

Great River Energy Board Meeting Summary

Oct. 4-5, 2022

Maple Grove, Minnesota

Topics of interest from the October board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ 2022 continues to be a strong year for GRE. The year-to-date margin is \$79.1M compared to a budgeted margin of \$41.5M for a positive variance of \$37.6M. This strong margin comes just four months after GRE zeroed out the utility margin by issuing a \$13.3M bill credit following the sale of Coal Creek Station and the HVDC system. GRE assets continue to perform well in this volatile and unpredictable market.
- ▶ The power cost adjustment (PCA) for August is a \$0.1M credit to members, and the year-to-date PCA is a \$33.3M charge to members.
- ▶ Energy sales were 1.3% lower than budget for August and are 3.2% higher than budget year to date. Demand sales were 5.7% higher than budget for August and 6.1% higher than budget year to date.
- ▶ GRE's share of Midwest AgEnergy's net income is \$1.2M for August and \$12.1M year-to-date.
- ▶ GRE filed an interim integrated resource plan (IRP) Oct. 3. This is a follow-up to GRE's April 1, 2022, filing. The latest filing focused on stakeholder outreach since April, including three sessions hosted by member-owners and a discussion at Cambridge Station that included environmental NGOs, union groups, and member CEOs. The full IRP is due on April 1, 2023.
- ▶ Meetings attended included an appointment with Fresh Energy CEO Michael Noble.
- ▶ Upcoming meetings include: Fresh Energy annual benefit breakfast; member manager group October meeting; employee communication meetings; Mille Lacs Energy Cooperative board meeting; and Midwest AgEnergy board meeting.

Financial update

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

- ▶ The August margin was \$29.6M compared to a budgeted margin \$22.4M, a positive variance of \$7.2M. The year-to-date margin is \$79.1M compared to a budgeted margin \$41.5M for a positive variance of 37.6M.
- ▶ Year to date, member revenue is \$70.5M above budget, non-member revenue above budget \$26.9M, other revenue above budget \$0.8M, and non-operating revenue above budget \$14.4M.
- ▶ Year to date, ownership expenses are under budget \$(9.6)M, fuel expenses under budget \$(0.8)M, purchased power over budget \$86.4M, O&M expenses under budget \$(1.0)M, and margin is a positive variance of \$37.6M.
- ▶ Energy sales were 1.3% lower than budget in August and are 3.2% higher than budget year to date.
- ▶ Demand sales were 5.7% higher than budget in August and are 6.1% higher than budget year to date.
- ▶ The August PCA is a \$0.1M credit to members. The year-to-date PCA is a \$33.3M charge to members.

Business improvement

Spiritwood Station Engineer Eathan Gumke presented a business improvement that involved identifying and fixing compressed air leaks. The savings calculated for this business improvement include decreased plant air consumption and a financial savings of \$9,875 per year.

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