

Great River Energy Board Meeting Summary

November 6-7, 2024

Maple Grove, Minnesota

Topics of interest from the November board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ The 2024 margin is a negative variance of \$(10.7)M and the power cost adjustment (PCA) is a \$1.1M credit to members.
- ▶ Energy and demand sales are 3.5% and 3.3% lower than budget, respectively.
- ▶ David reviewed state and national election results and potential effects on GRE and its member-owners.
- ▶ Many other Midwest utilities are requesting or setting the stage for significant rate increases. GRE's average wholesale rate will increase 5.7% in 2025 but GRE does not expect its competitive position to change significantly.
- ▶ GRE continues to work with USDA on its New ERA funding, following the cooperative being named a selectee.

Financial update

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

- ▶ The September margin is \$2.0M compared to a budgeted \$(1.8)M for a favorable variance of \$3.8M.
- ▶ Year-to-date member revenue is \$(19.8)M below budget, non-member revenue under budget \$(40.6)M, other revenue over budget \$0.6M, and non-operating revenue over budget \$3.5M.
- ▶ Year-to-date ownership expenses are over budget \$3.4M, fuel expenses under budget \$(11.6)M, purchased power under budget \$(43.0)M, O&M expenses over budget \$5.6M, and the margin is an unfavorable variance of \$(10.7)M.
- ▶ September demand and energy sales were 6.0% and 3.9% higher than budget, respectively.
- ▶ The PCA for September is a \$0.8M credit to members.

Business improvement

IT Endpoint Administrator Jarrod Gainor presented a business improvement on utilizing Apple TV for GRE's digital signage at company locations. This project moved from an over-sophisticated and expensive system to a simplified yet effective alternative that reduces labor, decreases downtime and saves over \$30,000.

For more information about the November meeting of GRE's board of directors, contact Daniel Becchetti, communications and marketing manager, at 763-445-5706.