

Great River Energy Board Meeting Summary

June 7-8, 2023

Maple Grove, Minnesota

Topics of interest from the June board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ The year-to-date margin is a positive variance of \$9.1M. The year-to-date power cost adjustment is an \$8.9M credit to members.
- ▶ Year-to-date, energy and demand sales are 0.8% and 2.5% lower than budget, respectively.
- ▶ The 2023 credit rating agency meetings are completed with the following credit ratings issued for GRE:
 - Fitch: upgrade to A / stable
 - Moody's: affirmed A3 / stable.
 - S&P: affirmed A- / negative
- ▶ Meetings attended: ACES board meeting; member manager group; Republic of Finland Ambassador Mikko Hautala; and Mille Lacs Energy Cooperative annual meeting.
- ▶ Upcoming meetings: Member manager group meeting and alumni events; member manager group second quarter leadership meeting; and GRE board strategy session.

Financial update

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

- ▶ The April margin was \$(5.0)M compared to a budgeted margin of \$(6.1)M for a positive variance of \$1.1M.
- ▶ Member revenue year-to-date is \$(14.4)M below budget, non-member revenue under budget \$(31.8)M, other revenue above budget \$0.1M, and non-operating revenue above budget \$12.1M.
- ▶ Ownership expenses are over budget \$1.7M, fuel below budget \$(9.2)M, purchased power under budget \$(32.7)M, O&M under budget \$(2.9)M, and margin is a favorable variance of \$9.1M.
- ▶ April demand sales were 0.9% lower than budget. April energy sales were 1.8% higher than budget.
- ▶ The April PCA is a \$5.4M credit to members.

Business improvement

Substation Apparatus Leader Tom Huber presented a business improvement on a DC system ground detection tester. North American Electric Reliability Corporation (NERC) requirements state substation grounds must be tested every four months. GRE staff improved the testing process by designing and installing 15 battery ground testing devices. They are currently in use, improving reliability and safety at GRE.

PPC extension offer

A motion was carried for approval to offer an extension of the term of Great River Energy's member Power Purchase Contracts.

For more information about the June meeting of GRE's board of directors, contact Daniel Becchetti, communications and marketing manager, at 763-445-5706. The next meeting will be July 13.