

your Connexus Connection

For Connexus Energy Members



2021 Annual Review

Your elected **Board of Directors**



Fran Bator
Chair
East Bethel



Mark Ethen
Vice Chair
Blaine



Gordon Westerlind
Secretary/Treasurer
Big Lake



Michael Cady
Asst. Secretary/Treasurer
Blaine



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Clear Lake



Donald Holl
Forest Lake



Shelly Peterson
Nowthen



Peter Wojciechowski
Ham Lake

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Ramsey, MN 55303

*Connexus Energy is an equal opportunity/
affirmative action employer.*

2021 EXECUTIVE LEADERSHIP

Greg Ridderbusch, President and Chief Executive Officer

Brian Burandt, Vice President, Power Supply and Business Development

Don Haller, Vice President, Members

Mark Koplin, Vice President, Technology

Nick Loehlein, Vice President, Electric Operations

Linda Maegi, Vice President, Employee Services

Yan Paul Martinez, Chief Financial Officer and Vice President

your most powerful membership®



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

2021 at a **glance**

5 years

Five consecutive years with no rate increases.

2% - 4%

Connexus rates remain lower than Xcel.

\$8 million

Paid in Cash Back to members.

\$263 million

Annual revenue.

\$2 million

Employee cost-savings ideas saved more than \$2 million in operating costs.

1st place

National first place winner in grid reliability.

141,000 members

91% residential, 9% commercial industrial.

\$130 million

Cumulative Cash Back paid over 50+ years.

2 billion

Annual kilowatt hours in energy sales.

61%

Growth for members signing up for electric vehicle charging special rate.

Message to our members



Annual reviews are commonly used for looking back, but Connexus, as your most powerful membership®, also looks forward to elevate our ambitions of service to you, to elevate the modernization of the electric energy business, and to elevate our care for community.

As one of the nation's first 100 electric cooperatives, Connexus Energy was started with a unanimous vote of members in 1937. And while there have been many unanimous votes since then, in 2021 the Board voted as one, in favor of pursuing power supply alternatives — an action that is elevating us to the next level in serving our membership with increased flexibility in our purchasing options as well as competitive pricing for our next 80+ years of service.

We gathered with members and community leaders last summer to celebrate local investments and the power of membership with a ribbon-cutting ceremony for Sunflower I and II, our newest solar projects near Princeton and St. Francis. Saving costs while greening the grid, Connexus Energy is now locally harvesting over 20 megawatts, enough to power more than 2,800 homes. We also applaud members who express their commitment to greening the grid through energy conservation, investing in their own rooftop solar panels, or joining our new Renewable Energy Club. And not to worry, there is plenty left — more than 1.7 million megawatts of sunshine is delivered to our service territory most days.

The basics — affordability, reliability, safety, sustainability, savings programs, and financial strength — pair with 2021 growth taking us past 140,000 member accounts. The progressive refresh and modernization of our resilient electric grid, the hard work of staff, line workers, meter techs, member service agents, accountants, engineers, and more is enabling Connexus to provide a fifth consecutive year of no rate increases in 2022.

An electric cooperative isn't all electrons and wires. In 2021, we were humbled by recognition for how we strike a balance between affordable electricity, agriculture, and environment. Award-winning filmmaker Jesse Roesler produced a short documentary, "Pollinators, Prairie, and Power," relating the story of Connexus Energy's proactive decision to ensure productive use of the land under and around our solar arrays. Our pollinator-friendly projects benefit nearby crops, and we work with partners like Bare Honey. Stop by our front desk to purchase a jar of honey, with all proceeds going to charitable purposes.



And these modernizations are just in time. No less than six different major auto makers launched major advertising campaigns for new electric vehicles in the last few weeks — it's exciting something as old as electricity is being elevated to coolness again. We're ready for it and so are you. In 2021, nearly twice as many Connexus members as the previous year signed up for our special electric vehicle charging rate.

Connexus is leveraging the best new electrical and grid tools to provide innovative programs like Peak-Time Rebate that save you money and additional services that put control into your hands such as the new Connexus App for your mobile phone.

So, we briefly reflect on accomplishments of the past year and the heritage from the decades. We are most grateful to elevate our vision and hearts serving all members of Connexus Energy.

Greg Ridderbusch
President & Chief
Executive Officer

Fran Bator
Board Chair

2021 highlights

End of credit card fees

We've heard from our residential members – you like the convenience, as well as the perks, points, and airline miles that come with paying with a credit card. For residential members, we've made paying your Connexus Energy bill even easier and eliminated all credit card fees.

Reliability

In a year with numerous weather-impacts on energy infrastructure as well as public health challenges, Connexus Energy's proven electric service reliability was recognized with a national award. From system engineers to field designers to lineworkers, the staff of Connexus Energy are working for our members to build and maintain a resilient electric grid.



Flexibility to provide flat rates

Over the last four years, Connexus has held the line and had no rate increases — in part, because of some flexibility in our wholesale power agreement. Supported by a unanimous vote of Connexus Energy's Board of Directors, we are working proactively to negotiate a new wholesale power agreement that gives us even more flexibility and cost control into the future.



Cash Back for members

Paid more than \$8 million in Cash Back payments to members. Over the past 50+ years, Connexus has paid members more than \$130 million in Cash Back.

Our greener future

With the grand opening of the innovative Sunflower I and II solar projects in Princeton and St. Francis, we've added new power generation closer to home. These projects not only use leading solar technology, they also provide space for shade-tolerant, pollinator-friendly plants. Over the next several years, these local investments will help reduce wholesale power costs, saving Connexus members millions of dollars.



Financial highlights

STATEMENTS OF OPERATIONS (in thousands)

	2021	2020
Electric Revenue	\$ 263,275	\$ 246,950
Cost of Power	190,903	173,232
Gross Margin	72,372	73,718
Operating Expenses - including interest	67,577	65,498
Other Non-Operating Income	10,704	8,213
Net Margin	<u>\$ 15,499</u>	<u>\$ 16,433</u>

BALANCE SHEETS (in thousands)

Assets	2021	2020
Utility Plant		
Total utility plant	\$ 402,458	\$ 387,223
Less accumulated depreciation	(166,715)	(157,009)
Utility plant, net	<u>235,743</u>	<u>230,214</u>
Other Property and Investments		
Investments in associated organizations	157,061	151,516
Other investments	9,922	9,619
Other assets	33,833	35,817
Total other property and investments	<u>200,816</u>	<u>196,952</u>
Current Assets		
Cash and cash equivalents	2	2
Accounts receivable, net	30,628	29,981
Material and supplies	4,766	3,952
Other	1,389	1,554
Total current assets	<u>36,785</u>	<u>35,489</u>
Total Assets	<u>\$ 473,344</u>	<u>\$ 462,655</u>
Patrons' Equity and Liabilities		
Patrons' Equity	\$ 219,733	\$ 212,662
Long-Term Debt, Less Current Maturities	158,992	160,856
Other Long-Term Liabilities, Less Current Maturities	33,558	23,190
Current Liabilities		
Accounts payable	33,331	35,984
Member deposits	1,837	1,819
Accrued liabilities	13,648	12,598
Debt due within one year	12,245	15,546
Total current liabilities	<u>61,061</u>	<u>65,947</u>
Total Patrons' Equity and Liabilities	<u>\$ 473,344</u>	<u>\$ 462,655</u>

The complete audited financial statements can be viewed online at connexusenergy.com.

The Connexus Energy Foundation



Connexus Energy member Big River Farms provides education in organic agriculture.

The Connexus Energy FoundationSM 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 providing services across our service area. Our primary areas of support include youth and education, community services, economic development and commerce, and environmental stewardship.

\$330,000
to our communities

2021 Donations (\$500+)

- | | | | |
|---|--|---|--|
| A Place for You | Community Scholarship Foundation - Forest Lake High School | Lakes Center for Youth and Families | Saving Shepherds of MN |
| Achieve Services, Inc. | Community Table, Inc. | Legacy Christian Academy | Special Olympics Minnesota, Inc. |
| Acres for Life - Therapy & Wellness Center | Coon Rapids Community Scholarship Program | M State Foundation and Alumni | Spring Lake Park High School |
| Alexandra House | Coon Rapids Rotary Foundation | Mental Wellness Campaign for Anoka County | St. Cloud Tech High School |
| American Red Cross - Greater MSP Chapter | Crohn's & Colitis Foundation | Mercy and Unity Hospitals Foundation | St. Francis Elementary Association of Parents and Teachers |
| Anoka County Brotherhood Council | Dakota County Technical College Foundation | Minnesota State Council on Economic Education | St. Francis High School |
| Anoka County Child Abuse Prevention Council | Elevate Hope House | Minnesota West Foundation | St. Olaf College |
| Anoka Halloween Parade | Elk River High School | Nexus Foundation for Family Healing | Star Legacy Foundation |
| Anoka Hennepin Educational Foundation | Faith in Action in Sherburne County | North Anoka County Emergency Food Shelf | Stepping Stone Emergency Housing |
| Anoka Hennepin School District | Feed My Starving Children | Northern Starz Theatre Company | The City of Ramsey Foundation |
| Anoka High School | Fishing for Life | Nowthen Heritage Festival | The Education Foundation of Forest Lake Area |
| Anoka Ramsey Community College Foundation | Fresh Energy | PACT Charter School | The Food Group Minnesota |
| Anoka Rotary Community Fund | Friends of Sherburne National Wildlife Refuge, Inc. | Polycystic Kidney Disease Foundation | The Minnesota Hundred Club |
| Anoka Technical College Foundation | Granny's Closet | Princeton Scholarship Foundation Dollars for Scholars | Volunteers of America |
| Anoka Tornadoes Football Booster Club | Greater Twin Cities United Way | Push for Empowered Pregnancy | Wargo Nature Center |
| Becker High School | Happy Days 5K and Youth Fun Run | Quilts of Valor Foundation | White Bear Lake Area Educational Foundation |
| Big Lake High School | Hope 4 Youth | Rise Incorporated | White Bear Lake High School |
| Blaine Community Scholarship Association | Humor to Fight the Tumor, Inc. | Robert & Wilma Burbach Bike Foundation of MN | WOMN Strong |
| Cambridge-Isanti High School | Impact Services Initiative Foundation | Ruff Start Rescue | Zimmerman High School |
| Centennial Area Education Foundation, Inc. | Isanti MN Firefighters Rodeo Association | Rum River Art Center | |
| Community Aid of Elk River | Kinship Youth Mentoring of Princeton | Salvation Army Heat Share | |



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Engaging & helping



Leaders from Anoka Hennepin School District receive a Cash Back check from Connexus Energy Board members at a Blaine Business Council meeting.



Greg Ridderbusch joined Justice Alan Page, his daughter Kamie Page, and nonprofit Fresh Energy for a reading of "Bee Love," a Valentine's Day event about the co-benefits of solar.



POLLINATORS, PRAIRIE & POWER A SUSTAINABILITY WIN-WIN

Connexus Energy member Prairie Restorations commissioned award-winning filmmaker Jesse Roessler to create a documentary about creating flowering meadows on solar farms to help save the pollinators.

Your Community, Your Choice

Every month, our members choose the organization to be given a \$1,500 donation.

- MN Fundraising Initiative
- CARE Food Shelf
- Great River Faith in Action
- Stepping Stone
- Rum River Art Center
- Saving Shepherds of Minnesota

- Rise
- Avanti
- A Place for You
- Ruff Start Rescue
- Acres for Life, Center for Growth & Learning
- Achieve Services, Inc.



Rum River Art Center students