

# Great River Energy Board Meeting Summary

## October 4-5, 2023

### Maple Grove, Minnesota

#### Topics of interest from the October board meeting

##### **CEO update**

President and CEO David Saggau provided the following report:

- ▶ The year-to-date margin is a positive variance of \$27.1M. The year-to-date PCA is a \$25.1M credit to members.
- ▶ Energy sales through August are 0.2% lower than budget. Demand sales through August are 0.3% higher than budget.
- ▶ GRE's offer to extend the member power purchase contract to 2055 has been unanimously approved by GRE's all-requirements member-owners and Wright-Hennepin Cooperative Electric Association.
- ▶ GRE joined several utilities to apply for the certificate of need for the Big Stone South-Alexandria-Big Oaks project. This project is one of 18 transmission projects approved in tranche 1 of MISO's long-range transmission plan and is the second project to reach this stage of the permitting process.
- ▶ GRE and member-owners submitted an application for the New ERA funding, pursuing nearly \$1 billion in federal funds to improve our systems, invest in reliability and reduce emissions. The USDA will review the applications in the next two to three months to determine what proposals will move forward in the process.

##### **Financial update**

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

- ▶ The August margin was \$21.2M compared to a budgeted margin of \$12.4M for a positive variance of \$8.8M.
- ▶ Year-to-date member revenue is \$(24.2)M below budget, non-member revenue under budget \$(42.5)M, other revenue over budget \$0.3M, and non-operating revenue over budget \$16.3M.
- ▶ Ownership expenses are over budget at \$0.2M, fuel expenses below budget \$(10.0)M, purchased power under budget \$(62.2)M, O&M expenses under budget \$(5.2)M, and the year-to-date margin is a favorable variance of \$27.1M.
- ▶ August demand and energy sales were 4.3% and 3.6% higher than budget, respectively.
- ▶ The August PCA is a \$4.8M credit to members.

##### **Business improvement**

Maintenance Leader Eathan Gumke presented a business improvement on the Spiritwood Station limestone feeder. Adjusting the size and design of a sprocket reduced limestone consumption by over 2,000 tons per year and saves nearly \$250,000 annually.

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 November 1-2.