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.