

**MINUTES OF THE
JOHNSON CITY ENERGY AUTHORITY
D/B/A
BRIGHTRIDGE**

Called Board Meeting

February 3, 2021

PRESENT: Jenny Brock
Joe Grandy
James Haselsteiner
B. J. King
Hal Knight
Gary Mabrey
James Smith
Robert Thomas
Jeffrey R. Dykes, Chief Executive Officer
Brian Bolling, CPA, Chief Financial Officer and Chief Customer Officer
Bonnie Donnolly, Chief Development & Market Strategy Officer
Eric Egan, Chief Data Officer
Stacy Evans, Chief Broadband and Technology Officer
Rodney Metcalf, Chief Operations Officer
Tim Whaley, Director of Public and Governmental Affairs
Stephen M. Darden, Hunter Smith Davis, LLP

ABSENT: Dan Brant
Connie Crouch, Human Resources Manager
Mark Eades, Chief Engineering and Facilities Officer
Brian Ellis, Service Department Manager
Donnie Hall, Safety/Environmental Manager
David Spinnato, Physical Plant/Warehouse Manager
Melissa Taylor, Supervisor, General Accounting
Tiphonie Watson, Customer Support Manager

Chairman James Smith called the meeting to order.

CEO Jeff Dykes delivered the following statement:

Operating under authority of **Executive Order No. 16**, as extended (now **Executive Order 71**), signed on March 20, 2020 by Tennessee Governor Bill Lee,

BrightRidge will be conducting all Board of Directors' meetings electronically, at least through the duration of the Order. As required under **Executive Order No. 16** as extended, a full audio recording of the meeting will be posted at **BrightRidge.com** under the "Community" section, along with a meeting agenda, within 48 hours of the meeting.

Area media are being offered the opportunity to listen live, but all follow-up questions should be directed to the BrightRidge Public Affairs Office after the meeting is concluded. Members of the public should also direct any questions to the Public Affairs Office.

These measures are temporarily adopted by the BrightRidge Board of Directors to protect the health, safety, and welfare of the general public, staff, and Board members in response to the COVID-19 outbreak. BrightRidge is committed to full transparency and will continue to review the viability of other potential virtual meeting venues moving forward, with authority to conduct meetings electronically set to expire on February 27, 2021, unless renewed.

BrightRidge continues to respect the open meetings and open records laws and will work diligently to continue the free flow of information as protected under the **Tennessee Constitution** and the **Tennessee Open Meetings Act**.

CEO Jeff Dykes advised the Board that three co-ops and one municipal utility within the Tennessee Valley had filed a complaint with the Federal Energy Regulatory Commission (FERC) (**Athens Utility Board, Gibson Electric Membership Corporation, Joe Wheeler Electric Membership Corporation and Volunteer Energy Cooperative v. Tennessee Valley Authority**, Docket No. EL21-40-000; TX 21-1-000) regarding rates and the ability to gain access to the transmission lines of the Tennessee Valley Authority in order to purchase power from entities outside the TVA contract.

TVA's position is that its customers share the fixed costs of the electric power system which serves them, and the departure of any TVA customers would require each of the remaining customers to bear a higher percentage of these costs, impeding TVA's ability to keep its rates low in accordance with its mandate under the **TVA Act**. Congress recognized that ordering TVA to wheel electricity from other suppliers to serve customers inside its fence would not be fair because the fence prevents TVA from seeking new customers outside its fence to offset lost loads. Congress enacted the **Anti-Cherrypicking Amendment (Section 212j of the Federal Power Act)**, prohibiting FERC from requiring TVA to wheel power to other suppliers to serve local power companies (LPCs) inside its fence.

TVA's decision not to wheel power for others to supply local power company loads does not prevent a local power company from terminating its wholesale power contract with TVA and choosing a new supplier. TVA's policy simply prohibits a supplier from using the TVA transmission system to serve a departing local power company. To do otherwise would unfairly burden the remaining LPCs and their ratepayers.

Mr. Dykes discussed TVA's investments in our local community, including:

To BrightRidge:

TVA Partnership Credits
TVA Pandemic Relief Credits

To Customers:

TVA Back to Business Credits
TVA Community Cares Contributions
Pandemic Relief (TOU Customers)
TVA VIP Credits (Economic Incentives)

To Counties:

In Lieu of Taxes Paid Payments
Carter County
Greene County
Sullivan County
Washington County
Sullivan County Impact Payments - Boone Dam
Washington County Impact Payments - Boone Dam

To Cities:

In Lieu of Taxes Paid Payments
Elizabethton
Johnson City
Jonesborough
Kingsport
Johnson City Impact Payments - Boone Dam
Kingsport Impact Payments - Boone Dam

TVA's investments in local communities on the BrightRidge system are estimated at \$57,979,074.68 over 6 fiscal years.

The Tennessee Valley Public Power Association (TVPPA) has filed a pleading to intervene in the action in support of the Tennessee Valley Authority.

Davison Van Cleve, PC, has invited BrightRidge to join other local power companies to intervene as a coalition in an effort to defer additional legal costs, with TVA being responsible for any legal costs associated with the Coalition's intervention. It is expected that most of the LPCs will join in the intervention proceeding. Davison Van Cleve has extensive experience in representing its clients before FERC, and will be working directly for the Coalition and taking its direction solely from the Coalition.

Mr. Dykes discussed that there may be possible outreach to local members of Congress at some appropriate point in the proceedings.

Steve Darden, attorney for the Board, stated that he had reviewed the Resolution to intervene and had provided some feedback on same, and finds the Resolution in order for the Board's consideration and adoption.

Upon motion of Mr. Grandy, seconded by Mr. Thomas, the Board approved the following Resolution and for Mr. Dykes to sign the appropriate documents with respect to representation by Davison Van Cleve, PC, as a member of the Coalition:

**A RESOLUTION AUTHORIZING JOHNSON CITY ENERGY AUTHORITY,
D/B/A BRIGHTRIDGE, TO OPPOSE THE FEDERAL ENERGY REGULATORY
COMMISSION (FERC) FILING AGAINST TENNESSEE VALLEY AUTHORITY
(TVA) DATED JANUARY 11, 2021**

WHEREAS, Johnson City Energy Authority, d/b/a BrightRidge, is an energy authority constituted pursuant to *Tennessee Code Title 7, Chapter 36*; and

WHEREAS, Johnson City Energy Authority, d/b/a BrightRidge, filed its Certificate of Incorporation with the Tennessee Secretary of State's Office on November 16, 2016; and

WHEREAS, Johnson City Energy Authority, d/b/a BrightRidge, desires to intervene - as part of a coalition or otherwise - in the matter pending before the Federal Energy Regulatory Commission (FERC) filed against TVA by four local power companies ("LPCs") dated January 11, 2021, which seeks to regulate TVA's transmission service and could create open access for such LPCs to leave TVA and utilize TVA's transmission to wheel power, which in turn could leave stranded costs for the remaining LPCs to pay; and

WHEREAS, Johnson City Energy Authority, d/b/a BrightRidge, wishes to intervene in the FERC matter pending against TVA so that important questions can be answered, such as

(1) Did Congress intend for FERC to regulate TVA in the manner encouraged by the Petitioners?

(2) Do the Petitioners have standing to request the relief sought before FERC?

(3) Would the relief sought by the Petitioners adversely affect the legal and financial foundations of TVA, which in turn would raise the costs of providing power by TVA? and

(4) Would the relief sought by Petitioners result in increased costs to BrightRidge and its customers?

NOW, THEREFORE, BE IT RESOLVED that the President and CEO be, and hereby is, authorized to take any and all actions and execute and deliver such documents as he may deem necessary, appropriate, or convenient to affect the foregoing Resolution, including, without limitation, causing to be prepared and filed such reports, documents, or other information as may be required under applicable law; and

APPROVED on the 3rd day of February, 2021.

**JOHNSON CITY ENERGY AUTHORITY
D/B/A BRIGHTRIDGE**

/s/ James Smith, Chairman

The motion carried unanimously by roll call vote.

There being no further business, the meeting was adjourned.