

Great River Energy Board Meeting Summary

June 5-6, 2024

Maple Grove, Minnesota

Topics of interest from the June board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ Energy and demand sales are behind budget; however, GRE's portfolio continues to perform well in this market.
- ▶ The year-to-date margin is \$(23.3)M compared to a budgeted margin of \$(20.1)M for a negative variance of \$3.2M.
- ▶ The year-to-date PCA is a \$1.9M charge to members.
- ▶ Demand and energy sales are 3.8% and 5.3% lower than budget, respectively.
- ▶ MISO released its summer outlook earlier this month, stating that there are sufficient resources under normal conditions.
- ▶ The Public Utilities Commission unanimously approved Dodge County Wind, allowing the project to proceed to full development.
- ▶ MISO announced the tentative plan for Tranche 2 regional transmission.
- ▶ Meetings attended: Moody's; Fitch; Standard & Poor's; APEX CEO Ken Young; ACES board and strategy session; Member manager group; GRE leadership.
- ▶ Upcoming meetings: Member manager group; Lake Region Electric Cooperative board meeting.

Financial update

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

- ▶ The April margin was \$(10.9)M compared to a budgeted \$(9.4)M for an unfavorable variance of \$1.5M.
- ▶ Member revenue is \$(9.7)M below budget, non-member revenue under budget \$(19.1)M, other revenue over budget \$0.3M, and non-operating revenue over budget \$1.4M.
- ▶ Ownership expenses are over budget \$0.7M, fuel expenses under budget \$(6.8)M, purchased power under budget \$(19.7)M, O&M expenses under budget \$(1.9)M, and the margin is an unfavorable variance of \$(3.2)M.
- ▶ April demand sales were on budget. April energy sales were 3.6% lower than budget.
- ▶ The PCA for April is a \$1.4M charge to members.

Business improvement

Generation Engineer Mike Knofczynski presented a business improvement on a condensate blowdown line replacement at Spiritwood Station that saved \$143,000 through an innovative solution developed by plant staff.

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 11.