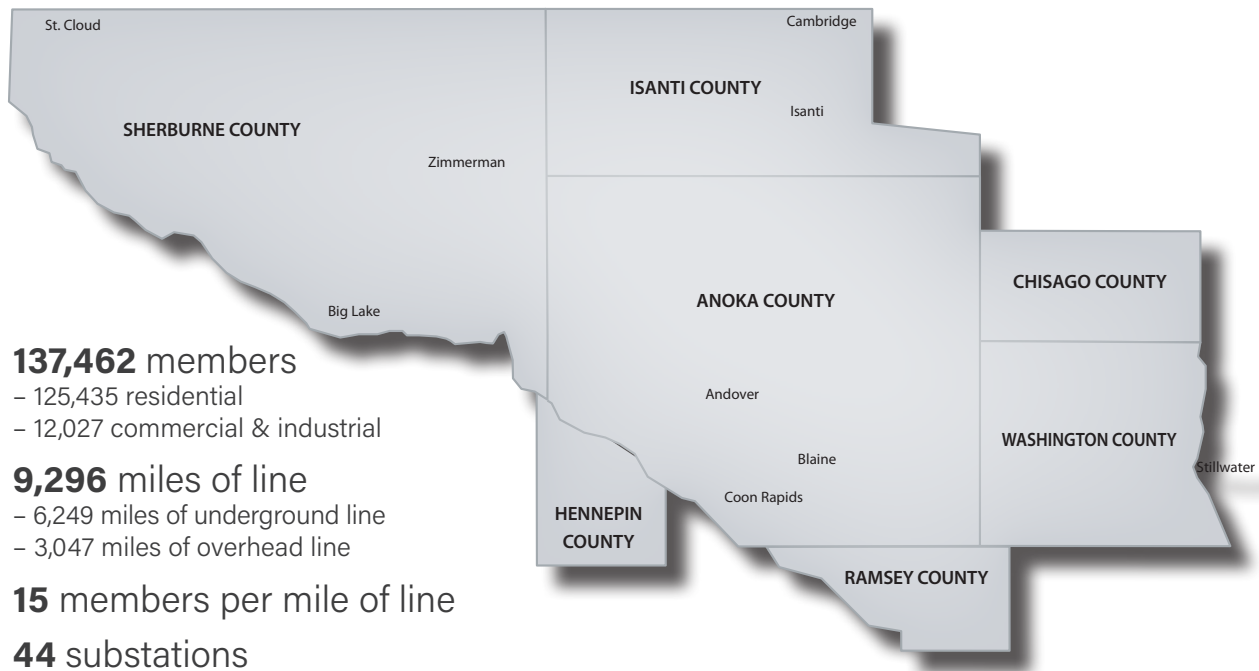


2020 INFORMATION SUMMARY FOR CONNEXUS ENERGY BOARD CANDIDATES

The 2020 Information Summary provides information for candidates running for the Connexus Energy Board of Directors. This is only a summary. Additional documents such as annual reports, audits, bylaws, and policies are also available.

WHERE WE SERVE



THE CONNEXUS TOP 5 IN 2020

- 1.** For the third year in a row, rates remain stable. No rate increase in 2020.
- 2.** Maintained our reliability and ability to serve as critical infrastructure during the pandemic. Helped members impacted by COVID-19 access energy assistance.
- 3.** Increased enrollment in Peak-Time Rebate (PTR) to over 10,000 members. In this program unique to Minnesota, members are paid \$1.00/kwh for energy saved during summer months. Top PTR saver received \$162 in credits on their bills.
- 4.** Paid \$7.6 million in Cash Back payments to members. Over the past 50+ years, paid members over \$130 million in Cash Back.
- 5.** Approved and support Great River Energy decision to shut down their North Dakota coal plant. Wholesale cost savings promised to Connexus will exceed \$10 million in 2023.

your most powerful membership™

ABOUT OUR BOARD

- » A business board of directors elected by our members that governs Connexus Energy.
- » Eight directors on the Board with staggered three-year terms.
- » Four director districts with two directors per district.
- » Directors must receive Connexus' electric service and have their primary residence in the district they represent.
- » Directors must meet qualifications set by members in the cooperative bylaws.
- » Basic Commitment
 - Monthly meetings – preparation requires studying 125 to 175 pages of board materials
 - Committee assignments (i.e., Executive, Cash Back, Power Supply)
 - Governance education seminars
 - Industry education conferences



KEY BOARD ACTIVITIES PAST 12 MONTHS

- » Reviewed and approved 2021 budget with 0% increase in rates.
- » Comprehensively reviewed strategic options to reduce Connexus' power supply expense in order to achieve multi-year reductions with Great River Energy.
- » Engaged auditor to review and report on 2020 financial statements.
- » Conducted a market-leading Board Self-Assessment of our governance activities and worked on improvement ideas.
- » Defined a board competency framework as an inventory/assessment of needed skills for directors and director candidates and identified training topics.
- » Represented Connexus on the boards of Great River Energy and Minnesota Rural Electric Association.
- » Appointed directors and provided oversight of The Connexus Energy Foundation in its inaugural year.
- » Reviewed performance of CEO against 2020 annual goals.

2020 HIGHLIGHTS

RELIABILITY

- » Continued investing for member growth which included doubling the capacity of the Blaine substation.
- » Invested over \$2 million to replace aging underground electric cables to prevent power outages.
- » Installed a perimeter security system in over half of substations to address vandalism and prevent equipment damages, outages, and public injury.
- » Retrofitted substations with state-of-art animal protection to reduce outages.
- » Tested and trained monthly for employee and Board member preparedness against cyber security threats/attacks.

SUSTAINABILITY

- » Received National Award from Pheasants Forever and Fresh Energy for Connexus leadership integrating prairie plant habitat with solar projects.
- » Completed public vetting and permit process and broke ground for two new solar facilities; Sunflower I near Princeton and Sunflower II near St. Francis.
- » Lowered the monthly price of “green electricity” for residential members to \$12 and \$6 for whole house and half house respectively.
- » Completed converting our Ramsey headquarters to 100% LED lighting both inside and outside .

MEMBER & PUBLIC ENGAGEMENT

- » Conducted ground-breaking ceremony near Princeton for Sunflower I which included Sherburne County, Baldwin Township, Princeton, and other zoning and permitting officials.
- » On track to be the friendliest utility for EVs, Connexus was honored and recognized by Recharge Minnesota as a leader in electric vehicle adoption.
- » Provided testimony to Minnesota House Energy & Climate Division supporting consumer cost savings from efficiency and clean energy technology.
- » Continued to provide regional leadership advocating modernization of savings rebates, electrification technology, and data security.

AFFORDABILITY

- » Compared to Xcel, and the same usage between a residential home within the Connexus and Xcel service areas, Connexus rates remain 2% to 4% less than the neighboring utility.
- » Operated our unique MW-class battery systems and other peak management systems which performed flawlessly and safely, offsetting over \$5 million from our wholesale power cost.
- » Employee cost-savings ideas saved more than \$1.8 million in our operating costs; savings directly reduce our costs to members.
- » Completed our free-free program with nearly 10,000 WiFi thermostats in member homes; put control of energy savings in members’ hands.
- » Offered \$800 discounted purchase opportunity for Level 2 Electric Vehicle chargers in members’ homes.

WHOLESALE POWER SUPPLY GREAT RIVER ENERGY (GRE)

- » Connexus historically purchased all power for members under a legacy contract with Great River Energy (GRE) that expires in 2045.
- » In the cooperative structure, Connexus is GRE's largest owner at about 20%.
- » The contract allows Connexus to self-supply renewable energy offsetting up to 5% of total requirements.
- » Connexus is developing batteries on our system and considering other projects which save in excess of 20% on our per MWh wholesale power cost.
- » While GRE's generation portfolio has included coal from owned power plants in North Dakota, in 2020 the decision was made to shut them down by the end of 2022. This may save almost 10% off our power bill starting in 2023 and forward.
- » Connexus seeks competitive opportunities to save more money for our members with the power we deliver. We have communicated to GRE our strategic expectation of never extending our legacy contract.

FINANCIAL HIGHLIGHTS 2020 FORECAST

	\$ millions
» Revenue	246
» Wholesale Power Cost	173
» Distribution Operations Cost	66
» Net Margin	16
» Total Assets	470
» Total Debt	177
» Total Equity	212



COMMUNITY GIVING AND DEVELOPMENT

- » Newly-formed Connexus Energy Foundation Board met quarterly and approved \$323,000 in community donations.
- » Increased the Your Community, Your Choice donation to \$1,500; a monthly program where members choose and vote for an organization to receive a donation.
- » Due to hardships of COVID-19, increased donations to food shelves to \$30,000.
- » Donated \$117,000 towards education, including more than \$10,000 for remote learning.

EMPLOYEES

- » 214 employees
- » We're efficient. Highest number of members served per employee in Minnesota. We're 8th best nationwide out of 1,800+ systems.
- » Engaging culture - low staff turnover at 8%
- » Successfully transitioned to "pandemic mode of operations" and continued serving all our members.