

JOINT ACTION

Sharing A Single Compass



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Oklahoma Municipal Power Authority

Mission statement: "To provide reliable, low-cost energy and services to municipal entities to enable each municipality to be competitive, while maximizing the benefit to our stakeholders."

2016 HIGHLIGHTS

March

- 7** Ribbon cutting is held for OMPA linecrew field office in Fairview. Before the year is out, the crew grows both in size and the number of members it routinely serves.
- 10** Robert Johnston of Frederick is selected as Vice Chair and Homer Nicholson of Ponca City as Secretary of the Board of Directors.

May

- 12** Board of Directors approves the new rate design, set to take effect on Jan. 1, 2017. The rate simplifies the billing process, providing for just a single energy charge and a single demand charge.
- 17** Meeting held at OMPA offices in Edmond to discuss distributed generation and analyze the upcoming challenges the growing technology poses for municipal-owned utilities.

June

- 1** City of New Cordell begins receiving power from OMPA. The addition of the city is the third addition in the last two years, giving the Authority an all-time high of 42 members.
- 9** Board of Directors votes to capture 10 percent of off-system sales to help fund the Rate Stabilization Fund.

August

- 8** 2016A Refunding Bonds are issued, replacing 2007A bonds and allowing OMPA to save \$962,000 a year for the next 10 years and even more in later years.

September

- 8** Oklahoma Secretary of Energy & Environment Michael Teague speaks to the membership at the Annual Electors' Meeting at OMPA offices in Edmond. Teague discusses distributed generation, among other issues.

December

- 8** Board of Directors creates the Risk Committee, comprised of board members and OMPA staff, to help the Authority evaluate and prioritize particular challenges posed by the industry.

MESSAGE TO OUR MEMBERS



Thanks to the ever-changing nature of our industry, Public Power utilities don't get to decide whether or not they'll plan for the future. That preparation is a must.

Utilities who are members of the Oklahoma Municipal Power Authority, of course, are joint owners of their own power supply, so they do that planning as part of a collective effort along with staff. Significant decisions have to be made with the entire group in mind, rather than a single utility.

In 2016, we dealt with a large number of issues that could have lasting impacts, and we resolved them as a team. That's why the theme for the annual report is, "Joint Action: Sharing A Single Compass".

One of the most effective ways for OMPA decision-making has always been to combine the knowledge of OMPA staff with the experience of representatives from member utilities. This is how we formulated a new rate design that was passed by the Board of Directors early in the year. This new rate went into effect January 1, 2017 and better aligns with our costs and was formulated to be easier for member utility staff to comprehend. To further ensure the group was being looked after, reserves from the Rate Stabilization Fund were used to offset the larger of the individual cost impacts caused by the new design.

This coalition of OMPA staff and leading member

representatives can also be found on our committees. The Authority had five of these committees – Executive, Legislative, Nominations, Elections and Audit & Finance – and, in 2016, the Board decided to add the Risk Committee. Comprised of four board members and OMPA's Enterprise Risk Management team, this committee will evaluate and prioritize on a semi-annual basis various risks posed to the Authority. The activities of this committee will help to guide our planning for years to come.

Another example of a true collaborative effort can be found in the OMPA line crew. A first for the Authority, the line crew was assembled in 2015 after members in the northwest part of the state noted the consistent problems they experienced finding qualified people to work on their systems. Five utilities agreed to pool funds – which were accompanied by funds previously being used to pay for inspections and maintenance on OMPA-owned substations – to create the line crew. Then, in 2016, the idea prospered, as two more utilities joined the group, another lineman was added to the line crew and a base of operations was constructed for them in Fairview. This has set a new direction for OMPA by showing the value of shared services.

We were forced to rally to a common cause and work as one in the spring when proposals were presented at the State Capitol we deemed were unfair and would have a negative impact on the competitiveness of all the member utility systems. Our communities did an amazing job of communicating with their customers, who were able to successfully argue our position. The result was a loud and

clear message to the Oklahoma legislature to leave Public Power alone.

The year could also be marked as the time when discussions on distributed generation truly came to the forefront. OMPA staff not only spent the year discussing the issue with state officials and industry leaders in the area, it also assembled a toolkit that member cities and towns can use to implement their own distributed generation policy. Staff then worked with elected officials in member communities to implement those policies, even designing a suggested rate for distributed generation customers that covers fixed costs. This is an issue that isn't going away, and coupled with other changes in the energy marketplace will require us to set a new course going forward.

The Authority continues to welcome in new members, too. The City of New Cordell began receiving power from OMPA in July, officially becoming the 42nd member. That makes three new members in the last two years and six new ones since 2010. The Authority's reputation for inclusiveness and foresight speaks for itself when these cities and towns consider joining the fold.

It was a busy year, complete with a new high for participation in the Competitive Utility Program and a bond refunding that promises to save our members millions of dollars in the coming years. At the April planning retreat, the OMPA Board also set a new course on shoring up our financial strengths through incremental contributions to our Rate Stabilization Fund and improving our debt service coverage.

The engineering department continued to assist member utilities with their reliability efforts, guiding maintenance work on OMPA-owned substations and providing direction on much-needed projects for individual distribution systems. With the help of OMPA staff, access to Supervisory Control and Data Acquisition improved for the members, as well, allowing them to better monitor their systems.

This spirit of cooperation has been an integral part of the Authority since its creation, when it was deemed that every member would have its own Elector and that it would be those representatives who voted for the election of the Board of Directors. The men and women who comprise the board have taken their role seriously, always mindful of the diverse nature of the members and their needs.

Going forward, it will be that attitude that will allow us to meet challenges we are bound to face in our mission to live by our motto: "To provide reliable, low cost energy and services to municipal entities to enable each municipality to be competitive, while maximizing the benefit to our stakeholders."

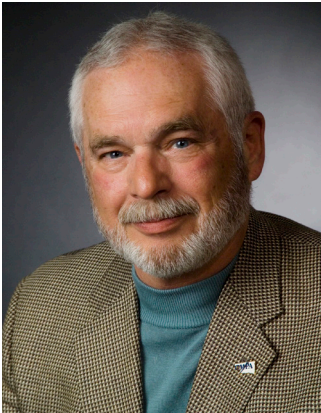
Charles Lamb,
Board Chairman

David W. Osburn,
General Manager



General Manager
David Osburn

BOARD OF DIRECTORS



Charles Lamb
Edmond
Chairman



Robert Johnston
Frederick
Vice Chair



Homer Nicholson
Ponca City
Secretary



Jim Greff
Prague
Treasurer



Dale Bunn
Purcell
Member



Janice Cain
Altus
Member



Chuck Hall
Perry
Member



Jason McPherson
Marlow
Member



Dave Slezigkey
Kingfisher
Member



Leslie Swinerton
Geary
Member



David Yeager
Duncan
Member

The Oklahoma Municipal Power Authority's 11-person Board of Directors is chosen entirely by representatives of the membership. Board members serve staggered, three-year terms.



KEY PERSONNEL



Dave Osburn
General
Manager



Randy Elliott
General
Counsel



Drake Rice
Director of
Member Services



John Vansant
Director of Corporate
Services & CFO



Jim McAvoy
Director of
Engineering Services



Melie Vincent
Director of
Operations



Umesh Sadalge
Manager of Generation
Resources

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MEMBERS



The Oklahoma Municipal Power Authority (OMPA) is a wholesale power company owned by 42 municipal electric utilities located in 29 Oklahoma counties.

In 2016, OMPA provided power to 109,216 customers in its member cities, including 100,972 residential customers and 8,244 commercial/industrial customers. OMPA's service area encompasses approximately 250,000 Oklahomans.

2016 was the first year for the Authority to serve member New Cordell, after it added members Mooreland and Fort Supply to its system in 2015.

Members

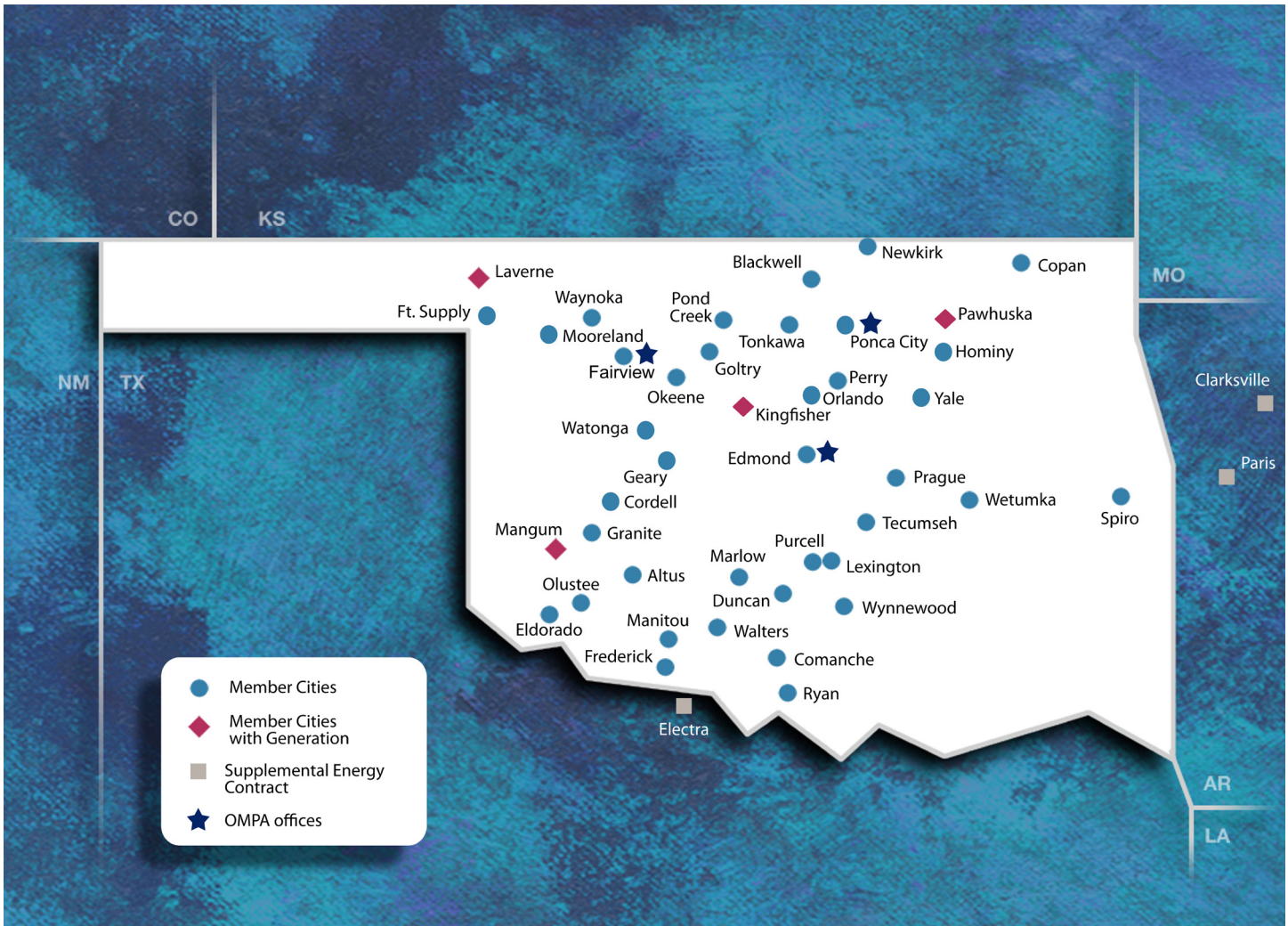
- Altus Municipal Authority*
- Blackwell Municipal Authority*
- Comanche Public Works Authority**

- Copan Public Works Authority**
- Duncan Public Utilities Authority**
- Edmond Public Works Authority*
- Eldorado Public Works Authority**
- Fairview Utilities Authority*
- Fort Supply Public Works Authority*
- Frederick Public Works Authority*
- Geary Utilities Authority*
- Goltry Public Works Authority**
- Granite Public Works Authority**
- Hominy, Oklahoma Public Works Authority**
- Kingfisher Public Works Authority*
- Laverne Public Works Authority*
- Lexington Public Works Authority**
- Mangum Utilities Authority*
- Manitou Public Works Authority**
- Marlow Municipal Authority*
- Mooreland Public Works Authority*
- New Cordell Utility Authority*
- Newkirk Municipal Authority*
- Okeene Public Works Authority*
- Olustee Public Works Authority**
- Orlando Public Works Authority*

- Pawhuska Public Works Authority*
- Perry Municipal Authority*
- Ponca City Utility Authority*
- Pond Creek Public Works Authority*
- Prague Public Works Authority*
- Purcell Public Works Authority**
- Ryan Utilities Authority**
- Spiro Municipal Improvement Authority**
- Tecumseh Utility Authority*
- Tonkawa Municipal Authority*
- Walters Public Works Authority**
- Watonga Public Works Authority*
- Waynoka Utilities Authority*
- Wetumka Municipal Authority**
- Wynnewood City Utilities Authority*
- Yale Water and Sewage Trust**
- * Also has SWPA Allocation*

Others Served

- Clarksville Light & Water Company ***
- Electra Utility Authority*
- Paris Municipal Light & Water***
- ** Short-term supplemental agreement*



GENERATION



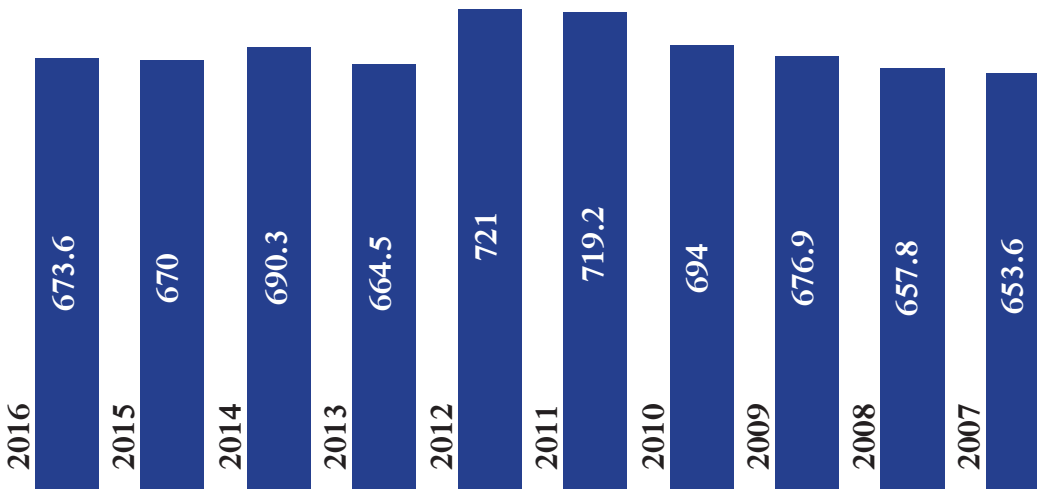
Resource Mix

For the third straight year, natural gas was the primary power resource for OMPA at 54 percent of the portfolio.

Coal came in second at 21 percent, followed by renewables at 16 percent and purchases at 9.



Energy is listed in megawatts



System-Wide Peak

OMPA's coincident peak for utilities served in Oklahoma only was 673.69 megawatts in 2016.

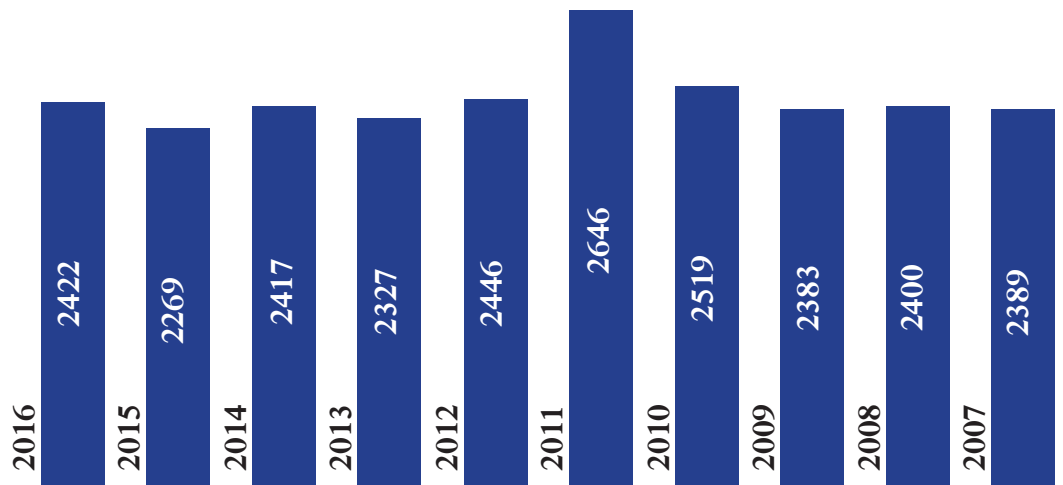
This peak was consistent with recent years, following a jump to 721 megawatts in 2012.

The Authority added one utility – New Cordell – to its system in 2016.

Power Delivered

OMPA's total power delivered in 2016 was 2,422 gigawatts, which was a slight increase from the previous year.

The high from the last 10 years in power delivered is still 2011 with 2,646 gigawatts. In all, 24,218 gigawatts of power have been delivered in the last 10 years.



Energy is listed in gigawatts

OPERATIONS



THE GOAL of traditional power supply planning is to keep rates low by identifying the ideal resource mix per future fuel prices, load growth and unit capabilities.

Today, what was once the basis of portfolio planning is difficult to know. Innovation in hydraulic fracturing suppresses the cost of natural gas, while potential external market pressures threaten to increase prices. With increasing energy efficiency and growing interest in rooftop solar, load growth has slowed and may decrease. In addition, renewable resources are increasing the need for generators that can react quickly to sudden shifts in available wind and sun. Uncertainty in environmental regulations and power market evolution also complicate the road ahead.

With so much unclear, power supply planning is no longer about the ideal resource mix. Instead, the Oklahoma Municipal Power Authority's aim is to keep rates low by remaining flexible.

That flexibility begins with a balanced power portfolio. In 2016, OMPA's generation mix was positioned well. Of total capacity, 28 percent is comprised of lower heat rate gas units that meet base and intermediate load needs. Higher heat rate gas units make up 23 percent of the portfolio to provide power during peak demand periods.

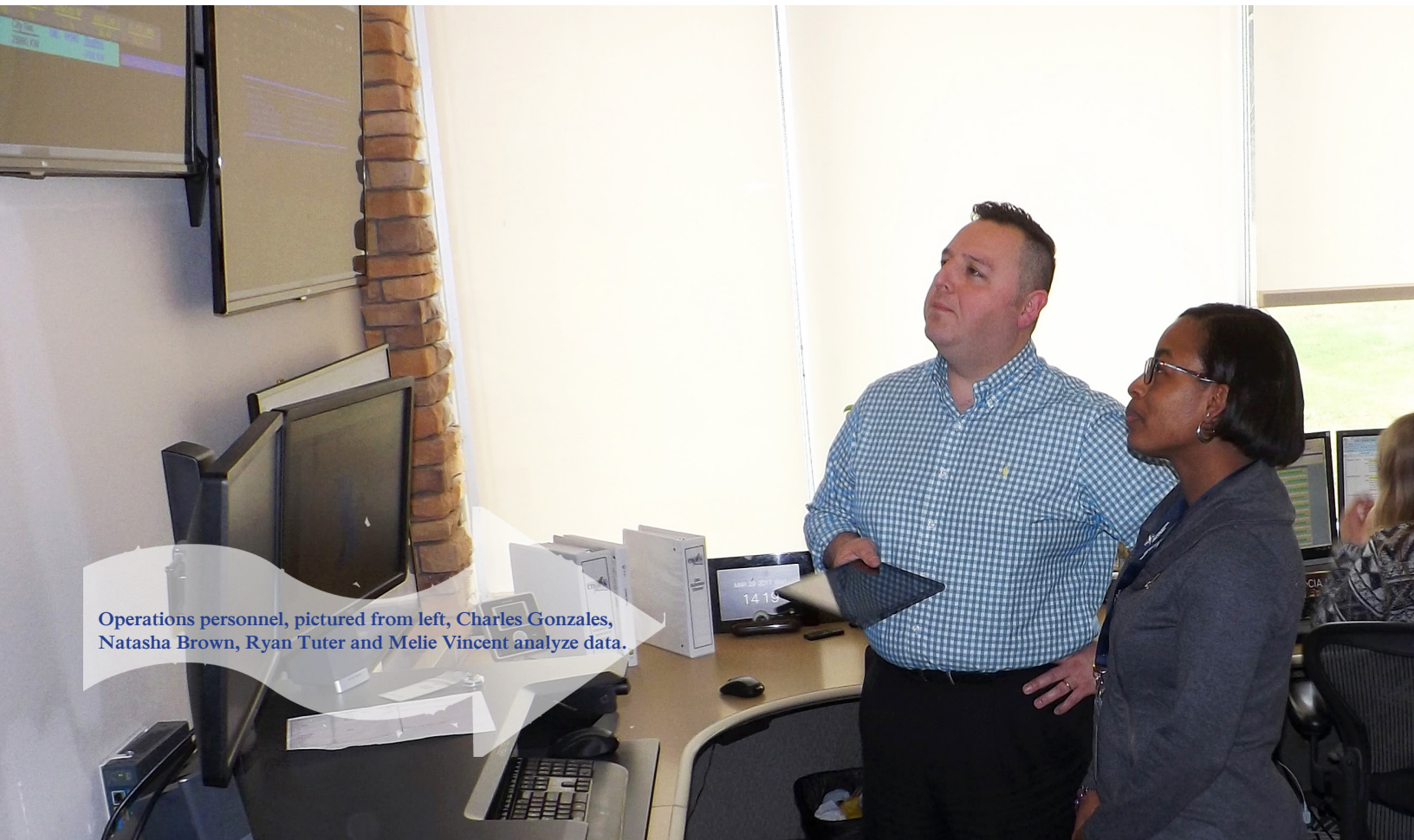


Base-power coal is 15 percent of the portfolio. Nameplate renewable capacity is 24 percent. Power purchase agreements round out the remaining 11 percent.

Actual 2016 generation reflects the low gas prices realized over the year, as base and intermediate gas units generated more than half of OMPA's energy. Just over 20 percent of OMPA generation came from coal. Renewables provided 16 percent and an additional 9 percent of power needs were met through power purchase agreements. Higher heat rate gas units made up 3 percent of total generation.

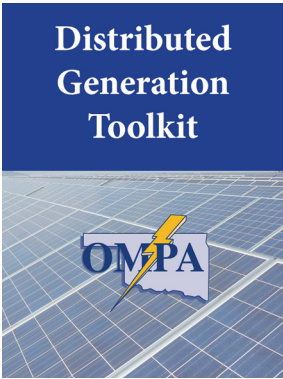
OMPA's current mix of resource cost structure, fuel source and capabilities will allow it to meet many of the challenges ahead. Gas units allow it to take advantage of current low natural gas prices. Should gas prices rise, the remainder of the portfolio can offset the cost.

Coal is a significant hedge against long-term gas prices. However, OMPA is less reliant on coal than many other utilities, reducing exposure to potential environmental regulation risk. The Authority also continues to benefit from renewable energy, including wind and hydro. The result is a flexible portfolio capable of affordable rates, regardless of the road ahead for the power industry .



Operations personnel, pictured from left, Charles Gonzales, Natasha Brown, Ryan Tuter and Melie Vincent analyze data.

FOR MORE than a year, the Operations department at OMPA led the charge in putting together a toolkit to guide members on the issue of distributed generation. That guide was presented to them in the spring of 2016.



Distributed generation is that generation which is behind the meter and is most often found in customers who choose to put solar panels on their rooftops. Due to the increasing nature of distributed generation, staff from OMPA's operations, engineering, finance and member services department each contributed a set of guiding principles for utilities looking to implement

programs to handle their distributed generation customers.



The toolkit provides a series of information, including safety concerns, the need to adjust rates for distributed generation customers and how to educate city staff and others in the community on the issue. It includes a step-by-step checklist for implementing a program and sample resolutions cities can use.

Late in the year, some members did begin implementing their own programs.



Power Supply

Kaw (hydro)

Location: Ponca City, OK
OMPA share: 29 megawatts



Oklunion (coal)

Location: Vernon, TX
OMPA share: 80 megawatts



McClain (natural gas)

Location: Newcastle
OMPA share: 118 megawatts



Redbud (natural gas)

Location: Luther, OK
OMPA share: 158 megawatts



Henry W. Pirkey (lignite)

Location: Hallsville, TX
OMPA share: 15 megawatts



Dolet Hills (lignite)

Location: DeSoto Parish, LA
OMPA share: 25 megawatts



GRDA #2 (coal)

Location: Chouteau, OK
OMPA share: 25 megawatts



PCRP (gas/steam)

Location: Ponca City, OK
OMPA share: 62 megawatts



John W. Turk Jr. (coal)

Location: Fulton, AR
OMPA share: 43 megawatts



Canadian Hills (wind)

Location: El Reno, OK
OMPA share: 49 megawatts



Charles Lamb Center

Location: Ponca City, OK
OMPA share: 103 megawatts



OK Wind Center

Location: Woodward, OK
OMPA share: 51 megawatts



Landfill-to-Gas

Location: Sand Springs, OK
OMPA share: 3 megawatts






The Rate Design Committee met throughout the late months of 2015.



A SIGNIFICANT achievement for the Oklahoma Municipal Power Authority during 2016 was the implementation of a new rate design.


OMPA's old rates had been in place since the mid 1990s. They were unnecessarily complex, based on an "embedded" and "marginal" resource concept that was made somewhat obsolete with the establishment of the Southwest Power Pool's integrated market that began in March of 2014.

To reach a consensus on a new rate design, a committee was formed of OMPA staff and representatives from member cities. Their goal was to develop a design that was simpler and easier to understand, while also better aligning with the Authority's cost.

The main changes to the structure of the rate design agreed upon  included a single demand charge and a single energy charge, replacing the embedded charge and marginal charge for both capacity and energy in the previous design. Demand charges would be computed by using the peak for the previous year's four summer months coincident to OMPA's system-wide peak. The energy charge would be formulated each month using the energy cost adjustment.

In addition, some recognition for Southwestern Power Administration capacity was given to cities that had SWPA allocations. Those members also would no longer have a cap on the amount of SWPA energy they could be credited for in a single month.

The committee believed the option they chose had the least amount of negative impact on members. Some members adversely impacted by an increase in their demand charge would have some of it offset by funds in the rate stabilization fund for the first year of the new rate structure.

In April, the redesign was sent to the Board of Directors, who  approved it. The new rate was first billed in February, 2017 for January usage.

OMPA also produced a guide to help members understand the new rate structure, and held a meeting in December to discuss the changes.

Rate Redesign

What's In

- Single energy charge
- Single demand charge
- Capacity recognition for members with Southwestern Power Administration allocations

What's Out

- Embedded and marginal demand charges
- Embedded and marginal energy charges
- Cap on credited energy from the Southwestern Power Administration in a single month

ON AUG. 8, 2016, the Oklahoma Municipal Power Authority priced 2016A Refunding Bonds in a move that will save the Authority millions of dollars.

The 2016A bonds refunded 2007A bonds that were issued to pay for several large acquisitions, including OMPA's ownership share of the coal-fired John W. Turk Power Plant and the natural-gas-fired Red Bud Plant. OMPA considers a refunding of bonds if there is at least a three percent present value savings expected. This refunding achieved a 14.99 percent present value savings.



As such, OMPA was scheduled to save \$962,000 a year over the next 10 years and even more in years after that. Over the life of the 30-year transaction, \$36.7 million will be saved.

The total par amount of the 2016A bonds was \$124.3 million, versus a par amount on the 2007A Bonds of \$135.4

million.

Staff made the decision to move up pricing on the bonds through a delayed delivery – a type of current refunding – as a way to capture current interest rates, instead of waiting more than a month and risking a change in rates. This method also allowed OMPA to preserve the ability to do an advanced funding on the 2016A Bonds in the future.

During pricing, the 2016A Bonds were over-subscribed by 400 percent. This was due both to the overall demand in the market and the perceived value of OMPA by retail and institutional investors.

The refunding of these bonds was approved by the Board of Directors through resolutions at its June and July, 2016 board meetings. The pre-closing date on the 2016A Bonds was scheduled for Oct. 5, 2016, with final closing Oct. 6, 2016.

Financial Position

	2016	2015	2014	2013
Operating Revenues	\$184,384,121	\$183,950,481	\$193,013,302	\$180,363,948
Operating Expenses	\$156,218,478	\$154,296,176	\$161,699,145	\$154,794,099
Operating Income	\$28,165,643	\$29,654,305	\$31,314,157	\$25,569,849
Net Interest Expense	\$28,169,959	\$27,776,343	\$27,996,995	\$24,170,860
Other Income and Expenses (net)	\$306,652	\$78,860	\$2,758,433	(\$3,650,127)
Increase/Decrease in Net Position	\$302,336	\$1,956,822	\$6,075,595	(\$2,251,138)

ENGINEERING



ENSURING THE reliability of power transmission and distribution continued to be a priority of the Oklahoma Municipal Power Authority in 2016.

Continuing a multi-year plan to upgrade OMPA-owned substations, projects at members Lexington, Kingfisher, Perry and Waynoka were completed.

At Lexington, transformer fuses were replaced with electronically controlled reclosers to better protect the transformers and allow remote monitoring of the substation via the Supervisory Control and Data Acquisition (SCADA) computer system. Kingfisher Industrial Park upgrades included additional equipment to control and protect a new, higher-capacity transformer that had been added in 2015, allowing the substation to serve all of Kingfisher's load any time of year. The Perry substation project involved replacing obsolete transformer circuit switchers. In Waynoka, the main substation breaker was replaced and the city's circuit recloser controllers were integrated into OMPA's SCADA system.

The Authority owns more than 30 miles of transmission lines. In an ongoing effort to replace existing wood poles, staff continued a program of installing steel poles. More than 20 such poles were added to lines, in addition to OMPA replenishing its spare pole inventory.

A relationship that began in 2015 with transmission company Gridliance continued, as several projects were identified that would improve reliability to member cities.

They involve the cities of Duncan, Marlow, Frederick, Newkirk and Kingfisher. Staff plans to continue working with Gridliance and other entities to pursue such projects. The Authority's agreement with Gridliance allows it to participate in the cost of projects which allow a rate of return to help offset increasing transmission costs.

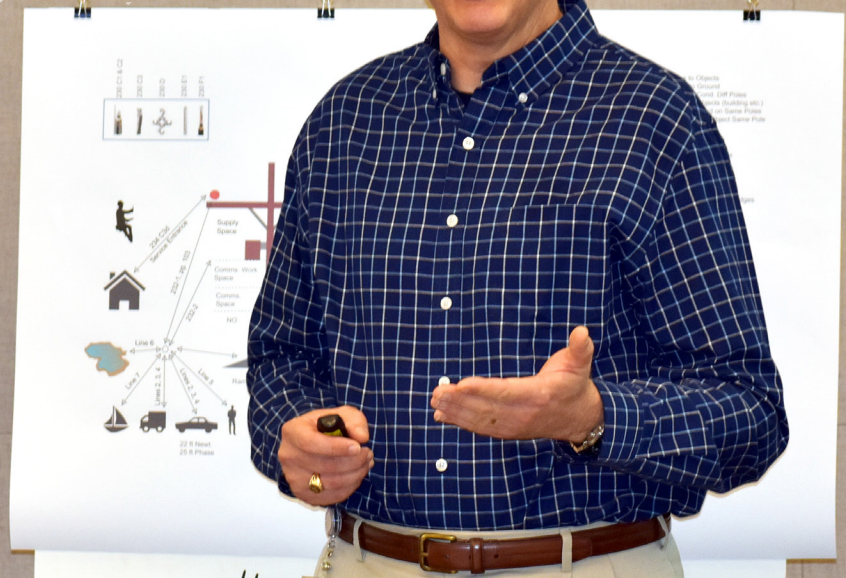
An important aspect to any job function is training. Staff revised its substation Level 1 and Level 2 training courses and created a new, Level 2.1 course that focuses on newer electronic relays and control equipment now found in substations. Training was provided in Duncan, Edmond, Fairview, Marlow and Prague.

Cyber security continues to be an ever-growing industry concern, as computer hackers can cause tremendous damage to companies via existing computer and network systems. OMPA's information technology (IT) systems were subjected to penetration testing by an outside entity to see if existing firewalls and security measures could be breached. OMPA's IT systems proved to be up to the task and no major issues or breaches were identified. To increase awareness of cyber security, all OMPA staff completed initial cyber security training. In addition, staff completed a review and revised its existing cyber security program.

An additional staff member also was hired to the SCADA team, and policies put in place to allow member cities to better monitor their systems, while also remaining compliant with regulations.




OMPA's Director of Engineering, Jim McAvoy speaks during a training session in the board room.






OMPA Linecrew Supervisor Anthony Hale installs animal mitigation on a substation.

WHAT BEGAN as a simple idea – OMPA having its own linecrew – has blossomed into a growing and increasingly popular aspect of the Authority.

OMPA's linecrew began in the spring of 2015 with two employees, and was created to assist members Fairview, Pond Creek, Goltry, Laverne and Waynoka with maintaining their distribution systems. 

In 2016, the crew not only added a third lineman, but also two new cities to serve – Mooreland and Fort Supply.

In addition, a ribbon cutting was held for a permanent field office for the crew in Fairview, consisting of an office and enough warehouse room for trucks and some materials.

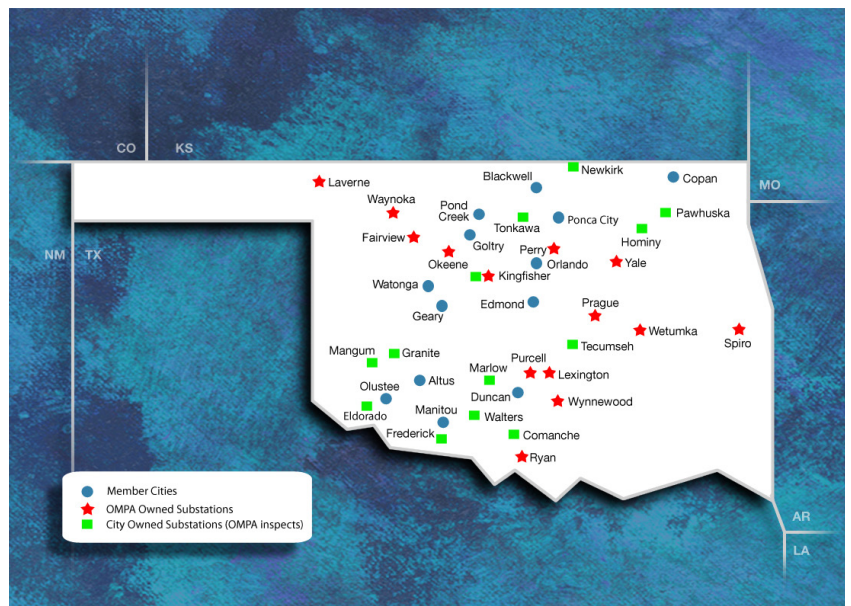
The crew spent much of the year helping the members who fund it with providing and carrying out a plan for overall system improvement, as well as assisting with outages. Because half of the crew's funding also comes from funds that were being used to contract inspections and maintenance of OMPA-owned substations, the crew spent much of the year carrying out those tasks, as well. 

A training course was constructed in an open space next to the linecrew's field office in Fairview, allowing training to be held in the northwest part of the state.

OMPA also entered into a new sponsorship program with Municipal Electric Systems of Oklahoma that will allow linemen from member utilities to receive training in the Apprentice Program and the Electric Supervisor Development program.

43

The number of miles of transmission and sub-transmission lines owned by the Oklahoma Municipal Power Authority.



MEMBER SERVICES



Government Relations Representative Jennifer Rogers speaks to a group at a legislative luncheon.



THE OKLAHOMA Municipal Power Authority continued to promote Public Power in 2016, attending or hosting a series of events and making a renewed effort to educate elected officials on the role the Authority plays for Oklahoma utilities.

OMPA again hosted an “OMPA Day” for state legislators near the State Capitol in Oklahoma City, and hosted nine luncheons for member city staff and their individual representatives at locations around the state. Authority staff also participated in a series of meetings with Secretary of Energy Michael Teague, regarding new technologies and upcoming challenges in the industry. Teague was the keynote speaker at OMPA’s Annual Electors’ Meeting in the fall.

All of these efforts helped OMPA communicate its message during a difficult legislative session and a battle to fill the state’s budget shortfall. Member cities were instrumental in this effort, as well, as they communicated concerns to their customers.

Advocating for Public Power has been a longstanding tradition at OMPA, especially during Public Power Week, which is a national event originating with the American Public Power Association and held each October. In 2016, a dozen member cities held events to promote their locally owned utility.

IT WAS an especially busy year for Member Services staff in their efforts to communicate with elected officials of member cities and towns.

Throughout the year, OMPA asked governing bodies to pass a number of resolutions and amendments to their contracts to help with staying ahead of industry trends.

One of those involved the Public Utilities Regulatory Policies Act (PURPA) of 1978, which includes a “must purchase” mandate requiring utilities to purchase generation from qualifying facilities in their territory. OMPA worked with member governing bodies to pass resolutions that allows it or the Southwest Power Pool to purchase such energy, a move that was later approved by the Federal Energy Regulatory Commission.

Staff also worked with the membership to help utilities implement their own systems to handle the growing challenge of distributed generation, explaining necessary amendments to the power sales contract, as well as the importance of rate adjustments, safety concerns and other aspects of the issue.

The new rate design adopted by the Authority early in the year prompted an education on how members would be billed going forward. It also required staff to work on contract amendments for members who receive an allocation from the Southwestern Power Administration, as they would no longer have a cap on the amount of energy they could receive from SWPA in a given month.

THE COMPETITIVE Utility Program (CUP) was formed in 1995 as a way for member utilities to remain competitive by implementing best practices. Always one of the Oklahoma Municipal Power Authority's most popular programs, it saw a record 22 members either certified or re-certified in 2016.

A voluntary program, CUP provides a way for members to evaluate and improve the operation of their utilities by reaching benchmarks in areas of customer service, energy services, utility operations, maintenance and reliability.

In addition to the benefits that come with certification, members can also receive financial incentives in the form of reductions in the cost of power purchased from OMPA, as well as a \$20,000 check. Those rewards are received through the implementation of a number of management and efficiency policies.

CUP Certified Members End of 2016

Altus
Blackwell
Duncan
Edmond
Fairview
Geary
Goltry
Granite
Kingfisher
Laverne
Mangum

Marlow
Okeene
Pawhuska
Perry
Ponca City
Pond Creek
Prague
Purcell
Tecumseh
Tonkawa
Waynoka



THE OKLAHOMA Municipal Power Authority's various energy-efficiency-related programs were formed as a way to delay the time in which the Authority needs to purchase expensive generation.

In 2016, the programs received plenty of attention.

The Demand and Energy Efficiency Program (DEEP) awards rebates to commercial and industrial customers of OMPA members who improve their energy efficiency through LED lighting conversion projects, HVAC replacement, machine and motor replacement and more.



In 2016, there were 66 DEEP projects awarded rebate totals of \$164,640. The largest award of the year was a \$24,695 rebate given to Spiro Public Schools, followed by a \$20,160 rebate to Oak Tree Country Club in Edmond. In all, projects awarded rebates equaled an estimated demand reduction of 1,056 kilowatts, for an average rebate total of \$155.88 per kilowatt reduced.

Through the end of the year, the program had handed

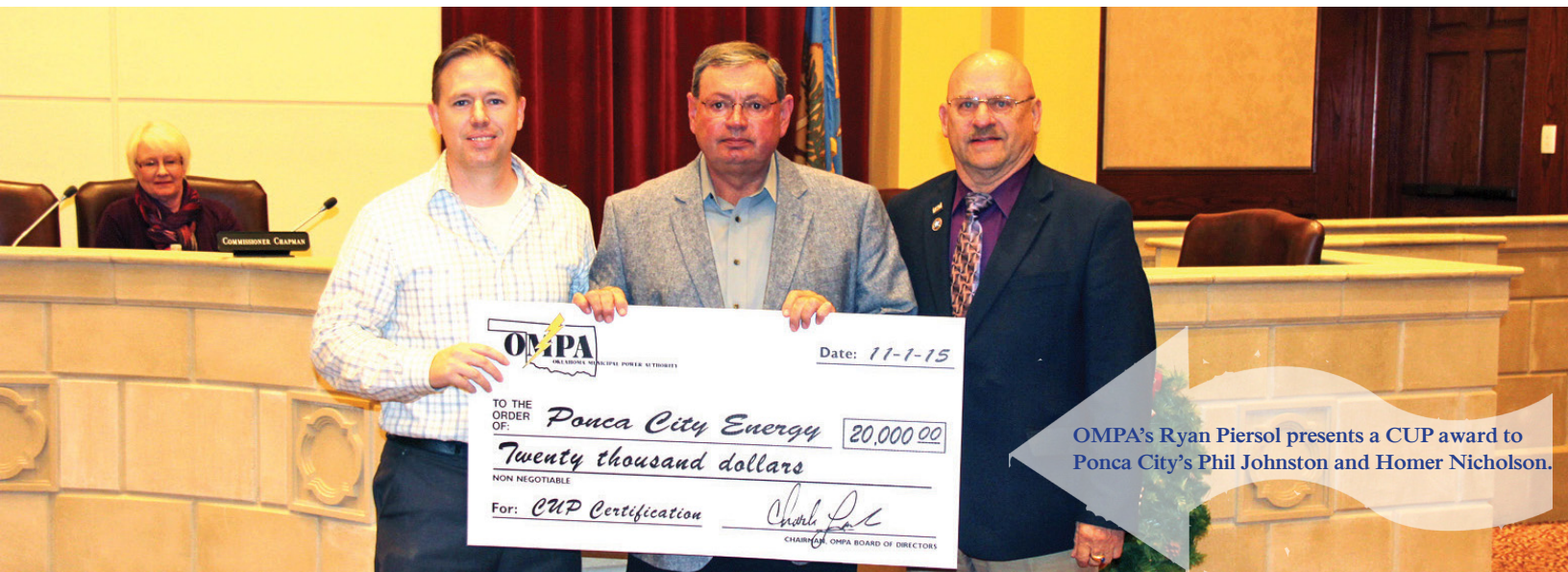
out \$939,144 in rebates throughout its history with an estimated demand reduction of 6,045 kilowatts.

Another energy-efficiency program is the Ways I Save Electricity (WISE) program, which is intended for customers of OMPA members who choose to participate in the program, since rebate totals are based on a 50-50 split from the Authority and the member utility.

Rebates can be provided for newly installed energy-efficient HVAC systems, including ground-source heat pumps and air-source heat pumps, as well as ceiling insulation.

There were 160 rebates processed for HVAC systems for a total of \$74,804 with an estimated kilowatt reduction of 260. There were 36 ceiling insulation rebates awarded for \$6,299 with an estimated kilowatt reduction of 17.

OMPA also continued to provide free energy audits to customers of member utilities, completing a total of 166 in 2016.



OMPA's Ryan Piersol presents a CUP award to Ponca City's Phil Johnston and Homer Nicholson.

PONCA CITY POWER PRODUCTION

Work is performed on Unit 3 in Ponca City in early 2017.



THE TEAM at the Ponca City Power Production Department, which includes 26 OMPA employees, is well-versed in the art of maintenance for the power production units at the Ponca City Repowering Project and Kaw Hydropower facility. In 2016 and early 2017, though, that maintenance went beyond routine.

First-time projects were performed at both facilities, ensuring the efficiency and long-term viability of the plants.

At PCRP, a routine inspection on the No. 3 unit revealed more significant issues. The turbine from the unit was eventually sent to be serviced in Houston, Tex., mainly due to the need for hot gas path replacements and an oil leak. While that unit was out of service, more inspections were done and special tools were created so that the generator could be pulled out and its rotor could be repaired.

In all, the maintenance on Unit 3 was expected to cost \$2.7 million. This is the first time for such maintenance to be performed on the unit, as the turbine and generator were put in service in 2004 and 1994, respectively.

Units 2 and 4 at PCRP also received routine inspections and upgrades in places.

At the Kaw Hydropower facility, a crane placement study was required of OMPA for the first time ever. Staff occasionally places cranes on the dam at Kaw Lake to install gates that seal off water from the turbine unit at the hydropower facility.

The study was required as part of new regulations implemented by the Army Corps of Engineers, prior to the Authority conducting its annual inspections and maintenance.

2016 Plant Production

(Plants operated by Ponca City Power Production Department)

PCR P

59,808 mwhs

PCR P #4

5,040 mwhs

CDLEC

37,684 mwhs

Kay Hydro

151,005 mwhs

