

Director District 6 (continued)

Grover D. Clifton, Jr.

My name is Grover Clifton Jr. and I am running for Director on the board of Pedernales Electric Cooperative for District 6.

I am asking for your vote to represent you as a PEC member. I have been a PEC member since December 2019 when I moved to Spring Branch with my wife Amanda and daughter Adlyss.

I'd like to offer a bit of background about me, and then how I intend to benefit the PEC members if elected to the board.



I have been in the oil and gas industry for over 15 years now. I am currently the Vice President of Operations for a large midstream company and I'm responsible for all aspects of the operations, control room, SCADA, measurement, automation, instrumentation and electrical. I have spent my career in pipeline, terminal, and processing operations, and I understand the key drivers for safety, success and how to properly execute these objectives. I have extensive experience interacting with governing and regulatory agencies such as the USCG, TCEQ, PHMSA, RRC, GLO, and EPA. I'd like to bring this knowledge to the leadership at PEC.

I have a Bachelor of Arts in mathematics and am a PMI certified Project Management Professional. I serve on the American Petroleum Institute Committee on Liquid Measurement as well as two different Gas Processor Association committees.

I am running because as a PEC member I believe there needs to be a better structure for system reliability, company accountability, and overall communication and customer support to the PEC community. Over the past several years there have been weather and grid-related events that have led to widespread outages in the PEC service area. While the weather is within no one's control, the preparedness and response to it is.

Now, for my intentions if elected to the board of PEC: I'd like to present a bulleted outline and summarization of the objectives that I intend to foster if elected to the board, with further explanations available on facebook at <https://www.facebook.com/groverforpecd6>.

System Reliability

- Operations need to begin tracking and reporting on other metrics such as Mean Time Between Failure, Mean Time To Repair, Utilization, and Availability. These need to be made public on the website regularly at the close of each month to show marked improvement in each area. Currently there is a larger focus on SAIDI and SAIFI metrics and these are not enough to truly show the overall system and employee performance.
- Each year a capital improvement plan needs to be outlined and made available to the public indicating what system improvements are being implemented in the coming year and the timeline to completion, as well as showing the results at year end if the projects were completed.
- A priority should be placed on vegetation management, as this seems to be a repetitive reason for large-scale outages during the period of freezing ice storms.

Company Accountability

- The board, senior management, and mid-level management compensation need to be tied to the above outlined reliability key performance indicators. Goals for each metric needs to be outlined each quarter and a report issued to all PEC members showing performance.
- Likewise, compensation also needs to be tied to the completion of the capital improvement plans

Communication and Customer Support

- A crisis communication team needs to be established, whose job is to regularly update PEC members in the event of a large-scale outage. Most people understand it may take time to repair significant interruptions, but personally my biggest frustration during the most recent outages was that we had no idea when power was going to be restored, and we could not find a reliable place to get any information. The website was being updated at a very irregular pace and was widely inaccurate. This needs to change.
- Potentially allow members to vote on grid improvement projects.
- Increase auto-pay and paperless billing incentives.
- Protect, if not increase, solar buyback rates.
- Offer more specific and targeted free training to the community in electrical safety and the importance of energy management.
- Provide more detailed information to members on the role of ERCOT and what impacts the high energy usage days (4CP) have on the Texas grid, businesses, and consumers.
- Improve rates for members; if PEC continues to focus on efficiency and holds employees accountable then decreased operational costs can help the customers through improved energy rates.

I see this position as an opportunity to improve upon the providing of a service that is a critical resource that each and every one of us use. There are simple objectives that can result in measurable changes for the betterment of each service member, and if elected I will work tirelessly to deliver upon my outlined agenda. I believe in transparency as a leader, with something as critical as power we must be forthcoming with everything, good or bad.

Director District 6 (continued)

Paul Graf PEC Board Vice-President



Paul Graf serves as the District 6 Director for Pedernales Electric Cooperative (PEC). He was elected to the Board in 2015, reelected in 2018 and again in 2021. He served as President for 2 consecutive years from June 2018 to June 2020. In each of the other years he has served as Secretary/Treasurer, Vice President, or the Chair of the Audit committee. He is fiscally conservative and has remained consistently focused on safety, achieving lower rates, and improving reliability for Co-op members. A retired Energy and Power company executive, he works practically full time as a PEC Board Member, investing large amounts of time to the PEC and its Members. He believes he can still make a difference on the PEC Board and seeks your vote to continue working on your behalf.

Graf brings over five decades of electric industry knowledge and experience to PEC as an employee, executive, consultant, and Board Member of utilities such as CPS Energy, Central and South West, American Electric Power, and PEC. This knowledge includes power system engineering, design and operations; financial analysis; power contracting; distributed energy resource planning; rate making; and executive leadership recruitment and development.

Graf ran for the PEC Board nine years ago believing the electric rates were too high and desiring to serve as a Member guardian of electric rates and wasteful/unnecessary spending. Over the past nine years he and fellow board members along with staff have successfully fought to keep electric rates as low as practicable while seeking new sources of energy for the largest and fastest growing group of electric cooperative members in the United States.

"I will continue to work to keep pressure for the lowest rates possible. I take my fiduciary responsibility very seriously. PEC revenues belong to our members and will be conserved, and ultimately returned to you in the form of low-cost, safe energy, and capital credits. I am committed to ensuring PEC provides the electric service needed for the fast-growing region of central Texas for the lowest price possible."

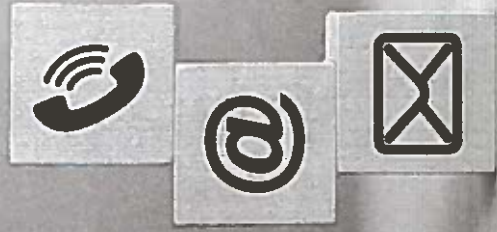
Since joining the Board in 2015, Graf and PEC have:

- **REDUCED** PEC Member electric bills significantly and managed them to be as low as practical while still maintaining strong cooperative financials. PEC has some of the lowest rates in the State and in the Nation.
- **RETURNED** approximately \$80 million to Members in Capital Credits and extra revenues.
- **CONTROLLED** the PEC operational and capital budget increases to be funded from growth and not rate increases.
- **SUPPORTED** a 5% growth rate in new meters making PEC one of the fastest growing electric distribution Co-ops in the nation.
- **PROMPTED** LCRA to rebuild the transmission line causing all the problems in the southern portion of the PEC system around Antler Substation.
- **FOCUSSED** on continuously improving reliability to the members with excellent success. Through organizational changes and employee incentives, PEC has reduced its average interruption duration to one of the lowest in the nation.
- **STRONGLY ENCOURAGED AND TRAINED** employees to always have safety paramount.
- **PROVIDED KEY LEADERSHIP** on the search team that hired Julie Parsley as the new CEO which restored stability and pride to the Co-op after previously having seven CEOs in 9 years.
- **FOSTERED** better working relationships between PEC and local government and community development entities.
- **SECURED** additional land in Comal County on 281 for a new District office facility to serve the needs of District 6 Members.
- **SUPPORTED** local organizations through an Opt-In "Power of Change" program that enables Members to round up their monthly bills to fund various charitable causes. No budgeted monies are used for charitable causes.
- **SPONSORED** high school students through a generous scholarship program funded by escheat dollars. Only State escheat monies reimbursed to PEC are used for this program.

After every cold weather event PEC reviewed the results and made adjustments. Some of those adjustments include improving member communications during outages, using LIDAR to improve tree trimming practices, and enhancing the Outage Management System to handle a larger volume of simultaneous outages which include equipment failure outages and ERCOT mandated rolling interruptions. The linemen and front-line employees of PEC continue to perform quite well under extreme adverse weather conditions. The lack of significant outages during the recent January cold weather event is indicative of the improvements.

Paul Graf is a native Texan and has lived in Spring Branch since 2004. He graduated from Texas A&I University in Kingsville with a BS degree in Electrical Engineering, Summa Cum Laude. He is a Registered Texas Professional Engineer. Graf and his wife Debi are high school sweethearts. They have two adult children. In his spare time, he still does engineering and management consulting and enjoys hunting.

Let us know how we can reach you



**TIME TO
UPDATE**

To receive important messages, make sure PEC has your updated mobile number

Add your mobile number to your account on SmartHub, and you'll be able to send texts to and receive texts from PEC, including the ability to report your outage by texting "outage" to 25022. PEC will also send you important information during emergencies and updates on your outage when available. Message and data rates may apply.

To enroll in texting, follow these easy steps:

- Log in or sign up for access at pec.smarthub.coop.
- From the left menu, select 'Settings' and then 'Contact Information' to confirm, change, or add a phone number.
- Select an effective date and click 'Save' or 'Update' when you've made changes. That's it! It may take up to two business days for phone number changes to show up in SmartHub.

If you need assistance, give us a call at 888-554-4732, Monday through Friday, 8 a.m. to 5 p.m.



pec.coop

 DirectVote

Director District 6

Garry D. Crain



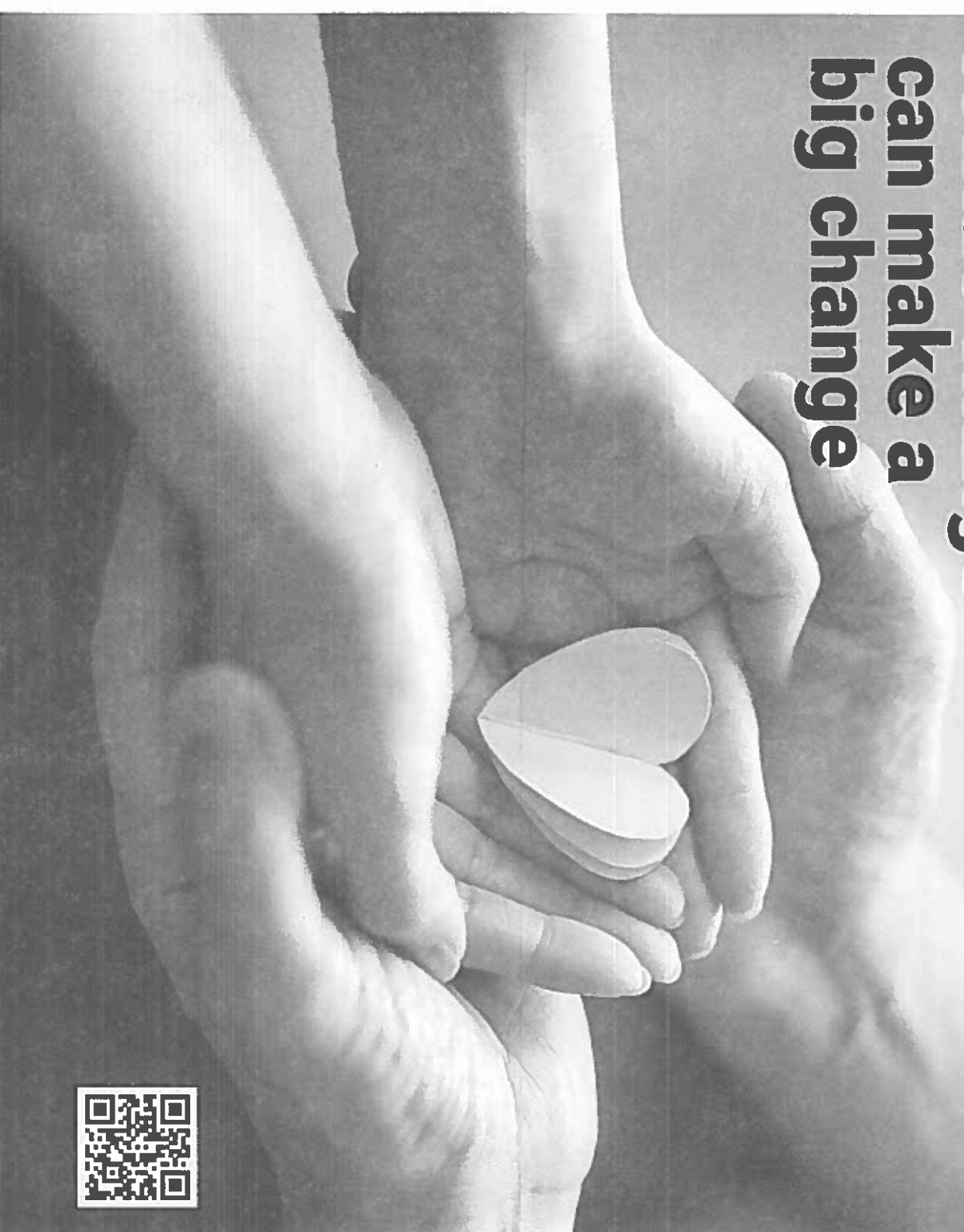
Crain has more than 30 years of experience in executive suite leadership positions in the energy and healthcare sectors, in both public and private companies. He has served as the CEO of eight hospitals, President of Kindred Pharmacy Services, and CEO of a Chickasaw-affiliated company that initiated and acquired healthcare entities.

Governor Greg Abbott appointed Crain to the Texas State University System (TSUS) Board of Regents where he served as Vice Chair of the Board. TSUS serves 90,000 students, has a budget of \$1.65 billion, and 15,000 faculty and staff. Crain was Chair of the Academic and Health Affairs Committee when the new Sam Houston State University College of Osteopathic Medicine was established and designed to educate physicians for primary care in rural Texas. Crain was also Chair of the Political and Community Affairs committees and was a member of the Finance and Construction committees. During Crain's tenure, he gave two commencement addresses.

Crain holds a bachelor's degree in political science with a concentration in city management from Texas State University, formerly Southwest Texas State (SWT). He earned a master's in health administration with a concentration in leadership from the University of Oklahoma (OU) Health Sciences Center. Crain was conferred the Distinguished Alumnus Citation by the OU Hudson College of Public Health. Crain has served on numerous boards, and he is currently a candidate for appointment by Governor Greg Abbott to the Texas Medical Board.

Crain enjoys continuing education and recently completed courses in cybersecurity at Harvard and managing risk and leadership at Texas State University. Crain has been married to Carrie for 27 years. He enjoys playing golf and spending time with his family. Crain is a Citizen of the Cherokee Nation and lives in the Kissing Tree area of San Marcos.

**A little change
can make a
big change**



POWER ^{of} CHANGE
**For less than \$1 a month, you can help
support local nonprofits.**

Learn how your neighbors help us support our Member Assistance Program and nonprofit organizations in our community at pec.coop/change. Give a little change each month by enrolling in our Power of Change Program.



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2024

PEC BOARD OF DIRECTORS ELECTION

PROUD TO BE MEMBER LED



pec.coop/election

In 2024, members in districts 1, 6, and 7 will elect district directors.

Your voting district is printed on your bill beneath your name on the top right corner.

Directors will be seated at the annual meeting on June 21 in the auditorium at PEC Headquarters at 201 South Ave. F, Johnson City, Texas.

There will be no voting at the annual meeting.

Voters will be entered for a chance to win a \$400, \$100, or \$75 bill credit!

Learn more about the 2024 board election at pec.coop/election.



Pedemales Electric
Cooperative