

Great River Energy Board Meeting Summary

June 2-3, 2021

Meeting conducted virtually

Topics of interest from the June board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ The first several months of 2021 have been defined by milder weather impacting energy and demand. The year-to-date margin is (\$1.7M) under budget. The year-to-date power cost adjustment (PCA) is a \$13.6M charge to members. Energy and demand sales are both 1.2% lower than budget.
- ▶ GRE is on track to meet requirements established for the safe return to offices. The voluntary initial return will begin July 12, with final workplace arrangements by Sept. 13.
- ▶ Meetings attended include: Sen. Hoeven meetings; Midwest AgEnergy board; ACES board; member manager group; and National G&T Managers Association communicators committee.
- ▶ Upcoming meetings include: Minnesota Business Partnership Chief Executive Officer Charlie Weaver meeting; member manager group leadership meeting; Dairyland Power Cooperative annual meeting; National G&T Managers Association virtual fly-in meeting; and GRE board and member CEOs strategy session.

Financial update

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

- ▶ The April margin was (\$15.8M) compared to a budgeted (\$13.2M), a negative variance of (\$2.6M). The April PCA is a \$2.3M charge to members.
- ▶ Year to date, member revenue is \$12.2M above budget, non-member revenue under budget (\$9.5M), other revenue over budget \$0.5M, and non-operating revenue under budget (\$5.0M).
- ▶ Year to day, ownership costs are below budget (\$1.1M), fuel below budget (\$1.1M), purchased power over budget \$4.8M, O&M under budget (\$2.7M), and margin under budget (\$1.7M).
- ▶ April energy and demand sales were 1.7% and 3.7% lower than budget, respectively.
- ▶ GRE's average rate to members through April is \$74.18 Mills/kWh compared to a budgeted rate of \$69.76 Mills/kWh.
- ▶ Construction work in progress includes 1,304 projects totaling \$58.1M. The five largest projects include: NI-SCT line – Scenic 69kV (14 mi); SHN line – rebuild 230kV (16.29 mi); IM-EP line 34.5kV (12 mi); Two Inlets to Elisha 115kV line (5.5 mi); and LJS - U1 hot gas path outage.
- ▶ GRE successfully closed on a five-year syndicated credit facility on May 14.

Business improvement

IT Endpoint Administrator Derek Ruckle presented a business improvement on the implementation of the admin by request tool and process. The changes improve the security of endpoint devices while giving employees the ability to quickly install new applications to their GRE device.

Motions

A number of items were approved on the consent agenda, including the selection of the 2021 auditor.

For more information about the June meeting of GRE's board of directors, please contact Daniel Becchetti, communications leader, at 763-445-5706. The next meeting will be held July 14 in Alexandria, Minnesota.

