

Great River Energy Board Meeting Summary

Feb. 8, 2022

Hinckley, Minnesota

Topics of interest from the February board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ GRE closed 2021 with a margin of \$46.9M. Total cash refunded to members is \$57.1M and the PCA is a \$46.9M charge to members.
- ▶ Year-end energy and demand sales were 2.6% and 4.4% higher than budget, respectively.
- ▶ GRE's share of Midwest AgEnergy's net income was \$24.0M for 2021.
- ▶ Connexus Energy and Great River Energy signed a term sheet related to Connexus's transition from member to customer. We are targeting an effective date of January 1, 2023.
- ▶ Jon Brekke was elected vice chair of the ACES board.
- ▶ Meetings attended included: Deloitte auditor Amanda Guanzini; member manager group and MMG 5% option committee; fixed members next steps meeting; GRE employee communications meeting; GRE HERC services board; and ACES board.
- ▶ Upcoming meetings include: Member manager group; Lake Region Electric Cooperative board of directors; and Midwest AgEnergy board.

Financial update

Vice President and Chief Financial Officer Michelle Strobel provided an overview of December and 2021 financials.

- ▶ The December margin, after adjustments, was (\$10.2M) compared to a budgeted \$5.6M, an unfavorable variance of (\$15.8M).
- ▶ Year-end member revenue was \$34.5M above budget, non-member revenue under budget (\$19.4M), other revenue over budget \$1.2M, and non-operating revenue over budget \$25.9M.
- ▶ Year-end ownership expenses were under budget (\$7.8M), fuel expenses under budget (\$2.5M), purchased power over budget \$41.9M, O&M under budget (\$13.3M), and margin is a variance of \$23.9M.
- ▶ Year-end member demand sales were 787 MW over budget, a positive variance of 4.4% and 5.1% over 2020 actual.
- ▶ 2021 energy sales were 2.6% above budget and 2.1% over 2020 actual.
- ▶ The December PCA is a \$7.7M charge to members. The year-end PCA is a \$46.9M charge to members.

Motions

The board passed a number of motions, including a new date for the 2022 strategic planning session.

For more information about the February meeting of GRE's board of directors, contact Daniel Becchetti, communications leader, at 763-445-5706. The next meeting will be March 2-3 in Maple Grove, Minnesota.