MINNKOTA SUSTAINABILITY REPORT

Minnkota Power COOPERATIVE

A Touchstone Energy® Cooperative

The green leaves of a sugar beet field – one of the prominent crops in Minnkota's service area – sprout up along the route of the Center to Grand Forks 345-kilovolt transmission line.

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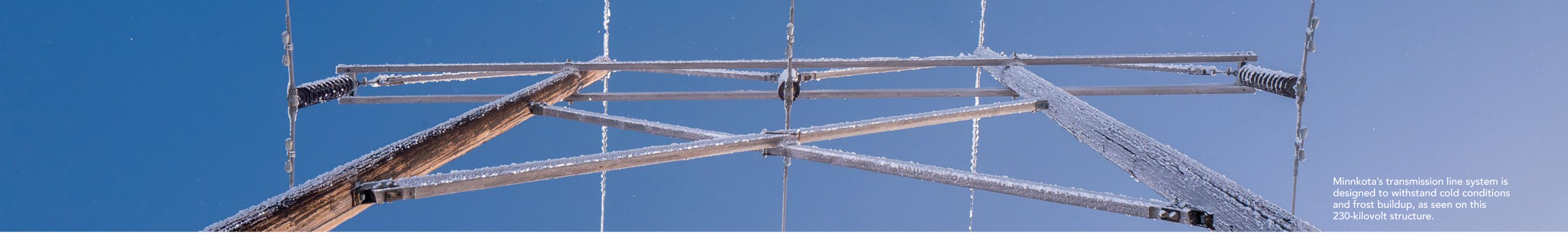
MISSION STATEMENT

Minnkota Power Cooperative's mission is to provide the best energy value in the region. As you might expect, value is comprised of many things. It's making sure power is flowing to our members when they need it most. It's preserving a clean and healthy environment from our generation plants to each member-consumer's doorstep. It's protecting our system from everything from a snowstorm to a cyberattack. It's caring about our local communities and doing anything possible to help them grow and thrive. Perhaps most importantly, it's putting people first in the decision-making process and doing right by our cooperative friends and neighbors.



Minnkota's transmission line system is designed to withstand cold conditions and frost buildup, as seen on this 230-kilovolt structure.

CEO REPORT

At Minnkota Power Cooperative, we are proud to power the lives of people in eastern North Dakota and northwestern Minnesota. As a member-driven not-for-profit cooperative, our responsibility extends far beyond power plants, poles, wire and steel. We were formed by local citizens more than 80 years ago, and we remain committed to improving their quality of life.

It's no secret that America's energy sector is undergoing one of the most transformational periods in its history. As the value of electricity in our modern society continues to grow, the demand for it to become an even better product is increasing in parallel. Together with our members, we readily accept this challenge and strive to provide increasingly reliable, affordable and environmentally sustainable electricity. To reach these goals, it remains our belief that technology advancement and innovation must be at the forefront. In this space, we are taking bold steps to lead a responsible clean energy transition through the advancement of one of the largest carbon capture projects in the world – an effort known as Project Tundra. If we are successful in making this historic project a reality, Minnkota will be one of the fastest decarbonizing utilities in the country, while maintaining stable electric rates and a dependable power supply.

While electricity is our business, Minnkota is better defined as a people-first organization. We have a long history of doing right by our employees, members and communities. Our principles as a cooperative are rooted in openness, transparency and democratic control. As society changes, our member-elected board is responsive to that change and works to best represent friends and neighbors in the communities it serves.

While Minnkota has a long history of commitment to Environmental, Social and Governance (ESG) practices, we see our first Sustainability Report as another step forward for our organization. As the energy transition continues to accelerate, it's important that we have an outlet to communicate our progress in the areas of environmental stewardship, community support and accountability in our governance practices. We look forward to continuing this dialogue as we work toward a clean energy future where everyone can thrive.

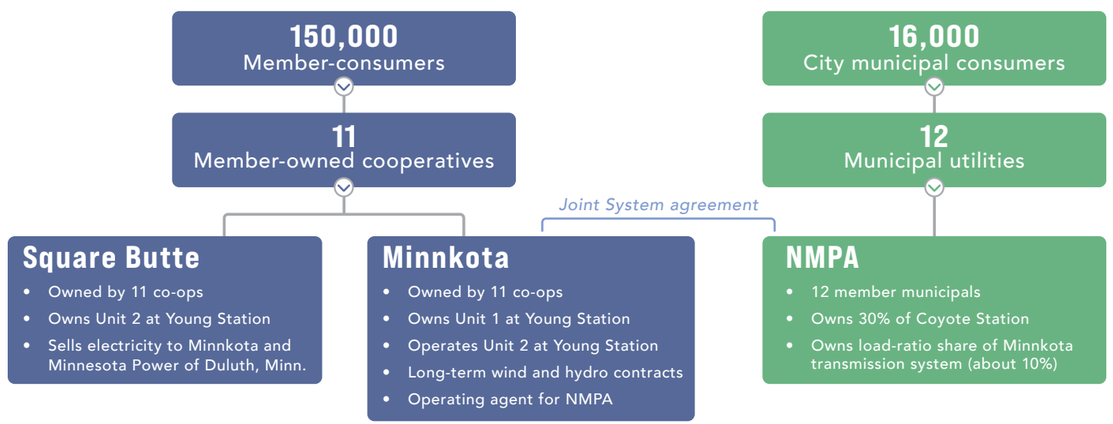
Mac McLennan
President and CEO

ABOUT US

Minnkota Power Cooperative has worked for more than 80 years to provide the electricity that supports and unites rural communities across eastern North Dakota and northwestern Minnesota. As a not-for-profit generation and transmission cooperative, Minnkota provides wholesale electric energy to 11 member-owner distribution cooperatives. These members serve nearly 150,000 consumer accounts in a 34,500 square-mile area, including many of the region's homes, farms, schools and businesses.

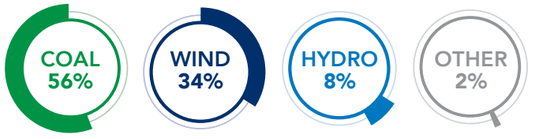
Minnkota has key energy partners in Northern Municipal Power Agency (NMPA) and Square Butte Electric Cooperative that provide strategic collaboration and support. NMPA supplies the electric needs of 12 associated municipals that serve more than 16,000 consumer accounts in the same geographic area as the Minnkota member-owners. Square Butte owns Unit 2 at the Milton R. Young Station, a two-unit lignite coal-based power plant located near Center, N.D., and is governed by the Minnkota member cooperatives.

Headquartered in Grand Forks, N.D., Minnkota is committed to delivering safe, reliable, affordable and environmentally responsible electricity. The cooperative's electric generation portfolio includes coal, wind and hydroelectric energy. In order to deliver power, Minnkota operates and maintains a robust set of electric transmission infrastructure, including more than 3,380 miles of transmission line and 258 substations. The cooperative's energy control center personnel monitor the essential systems that deliver power to the membership 24 hours a day.

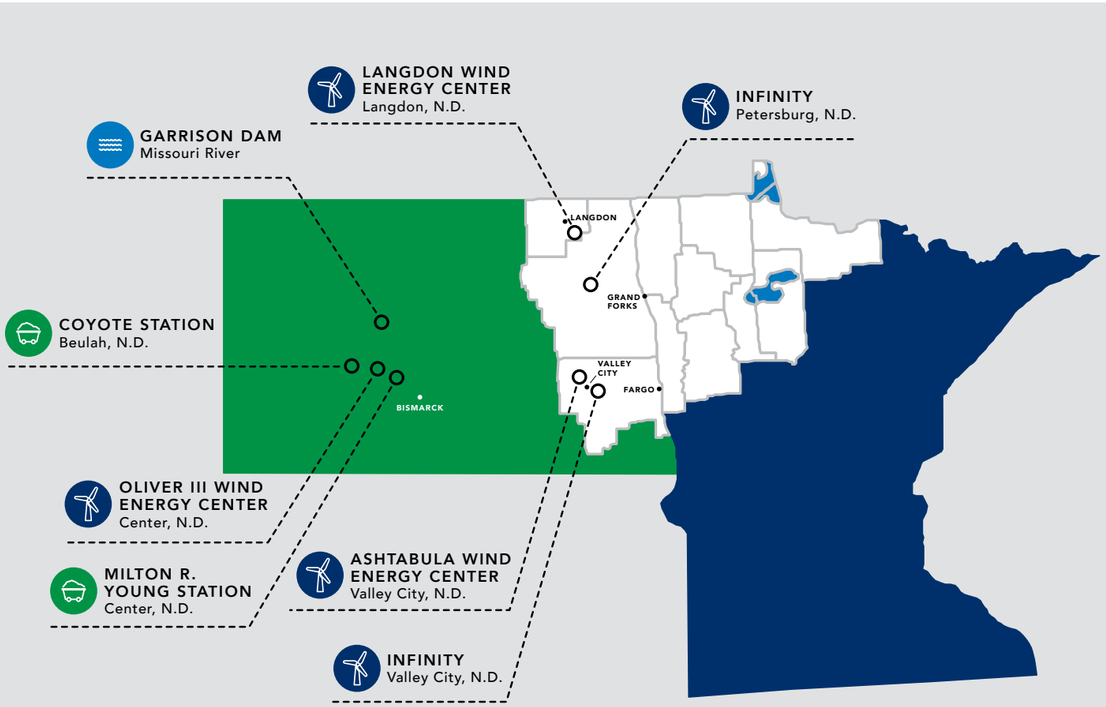


DIVERSE ENERGY MIX

Minnkota has a diverse electric generation portfolio that includes wind, hydro and coal resources. In terms of nameplate electric generation capacity, about 56% is derived from coal, 34% from wind, 8% from hydro and 2% from other resources. Minnkota also participates in the Midcontinent Independent System Operator (MISO) wholesale energy market to both buy and sell surplus power. MISO is a not-for-profit, member-based organization. All of Minnkota's generation and load is modeled, scheduled, dispatched and settled financially in the MISO market.



Resource	Type	MW
Milton R. Young 1	Coal	250
Milton R. Young 2 (87% – Square Butte)	Coal	391
Coyote Station (30% – NMPA)	Coal	128
Garrison Dam (WAPA)	Hydro	101
Ashtabula Wind Energy Center	Wind	217.5
Langdon Wind Energy Center	Wind	139.5
Oliver III Wind Energy Center	Wind	100
Infinity Wind Projects	Wind	2
Other	Misc.	34
Total		**1,363**




Milton R. Young Station


Young Station generator floor >

Milton R. Young Station

The Milton R. Young Station is the most reliable and resilient generation resource in Minnkota's power supply mix. Named for the late senator from North Dakota, the Young Station is a two-unit, lignite coal-based power plant located near Center, N.D.

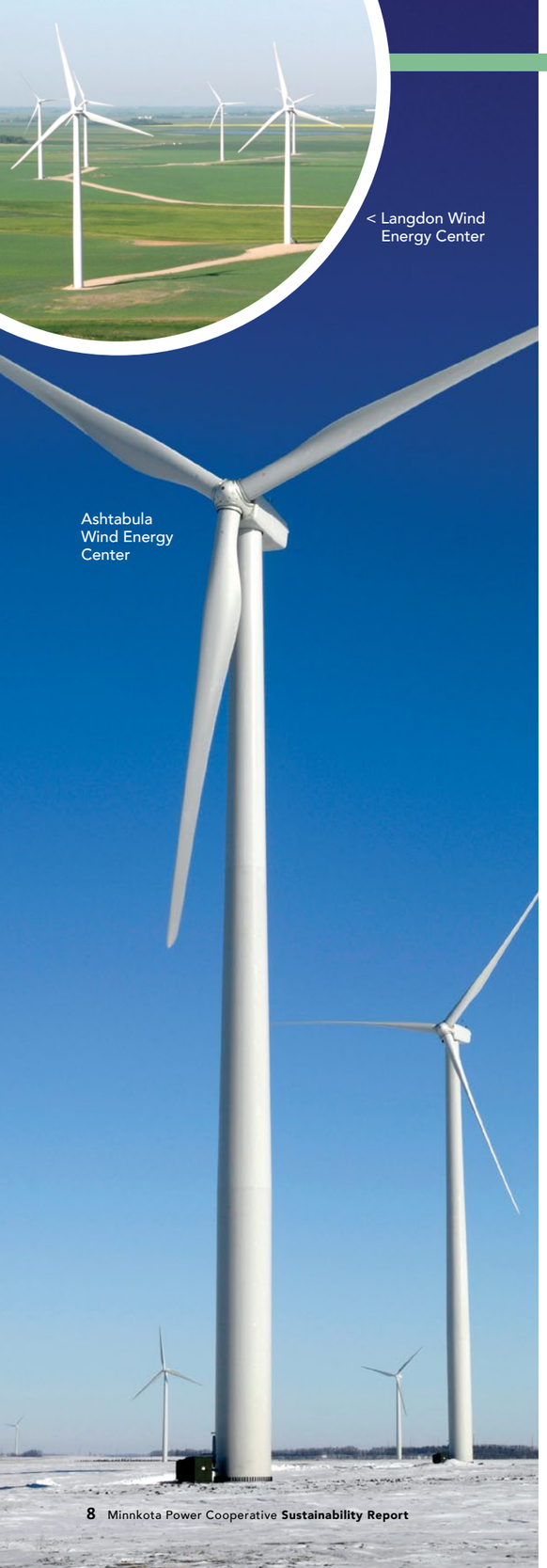
Young 1, which began generating electricity in 1970, is owned and operated by Minnkota. It has the capacity to produce 250 megawatts (MW). Young 2, with a 455-MW generating capacity, began producing electricity in 1977. Young 2 is owned by Square Butte Electric Cooperative and operated by Minnkota. An abundant, low-cost coal supply from the nearby Center Mine, owned and operated by BNI Coal, has played a key role in the plant's success.

For Minnkota, the Milton R. Young Station has been the backbone of its energy supply for decades – providing safe, reliable, affordable and environmentally responsible electricity. Despite its age, the facility has had some of its best years of operation in the last decade due to a commitment to safety, routine maintenance and prudent investments.

Coyote Station

Minnkota serves as the operating agent for NMPA's interest in the Coyote Station, a single-unit, lignite coal-based power plant located near Beulah, N.D. The plant, which came online in 1981, has a nameplate rating of 427 MW and is operated by Otter Tail Power Company. NMPA owns a 30% share of the plant. Coyote Station is equipped with emission control technologies that meet or exceed all state and federal air quality standards.


Coyote Station



< Langdon Wind Energy Center

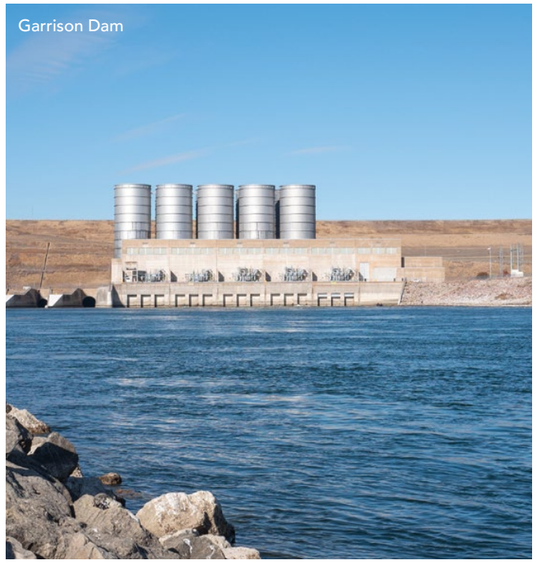
Ashtabula Wind Energy Center

Wind energy

Minnkota and its members are renewable leaders and have been recognized by the U.S. Department of Energy for being at the forefront of wind energy development through its Wind Energy Cooperative of the Year award. The first two commercial-scale wind turbines in the state's history were built through Minnkota's Infinity Renewable Energy program in 2002. The success of those first turbines jumpstarted efforts to harness the area's abundant wind energy capabilities. Minnkota now partners with NextEra Energy Resources to purchase power from wind farms near the North Dakota towns of Langdon, Valley City and Center. The total generating capacity for these wind resources is 459 MW.

Garrison Dam

Minnkota and NMPA receive reliable, carbon-free energy from the Garrison Dam along the Missouri River in central North Dakota. The dam includes five electric generating units with a collective capacity of 583 MW. The electricity generated is marketed through the Western Area Power Administration (WAPA). WAPA is one of four power-marketing administrations within the U.S. Department of Energy. Currently, Minnkota and NMPA have an allotment of up to 101 MW from WAPA.



Garrison Dam

DEMAND RESPONSE LEADER

Minnkota administers one of the nation's best demand response programs – a strategic tool to strengthen the reliability of the grid, while saving member-consumers millions of dollars. The program is a true grassroots effort, with consumers working cooperatively to accomplish something they could not do alone. Under direction of Minnkota and the members, consumers are empowered to collectively modify their electricity usage in a way that lowers overall costs and ensures grid stability.

When the demand for electricity in Minnkota's system exceeds its available supply, the first option is to purchase energy from the wholesale electricity market. If Minnkota is not able to economically purchase the additional energy it needs, the cooperative's demand response system is launched into action. Electricity consumers in the region voluntarily sign up for the program, which allows Minnkota to temporarily turn off electric heating, water heating, vehicle chargers and commercial account service. During these "control periods," most consumers are automatically switched to a backup heating system or generator. The savings from not having to purchase additional high-priced power are passed on to consumers through a lower off-peak electric rate – a win for the consumer, a win for Minnkota and a win for the electric grid.

The demand response program, which was started in 1977, is popular with nearly 55,000 consumers participating across eastern North Dakota and northwestern Minnesota. About 350 megawatts – or one-third of Minnkota's peak load – can be temporarily interrupted from Minnkota's control center in Grand Forks.

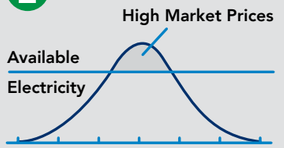
Consumers often focus on how much electricity they use, but when they use electricity is just as important. While usage fluctuates during the day, demand response helps encourage the wise use of electricity by shifting demand from "on-peak hours" to "off-peak hours." Using less on-peak power means lower costs for the co-op – and ultimately, lower rates for member-consumers.

The Minnkota demand response program could not be a success without widespread support from the member cooperatives and associated municipals. Residential and business consumers also endorse the program because they understand it has been developed to provide them with the most value for their energy dollar.

1

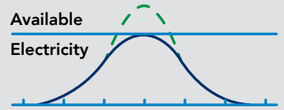
Home uses electric heat at lower off-peak rate under normal conditions.

2



Electricity demand exceeds current power supply and economical energy purchases are not available.

3



Demand response is used to avoid uneconomical energy purchases and maintain system reliability.

4

Home is automatically switched from electric to a backup heating source. When demand response is no longer needed, the home is returned to electric heat.

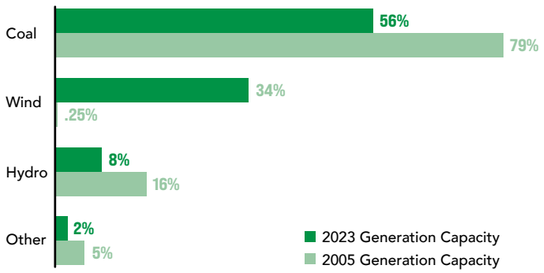
Williams to Lund 69-kilovolt transmission line near Lake of the Woods, Minn.

Oliver III Wind Energy Center

ENVIRONMENTAL

Minnkota has a longstanding commitment to environmental stewardship and takes great pride in preserving the region's air, water and land for future generations. As a cooperative, Minnkota operates 24 hours a day in the communities where its employees and members live, work, raise families and enjoy the great outdoors. From the open prairies of North Dakota to the lakes country of Minnesota, we strive to protect the natural beauty of the areas we serve.

COMMITTED TO A LOW-CARBON FUTURE



Minnkota is focused on a responsible energy transition that ensures environmental goals are met in a way that preserves the reliability and affordability of electricity. Since 2005, the cooperative has made significant strides in reducing the carbon intensity of its generation fleet through the addition of wind energy resources. Currently, about 42% of Minnkota's generation capacity comes from carbon-free resources, including wind (34%) and hydro (8%).

PROJECT TUNDRA

Minnkota continues to pursue technology development, operating strategies and other options to further reduce its carbon footprint. There is no bigger effort in this space than Project Tundra – an initiative to build one of the world's largest post-combustion carbon capture projects at the Young Station. Up to 4 million metric tons of CO_2 are proposed to be captured annually and stored in deep geologic formations approximately one mile underground near the plant site.

CO_2 capture technology

Through state and federal funding partnerships, Minnkota and its collaborators have conducted advanced engineering design studies, which have shown carbon capture technology will work well at the Young Station. The project team has overcome challenges related to North Dakota's unique coal type and operation in extreme cold conditions. Work will continue on the engineering through 2023 to help find efficiencies, complete due diligence and develop a final construction-ready design.

CO_2 storage

Decades of research and thorough testing have shown that North Dakota's geology is ideal for safe and permanent CO_2 storage. Minnkota has the largest fully permitted CO_2 storage facility in the United States located near the Young Station. The cooperative is currently pursuing other CO_2 storage opportunities in the region to provide redundancy and provide options for future development.

Economics

Project Tundra is anticipated to cost approximately $1.5 billion. The majority of the project's capital and operating costs are planned to be covered through federal 45Q tax credits, which provide $85 per ton of CO_2 that is permanently stored. Additionally, the North Dakota Industrial Commission approved a $100 million loan for the project through its Clean Sustainable Energy Authority (CSEA). Minnkota has received significant financial interest in Project Tundra and is working to position the project for a final investment decision.

Looking beyond state and national borders, the success of Project Tundra can help the deployment of next-generation emission control technologies around the world. Minnkota believes leadership must come from the United States to build, demonstrate and ultimately drive down the costs of these projects if the world is to meet ambitious decarbonization goals. Project Tundra can serve as a blueprint for countries to unlock vast energy resources with low-to-no carbon emissions, addressing energy poverty and improving people's lives on many levels.

RESILIENCY AND PHYSICAL CLIMATE RISK

Resiliency isn't optional in Minnkota's service territory. Our people and infrastructure must stand up to 110-degree summer days and 60-below-zero winter nights – not to mention wind, snow, ice and rain pounding down year after year.

The winter season in North Dakota and Minnesota presents the most significant challenges. Extreme cold weather dramatically increases the demand for electricity. The absence of reliable power during extended periods of subzero weather can be life-threatening. Minnkota's coal-based resources have consistently performed well during extreme cold conditions, and remain important as the backbone of the cooperative's power supply portfolio.

Minnkota supports the continued use of baseload resources, like coal, natural gas and nuclear, to meet the 24/7 demand for electricity – no matter what the weather brings. The recent grid challenges in Texas and California have shown that reliability and resiliency must be prioritized even as clean energy technologies are deployed. Not only is the nation's grid challenged by extreme weather events, but volatility within power supply markets is increasingly an issue. MISO has experienced significant grid strain in recent years, which has led to unpredictable market price swings. Minnkota has been able to shield its membership from financial hardship through the reliable operation of its power plants and the strategic use of its demand response system.

Young Station operates well in extreme conditions

The Milton R. Young Station has provided five decades of service to Minnkota's membership and is well-positioned for long-term operation. The two-unit coal-based facility has been exceptionally reliable for the following reasons.

- **Fuel – Resilient mine-mouth supply**
  The Young Station is a mine-mouth facility, which means the coal mine is located adjacent to the power plant. This ensures the plant can receive fuel consistently and it does not need to be delivered from long distances. In addition, nearly three weeks of coal usage can be stored on-site, which significantly reduces weather-induced risk of shortages. Minnkota has a long-term life-of-plant relationship with BNI Coal, the plant's fuel provider. This ensures a low-cost supply.

- **Prepared for extreme conditions**
  All of the Young Station's major components are covered, insulated and weatherized to ensure they can operate in extreme cold or heat.

- **Prudent maintenance**
  The Young Station is well maintained, which ensures it is able to run for the majority of the hours each year. In fact, both generating units consistently meet their annual goals to be available more than 90% of the time.

- **Commitment of employees**
  The Young Station has employees on-site 24 hours per day to operate and monitor the generation of power, environmental control technologies and related cyber assets. Personnel are trained and ready to respond to numerous system issues.

WHAT HAPPENS IN EXTREME WEATHER?

According to the National Weather Service, Grand Forks had 119 days in 2022 when temperatures did not rise above freezing (32 degrees Fahrenheit). Due to the life-threatening nature of extreme cold, both Minnesota and North Dakota have laws prohibiting turning a person's heat off during winter.

Without heat, uninsulated pipes can freeze and burst in 4-6 hours. A home can become uninhabitable in 8-12 hours.

PRESERVING THE NATURAL ENVIRONMENT

Environmental stewardship is vitally important to all processes at the Young Station. The plant's employees have a personal stake in ensuring the air, water and lands are kept in pristine condition for current and future generations.

Land reclamation

Once coal mining has been completed, BNI Coal begins its award-winning reclamation process. Every acre mined is restored to original condition or better than original condition in accordance with state law. That means if the land mined once grew crops, it must be able to do so again after reclamation and achieve the same or better yields. North Dakota has one of the best reclamation laws in the nation, which is administered and enforced by the North Dakota Public Service Commission. BNI has invested tens of millions of dollars in the equipment necessary to ensure it remains at the forefront of reclamation practices.

Once a location for coal mining, this land has been reclaimed to original condition near the Young Station.

Nelson Lake is a popular destination for fishing and water sports enthusiasts.

The lake is used to provide cooling water to the Young Station.

Nelson Lake

When constructing the Young Station in the late 1960s, Minnkota also built Nelson Lake – a 2.5-mile-long, 660-surface-acre reservoir for cooling, boiler makeup and other station uses in the power production process. All water used in plant processes is tested and treated to confirm that its quality meets all standards for discharge. The Young Station remains compliant with all state and federal water standards, including the EPA's Effluent Guidelines rule and the Cooling Water Intake rule.

Over the past 50-plus years, the lake has turned into an environmental and community success story. The warm water discharged from the Young Station means Nelson Lake rarely freezes, making it unique among North Dakota's lakes for fishing and year-round water sports. It is home to some of the state's largest crappies and largemouth bass. Public areas along the lake are consistently used for camping, boating, picnics and other recreational purposes. Minnkota granted the North Dakota Game and Fish Department an easement ensuring public access to Nelson Lake.

Air quality

The Young Station is equipped with state-of-the-art emission control technologies. The exhaust gas from the boiler is cleaned by equipment, like scrubbers, which ensure strict air quality standards are met. The plant has systems in place that remove emissions of sulfur dioxide, nitrogen oxides, mercury, particulate matter and others in accordance with state and federal standards.

As of 2022, North Dakota is one of only 17 states to meet all the federal government's ambient air quality standards. The state's lignite industry has invested about $2 billion in emission control technologies, including about $425 million alone at the Young Station.

Coal combustion residuals

Minnkota is in full compliance with the EPA's Coal Combustion Residuals (CCR) rule at the Young Station. Much of the station's bottom ash is recycled by a company that uses it to create sandblasting material. Coal ash that is not able to be recycled is stored on-site in compliant disposal facilities with composite clay/synthetic membrane liners, which were proactively implemented by Minnkota prior to the requirement.

Wildlife thrives on reclaimed land near the Young Station and on the adjacent Nelson Lake.

Minnkota has worked to safely relocate raptors from power line structures to new platforms.

Wildlife protection

Minnkota incorporates environmental considerations into its planning, siting, design, construction and operation of power facilities. This includes the assessment of potential impacts on physical, cultural, socioeconomic and aesthetic resources.

Minnkota has proactively added wildlife protection equipment on its existing infrastructure. Climbing and nesting/perching deterrents have been installed on more than 1,300 miles of power delivery infrastructure. Minnkota also has a proud history of working directly with U.S. Fish and Wildlife Service to safely and successfully relocate raptor nests in its service area to prevent wildlife fatalities and improve electric grid reliability.

MEMBER PROGRAMS SUPPORT CLEAN ENERGY

Prairie Sun Community Solar Garden in Fargo >

Infinity Renewable Energy program

Minnkota offers member-consumers in its system the option to choose how much of their energy is produced by renewable resources through the Infinity Renewable Energy program. Renewable energy credits (RECs) are retired on the member-consumer's behalf for up to 100% of the energy consumed. An REC is verification that electricity was generated from an eligible renewable energy resource and was successfully integrated onto the electric grid. Additionally, RECs verify that the renewable attributes are only claimed once. The Infinity program is popular with both residential and commercial consumers.

Supporting community renewables

The Minnkota board of directors has approved policies and made other accommodations that support its member distribution cooperatives building community renewables. Cass County Electric Cooperative of Fargo, N.D., constructed the 100-kW Prairie Sun project in 2016 – the first community solar project in North Dakota. Beltrami Electric Cooperative of Bemidji, Minn., completed the 80-kW Northern Solar project in 2017. The projects allow end-use consumers to purchase a portion of the output of the facility, while avoiding solar panel installation, maintenance, insurance and other issues.

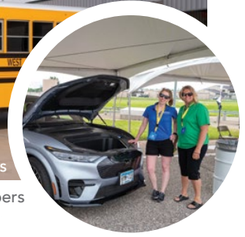
Leading the electric vehicle charge

Electric vehicles (EVs) are the next wave of transportation innovation, and Minnkota is helping to prepare Minnesota and North Dakota for the shift. Along with its members, Minnkota has helped support the installation of five public DC charging stations and numerous Level 2 chargers in the region. Minnkota and its members continue to identify state and federal funding opportunities to help fill public charging gaps in its service area.

In addition to public charging options, Minnkota also provides an up-to-$750 rebate for member-consumers who install an in-garage vehicle charger on the off-peak program. This allows the vehicle owner to receive a lower electric rate in exchange for charging during overnight hours.

Efforts have also been made to educate the next generation on the value of driving electric. Minnkota and member Cass County Electric also worked together to support North Dakota's first all-electric school bus with West Fargo Public Schools. The bus's quiet operation is especially popular with students who have sensory issues.

North Dakota's first all-electric school bus



Minnkota works with its members to promote electric vehicles. >

Nearly $40 million invested in consumer energy programs

Minnkota provides its member systems with a robust set of programs that encourage wise energy use and to electrify heating and cooling systems, water heating and transportation. By switching from fossil fuel sources to electricity, members often see both cost savings and environmental benefits.

Minnkota administers two main programs: PowerSavers and Value of Electricity. Through PowerSavers, more than $35.9 million has been invested to help consumers save 356.6 million kilowatt-hours (kWh) since 2010. Energy experts within the program work with residential, business and industrial consumers to find specific ways to reduce energy usage. Participants in the Value of Electricity program have installed 47,679 kW of electric technologies and 10,682 tons of electric heat pump systems through an investments of more than $2 million.

PROGRAMS AND RESEARCH

As a not-for-profit cooperative, Minnkota does not have a large research and development staff. However, the cooperative is able to explore new technologies and participate in research through its strong relationships with the state of North Dakota, the world-leading Energy & Environmental Research Center (also located in Grand Forks) and its colleagues and peers in the electric cooperative industry.

Inflation Reduction Act and Infrastructure Investment and Jobs Act

Minnkota and its cooperative partners across the country will have access to important new tools to navigate the energy transition following passage of the Infrastructure Investment and Jobs Act in 2021 and the Inflation Reduction Act in 2022. The laws include provisions to accelerate the development of technologies needed to meet ambitious environmental goals.

One of the most substantial provisions is the creation of a "direct payment" option for electric cooperatives to utilize energy tax credits. Historically, co-ops have not had direct access to those credits because of their not-for-profit status. With passage of this legislation, co-ops will have a level playing field with for-profit utilities, which have long enjoyed tax credits to develop wind, solar and other renewable energy projects. The bill contains investment tax credits and production tax credits for solar, wind, carbon capture, nuclear, manufacturing of clean energy components and other energy technologies.

Electric cooperatives will also benefit from a $9.7 billion grant and loan program through the USDA to develop clean energy systems. The program is specifically designed for co-ops to advance renewable energy, storage, carbon capture, nuclear and other projects that will lower greenhouse gas emissions and otherwise aid disadvantaged rural communities.

Minnkota has assembled a team to assess opportunities to advance projects and play a role in the development of new clean energy technologies.

Rare earth element research

North Dakota is sitting atop enough lignite coal to generate electricity for the next 800 years. Researchers in the state see even more potential.

Lignite contains high concentrations of rare earth elements – ingredients that are essential to bringing most of today's modern technology to life. Each coal seam could produce the key components needed to manufacture smartphones, wind turbines, electric vehicles and computer hard drives, among other things. Currently, the U.S. imports nearly all of its rare earth element needs, most of which is controlled by China.

Minnkota has provided financial and operational support to help develop extraction methods and work toward a full-scale commercial operation. The process may also result in better quality coal, which would help improve power plant operation.

Unmanned aerial systems (UAS) advancement

The New York Times refers to Grand Forks as a Silicon Valley for drones. The city is home to Grand Sky – the United States' first commercial UAS business and aviation park. It is also the first site to receive regulatory approval to host commercial beyond visual line of sight (BVLOS) flights.

Grand Sky is located in Minnkota's service area on the Grand Forks Air Force Base, which was redesignated in 2019 for Global Hawk UAS missions. Several large firms – including Northrop Grumman and General Atomics – call the Base home.

In addition to providing power to the emerging UAS ecosystem in North Dakota, Minnkota has also provided investment and support in Thread – a promising company that conducts autonomous utility infrastructure inspections using drones and advanced robotics.

Minnkota lineworkers work safely in tough conditions to restore power after a storm.

Minnkota power plant personnel work together to inspect equipment.

SOCIAL

Minnkota's true power is its people – the consumers, members and employees who have a voice in how the electricity flows from creation to community. We strive to provide a safe, welcoming and inclusive environment for our people, and value their unique ideas, contributions and experiences.

OUR POWER IS OUR PEOPLE

Minnkota Power Cooperative has approximately 400 knowledgeable and skilled employees who work to bring reliable, low-cost electric energy to northwestern Minnesota and eastern North Dakota. At Minnkota, we offer a collaborative workplace environment where all employees are respected and valued. The cooperative promotes a work-life balance that strives to keep employees engaged, healthy and productive. Minnkota is proud to support their employees through a strong total rewards package that includes competitive compensation, recognition, and ongoing personal and professional development opportunities.

Employee Shared Values

Minnkota employees have joined together to adhere to a set of Shared Values. We embrace opportunities to improve the quality of our services and the effectiveness of our relationships with each other, our members and our industry partners.

- **Safety**
  We recognize that people are the heart of our organization and keeping them safe is our top priority. We embrace a 24/7 culture of safety – at home, on the road, in the office and at the job site. We actively participate in safety and training programs for the benefit of our fellow employees, members and the general public.

- **Integrity**
  We hold ourselves to the highest professional, moral and ethical standards. We are committed to doing the right thing – always.

- **Teamwork**
  We epitomize the cooperative spirit by working together with respect for other ideas and contributions. We believe in engaging in honest, open communication because the potential for success is greater when we share our diverse experiences.

- **Innovation**
  We promote creativity and believe in the free exchange of knowledge and ideas. We agree to work every day to learn new things and challenge each other to strive for excellence.

- **Reliability**
  Our organization is relied upon 24 hours a day. We dependably perform our job duties and agree to be responsible for the decisions we make, while taking pride and ownership in our work.

Safety and health

Minnkota is committed to providing a safe and healthy working environment for its employees, members and partners. The organization reached the two-year milestone without a lost-time injury early in 2023. The cooperative's employees continue to perform well in all areas of safety and were equal to or better than their peers in most categories. Active awareness programs and campaigns help ensure that safety remains the top focus every day.

Diversity, equity, inclusion and accessibility

Minnkota strives to promote a diverse, equitable and inclusive culture for its employees, members and local communities. As a cooperative, Minnkota and its members are open to all who can use their services regardless of race, religion, gender or economic circumstances. Our organization is committed to providing a respectful, safe and welcoming atmosphere where all employees can have their unique ideas and experiences recognized. This is supported through both Corporate Policy and Board Policy.

Accountability and transparency

Minnkota offers a third-party ethics and compliance hotline that allows employees to anonymously report any concerns regarding potentially unlawful, unethical, unsafe or noncompliant behavior within the organization. Minnkota's Corporate Policy ensures employee protection from retaliation for raising such concerns.

COMMITMENT TO COMMUNITY

While Minnkota's first priority is delivering safe, reliable, affordable and environmentally responsible electricity to those we serve, we also feel strongly about supporting and contributing to the development of our communities. In fact, "Concern for Community" is one of the seven core principles that guide our actions all year long.

Robust economic development program

As a cooperative, Minnkota is committed to helping ensure the vibrancy and success of our local communities. Minnkota staff work closely with the member cooperatives and associated municipals to help advance economic development opportunities within their individual service areas.

Charitable contributions

Minnkota contributes annually to nonprofits, educational institutions and other community-supporting entities. Organizations supported in 2022 include:

- North Dakota's universities
- Altru Health Foundation
- Community Violence and Intervention Center (CVIC)
- Farm Rescue
- Center Moch Lehmkuhl Park
- Feed My Starving Children
- Veterans Honor Flight
- Grand Forks Veterans Memorial Park
- NDAREC Lineworker Training Center
- Northwest Minnesota Foundation's IDEA competition
- Theodore Roosevelt Library
- And many more

Minnkota Cares

Minnkota Cares allows employees to join together to contribute to charitable causes. An employee-based committee reviews suggestions and determines which charity or nonprofit should receive a donation. Since 2011, more than $60,000 has been gifted to local organizations through this program.

Minnkota's Grand Forks headquarters is the home for the annual Feed My Starving Children event.

Feed My Starving Children

Minnkota provides the use of its Grand Forks campus for an annual Feed My Starving Children (FMSC) mobile packing event each year, which draws hundreds of community volunteers. Founded in 1987, FMSC provides nutritionally complete meals specifically formulated for malnourished children across the world.

NRECA International

Minnkota has joined with NRECA International to volunteer time and donate equipment to help build electric systems in rural areas in developing nations. This effort has helped bring this life-changing technology to more than 160 million people. Electricity opens up a whole world of new possibilities: better health care, better education and safer streets.

Andrew Freeman Design Innovation Competition

Minnkota supports the annual Andrew Freeman Design Innovation Competition, which provides awards for inventive design projects by University of North Dakota College of Engineering and Mines students. The competition is held in honor of Freeman, a UND School of Engineering and Mines alumnus and former general manager of Minnkota for 42 years.

Minnkota sent staff to Guatemala and donated equipment to help build electricity infrastructure.

Contractor training and electrical education

Minnkota, in partnership with its member cooperatives and participating municipals, provides annual training opportunities for the region's electrical contractors. Each winter, Minnkota conducts electrical code credit classes for electricians to renew their licenses.

Volunteering within the communities

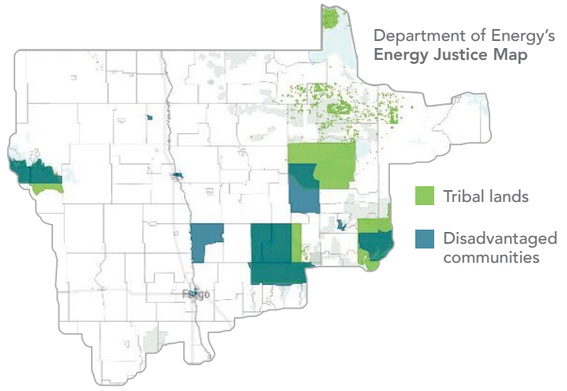
Minnkota supports its employees being active in their communities and volunteering their time to worthwhile community projects. Employees have volunteered with many nonprofit organizations, including Habitat for Humanity, Optimist Club, Shriners, volunteer fire and ambulance groups and many more.

Nelson Lake at the Young Station is home to the North Dakota Association for the Disabled's signature Escape to the Lake event.

Economically challenged areas

Persistent poverty is a challenge that Minnkota and its members take seriously. The Minnkota system serves several of the lowest income counties per capita in Minnesota along with other economically disadvantaged areas across its two-state region. On average, the membership serves 4.1 consumers per mile of transmission line, compared to more than 30 consumers per mile for the average non-cooperative utility.

Despite global economic challenges and inflationary pressures, Minnkota has kept its average wholesale electricity rates flat for six straight years. By maintaining stable rates, the cooperative can help prevent energy poverty and reduce the impacts on the most vulnerable consumers. Additionally, Minnkota administers low-income programs that proactively focus on weatherization, replacement of inefficient systems and opportunities to incorporate energy efficiency.



Minnkota annual meeting


Member-consumers touring the Milton R. Young Station

GOVERNANCE

What makes Minnkota Power Cooperative different from many utilities? The answer is simple: We are a not-for-profit cooperative and exist for the sole purpose of meeting the needs of our member-owners. As a cooperative, we are owned and governed by a board of directors democratically elected from the membership – not faraway investors.

As a generation and transmission (G&T) cooperative, Minnkota both generates and transmits wholesale electricity to meet the power needs of its member-owner distribution cooperatives who, in turn, sell power to retail consumers. Those consumers are members of their distribution cooperative, meaning they collectively own the cooperative and have a voice in its decision-making.

Updated power contracts

In early 2023, the Minnkota board advanced agreements to extend the wholesale power contracts with the 11 Class A members to 2060, which would automatically renew in two-year increments every even year. The contracts are foundational documents that establish Minnkota as the all-requirements wholesale power provider for the Class A members, who collectively own Minnkota. Additionally, the contracts provide flexibility for the members to pursue local energy projects to meet up to 5% of their energy needs.

Responsive to member needs

Our democratic, member-owned structure allows us to respond directly to our members' needs, as we do not require regulatory approval for our programs, budgets or rates. Rather than having to go through a utility commission process, as is the case with investor-owned utilities, we are able to work directly with our members, identify their needs or unique circumstances and make changes accordingly.

United membership

Minnkota members are diverse and have individual goals and interests, but they recognize they are stronger when working together. The Minnkota board meets each month, while Minnkota staff meets with member managers and other key staff on a regular basis. Together, these individuals help assess risks and develop a consistent set of annual values, objectives and strategic initiatives.

COOPERATIVE PRINCIPLES

Open and Voluntary Membership

Membership in a cooperative is open to all people who can reasonably use its services and stand willing to accept the responsibilities of membership, regardless of race, religion, gender, or economic circumstances.

Democratic Member Control

Cooperatives are democratic organizations controlled by their members, who actively participate in setting policies and making decisions. Representatives (directors/trustees) are elected among the membership and are accountable to them. In primary cooperatives, members have equal voting rights (one member, one vote); cooperatives at other levels are organized in a democratic manner.

Members' Economic Participation

Members contribute equitably to, and democratically control, the capital of their cooperative. At least part of that capital remains the common property of the cooperative. Members allocate surpluses for any or all of the following purposes: developing the cooperative; setting up reserves; benefiting members in proportion to their transactions with the cooperative; and supporting other activities approved by the membership.

Autonomy and Independence

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, including governments, or raise capital from external sources, they do so on terms that ensure democratic control as well as their unique identity.

Education, Training and Information

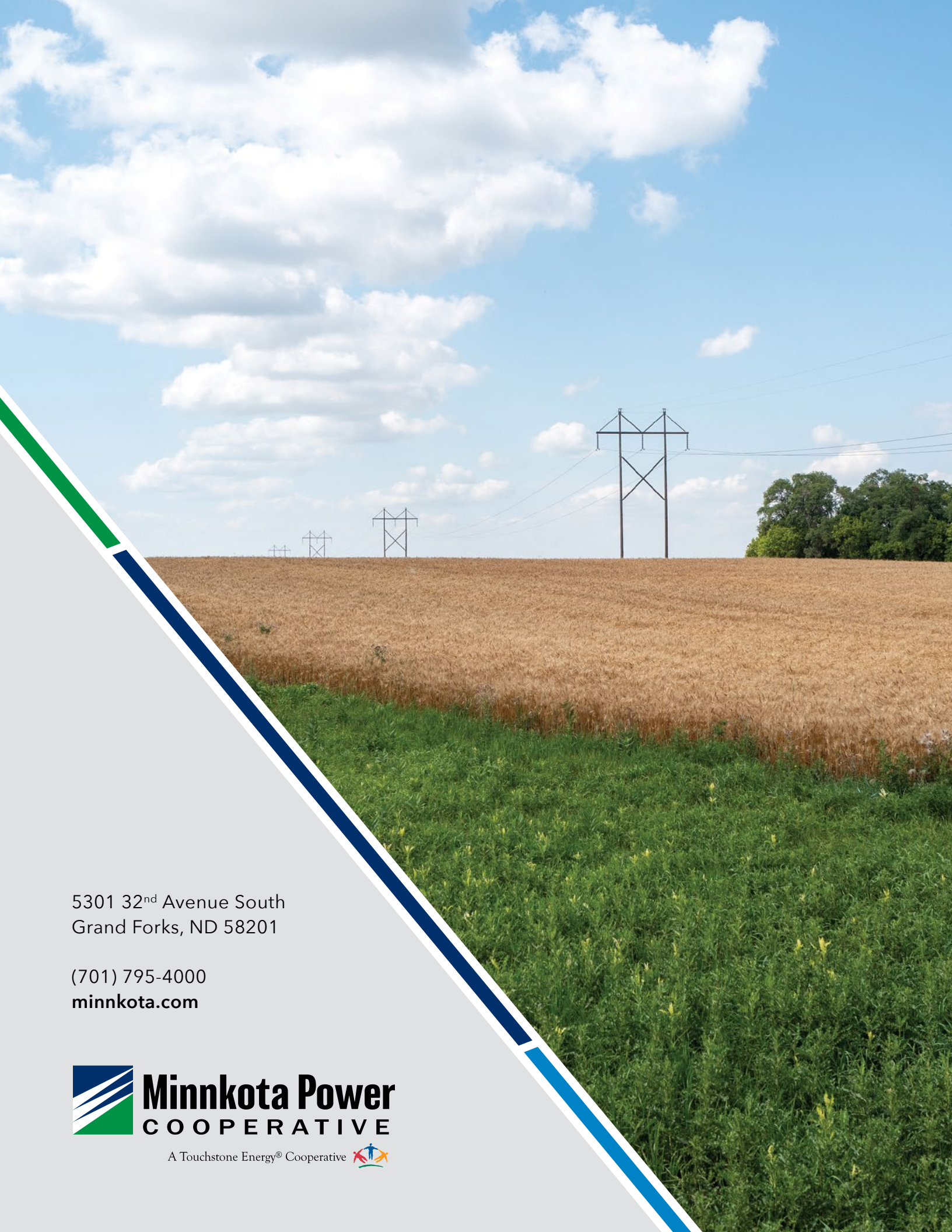
Education and training for members, elected representatives (directors/trustees), CEOs and employees help them effectively contribute to the development of their cooperatives. Communications about the nature and benefits of cooperatives, particularly with the general public and opinion leaders, help boost cooperative understanding.

Cooperation Among Cooperatives

By working together through local, national, regional and international structures, cooperatives improve services, bolster local economies, and deal more effectively with social and community needs.

Concern for Community

Cooperatives work for the sustainable development of their communities through policies supported by the membership.



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