for your comment at the beginning.

Dirk:

For everyone on the line with us, just a quick reminder, you are listening to CEO Doug Johnson answer your questions. If you have a question, now's a great time to press star three on your telephone keypad to enter the question queue.

Again, Blue Ridge Energy CEO Doug Johnson is here this evening to answer your question. If you've got a question you'd like to ask, all you need to do is press star three. Now let's get back to live questions. We've got Lance on the line with us. Lance, welcome. Go ahead with your question.

Lance:

Yeah, how you doing?

Doug Johnson:

Hey, Lance.

Lance:

My question was based on solar and if more people put solar on their roofs, would that help with reducing the carbon that you guys are trying to reduce?

Also, does solar actually reduce the carbon overall, being that it takes a lot of energy to produce the solar panels itself? Yeah, go ahead.

Doug Johnson:

Go ahead. No, if you weren't finished, I didn't mean to talk over you.

Lance:

Yeah. It was basically just to see if it's a wash or if it's actually really beneficial for us to be using solar or is it a wash? In other words, can we try [inaudible 00:28:30]?

Doug Johnson:

Yeah. That's a really good question, Lance. You have to take into consideration the cost of manufacturing solar panels, the cost of disposing those costs to what it takes to put it on your roof and all the different factors. We do have energy specialists that are well-versed in helping members look through all of these factors, and determine if it's in their best interest.

Can we solve our carbon issue just by everyone putting solar? Probably not because there's a lot of people that don't want solar on the roof. There's a lot of people who maybe don't necessarily have the resources to put solar on the roof. There's a lot of different factors, but today, we've got about 320 members that have rooftop solar resources at their home on the roof or near their home.

That number is growing, but out of the 80,000 member accounts that we serve, it's not a large percent, but we do have energy service people, Energy Solutions people that can guide you through this, and can also help you know who the local solar installers are so you're dealing with quality people.

Dirk:

All right. Our next question looks like it's coming from Jake. Hello, Jake. Welcome to the line. What is your question?

Jake:

Yes. I was wondering if there was more programs that would help families that are struggling to pay their power?

Like finding a job that pays and gives you more than 20 hours a week, it's hard to live like that. Now Operation Round Up, that's where you help your neighbor out, correct?

Doug Johnson:

That's right.

Jake:

Okay. Does somebody just go and say, "I would like to sign up for that," or how does that happen?

Doug Johnson:

Yeah. Jake, it's Operation Round Up, you can just call us. You can go onto our website and just say, "I'd like to have my bill rounded up each month." If your bill was $98.73, it would round up to $99 and that 27 cents goes to Operation Round Up. We have several thousand members that are actually signed up to do Operation Round Up.

It's rather simple to do and it does produce a pretty significant amount of money, about over $300,000 a year comes from Operation Round Up members just rounding up their bills. Of course, those dollars are used to help people, like you said, neighbors who need a hand up, who've gone through a hard time. Also, to provide resources to not-for-profit community organizations that make life better in our service area. Thanks.

Dirk:

All right. Next, it's Harold joining us on the line. Harold, welcome to the call. What's your question, sir?

Harold:

Yes. I'm just concerned about we're trying to go to zero-carbon energy and all that and that's wonderful, but we're not ready.

Our infrastructure is not ready. Now, there's a phase-in and a phase-out policy, as far as I'm concerned. How are we going to fix that?

Doug Johnson:

Yeah, and that's really insightful, Harold. One of the things that I mentioned earlier and I'm really concerned about is the amount of infrastructure, particularly transmission facilities that'll be required to move some of the renewable energy, which is going to largely be in eastern North Carolina from a North Carolina perspective. Because where there's more available flat, cheaper land.

The people don't live there, so you're going to have to put in a lot of infrastructure. That's why I said we're going too far too fast. Reducing carbon footprint is a very great goal for us to embrace as a state and a country, but we've got to make sure that people can afford the pace of change and that people can afford the infrastructure investment. The federal government can't pay for everything.

It's going to eventually find its way on our consumers' bills. That's why we're advocating for let's continue to reduce our carbon footprint, let's do smart things. Let's do things that have more common sense to them, and let's take a little bit more time here so that we don't make electricity unaffordable. Thanks.

Dirk:

Let's take a real quick detour away from the Q&A. I'd like to do another poll question. It's been very successful thus far, and I do appreciate everyone who's taken the time to use their telephone keypad to provide their opinion to the previous questions. Here we go with our next one. Are you aware Blue Ridge Energy offers texting to report an outage? Please press one for yes.

You know Blue Ridge Energy offers outage texting, press two if no, you weren't aware of outage texting for Blue Ridge Energy. Again, we're looking for your input on this question. Are you aware Blue Ridge Energy offers texting to report an outage? Please press one for yes. Press two for no, you weren't aware of the outage texting for Blue Ridge Energy. I see a number of folks are registering their response.

Again, a hardy thank you for doing that and let's get back to another question. Now we're moving out to talk to James. James, welcome to the call. What's your question, sir?

James:

Hey, Doug, Jimmy Hendrix. Listen, I've got a question as far as the reliability of solar and wind, and America has been founded on our energy, the coal that we've got out in Wyoming. The basin out here, it's full of all kinds of reserves. With China, India and Russia not going to meet any carbon goals, why are we trying to do that whenever if we went totally 100% carbon-free?

We're not going to be able to meet, it's not going to reduce anything and to bankrupt America to turn around and do that, it doesn't seem right to me. With Duke Power pushing all this along with the federal government, it seems like we're driving ourselves into bankruptcy. When all these other countries, they're burning coal, we're shipping our coal to them to burn.

It just is really bothersome to me that we're trying to meet targets that there's no possible way that we can ever do, when the rest of the world's not wanting to get along with us. Texas, two years ago, people were freezing in their houses and then they had $1,000 power bills for a month. It just seems crazy to me.

Doug Johnson:

Well, thanks, Jimmy. A lot of what you said, there's a lot of people who feel that way. There's a lot of people who feel differently. I think you're spot on. They're developing countries in China and India, they are not going to stop burning coal and so we've got a lot to work on. I think that's why I'm advocating for a smart energy policy that we don't go too far too fast, and do things that make electricity unaffordable.

Or even worse, that we can't keep the power on for a winter storm like happened on Christmas Eve if we can't have enough generation of power. We've got to keep working on this and keep expressing our opinions to our elected officials. Somewhere hopefully, we find where that common ground is where we do the things that are good for the environment, but also do not overly tax the cost of electricity to our members or create unreliable electricity going forward.

It's not easy. It's going to take time. As was mentioned earlier, we don't have infrastructure in place. We're throwing a lot of money at these things and it does worry me. I'm very concerned about the direction that we're going with some of our policy. Thanks.

Dirk:

All right. Next up, we got Mark on the line. Mark, welcome. What's your question, sir?

Mark:

Good evening, Doug.

Doug Johnson:

Good evening, Mark.

Mark:

Thank you. I know Blue Ridge is working with RidgeLink and SkyBest to deliver broadband internet throughout the areas that you service and help bridge that digital divide that's still prevalent in America, especially rural America. I know three years ago, we thought we were going to get it in two years.

Two years ago, we thought we're going to get it in two years. Last year we didn't hear anything. I'm left wondering when the good, hardworking people out in Collettsville and beyond, might be able to get broadband internet considering we don't have access to it now? Heck, we don't even have access to cellphone signal, so thank you.

Doug Johnson:

Yeah. Mark, I was just going to ask you, where are you? A lot of the northern Caldwell territory, got allocated through a federal program to Spectrum Charter. I do know they are working really pretty hard up there. We're doing some pole upgrades for them to put their fiber on and to begin. I can't tell you exactly, but I suspect the area where you live falls in the Spectrum Charter footprint.

It may be that you need to direct your question to them, but also if you give us a call, we can get some of our folks to look exactly where you live and see if what I'm telling you is accurate. Because some of this area can vary just based on where you're located on the map, but we're doing all that we can to try to get fiber out there.

But where larger companies like Spectrum got the Rural Development Opportunity Funds, we can't go in there with grant funds because they've already been assigned to Spectrum. Thanks.

Dirk:

All right, next question. We've got Brad joining us on the line. Hello, Brad. Welcome, what's your question?

Brad:

Well, first off before I ask the question, I want to give you all a big thank you, two reasons. I used to be a Duke subscriber.

I've been with Blue Ridge for 20 years or a little more, and the power has been constant. It's been taken care of and I hadn't had just a few interruptions.

Doug Johnson:

Thank you, Brad.

Brad:

Secondly, you all have been cleaning right away in my area. The men you've had, have done a great job and they have been very friendly to stop whatever they're doing and ask questions. If you did that, we're really good.

Okay. Now my question, I've been watching and reading about battery backup that's not associated with solar panels, or batteries that give you 24 to 48 hours of power. Are they reliable? Do y'all supply them? Also, do y'all recommend them?

Doug Johnson:

Yeah. Brad, we are watching batteries from the deployment of home-scale batteries to all the way up to and including utility-size batteries. As you probably know from your reading, the development of batteries, it's still under development. There's still a lot of work to be done, for them to be able to store power and hold it for a long enough period of time. But there are products on the market.

We have not gone into the business line of selling or installing home batteries, but there are companies that are manufacturing batteries that do, as you said, they could provide backup to you for 24 hours or more at your home if you experience an outage. The question would come down to what all are you trying to connect to the battery and that kind of thing.

But again, we do have some Energy Solutions people here at Blue Ridge, that have significant expertise and talk this through with you. Please call us and just share your questions and talk into the details with our Energy Solutions team. They'll get you information and help you with answering the questions better than I can, because they're expert on solar and batteries and things of that nature. Thank you.

Dirk:

Moving forward, looks like Cameron's next up. Cameron, go ahead with your question now, please.

Cameron:

All right, thank you. Just to follow up to something you mentioned a couple of callers ago. We had severe power outages when we had one of the coldest times in decades in our region.

That led to hundreds of thousands if not millions of dollars of water damage from burst pipes, et cetera. What have you guys done to try to prevent that happening this year?

Doug Johnson:

Yeah, and that's a good question, Cameron. What happened last year was not a Blue Ridge failure, it was a failure of the generators. We could not get enough power generated. When I say we, Duke Energy was short generation. Folks did not estimate how cold Winter Storm Elliott was going to become, and how quick it was going to get that cold.

There was a lot of problems that occurred, not the least of which was a lack of adequate natural gas pressure coming into North Carolina. Some of Duke's natural gas plants did not operate properly. They also had some plants that were having freezing problems like natural gas plants. I know Duke is working on this significantly.

They have taken steps to address this with the North Carolina Utilities Commission, with the Federal Energy Regulatory Commission. There've been a lot of people and, of course, Duke was not the only one. There were significant failures to our north with the utilities north of us, and then to the south of us. Winter Storm Elliott literally put everyone into a no reserve situation for generating.

I'm hopeful that some of the problems that were discovered, that the Dukes and the southern companies and the folks in the northeast have taken precautions necessary to prevent that from happening again. But we still don't have the pipeline capacity coming into North Carolina that we need to support the natural gas generation that's here. Thanks.

Dirk:

All right. Next up, let's hear from Janice. Hello, Janice, you're live. What's on your mind?

Janice:

Hi. Okay, so I was with Duke. I'm speaking for Jenny, but I was with Duke Energy for many years and have been with Blue Ridge Energy for probably 15 years now, somewhere around there. But I'm a member that has paid, I've rounded up for a very long time.

But I've reached a point where I'm no longer able to give because now I'm retired. Since I've hit a tough point, now I'm needing some help. Since I was a paying member towards that program, but now I'm retired, so I believe I should qualify for program assistance to receive some bill reductions.

Doug Johnson:

Janice, we appreciate that you were a loyal supporter. There are processes for you to go through to see if you qualify for some bill assistance. You can contact any of our energy specialists and they can help you with getting in touch.

The folks at the Department of Social Services administered the program. Once they qualify you, then they would work with us for us to give them a voucher to pay for some assistance.

Please call into our office and just speak with one of our energy specialists, and tell them that you'd like to talk about Operation Round Up assistance from our members' foundation. Thank you.

Dirk:

All right, next question comes from Mark. Hi, Mark. You're live. What's your question?

Mark:

Yes. I'm a long time North Carolina resident, but we just moved here to West Jefferson and we got an opportunity to see a lot of the mountain area. One thing we never saw were windmills here in the mountains of North Carolina.

I was just wondering, this is a technical question, is there a technical reason why we don't see windmills here or is it a government or investment issue?

Doug Johnson:

Yeah, yeah. Thank you, Mark. It's called the Mountaintop Law that was passed, oh gosh, probably over 20 years ago in North Carolina. You cannot put wind generation on a ridge in the mountains of North Carolina. It's against the North Carolina law.

TVA at one point tried to bring some pretty large-scale wind generation into our mountain area and there was a lot of people upset about it. They went to the general assembly and had the Mountaintop Law enacted and it's still on the books.

It is not an option for anyone to consider today, certainly, I think, at elevations that are 3,000 feet or so in that range, which is a good part of our mountain service area. Thanks, Mark.

Dirk:

Well, you've got Blue Ridge Energy CEO Doug Johnson answering your questions on this live telephone town hall.

Next up with a question, we've got Hank. Howdy, Hank. What's your question, sir?

Hank:

Yeah. Mr. Johnson, thanks for taking our call.

Doug Johnson:

Sure.

Hank:

I've got some land down in Horry County. I'm a part of Horry Electric as well as Blue Ridge Energy here. I've got 13 acres and I'd like to put a solar farm on.

But who can I contact or how can I contact about putting the solar farm on, and maybe getting energy up to you guys so we can disperse it evenly around the area?

Doug Johnson:

You're talking about putting solar down in Horry County?

Hank:

Yes, sir. I got 13 acres down there.

Doug Johnson:

Yeah. If you call us and ask to speak to some of our Energy Solutions, then we can look in some of our information.

We have logs on all the other co-ops where we can look and see who their contact people are, and see if we can help coordinate a conversation for you with the folks at Horry County. Thank you.

Dirk:

Moving on, we've got Richard on the line with us. Howdy, Richard. Go ahead with your question, please.

Richard:

Yeah. I'm interested in what's going on with hydrogen and fuel cells. Is Blue Ridge going to get involved in that in any way?

Doug Johnson:

Yeah. Thanks, Richard. There's quite a bit going on with hydrogen research. There's been fuel cell research going on for a really long time. Some has been fairly successful, some not so successful. One of the big challenges with hydrogen is creating the hydrogen. You either can do it from natural gas or if you get really technical, you can separate hydrogen out of water, H2O, but it's very expensive.

So far, for whatever reason, the policies of the government and others have been to go more towards battery EVs then towards hydrogen-powered cars. For a long time, Toyota was the leader in hydrogen fuel cell cars, but they've slowed that down some as well. I'm not totally sure. Blue is not something that would be in Blue Ridge Energy's wheelhouse. It would be something, it's a much larger-scale power generation or policy decision.

The one that we would say should be on the list because it has the potential to generate electricity or even run fuel cells that are much more efficient than combustion turbine. Thanks.

Dirk:

All right. Next question, we've got Heather joining us. Hi, Heather. You're live. What's your question?

Heather:

Hey, hold on one second here. I have a question about the $2 million. You said that you were granted $2 million recently.

You're expecting to get another $2 million in 2024 and I missed what that was for. Can you please explain what that was for?

Doug Johnson:

Sure, Heather. As you probably heard or know, we operate a propane and fuels company that's a subsidiary of Blue Ridge Energy. It's been a successful subsidiary and we're serving several thousand customers through that subsidiary. We had some available resources that the board of directors of the cooperatives said, "Well, we've had these very expensive power bills that's hitting our members. Can we upstream some cash from our subsidiary to help offset some of this?"

It doesn't pay all the costs that we've been confronted with and it certainly won't pay it year over year, over year, but it helps the pain some, so to speak. We're also planning to upstream another $2 million to the cooperative in 2024. I mentioned earlier, that we had an $11 million true-up from 2022 power that we were billed for this summer of 2023.

We have paid that. We're collecting some of that through that charge on your bill called the wholesale power cost adjustment. We're also using some of the money that we're upstreaming from our subsidiary propane and fuels, to help offset some of that cost and some of the other increases that we're seeing. It won't offset at all, but it helps. I hope that answers your question.

Dirk:

All right. Next up, we've got Bernice on the line with us. Hello, Bernice. You're live. Go ahead with your question now.

Bernice:

Good evening.

Doug Johnson:

Good evening.

Bernice:

I've been receiving some letters in the mail saying that we could take out an insurance to help us on the repairs.

Like if we have a water break or if lines into the house. I was wondering if that would benefit the members or me, especially if I took that out?

Doug Johnson:

No. It's more geared towards the benefit of the member, the company that we work with, and allow them to send letters or emails to our members to promote this to you. We've had a lot of successful results of people, who when they actually experienced a really costly surprise with some of their water heater appliances or water lines and those kinds of things, it's a very reputable insurance company.

The cooperative receives a very small allocation from the insurance company, but it's not designed to be a money maker, so to speak, for Blue Ridge Energy. It's really designed to provide a level of peace of mind and insurance for members that would rather pay a little bit each month and not get a big cost if something goes bad on you and you have to have a plumber.

The other thing that a lot of people have liked is they help dispatched a plumber or electrician to your home, which sometimes can be tricky as well. We've had really good experience and really good comments from our members that have participated in that program. Thanks, Bernice.

Dirk:

Real quickly, I'd like to ask a final poll question for this call. Again, everyone listening in on this call, please use your telephone keypad to respond to this question and here it is. Do you consider yourself a member-owner or customer of your electric cooperative? Please press one if you consider yourself a member-owner of Blue Ridge Energy.

Press two if you consider yourself only a customer. Again, using your telephone keypad, we're looking for your input on this question. Do you consider yourself a member-owner or customer of your electric cooperative? Please press one if you consider yourself a member-owner of Blue Ridge Energy. Press two if you consider yourself only a customer. I see a number of people are registering their opinion.

Thank you very much for answering all of this evening's poll questions. It looks like we've got time for one more live question and that honor goes to Steve. Steve, you are live on the call. What is your question, sir?

Steve:

Well, my question deals with the carbon reduction plan, whether I'm remodeling an existing home or building a new one.

Does Blue Ridge Energy have advisors that could best guide in terms of what type of appliances and that kind of stuff?

Doug Johnson:

Yes, we do. Steve, as I've mentioned a couple of times, we have a team we call it our Energy Solutions team, and they provide that information. In fact, we even provide rebates if you're buying the most efficient appliances. Feel free to get in touch with us and get with one of our Energy Solutions specialists.

They'll be more than happy to talk with you about ways to make your home more efficient and what appliances, what to look for when you're getting appliances and those sorts of things. The answer is yes. Thank you, Steve, for your question.

Dirk:

Doug, a hardy thank you to you, sir, for answering so many questions this evening.

Doug Johnson:

Thank you, Dirk.

Dirk:

Do you happen to have any parting words you'd like to give, sir?

Doug Johnson:

Well, I've just enjoyed the conversation with our members, but this is not the only opportunity you have to ask us questions. We want to always be available to our members for questions, comments, suggestions.

We try to be accessible to you through a lot of different ways, and anytime you need to talk with us, our door is open. You are the member-owners, and we appreciate the relationship that we enjoy with you. Thanks, Dirk, and thanks to all of those that stayed on the call tonight.

Dirk:

Wonderful. Again, thank you Doug and a hardy thanks to everyone for participating in tonight's live telephone town hall for Blue Ridge Energy members. Now we're almost out of time, but we do want to hear from you. If you have a question or a comment, and if we didn't get to your question, please simply stay on the line.

You'll have a chance to leave a voicemail for Blue Ridge Energy, so please include your name and your telephone number or email address, and a Blue Ridge Energy representative will return your call as soon as possible. Thanks again for taking the time to join us on this call. We hope you stay healthy and safe, and have a fantastic night.