

December 2024 Board Meeting Summary

The Lake Region Electric Cooperative (LREC) Board of Directors convened at 8 a.m. on Monday, Dec. 23, 2024 at the LREC main office in Pelican Rapids. The Board approved the minutes of the Nov. 26 Board meeting; approval was also given to the consent agenda items of new memberships, capital credit retirements to estates, disbursements, and legal fees.

CEO Report: CEO Tim Thompson began his safety update with information on a few accident-related incidents that occurred recently; one involving a local community, and the other another in-state cooperative. He followed with a recap of December's Active Violence Emergency Response Training (AVERT) session led by Minnesota Rural Electric Association's (MREA) Erick Boder, which provided best practices and tactics in the case of an actual event. He reiterated that this active shooter training with MREA promotes LREC's safety culture and shared that continued training is planned for Summer 2025.

Thompson continued by thanking the Board for their responses to the questionnaire distributed in November soliciting education topic suggestions for future Board meetings and shared a tentative plan going forward. His presentation then moved to a broader industry overview, providing an update on possible allocation of New ERA funds, the issue of net-metering within the MN legislature and its effect on our solar business, and progress on carbon pipeline approval and the Midcontinent Independent System Operator (MISO)-approved Tranche 2.1 transmission project. Thompson finished with a reminder of the upcoming district meetings in January, review of current of year-end goals within the strategic dashboard, and details and a call for potential participation in the National Rural Electric Cooperative Association's international program sending lineman overseas to help countries in need.

Communications: Communications Specialist Geoff Kuchera presented information on LREC's submission for Cooperative.com's Spotlight on Excellence award, which highlighted our co-op's comprehensive communication plan around the 2023 facility charge increase and related rate adjustment. Announcement on the award recipient is expected mid-February 2025. Kuchera also included an update on the power cost adjustment adder communication plan, noting ongoing social media, newsletter and FAQ tactics either completed or in progress.

Financial Report: The Board approved the November 2024 financials and Q4 write-offs as presented.

In addition, CFO Amanda Fuller also provided an analysis of Director Districts.

Board Education: Guest speaker Greg Paddon from Great River Energy (GRE) joined the meeting as part of ongoing board education topics to provide an overview of MISO, their regions and relationship with GRE. Paddon also provided insight into GRE's current capacity, movement on the Distributed Energy Management Systems (DERMS) program with LREC and the most recent North American Electricity Reliability Corporation (NERC) report.

Lake Region Energy Services (LRES): The Board approved the November 2024 financials and Q4 write-offs as presented.

Great River Energy (GRE): Board Member Mike Brasel provided an update on projects both approved and pending approval including installation of a switch that will transfer power into other regions; completion is expected some time around 2030. Other topics discussed were GRE's wildfire mitigation plan, an 18 MW CO₂ storage generator pilot currently under consideration and ongoing efforts around energy conservation.

Brasel added that this information, along with a more detailed presentation, will be included within GRE's district meeting communications plan.

Resolutions: The Board gave approval to GRE's resolutions on the Red Butte Wind Energy Purchase and the Amendment to appendix B of the PPC