



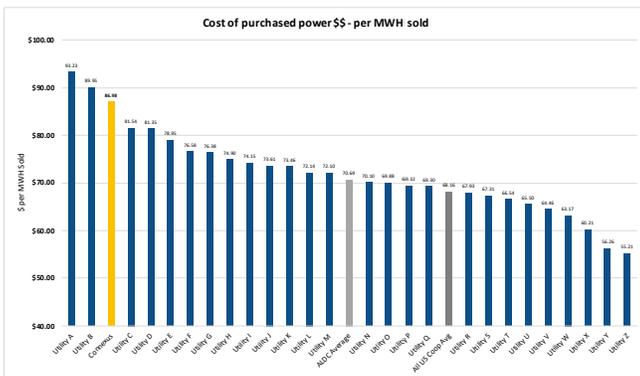
Future Power Supply

Safely providing you with reliable, affordable, and increasingly sustainable electricity remains Connexus Energy's top priority and promise.

Looking forward and honoring its past, Connexus is implementing a Future Power Supply strategy with more flexibility to use the best resources and tools in service to its members.

History

For more than a decade, Connexus Energy has paid one of the highest wholesale power costs nationwide. Operational efficiency, innovative programs, and a contractually limited number of cost-saving local power generation projects have allowed Connexus to continue to provide competitive electric rates.



New Agreements

In 2022, Connexus and Great River Energy (GRE) worked through and came to agreement on new customer contracts, replacing the former membership contracts. Reviewed in detail and voted through with overwhelming support of GRE member cooperatives, the new power purchase and transmission service agreements provide Connexus the flexibility it needs to serve our membership's current and future needs.



Flexibility to Benefit Connexus Members

As a result of the customer agreements, Connexus is empowered to choose the best combination of technologies, services, tools, and programs to manage the grid for its members. Without the previous limitations, Connexus has several ways to acquire future power resources, including but not limited to power purchase agreements (PPA), auction purchases, and physical projects inside or outside its service area, all while maintaining its focus on reliability and affordability. Connexus also plans to build upon its leadership in various applications of battery storage.



Working Cooperatively

The agreements between Connexus and GRE were approved by the boards of both organizations, as well as in a vote of all 28 member cooperatives that together own GRE.

“*These agreements are a leading example of cooperatives working together. We appreciate Great River Energy’s membership, board, and staff for working with us to create a new model that enables Connexus’ flexibility and innovation.*”

Greg Ridderbusch
President and CEO
Connexus Energy

Grid Reliability

Concerns for the reliability of the bulk power grid are national topics. In the Midwest, Midcontinent Independent System Operator (MISO) ably navigates its responsibilities to manage the bulk electric system, including assuring sufficient capacity. Connexus’ new agreements change none of these foundational operating structures, and we expect MISO and the transmission systems serving Minnesota and Connexus to remain highly reliable.

Timeline

- » **July** GRE board approval, Connexus board approval
- » **August** GRE membership approval
- » **September** MISO administration and notifications
- » **October-November** 2023 GRE customer budget review
- » **January 2023** New contracts in effect

Customer Portfolio Power Purchase Agreement Key Provisions

Joint operating committee: Connexus and GRE have formed a joint operating committee to coordinate load forecasting, determine capacity and renewable requirements, and discuss market issues.

Participation in GRE resources: Connexus will participate in all GRE legacy resources as of the effective date. Connexus participates in its legacy share of GRE resources; fixed at 21.7 percent. Connexus will not participate in future GRE resources.

Customer Transmission Service Agreement Key Provisions

As a customer, Connexus will continue to contract with GRE for transmission services. GRE will continue to own, plan, build, operate, and maintain the transmission system serving Connexus.

GRE Diversified Business

For the term of the customer agreements, Connexus continues to benefit from GRE’s interest in Spiritwood Energy Park Association, LLC and Midwest AgEnergy Group, LLC. Connexus will not participate in future diversified business assets.

Patronage Capital

GRE will determine Connexus’ patronage capital balance as of Dec. 31, 2022. The balance is expected to be paid over a period of approximately ten years. Connexus Energy’s Cash Back program, which returns annual profits to its members based on their electricity usage in a given year, continues.

