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PRESS RELEASE

Major power supply changes to reduce costs to member-owner cooperatives

Great River Energy plans to replace coal with low cost renewables and market energy purchases

Maple Grove, MN – Great River Energy announced plans today to transform its portfolio of power supply resources in the coming years, significantly reducing member-owner wholesale power costs. The electric cooperative plans to phase out remaining coal resources, add significant renewable energy and explore critical grid-scale battery technology.

Great River Energy plans to take the following actions:

- Retire the 1,151-megawatt (MW) Coal Creek Station in the second half of 2022
- Add 1,100 MW of wind energy purchases by the end of 2023
- Modify the 99-MW, coal and natural gas-based Spiritwood Station power plant to be fueled by natural gas
- Install a 1-MW, long-duration battery demonstration system
- Support the repowering of the Blue Flint biorefinery with natural gas

“We are building a power supply portfolio that will serve our member-owner cooperatives for decades,” Great River Energy President and Chief Executive Officer David Saggau said. “We are taking advantage of cost-competitive renewables and reliable access to market energy while fostering innovation as the technology of our industry evolves.”

Today’s announcement follows several changes Great River Energy has made in recent years to seek economic efficiencies in its power supply portfolio. Past analysis has led to decisions to exit a contract for half the output of a Wisconsin coal plant in 2015, retire the coal-based Stanton Station power plant in 2017, close the waste-to-energy Elk River Resource Recovery Project in 2019 and purchase the output of several wind energy projects.

The portfolio changes announced today will significantly reduce Great River Energy’s member-owner power supply costs. In addition, the cooperative’s power supply resources will be more than 95% carbon dioxide-free, virtually eliminating carbon risk.

“Our power supply plans deliver on our member-owners’ three highest priorities: affordability, reliability and environmental stewardship,” Saggau said. “Electric cooperatives have a bright future in Minnesota.”

Great River Energy plans to purchase more than 1,100 MW from new wind energy projects. This amounts to a more than \$1.2 billion investment in the Midwest’s abundant clean energy resources. Great River Energy’s renewable capacity is projected to grow from approximately 660 MW in 2020 to more than 1,760 MW by the end of 2023. The Great River Energy board of directors today approved 600 MW of wind energy projects, most of which will be located in Minnesota.

Great River Energy plans to add energy and capacity as needed through upgrades at its fleet of modern, natural gas peaking plants and purchases from the MISO energy market.

Coal Creek Station has been a critical part of Great River Energy's power supply portfolio for decades, but it has lost value compared to other alternatives in recent years. Great River Energy plans to shut down both units of Coal Creek Station during the second half of 2022, although the cooperative is willing to consider opportunities to sell the plant. Coal Creek Station began operations in 1979 in Underwood, North Dakota, and employs 260 people.

"Like all of Great River Energy's decisions, these changes are made in the best interests of our member-owner cooperatives," Saggau said. "Coal Creek Station is operated efficiently, safely and with pride by a dedicated and talented staff. We will make every effort to minimize impacts on our employees and the communities through this transition."

To assist local communities during the upcoming transition, Great River Energy plans to make voluntary annual payments of the local government share of the plant's taxes for five years after the plant's closure.

Great River Energy plans to negotiate an agreement to terminate its steam and water supply contract with Blue Flint, an ethanol biorefinery fueled by process steam from Coal Creek Station. Blue Flint's owner, Midwest AgEnergy, is considering using the contract termination payment from Great River Energy to reinvest in an economical alternate source for its process heat, thereby benefitting area farmers by continuing to support the local market for corn.

Located near Jamestown, North Dakota, Spiritwood Station is a combined heat and power plant fueled by a combination of DryFine™ lignite coal and natural gas. Great River Energy plans to modify the plant to be fueled with natural gas. The plant generates electricity for the regional electric grid and supplies steam to a nearby ethanol biorefinery.

Great River Energy is working with Form Energy, a battery storage technology developer based in Somerville, Massachusetts, on a first-of-its-kind demonstration of Form's unique long-duration storage technology. The battery project will be a 1-MW, grid-connected storage system capable of delivering its rated power continuously for 150 hours, far longer than the four-hour usage period common among lithium ion batteries. Long-duration storage will help maintain grid reliability in the future during extreme conditions, such as a heat wave or polar vortex. The battery system will be located in Cambridge, Minnesota, and completed in late 2023.

The projects announced today will create hundreds of high-quality construction jobs. "We look forward to partnering with local labor and industry on our projects," Saggau said.

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About Great River Energy: Great River Energy is a not-for-profit wholesale electric power cooperative that provides electricity to 28 member-owner distribution cooperatives. Together, our systems provide power to approximately two-thirds of Minnesota geographically and parts of Wisconsin, serving 700,000 families, farms and businesses. Great River Energy is the second largest electric power supplier in Minnesota and one of the largest generation and transmission cooperatives in the nation. Learn more at greatriverenergy.com.

Note: More information available at greatriverenergy.com/mediakit.