

Expanded Summary of Board of Directors Meeting

June 14-15, 2022

At Basin Electric Headquarters in Bismarck, North Dakota

1. Strategic planning was held Tuesday morning.
2. Dakota Gasification Company
 - ACTION: Dakota Gas Directors approved an updated banking resolution designating Todd Brickhouse as the new signer and updated financial institutions.
 - ACTION: Dakota Gas Directors authorized an updated banking resolution for the Souris Valley Pipeline designating Todd Brickhouse as the new signer and updated financial institutions.
 - Dale Johnson, vice president and Synfuels Plant manager, said Dakota Gas is having a very good year financially. Fertilizer income was significantly above budget, with ammonia coming in close to its all-time-high. All the chemicals produced came in above budget compared to last year at this time.
 - Lucas Teigen, manager of field services, gave an update on the primary reformer FEED study. A draft of the Process Design Package was submitted in early May, staff continues to work on cost estimates and scheduling plans, and quotes for equipment and instrumentation are being procured. The study is scheduled to be completed in August.
 - Dan Gallagher, director of commodity sales and trading, said he is seeing higher fertilizer prices due in part to several regional outages at other plants. This will likely last the remainder of the year. Dakota Gas is helping fulfill sales for DEF plants in outage this summer, leading to 9-10.5 million gallons more in sales for June-August. The spring season was well under normal shipments due to wet weather conditions and a new sales plan was formed with consideration of forecasted production and current inventory.
 - ACTION: Dakota Gas directors authorized the execution of a tar oil sales agreement with GCC Supply and Trading.
 - ACTION: Dakota Gas directors approved a resolution adding Todd Brickhouse to the Deferred Compensation Plan.
 - ACTION: Dakota Gas directors approved the appointment of Daniel Schaaf Gallagher to the N7 board.
 - Production (see slides below)
3. Dakota Coal Company
 - ACTION: Dakota Coal directors approved Dakota Coal Company's updated banking resolution designating Todd Brickhouse as the new signer and updated financial institutions.

- Colleen Peterson, superintendent of fuel and transportation, said the coal pile at Leland Olds Station is at 353,781 tons or 28.2 days of burn at the end of May (target is 39.9 days of burn). At Laramie River Station, the coal pile is at 69 days of burn (target is 34.6 days).
- Randy Banning, manager of Dakota Coal and Montana Limestone, said supply chain issues and high fuel prices are causing issues at Dakota Coal, but if it wasn't for that, it'd be in "really, really good shape."

At Wyoming Lime, the annual outage from April-May went well. The flood in the Yellowstone area has caused train tracks to be under water, which will impact the current shipment to Antelope Valley Station. The issue should be resolved by June 16.

Montana Lime got a new water truck and a robotic pelletizer is on its way and should be installed Mid-July. Montana Lime is also working with Basin Electric engineers on a fine grind plant safety rail.

- ACTION: Dakota Coal directors authorized Coteau's acquisition of 80 acres located within the Freedom Mine.
- ACTION: Dakota Coal directors authorized Coteau's acquisition of 5 acres and a residence located within the Freedom Mine.
- ACTION: Montana Limestone directors authorized an updated banking resolution for Montana Limestone Company designating Todd Brickhouse as the new signer and updated financial institutions.

4. Basin Electric

- Dave Rudolph, manager of NERC compliance gave an update on the Midwest Reliability Organization audit. An on-site NERC compliance audit will be done this fall.
- Mark Foss, senior vice president and general counsel
 - McKenzie Electric plans to depose a large number of Basin Electric directors and employees. These will all take place from now through September. A trial is set for next summer.
 - Basin Electric is intervening (along with Tri-State, PRECorp, and Wyoming Municipal) in Cheyenne Light proposed transmission build out before the Wyoming Public Service Commission. The hearing is set for Aug. 22.
 - The EPA extended the comment period for the proposed Interstate Ozone Transport federal implementation plan, though Basin Electric has requested a further extension.
 - Basin Electric is waiting for the draft documents for the Crow Creek easements.
 - Basin Electric filed comments on North Dakota's proposed plans for Round 2 of the Regional Haze Rule on June 1. A public hearing was held May 31.
 - Tri-State settled all but four issues in its initial rate filing and those four

issues were the subject to hearing before Administrative Law Judge Scott Hempling, who is also the ALJ in the Basin WPC/Rate Schedule A proceeding. Hempling's rulings on two of those issues have potential ramifications to Basin Electric and the G&T industry in general.

- ACTION: Basin Electric directors authorized an updated banking resolution for Basin Electric designating Todd Brickhouse as the new signer and updated financial institutions.
- ACTION: Basin Electric directors authorized an updated banking resolution for Nemadji River Generation designating Todd Brickhouse as the new signer and updated financial institutions.
- Tyler Hamman, vice president of Government Relations
 - U.S. Sen. Joe Manchin ended discussion with Senate Republicans on potential bipartisan energy and climate legislation after not reaching consensus after five meetings. He has indicated he will work on Democrat-only bill with Senate Majority Leader Chuck Schumer, as well as continuing negotiations on legislation that could pass under budget reconciliation. Energy tax credits and direct pay remain part of both discussions.
 - North Dakota and Wyoming have drafted State Implementation Plans for regional haze. Other states are waiting on direction from EPA.
 - Industry is waiting for a Supreme Court ruling on West Virginia vs. EPA to determine carbon dioxide rules for existing power plants.
 - NRECA has developed messaging regarding NERC's summer Reliability Assessment focused on adequate baseload supply, diverse resources, time, and technology development.
 - Department of Energy issued a notice of intent to issue funding opportunity announcement regarding hydrogen hubs. Initial launch will select 6-10 hubs for a total of \$6-7 billion. Funding opportunity announcement is expected in September/October.
 - White House announced a two-year suspension of tariffs on solar components from Southeast Asia.
 - North Dakota Industrial Commission will hold a hearing on July 26 regarding the Great Plains CO₂ Sequestration Project.
 - Minnesota Public Utilities Commission voted unanimously May 19 to designate CO₂ pipelines as "hazardous."
 - Hamman participated in a panel discussion on CCUS at Plains CO₂ Reduction Partnership's annual meeting.
 - ACTION: Basin Electric directors named Tyler Hamman as the delegate to Colorado Rural Electric Association's board of directors.
- Troy Tweeten, senior vice president of Operations
 - All coal units except Antelope Valley station had 100% availability in May. That plant had a forced outage due to a tube leak.

- Actual Generation (see slide below)
- Joe Fiedler, manager of Distributed Generation, said the hot section on Lonesome Creek Station Unit 4 has experienced turbine blade and vane erosion and should be replaced. Replacement was budgeted for fall 2022 but discovery work showed issues that warrant immediate action. If the unit were to be sent out to be repaired, it would be out of commission all summer. GE has a rebuilt exchange unit available for June installation.
- ACTION: Basin Electric directors authorized the replacement of the hot section in Lonesome Creek Station Unit 4.
- Jason Cowan, Leland Olds Station plant manager, said Leland Olds Station had a “stellar” month in May with Unit 1 generating 187% of budget and Unit 2 generating 137% of budget. The facility began selling its bottom ash instead of paying to landfilling it, which will result in a net benefit equal to \$1.6 million annually
- Matthew Simon, commodity risk analyst
 - ACTION: Basin Electric directors approved to increase the BP Corporation NA credit limit from \$30 million to \$40 million. The limit will expire in June 2024 when it will revert back to \$30 million unless otherwise extended by board approval.
- Valerie Weigel, vice president of Asset Management and Commodity Strategy
 - Power prices in May 2022 are almost double what they were from last May.
 - Natural gas prices are almost triple what they were last year at this time.
 - Basin Electric’s owned and purchased wind generation generated 6% of SPP’s total wind in May.
 - Coal had great availability in May.
 - Basin Electric’s coal and gas resources equal 3,000 MW of dispatchable energy. The load peak in May was 2,300 MW. That will increase now because of summer weather conditions.
 - There are concerns about the effects drought will have on Missouri River hydroelectric power generation.
 - There are concerns about solar projects not meeting commission dates because of supply chain issues.
 - Coal prices in Basin Electric’s service area make it more cost effective to run coal units in North Dakota and Wyoming than in Appalachia, which is experiencing a 40% increase in coal prices.
- Becky Kern, vice president of Resource Planning and Rates
 - The June 16-17 District Manager Meeting agenda included an update on the Dakota Gas sale negotiation, summer market readiness, a

power supply and transmission update, REC policy revenue disbursements, rates, and communication comments.

- Renewable Energy Credit revenue disbursements will be made in June and November 2022.
- Basin Electric is trying to find capacity purchases to fill in future shortfalls.
- SPP staff recommended that increasing its planning reserve from 12% to 15% beginning in summer 2023.
- A new process is being developed to monitor large loads emerging throughout the cooperative. The goal is to identify events that could lead to an anomaly to load levels projected by the existing forecast.
- ACTION: Basin Electric directors approved the 2023 load forecast work plan.
- Tom Christensen, senior vice president of Transmission, Engineering, and Construction
 - Basin Electric's transmission infrastructure experienced significant storm damage this week.
- Pius Fischer, vice president of Transmission
 - Transmission planning activities included returning the signed Notice To Construct (NTC) for the 2021 Integrated Transmission Plan projects in SPP.
 - As part of President Biden's "Building a Better Grid" initiative, Basin Electric has representation on the Technical Review subcommittee for the DOE sponsored National Transmission Planning Study. Basin Electric staff is also continuing to monitor the Transmission Facilitation Program, and grid resilience grants for states, tribes, and utilities.
 - Basin Electric received a Draft NTC on June 6 for two new 230 kV transmission lines associated with the SaskPower transmission service request. It designates Basin Electric as the Designated Transmission Owner and requests the cooperative provide comments to the Draft NTC by Aug. 16.
 - Staff is monitoring the Grid United - North Plains Connector transmission project, which is being developed across Basin Electric's service area in North Dakota and Montana. The goal of the project is to connect Southwest Power Pool and MISO to the Western Interconnection. Basin Electric is not affiliated with the project but may have ownership of a new substation where they connect into Southwest Power Pool's system.
- Gavin McCollam, vice president of Engineering and Construction
 - Large Capital Projects (see slide below)
 - The Engineering team continues to work on project development for additional generation at Pioneer Generation Station.

- ACTION: Basin Electric directors authorized the Logan 230/115-kilovolt Substation Equipment Upgrade Project.
- ACTION: Basin Electric directors authorized the Spare 345/230-kilovolt Transformer Project.
- ACTION: Basin Electric directors awarded the Spare 345/230-kilovolt Transformer Contract to Royal SMIT.
- ACTION: Basin Electric directors authorized the Spare 345/115-kilovolt Transformer Project.
- ACTION: Basin Electric directors awarded the Spare 345/115-kilovolt Transformer Contract to Royal SMIT.
- ACTION: Basin Electric directors awarded the East Fork 345/115-kilovolt Transformer Contract to Royal SMIT.
- ACTION: Basin Electric directors awarded the Finstad 345/115-kilovolt Transformers Contract to Royal SMIT.
- Jim Lund, senior mechanical engineer, gave an update on the full-scale CO₂ capture FEED study at Dry Fork Station. The project would remove 70% CO₂ from Dry Fork Station flue gas and provide compression for underground storage.
- Chris Baumgartner, senior vice president of Member Services and Administration
 - The Member Managers Conference will be held July 20-21 in Deadwood, South Dakota.
 - Basin Electric's Annual Meeting will be held Nov. 8-10. The theme is Courage. Commitment. Cooperation. Willis Sparks, Eurasia Group, will be the keynote speaker.
 - Planning has begun for the 2022 annual meeting. There was discussion on a theme and keynote speaker.
 - The spring issue of Basin Today has been printed and mailed.
 - The Audio/Video team is providing annual meeting assistance to several members.
 - Jon Klein, vice president of Procurement, gave an update on issues including freight costs, contractor challenges, commodity pricing, and increased lead times.
- Shelly Wanek, interim director of Human Resources
 - Forty-one employees have announced retirements in 2022.
 - The summer Casual for a Cause program has raised \$9,625 so far with 77 employees participating. Proceeds will go to On the Water, Inc.
 - Human Resources is gathering data for the 2022 salary review.
 - ACTION: Basin Electric directors approved the addition of Todd Brickhouse to Basin Electric's Deferred Compensation Plans.

- ACTION: Basin Electric directors adopted a restatement of Basin Electric's Executive Deferred Compensation Plan.
- Kelly Bergquist, senior financial analyst
 - The GDP fell from 6.9% to 1.4%.
 - May's inflation was the highest it's been in 40 years.
 - The national unemployment rate remained at 3.6%.

Generation

Total energy available for sale in April was estimated to be 2.7 million megawatt hours (MWh). (Note: This line used to signify total generation from Basin Electric's resource portfolio. This number now includes purchases in the Southwest Power Pool.)

Electricity sold to member systems during April was estimated at 2.2 million MWh compared to the forecast of 2.2 million MWh. Surplus sales were estimated at 483,000 MWh, compared to the forecast of 341,000 MWh.

At the Great Plains Synfuels Plant, deliveries to the pipeline averaged 77.7 million standard cubic feet per day of natural gas produced from coal. The plant operated at 91.4% of capacity during the month.

Total tons of saleable fertilizer produced was 58,614 tons. That includes anhydrous ammonia, granular urea, urea content in diesel exhaust fluid, and ammonium sulfate.

Synfuels Plant production

Production data for May 2022 for selected products at the Great Plains Synfuels Plant were as follows:

Anhydrous ammonia – 35,290 tons produced

Urea – 35,019 tons produced

Dak Sul 45 (ammonium sulfate) – 8,309 tons produced

Carbon dioxide – About 2,815 million standard cubic feet were delivered during the month.

Financial data

**Basin Electric Consolidated
NET INCOME AFTER TAX
UNAUDITED**

<i>(in millions)</i>	May 2022					
	Monthly			YTD		
	Actuals	Budget	+ / (-) Budget	Actuals	Budget	+ / (-) Budget
Basin Electric	\$ 53.5	\$ 28.0	\$ 25.5	\$ 166.7	\$ 95.5	\$ 71.2
Dakota Gasification Company	37.0	20.8	16.2	87.6	50.6	37.0
Dakota Coal Company	0.9	(1.7)	2.6	2.5	0.5	2.0
Interco. Eliminations & Other*	(36.9)	(20.8)	(16.1)	(87.5)	(50.5)	(37.0)
Consolidated Net Income/(Loss) After Tax	\$ 54.5	\$ 26.3	\$ 28.2	\$ 169.3	\$ 96.1	\$ 73.2

* Includes elimination of income/loss on investment in DGC

Basin Electric

For the month of May, Basin Electric reported an after-tax margin of \$53.5 million compared to a budgeted after-tax margin of \$28.0 million.

- Member sales were above budget; a favorable variance of \$2.1 million mainly due to higher demand.
- Surplus sales were above budget; a favorable variance of \$7.9 million due to higher volumes and prices.
- Operating expenses were higher than budget; an unfavorable variance of \$1.1 million related to higher purchased power offset by lower fuel and wheeling costs.
- Dakota Gas' results were better than expected; a favorable variance of \$16.2 million.

Dakota Gas

For the month of May, Dakota Gas reported an after-tax net income of \$37.0 million compared to a budgeted net income of \$20.8 million.

- Synthetic natural gas revenue was higher than budget due to pricing +\$3.40/dt and additional volume 59k dt sold; a favorable variance of \$12.3 million.
- By-product and co-product sales were higher than budget; a favorable variance of \$10.9 million primarily related to delay of fertilizer sales.
 - Ammonia revenue was \$12.0 million higher, urea revenue was (-\$6.0 million) lower, sulfate revenue was (-\$2.2 million) lower due to lower volumes sold offset by higher pricing; tar oil revenue was \$3.2 million higher, DEF revenue was \$3.0 million higher, as a result of higher prices and higher volumes.
- Operating expenses were very similar to budget; an unfavorable variance of (-\$46 thousand).
 - Inventory clearing \$7.5 million lower offset by higher natural gas purchases (-\$6.0 million) and utilities expense (-\$.8 million).
- Income tax expense was (-\$6.5 million) higher.

Dakota Coal

For the month of May, Dakota Coal Company reported after-tax net income of \$0.9 million compared to a budgeted net loss of \$1.7 million.

- Lignite coal sales were \$2.1 million higher than budget as a result of more tons sold.
- Lignite coal purchases were \$1.6 million lower than budget.

Slides of interest:

Dakota Gas Production

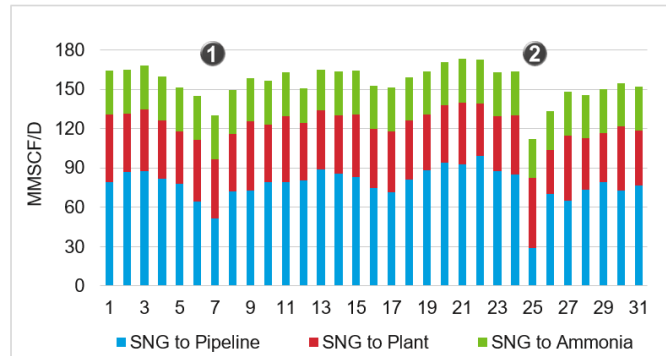
Synthetic Natural Gas (SNG)

Actual Capacity Factor	91.4%
Budgeted Capacity Factor	87.0%
YTD Actual Capacity Factor	92.8%
YTD Budget Capacity Factor	87.9%

Availability	100.0%
Utilization	91.4%

Actual Production (dts)	2,359,439
Budget (dts)	2,820,442
YTD Actual Production (dts)	11,914,776
YTD Budget (dts)	14,013,347

Delivery Average (MMSCF/D)	77.7
----------------------------	------

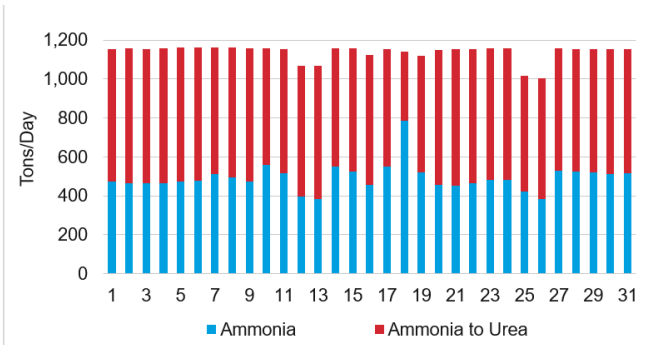


Production Impacts (MMSCF)	
1 Reduced plant rates due to high cooling water temperatures	23
2 Oxygen plant trip due to breaker failure	51

Ammonia

Actual Capacity Factor	103.5%
YTD Capacity Factor	89.2%

Ammonia Production (tons)	35,290
Ammonia Budget (tons)	27,962
YTD Actual Production (tons)	148,198
YTD Budget (tons)	136,202



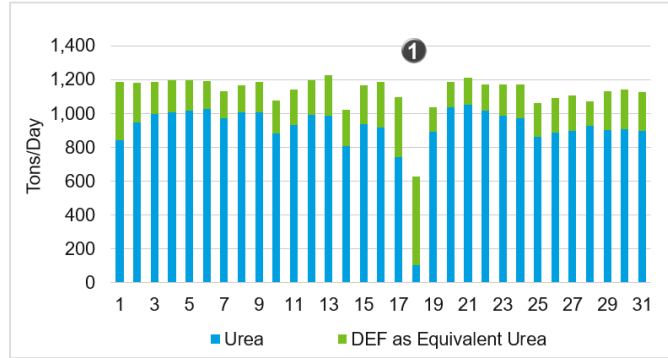
Production Impacts (tons)	
There were no production impacts	

Urea

Actual Capacity Factor	102.7%
YTD Capacity Factor	92.5%
Urea Independent Capacity Factor	102.7%

Actual Equivalent Production (tons)	35,019
DEF as Equivalent Urea (tons)	6,667
Budget (tons)	29,574
YTD Actual Equivalent Production (tons)	153,589
YTD Budget (tons)	147,414

Ammonia Consumed (tons)	20,004
YTD Ammonia Consumed (tons)	88,662



Production Impacts (tons)	
1	One-day outage for cleaning of the granulation system

Diesel Exhaust Fluid (DEF)

Total Actual Production (gal)	2,804,020
Budget (gal)	2,420,387
YTD Actual Production (gal)	12,339,482
YTD Budget (gal)	11,789,627



Production Impacts (gal)	
Inventory management	95,391
Urea solution pump seal failure	15,974

Ammonium Sulfate (Dak Sul 45®)

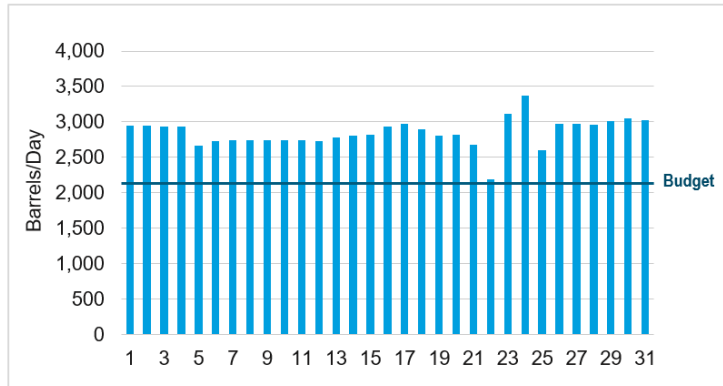
Actual Production (tons)	8,309
Budget (tons)	9,765
YTD Actual Production (tons)	36,678
YTD Budget (tons)	48,910



Production Impacts (tons)	
One-day outage for various maintenance	289
A & B compactor trips due to loose wire	267
Feeder screw trips	622
Miscellaneous intermittent trips	583

Fuel Grade Tar Oil

Actual Production (bbl)	88,368
Budget (bbl)	65,532
YTD Actual Production (bbl)	436,095
YTD Budget (bbl)	322,481



Production Impacts (bbl)	
There were no production impacts	

Co-Products

	CO ₂	Naphtha	Phenol	Cresylic Acid	Krypton Xenon	Liquid CO ₂	Nitrogen
	MMSCF	gallons	gallons	gallons	liters	tons	gallons
Actual Production	2,815	614,237	209,024	188,421	196,431	543	16,077
Budget	2,790	660,238	214,427	207,486	250,015	434	31,000
YTD Actual Production	15,453	3,138,198	1,406,527	1,286,166	1,175,557	4,905	134,993
YTD Budget	13,590	3,248,975	992,941	960,801	1,230,276	2,114	271,000

Production Impacts	
Phenol and cresylic acid production rates were impacted by the scheduled turnaround	
Naphtha and krypton/xenon were impacted by the reduction in gas path rate due to cooling water temperatures	

Actual Generation

		May				YTD			
FUEL SOURCE		BUDGETED	ACTUALS	OVER / (UNDER)		BUDGETED	ACTUALS	OVER / (UNDER)	
COAL	AVS	577,776	409,773	(168,003)	(29.08)%	2,765,069	2,197,207	(567,862)	(20.54) %
	DFS	278,501	296,770	18,269	6.56%	1,096,301	960,187	(136,114)	(12.42) %
	LOS	219,775	331,388	111,613	50.79%	1,274,100	1,455,979	181,879	14.28 %
	LRS	390,467	585,083	194,616	49.84%	3,289,810	3,616,682	326,872	9.94 %
		1,466,519	1,623,014	156,495	10.67 %	8,425,280	8,230,055	(195,225)	(2.32) %
		* Reported generation for coal is based on sales calculations.							
WIND		48,555	58,277	9,722	20.00 %	254,155	340,699	86,544	34.10 %
		* PWND, Minot Wind / PWSD, Chamberlain							
GAS / OIL		152,132	108,368	(43,764)	(28.8) %	692,216	750,708	58,492	8.4 %
		* CGS, DCS, GGS, LCS, PGS, SMS, WDG							
FLEET TOTALS:		1,664,751	1,789,642	124,891	7.5 %	9,359,872	9,322,431	(37,441)	(0.4) %

Large Capital Projects

Large Capital Projects

Project Name	Approved Budget (M)	Total Committed (M)	Forecast at Completion (M)	Completion Date
Neset to Northshore 230 kV	\$57.4	\$40.4	\$51.2	December 2022
AVS Solid Waste Landfill Cell 5	\$11.6	\$10.2	\$10.2	December 2022
AVS 345 kV Equipment Upgrades	\$13.5	\$0.6	\$13.5	June 2025
East Fork 345/115 kV Substation	\$28.5			December 2024
LRS U3 480V Switchgear Upgrade	\$13.5	\$7.2	\$12.0	December 2025
Roundup to Kummer Ridge 345 kV	\$94.9			October 2026
East Loop 345 kV Transmission	\$417.2			December 2026
Nemadji Trail Energy Center	\$260.0	\$23.1	\$260.0	Spring 2027