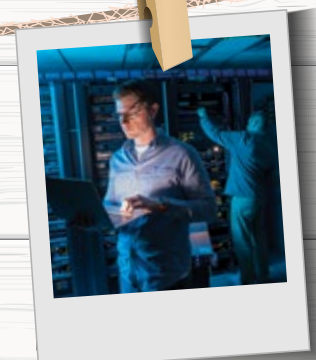
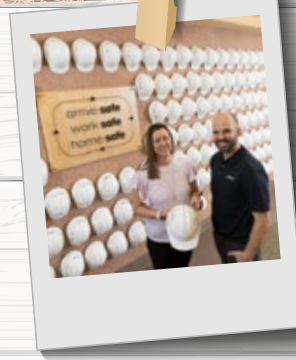
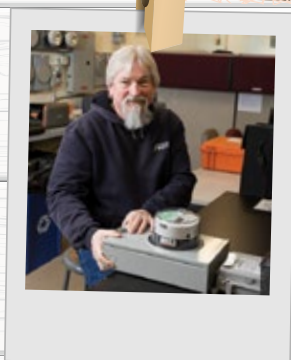
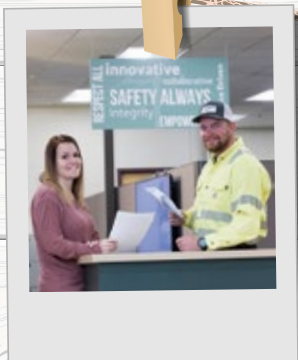
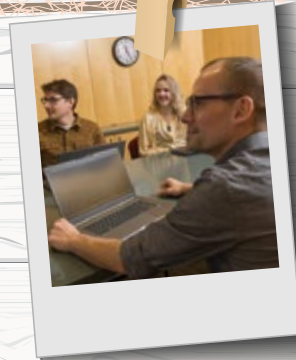
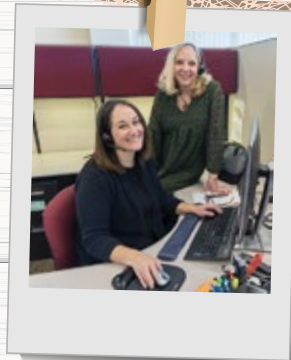


your Connexus Connection

For Connexus Energy Members

2022 Annual Review



Clarity

of Purpose

Issued April 2023



Board of **Directors**



Fran Bator
Chair
East Bethel



Mark Ethen
Vice Chair
Blaine



Shelly Peterson
Secretary/Treasurer
Nowthen



Michael Cady
Asst. Secretary/Treasurer
Blaine



Rick Braastad
Ham Lake



Kenneth Fiereck
Clear Lake



Donald Holl
Forest Lake



Gordon Westerlind
Big Lake

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Address

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Ramsey, MN 55303

Connect with Connexus



EXECUTIVE LEADERSHIP

Greg Ridderbusch, President and Chief Executive Officer

Brian Burandt, Vice President, Power Supply and Business Development

Mark Koplín, Vice President, Technology

Nick Loehlein, Vice President, Electric Operations

Linda Maegi, Vice President, Employee Services

Yan Paul Martínez, Vice President and Chief Financial Officer

Alison Miles, Vice President, Members

Join us

Current openings: connexusenergy.com/careers

Connexus Energy is an equal opportunity/affirmative action employer.



Connexus Energy is offsetting 100% of the energy used for printing this newsletter with renewable energy credits.

Message to our **members**

Leading with *Clarity* of Purpose

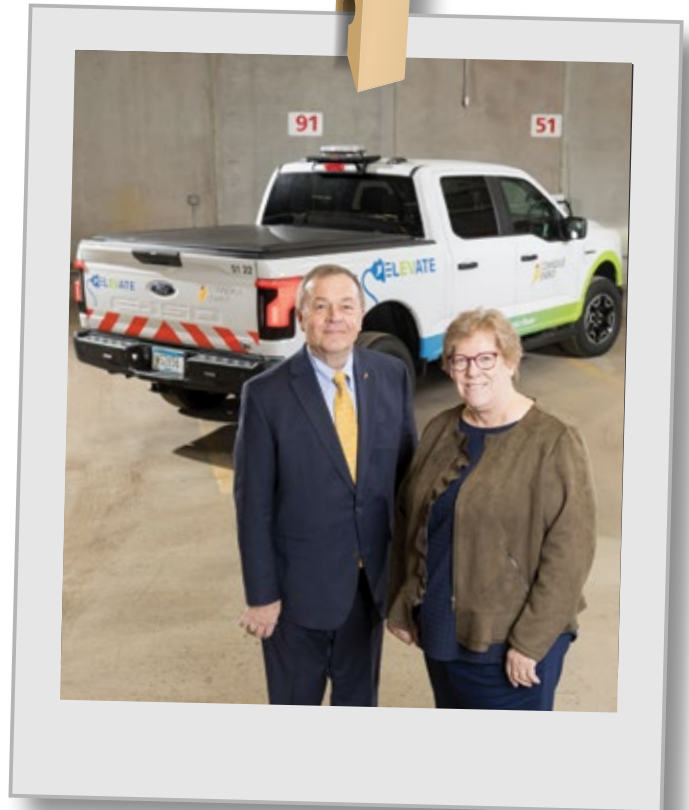
For more than 85 years, the annual meeting of your electric cooperative has served as an opportunity to review the past year's performance, elect directors, and look forward. Over the past two years, Connexus Energy completed a strategic transition in how we acquire member power supply—noteworthy nationwide—that strengthens our ability to serve you, safely and sustainably, with reliable and affordable electricity.

- On **reliability**, for the 5th consecutive year, Connexus ranked in the top 5% of all utilities nationwide.
- On **affordability**, following five years of no rate increase, Connexus adopted a 2023 financial plan with the smallest rate increase of all large Minnesota utilities.
- On **sustainability**, Connexus today has 38% of our electricity coming from carbon-free sources. Our ongoing stewardship for the land under and around solar projects has become a model for others.
- On **economic development**, it is gratifying to support valuable commercial and residential growth—more than 1,500 new homes in the last year, as well as beginning construction for a new Amazon distribution facility.

Connexus is your cooperative, leading with a clarity of purpose in service to you. Recently, you received your **Value of Membership** report, a personalized summary including your usage, program savings, and power interruptions from the past year.

Responsibly, we are doing our part in the green energy transition. Examples include our grid-scale solar+storage projects, as well as services members love like peak-time rebate, electric vehicle (EV) refueling made easy with a simple off-peak subscription rate, and promptly interconnecting members' home rooftop solar panels.

And, just this past year, Connexus' leadership in sustainability was recognized three times by the U.S. Department of Energy (DOE): 1) an online event with the Energy Secretary about new cold-climate heat pump technology, 2) being the only utility in the Midwest selected to host a DOE Innovation Fellow, and 3) being selected for a funded research collaboration with the National Renewable Energy Lab. Over the next year, we're preparing for our next battery storage project—another regional first—siting battery storage inside an existing substation to add resiliency.



This year, Minnesota legislators gave all state electric utilities a mandate to completely green the grid by 2040. With clarity, knowing what our members value, we will pursue this objective seeking the reliability and affordability you expect. Looking ahead with ambition, you can count on Connexus to leverage the best new electrical and grid tools, in complement with our power supply flexibility, to enable simple programs you'll love and wise investments for your future. Additionally, an invitation to provide input regarding our long-term power supply plan is on our website.

And, as always, please join us in respecting and staying safe around electrical infrastructure at home and around our grid.

Thank you for your membership.

Greg Ridderbusch
President & CEO

Fran Bator
Board Chair

Financial **summary**

STATEMENTS OF OPERATIONS (in thousands)

	2022	2021
Electric Revenue	\$ 259,323	\$ 263,275
Cost of Power	188,510	190,903
Gross Margin	70,813	72,372
Operating Expenses - including interest	69,101	67,577
Other Non-Operating Income	7,528	10,704
Net Margin	<u>\$ 9,240</u>	<u>\$ 15,499</u>

BALANCE SHEETS (in thousands)

	2022	2021
Assets		
Utility Plant		
Total utility plant	\$ 422,697	\$ 402,458
Less accumulated depreciation	(177,285)	(166,715)
Utility plant, net	245,412	235,743
Other Property and Investments		
Investments in associated organizations	155,415	157,061
Other investments	9,824	9,922
Other assets	33,833	33,833
Total other property and investments	199,072	200,816
Current Assets		
Cash and cash equivalents	2	2
Accounts receivable, net	37,673	30,628
Material and supplies	8,119	4,766
Other	1,700	1,389
Total current assets	47,494	36,785
Total Assets	<u>\$ 491,978</u>	<u>\$ 473,344</u>
Patrons' Equity and Liabilities		
Patron's Equity	\$ 220,733	\$ 219,733
Long-Term Debt, Less Current Maturities	155,701	158,992
Other Long-Term Liabilities, Less Current Maturities	40,534	33,558
Current Liabilities		
Accounts payable	37,598	33,331
Member deposits	1,835	1,837
Accrued liabilities	13,086	13,648
Debt due within one year	22,491	12,245
Total current liabilities	75,010	61,061
Total Patrons' Equity and Liabilities	<u>\$ 491,978</u>	<u>\$ 473,344</u>

The complete audited financial statements can be viewed online at connexusenergy.com/about-us.

Highlights from 2022

Top 5% reliability nationwide

This was the 5th consecutive year of providing reliable energy in the top 5% of all U.S. electric utilities. Our expert staff and resilient grid design helped us manage the busiest storm season in our 85-year history.

Continuation of competitive rates

Following five years of no general rate increases, the Board of Directors adopted a 2023 budget with a low average general rate increase of 2.9% – the smallest rate increase of the large Minnesota utilities.

Great River Energy member exit to customer

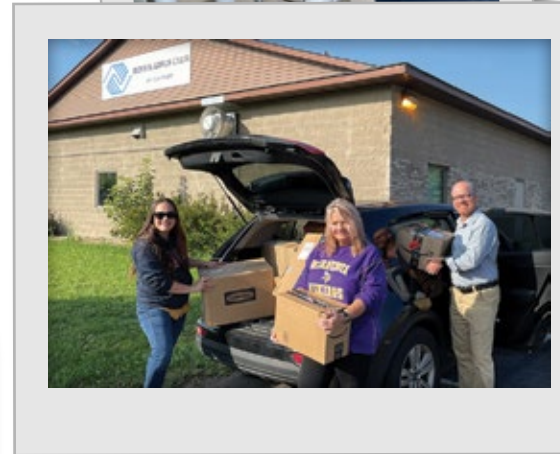
With the renegotiation of power supply agreements, we can control costs by choosing the best combination of technologies, services, tools, and programs to manage the grid. We also have the freedom to acquire future power resources and provide new options for you to save energy, while maintaining our focus on reliability and affordability.

Easy-to-use EV subscription rate

Members liked the pilot, so we made it a program offering! Subscribers know exactly what they will pay to charge their EV at home each month.

Helping our members

Connexus Energy worked with state partners to secure energy assistance for over 800 income-qualified members. We also provided grant assistance for dozens of schools, food shelves, and charitable organizations.



Power supply planning

As part of our transition to GRE customer, we have the flexibility and autonomy to design a future resource portfolio that makes sense for our members. We are developing a 10-year resource plan, and you can learn more about it at connexusenergy.com/powersupply.

The Connexus Energy FoundationSM

The Connexus Energy Foundation began operating in 2020 as part of our long-term plan for community giving. Funded with unclaimed Cash Back from former members, we proudly support organizations from across our service area that strive to make a positive difference.

2022 Your Community, Your Choice donations

Each month, The Connexus Energy Foundation donates \$1,500 to a local 501(c)(3) charity. Our members help choose a charity that deserves our support.

Anoka County 4-H
Big Lake Community Food Shelf
East Bethel Seniors
HOPE 4 Youth

Impact Services
Matthew 25 Food Distribution
Matty's Heart and Soul Animal Rescue
MetroNorth Chamber of Commerce
Workforce Development Foundation

Montessori Renaissance Academy
Open Doors for Youth
Rumriver Art Center
Spark 2 Hope



Donations of \$500+

A Spark of Possibilities
ACBC Food Shelf
Alexandra House, Inc.
American Red Cross
Andover Community Scholarship
Angel Foundation
Anoka County 4-H
Anoka County Child Abuse
Prevention Council
Anoka County Historical Society
Anoka-Hennepin Educational Foundation
Anoka-Hennepin School District 11
Anoka-Hennepin Technical College Foundation
Anoka High School
Anoka-Ramsey Community College
Foundation
Anoka Rotary
Anoka Technical College Foundation
Anoka Tornadoes Football Booster Club
Anoka-Hennepin District #11 - Step Alternative

Backing the Blue Line
Becker High School
Bee and Butterfly Habitat Fund
Big Lake Community Food Shelf
Big Lake High School
Blaine Area Little League
Blaine Community Scholarship Program
CAER Food Shelf
Cambridge-Isanti High School
Cedar Creek Elementary School PTO
Centennial Area Education Foundation
Centennial Community Food Shelf
Champlin Park Community Scholarship
City of Ramsey
Community Aid of Elk River
Coon Rapids Community Scholarship Program
Coon Rapids Rotary Foundation
Creating Healthier Communities
Dakota County Technical College Foundation
Don't Cry I'm Here

East Bethel Seniors
Family Promise
Feed My Starving Children
Fishing for Life
Forest Lake Community Scholarship
Foundation
Great River Faith in Action
Great River Greening
HOPE 4 Youth
Hope for the Community
Impact Services
Independent School District 15
Independent School District 728
Initiative Foundation
Jam HOPE Foundation
Lakes Center for Youth and Education
Legacy Christian Academy
Lupus Research Foundation
M State Foundation and Alumni
Majestic Oaks-DKM Community Foundation

Primary areas of support



YOUTH AND EDUCATION

58 scholarships totaling \$58,000 given to the class of 2022



COMMUNITY SERVICE

Ham dinner meal packages for 150 families donated to the Big Lake Community Food Shelf



ECONOMIC DEVELOPMENT

High school competition for demonstrating knowledge of the world economy, logical thinking, and teamwork



ENVIRONMENTAL STEWARDSHIP

Fun classroom presentations about a Minnesota animal's habitat and conservation issues

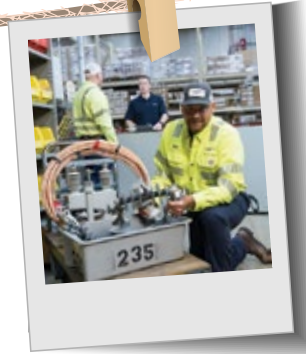
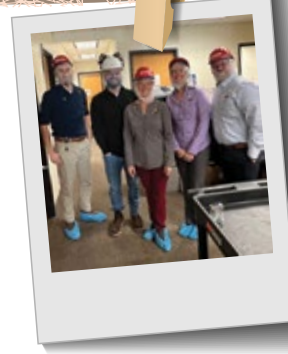
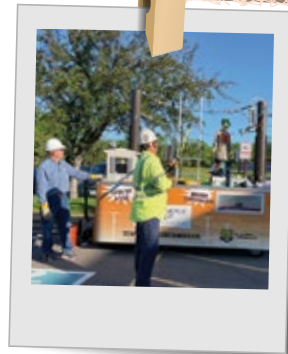
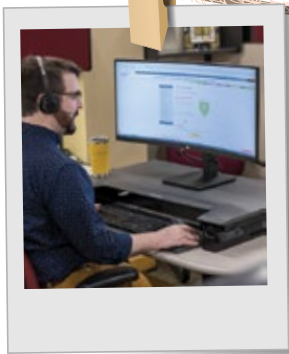
Matty's Heart and Soul Animal Rescue
Mental Wellness Campaign for Anoka County, Inc.
Mercy Hospital Foundation
MetroNorth Chamber of Commerce Workforce Development Foundation
Minnesota Economic Development Foundation
Minnesota State College Student Association Inc.
Minnesota State Council on Economic Education
MN Fundraising Initiative, Inc.
Monarch Joint Venture
Montessori Renaissance Academy
Move Minnesota
NACE Food Shelf
Nexus Foundation for Family Healing
Northeast Residence, Inc.
Northern Starz Theatre Company

Open Doors for Youth Options, Inc.
Pact Charter School
Paramount Center for the Arts
Pheasants Forever, Inc.
Princeton Scholarship Foundation
PUSH for Empowered Pregnancy
Quilts of Valor Foundation
Ridgeview Foundation
Ruff Start Rescue
Rumriver Art Center
Salvation Army HeatShare
ServeMinnesota
Sherburne County Area United Way
Spectrum High School
Spirit River Foundation
Spring Lake Park High School Scholarship Fund
St. Francis Elementary Association of Parents and Teachers

St. Francis Scholarship Fund
Tech High School
The Education Foundation of the Forest Lake Area
The Food Group Minnesota Inc
The Potato Head Project
The Salvation Army Northern Division
The Wave Youth Center
Tree Trust
United Way
Volunteers of America Minnesota
Wargo Nature Center
White Bear Lake Educational Foundation
White Bear Lake High School
Wishes and More
Young Mens Christian Association of the North (YMCA)
Youth First Community of Promise
Zimmerman High School



14601 Ramsey Blvd.
Ramsey, MN 55303



2022 at a glance

143,618 Connexus members

92% residential
8% commercial & industrial

99,000 calls + 10,000 emails

responded to by member service representatives

\$8.1 million in Cash Back

payments returned to members based on electricity used

9,463 miles of line

68% underground line
32% overhead line

1,147 members

participated in a solar energy program

47 safety demonstrations

teaching children and adults about the potential dangers of electricity

619 members

had EVs on a special rate program

Nearly 10,000 users

of Connexus mobile app

840,000 miles driven

by Connexus employees