

Great River Energy Board Meeting Summary

Feb. 7, 2023

Mankato, Minnesota

Topics of interest from the February board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ FERC issued a ruling providing an equity level for transmission investment at an assumed rate of return of 50%, including construction work in progress.
- ▶ Prior to applying the board resolution to allocate year-end margins, the 2022 margin was \$53.9M. The margin was allocated as follows: \$9.3M deferred, \$24.8M bill credit, \$19.8M margin (utility margin of \$23.0M).
- ▶ Gov. Walz signed the 100% carbon free by 2040 bill into law this week. GRE and stakeholders were engaged in thorough discussions and interactions in the process. Although the new legislation will be a challenge, GRE has helped shape the law.
- ▶ Meetings attended: Member manager group; employee communication meetings; senior staff strategy session; ACES board meeting; and Theodore Roosevelt Presidential Library board meeting.
- ▶ Upcoming meetings: Member manager group; member CEO orientation with senior staff; GRE leadership; Todd-Wadena Electric Cooperative board meeting; HERC Services board meeting; and GRE board March meetings.

Financial update

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

- ▶ Member revenue for 2022 was \$34.8M above budget, non-member revenue over budget \$61.9M, other revenue over budget \$1.2M, and non-operating revenue over budget \$2.6M.
- ▶ Ownership expenses for 2022 are under budget \$(14.7)M, fuel expenses over budget \$0.7M, purchased power over budget \$114.7M, O&M expenses over budget \$3.0M, and the 2022 margin is \$(3.2)M.
- ▶ The December PCA is a \$0.6M credit to members. The year-to-date PCA is an \$18.7M charge to members.

Motions

A number of motions were approved, including patronage capital retirement guidelines.

For more information about the February meeting of GRE's board of directors, contact Daniel Becchetti, communications and marketing manager, at 763-445-5706. The next meeting will be March 1-2.