

Great River Energy Board Meeting Summary

January 10-11, 2024

Maple Grove, Minnesota

Topics of interest from the January board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ The margin through November is \$65.0M compared to a budgeted margin of \$20.6M for a positive variance of \$44.4M.
- ▶ The year-to-date PCA through November is a \$34.1M credit to members.
- ▶ Energy sales through November are 0.6% lower than budget. Demand sales through November are 3.6% higher than budget.
- ▶ Midwest AgEnergy proceeds of approximately \$11.0M will be recognized in December. December's books will close next week.
- ▶ This week's forecasts indicate very cold temperatures throughout the entire MISO footprint. GRE has filled fuel oil tanks at peaking plants and has trucking companies on standby for additional deliveries if needed. Forecasts include windy conditions.
- ▶ GRE's annual meeting will be held at our Maple Grove office (and virtually) on June 5, coinciding with the first day of the June board meeting. This schedule will allow for more GRE member-owners to complete their annual meetings and determine their GRE directors prior to GRE's board reorganization.
- ▶ Meetings attended: GRE leadership meeting; Theodore Roosevelt Presidential Library board meeting; and TRPL development committee.
- ▶ Upcoming meetings: Member manager group meeting; employee communication meeting; and ACES board meeting.

Financial update

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

- ▶ The November margin is \$(3.1)M compared to a budgeted \$(5.2)M for a positive variance of \$2.1M.
- ▶ Member revenue year-to-date is \$(26.7)M below budget, non-member revenue under budget \$(48.1)M, other revenue above budget \$0.7M, and non-operating revenue over budget \$19.1M.
- ▶ Ownership expenses are under budget \$(4.9)M, fuel expenses under budget \$(14.0)M, purchased power under budget \$(76.4)M, O&M expenses under budget \$(4.1)M, and the year-to-date margin is a favorable variance of \$44.4M.
- ▶ November demand and energy sales were 1.7% and 6.3% lower than budget, respectively.
- ▶ The PCA for November is a \$3.4M credit to members.

Business improvement

Energy Conservation and Optimization Specialist Jamie Stallman presented a business improvement on two capstone research projects GRE engaged in with top-tier students from the Humphrey School. This business improvement resulted in a one-time savings of \$24,000, tangible actionable next steps to serve GRE member-owners, and an ongoing engagement platform for GRE and the Humphrey School.

Consent agenda

The consent agenda was approved, granting necessary authority for GRE staff to purchase materials and services for the Northland Reliability Project.

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. 6.