

Great River Energy Board Meeting Summary

Jan. 11-12, 2023

Maple Grove, Minnesota

Topics of interest from the January board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ Dakota Electric Association named Ryan Hentges as its new CEO. Stearns Electric Association named Matt O'Shea as its new CEO.
- ▶ GRE ended 2022 in very strong positions. GRE expects to issue an approximately \$20M bill credit to members after the close of 2022 financials.
- ▶ The Minnesota Senate Energy Committee will hear the SF4, a 100% carbon-free by 2040 standard bill the week of Jan. 16. GRE and stakeholders have engaged in very thorough discussions and interactions in regard to SF4.
- ▶ Saggau was named to the Theodore Roosevelt Presidential Library Board of Directors.
- ▶ Saggau attended a meeting with Hoosier Energy Rural Electric Cooperative.
- ▶ Upcoming meetings include: employee communication meetings; senior staff strategy session; ACES board meeting; and the GRE board and member regional meetings in Mankato and Hinckley.

Financial update

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

- ▶ The November margin was \$(4.7)M compared to a budgeted margin of \$(6.0)M for a favorable variance of \$1.3M. The year-to-date margin is \$61.2M compared to a budgeted margin of \$19.5M for a favorable variance of \$41.7M.
- ▶ Year-to-date member revenue is \$64.3M above budget, non-member revenue above budget \$44.4M, other revenue above budget \$1.0M, and non-operating revenue above budget \$15.3M.
- ▶ Ownership expenses are under budget \$(13.3)M, fuel expenses under budget \$(1.9)M, purchased power over budget \$97.1M, O&M expenses over budget \$1.4M, and margin is positive a variance of \$41.7M.
- ▶ Year-to-date demand and energy sales are 5.7% and 1.7% above budget, respectively.
- ▶ The November PCA is a \$1.1M credit to members. The year-to-date PCA is a \$19.4M charge.
- ▶ Michelle provided information and facilitated discussion on scenarios for GRE and MAG patronage capital retirement which the board will consider in early 2023.

Business improvement

Corporate and Member Services Member Electrification Strategist Rodney De Fouw provided a business improvement presentation on the electric vehicle (EV) first responder training program. GRE identified a need for education and awareness about EVs with Minnesota's first responders. GRE worked with member-owners to hold 28 training events in partnership with 23 member-owner cooperatives that trained 1,400 first responders.

Motions

A motion was approved to approve contract changes for the renewable member resource option.

For more information about the January meeting of GRE's board of directors, contact Daniel Becchetti, communications and marketing manager, at 763-445-5706. The next meeting will be Feb. 7 in Mankato, Minnesota.