



Subject to approval steps, Great River Energy (GRE) has agreed to supply and deliver wholesale electricity to Connexus® Energy (Connexus) through a customer arrangement. GRE and Connexus will enter into a withdrawal agreement that sets forth the terms of Connexus withdrawing from GRE membership and transitioning to a GRE customer. The following document provides a high-level overview of the new agreements and the transition to a customer relationship.

Contractual changes

To dissolve Connexus’s membership, the following existing agreements would be terminated

- ⊗ Power Purchase Contract (PPC)
- ⊗ Transmission Service Contract
- ⊗ Master Other Services Agreement
- ⊗ PURPA QF Joint Implementation Plan Agreement
- ⊗ Mutual Confidentiality Agreement

To establish a customer relationship, the following new agreements would be executed after receipt of required approvals

- ✓ Portfolio Power Purchase Agreement (PPA)
- ✓ Transmission Service Agreement (TSA)
- ✓ Non-Core Services Agreement
- ✓ Connexus Energy Mutual Confidentiality Agreement

Approvals required

Connexus’ withdrawal from GRE membership and the terms of that withdrawal, including the new customer agreements, require the following approvals:

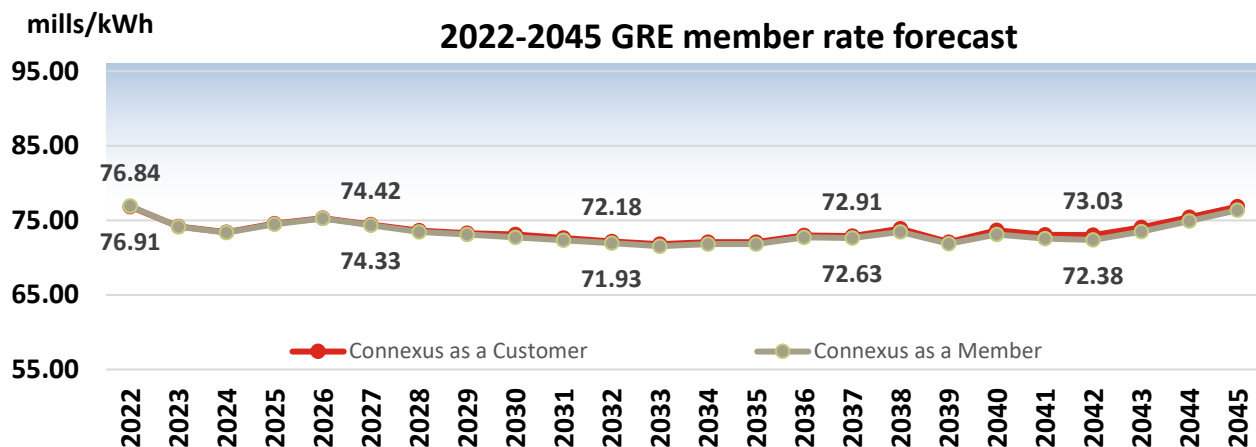
- ▶ 2/3 GRE board (completed July 13, 2022)
- ▶ Connexus board (completed August 8, 2022)
- ▶ 2/3 GRE members present and entitled to vote at a member meeting (completed August 30, 2022)

Timeline

- ▶ July: GRE board approval
- ▶ August: GRE member briefing, Connexus board approval, GRE member approval
- ▶ September: Joint operating committee meeting, model changes submitted to MISO
- ▶ October-November: 2023 budget review/approval
- ▶ January 2023: New contracts in effect

Rate impact

The forecasted impact of Connexus’ transition to customer shows a minimal impact on wholesale rates.



**The rates in the chart above are based on a forecast and are subject to change.*

Customer Portfolio Power Purchase Agreement (PPA) key provisions

Load service: GRE will be the MISO market participant for all Connexus load for at least 10 years. GRE will separate Connexus and member load costs, and will bill Connexus for its actual MISO load costs instead of the GRE average load cost.

Market services fee: Connexus will pay GRE a market services fee for certain core market services identified in the PPA. The fee will escalate annually by a percentage set forth in the PPA. Non-core services will be billed directly to Connexus at cost plus a margin.

Participation in GRE resources: Connexus will participate in all existing and committed GRE resources as of the effective date and identified in the PPA. Connexus will have a participation factor of 21.7%. GRE will have no obligation to offer and Connexus will have no obligation to participate in future GRE resources.

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

Customer Transmission Service Agreement (TSA) key provisions

Transmission and Ancillary Services: GRE will continue to own, plan, build, operate, maintain, and contract the transmission system necessary to provide Connexus with transmission and ancillary services. Connexus will be treated like any other transmission service customer served by GRE under the MISO tariff. GRE's costs for developing transmission to serve Connexus will be recorded and included in GRE's MISO transmission revenue requirement and recovered in MISO transmission service charges in the same manner as is done for GRE capital projects.

Transmission service payments: GRE will pass through to Connexus the MISO transmission service charges GRE incurs for providing transmission service to Connexus. Connexus will pay the MISO charges and a percentage adder on top of certain MISO costs to assure cost recovery to the GRE membership.

Costs unrelated to transmission service: Any GRE costs for requested services that GRE agrees to provide to Connexus that are not recoverable in GRE's MISO transmission revenue requirement will be directly billed to Connexus.

Additional details of customer relationship and transition to customer

Term of customer agreement: New customer agreements have a targeted effective date of January 1, 2023 and would extend through the end of 2045.

Governance: Connexus will relinquish board seats and participation in the member manager group upon the earlier of the effective date or execution of all agreements and attainment of all required approvals. Connexus ceases to be a GRE member and relinquishes all other member rights on the effective date.

A&G, margin, other charges: Connexus will not be part of any GRE member rate class. Connexus will continue to pay its share of GRE's annual budgeted margin. In lieu of future patronage allocation, GRE will provide a 20% rebate of Connexus' budgeted annual contribution to margin each year. Connexus will pay a fixed A&G charge that escalates annually based on an agreed-to index as well as a resource-based A&G charge.

Diversified business holdings: For the term of the PPA, Connexus will continue to participate in the risk or benefit of GRE's interest in Spiritwood Energy Park Association, LLC (SEPA) and Midwest AgEnergy Group, LLC (MAG). Connexus will not participate in any other existing or future diversified business assets.

Patronage capital: Connexus will stop accruing utility patronage capital as of the effective date. GRE will determine Connexus' accrued but unpaid utility patronage capital balance, excluding MAG and SEPA, and pay out this balance to Connexus over an expected period of 10 years. MAG and SEPA patronage capital will be settled with Connexus based on the occurrence of a payment event (defined as periodic cash distributions and/or a sale/disposition of GRE's ownership interest).

Impact on future financing: GRE anticipates no material impact on its ability to access reasonably priced debt or credit rating.