

Great River Energy Board Meeting Summary

Sept. 1-2, 2021

Maple Grove, Minnesota

Topics of interest from the September board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ The July margin was \$33.4M compared to a budgeted margin of \$26.9M for a positive variance of \$6.5M. The YTD margin is a positive variance of \$29.3M.
- ▶ The PCA for July is a \$3.9M charge to members. The YTD PCA is a \$25.4M charge to members. In accordance with the PCA relief board resolution, GRE issued member-owners a \$2.7M refund for July. YTD, GRE has refunded \$9.2M in PCA relief.
- ▶ July energy sales were 7.0% higher than budget and YTD energy sales are 3.0% higher than budget. July demand sales were 9.4% higher than budget and YTD demand sales are 5.8% higher than budget.
- ▶ GRE's share of Midwest AgEnergy's net income was (\$0.6M) for July and \$1.3M year-to-date.
- ▶ Meetings attended include: orientation meetings with a new GRE director and new member CEO; ACES governance committee and board meeting; MAG compensation committee and board meeting; GRE employee communication meeting; GRE special membership meeting; Rainbow meeting; member manager group; meeting with Michael Noble, Fresh Energy; meeting with Kevin Pranis, LIUNA; and meeting with Mike Bull and Dan Lipschultz.
- ▶ Upcoming meetings include: Lignite Energy Council management committee; member manager group; National G&T Managers Association; Lignite Energy Council board; and Arrowhead Cooperative board.

Financial update

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

- ▶ YTD member revenue is \$47.8M above budget, non-member revenue under budget (\$9.5M), and non-operating revenue above budget \$2.9M.
- ▶ YTD ownership expenses are under budget (\$2.6M), fuel over budget \$1.6M, purchased power over budget \$21.2M, O&M expenses under budget (\$7.5M), and margin is a positive variance of \$29.3M.
- ▶ Member energy sales are 2.3% higher than 2020.
- ▶ Construction work in progress includes 1,351 projects totaling \$57.4M. The five largest projects include: SHN line – rebuild 230kV (16.29 mi); IM-EP line 34.5kV (12 mi); Frazee substation rebuild 115kV; FE-RH line - rebuild 69kV (23.8 mi); and Two Inlets to Elisha 115kV line (5.5 mi).

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