

Great River Energy Board Meeting Summary

March 2-3, 2022

Maple Grove, Minnesota

Topics of interest from the March board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ The power cost adjustment (PCA) for January is an \$8.0M charge to members. This is similar to 2021 and not surprising as we continue working within the 2021 budget until the close of the sale of Coal Creek Station and the HVDC system.
- ▶ It is not unusual for January to have a PCA charge due to heightened demand and energy sales.
- ▶ GRE will provide additional information to directors and member CEOs about monthly PCA results.
- ▶ Meetings attended include: Xcel Energy CEO Bob Frenzel; member manager group and 5% option committee; Lake Region Electric Cooperative board of directors; Midwest AgEnergy board; and Lignite Energy Council CEO Jason Bohrer.
- ▶ Upcoming meetings include: rating agencies; senior staff strategic planning session; and Federal Energy Regulatory Commission Chair Rick Glick.

Financial update

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

- ▶ The January margin was \$8.4M compared to a budgeted \$4.4M, a favorable variance of \$4.0M.
- ▶ Member revenue is \$13.6M above budget, non-member revenue under budget (\$3.2M), other revenue \$0.1M over budget, and non-operating revenue over budget \$0.4M.
- ▶ Ownership expenses are under budget (\$1.4M), fuel expenses under budget (\$0.5M), purchased power over budget \$8.5M, O&M expenses over budget \$0.3M, and margin is a variance of \$4.0M.
- ▶ January demand and energy sales were 3.8% and 8.6% over budget, respectively.
- ▶ Construction work in progress includes 1,466 projects totaling \$41.9M. The five largest projects include: FE-RH line - rebuild 69kV (23.8 mi); Willmar GRE – sub expansion; Wing River – 230kV ring bus; FSM implementation of CloudSuite; and Walden – EM relays, EEE, and breaker.

Business Improvement

Data Process Specialist Fayette Cote presented a business improvement for an electronic GIS field mark-up process that will improve performance and save \$301,742.

Motions

The board passed a number of motions, including the 2021 audit report.

For more information about the March meeting of GRE's board of directors, contact Daniel Becchetti, communications leader, at 763-445-5706. The next meeting will be April 6-7 in Maple Grove, Minnesota.