

Great River Energy Board Meeting Summary

January 8-9, 2025

Maple Grove, Minnesota

Topics of interest from the January board meeting

CEO update

President and CEO David Saggau provided the following report:

- ▶ GRE received confirmation of its New ERA award. GRE and member-owner projects will result in 1,000+ MW of renewables, 1,500+ new jobs, \$40M in annual cost savings, and 5M+ tons of CO2 emissions reductions annually.
- ▶ Initial projections showed Tranche 1 transmission investments would reduce the transmission revenue requirement (TRR) from a 10% increase to a 3% increase. New analysis shows the investments will lead to a TRR decrease.
- ▶ A recent NERC report raised concerns about future resource adequacy in MISO. GRE's portfolio will have surplus capacity next year and is well positioned. More resources will be needed to support member growth, including renewables, peaking generation, and transmission.
- ▶ Meetings attended: Member manager group (MMG); GRE leadership; strategy discussion with senior staff, MMG chair, and MMG vice chair.
- ▶ Upcoming meetings: MMG monthly meeting; employee communication meeting; and GRE regional meetings in Mankato and St. Cloud.

Financial update

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

- ▶ The November margin was \$(6.3)M compared to a budgeted \$(5.3)M for an unfavorable variance of \$(1.0)M. The year-to-date margin is \$9.9M compared to a budgeted margin of \$23.1M for an unfavorable variance of \$(13.2)M.
- ▶ Member revenue through November is \$(22.9)M below budget, non-member revenue under budget \$(50.5)M, other revenue over budget \$1.0M, and non-operating revenue over budget \$4.3M.
- ▶ Ownership expenses through November are over budget \$4.5M, fuel expenses under budget \$(13.8)M, purchased power under budget \$(53.2)M, O&M expenses over budget \$7.6M, and the margin is an unfavorable variance of \$(13.2)M.
- ▶ Demand and energy sales are 2.9% and 3.9% lower than budget, respectively.
- ▶ The power cost adjustment (PCA) for November is a \$0.2M charge to members. The year-to-date PCA is a \$0.7M credit to members.

Business improvement

Field Services Manager Melissa Phillips presented a business improvement on transporting an existing transformer intact to the new Two Islands Substation. The creative solution saved the membership \$35,750 and several days of work.

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