

Great River Energy Board Meeting Summary

March 1-2, 2023

Maple Grove, Minnesota

Topics of interest from the March board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ GRE is completing the financial statements on a successful 2022 and expects to issue the final report upon board approval of the audit. Final 2022 bill credits to member-owners were issued on the January power bills or as cash payments.
- ▶ 2022 financials are off to a solid start after closing the books on January.
- ▶ GRE continues to hold discussions with legislators on specifics of the carbon free by 2040 law and on any newly proposed related legislation.
- ▶ Meetings attended: member manager group; member CEO orientation with senior staff; Theodore Roosevelt Presidential Library board meeting; GRE leadership; and GRE HERC Services board annual meeting.
- ▶ Upcoming meetings: MMG leadership; member manager group; Fresh Energy; UND Dean of College of Mining and Engineering Brian Tande; and Department of Commerce Commissioner Michelle Gransee.

Financial update

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

- ▶ The January margin was \$4.5M compared to a budgeted margin of \$3.1M for a favorable variance of \$1.5M.
- ▶ Member revenue for January was \$(4.6)M below budget, non-member revenue under budget \$(10.7)M, other revenue under budget \$(0.1)M, and non-operating revenue over budget \$3.3M.
- ▶ GRE received a good outcome regarding adjustments to the MAG estimated working capital contingent consideration from MAG buyers. The revised amount is \$8.4M due to sellers. GRE's share is \$5.2M. After GRE's final verification, that amount will be recorded in March.
- ▶ Ownership expenses are over budget \$0.2M, fuel expenses under budget \$(4.1)M, purchased power under budget \$(8.9)M, O&M expenses under budget \$(0.8)M, and margin is a favorable variance of \$1.5M.
- ▶ Demand and energy sales for January are 2.8% and 3.4% lower than budget, respectively.
- ▶ The January power cost adjustment is a \$1.2M credit to members.

Business improvement

Telecommunications Engineer II Tek Sapkota presented a business improvement on a 700 MHz conversion at the Langola Distribution Substation. GRE has historically leased a T1 circuit from another utility at a monthly cost. East Central Energy granted permission for GRE to affix a needed antenna on a 90-foot-tall pole in a substation. The remote site radio was installed and the leased circuit disconnected for an annual savings of over \$9,000.

Motions

A number of motions were approved, including the disposition of 2022 margins and audit report.

For more information about the March meeting of GRE's board of directors, contact Daniel Becchetti, communications and marketing manager, at 763-445-5706. The next meeting will be April 5-6.