

# your **Connexus Connection**

For Connexus Energy Members

2022 Annual Review



*Clarity*  
of Purpose

Issued April 2023

 **CONNEXUS<sup>®</sup>**  
**ENERGY**

# 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

## CONTACT US

### Phone

Services/Outage: 763.323.2650

### Online

Website: [connexusenergy.com](http://connexusenergy.com)  
Email: [info@connexusenergy.com](mailto:info@connexusenergy.com)

### Address

14601 Ramsey Blvd.  
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 Koplin**, Vice President, Technology

**Nick Loehlein**, Vice President, Electric Operations

**Linda Maegi**, Vice President, Employee Services

**Yan Paul Martinez**, Vice President and Chief Financial Officer

**Alison Miles**, Vice President, Members

### Join us

Current openings: [connexusenergy.com/careers](http://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

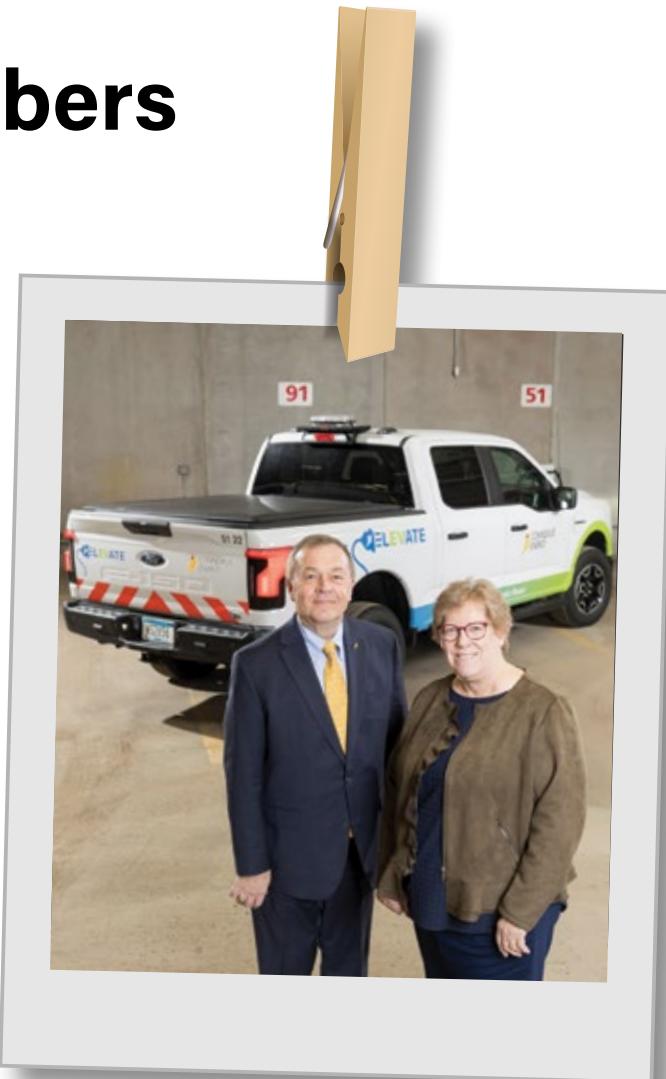
For more than 85 years, the annual meeting of your electric cooperative has served as an opportunity to review the past year's performance, elect directors, and look forward. Over the past two years, Connexus Energy completed a strategic transition in how we acquire member power supply—noteworthy nationwide—that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

- On **reliability**, for the 5<sup>th</sup> 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	<u>188,510</u>	<u>190,903</u>
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	<u>(177,285)</u>	<u>(166,715)</u>
Utility plant, net	<u>245,412</u>	<u>235,743</u>
Other Property and Investments		
Investments in associated organizations	155,415	157,061
Other investments	9,824	9,922
Other assets	<u>33,833</u>	<u>33,833</u>
Total other property and investments	<u>199,072</u>	<u>200,816</u>
Current Assets		
Cash and cash equivalents	2	2
Accounts receivable, net	37,673	30,628
Material and supplies	8,119	4,766
Other	<u>1,700</u>	<u>1,389</u>
Total current assets	<u>47,494</u>	<u>36,785</u>
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	<u>22,491</u>	<u>12,245</u>
Total current liabilities	<u>75,010</u>	<u>61,061</u>
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](http://connexusenergy.com/about-us).*

# Highlights from 2022

## Top 5% reliability nationwide

This was the 5<sup>th</sup> 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.



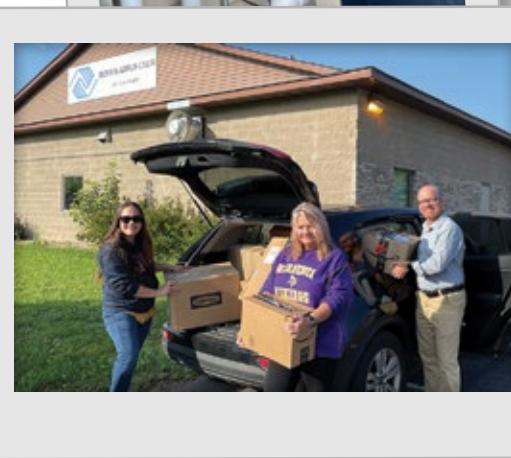
## Great River Energy member exit to customer

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.



## 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](http://connexusenergy.com/powersupply).

# The Connexus Energy Foundation<sup>SM</sup>

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  
Montissori 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

### 9,463 miles of line

68% underground line  
32% overhead line

### 619 members

had EVs on a special rate program

### 99,000 calls + 10,000 emails

responded to by member service representatives

### 1,147 members

participated in a solar energy program

### Nearly 10,000 users

of Connexus mobile app

### \$8.1 million in Cash Back

payments returned to members based on electricity used

### 47 safety demonstrations

teaching children and adults about the potential dangers of electricity

### 840,000 miles driven

by Connexus employees