

2020 Annual Report

Oklahoma Municipal
Power Authority

Meeting The Challenge





2020 Annual Report

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2020 HIGHLIGHTS

January



The City of Lindsay agrees to join the power supply program at OMPA, making it the 43rd city or town in Oklahoma to do so

February

OMPA honored by the American Public Power Association with the Safety Award of Excellence for its safe operating practices in 2019

March

Ken Wagner, the Oklahoma Secretary of Energy and Environment, is the keynote speaker for the 2020 Annual Meeting

April

COVID-19 protocols begin for employees at OMPA locations

May



Majority owners in the Dolet Hills Power Station vote to retire the generating plant by the end of 2021

June

OMPA General Manager Dave Osburn named to the American Public Power Association Executive Committee



Ponca City Mayor Homer Nicholson becomes the 7th Board Chairman in OMPA history, after former Chairman Robert Johnston accepted employment at a non-OMPA city

The Oklaunion Power Station generates for the last day, after a majority of owners had previously decided to cease operations



Crews from around the state respond to an unusually damaging ice storm that resulted in power outages for hundreds of thousands of customers around the state

OMPA agrees to power purchase contract for 120 megawatts from a yet-to-be-constructed solar farm in Kiowa County

OMPA Field Services Department receives national commendation from the American Public Power Association for its support in restoration efforts following an October ice storm

July

August

September

October

November

December

A Message From



**Board
Chairman** **Homer
Nicholson**



**General
Manager** **Dave
Osburn**

The theme for the 2020 Annual Report is “Meeting the Challenge”. It is appropriate, given the enormous challenge on various fronts that OMPA and its members faced throughout the year, and the way in which they answered the call.

The year began on a high note, as the City of Lindsay agreed at the February Board of Directors meeting to join the power supply program. The Garvin County city of just less than 3,000 has long been a member of OMPA and will now start taking power in 2025. They were the fourth new city or town to join OMPA’s power supply in five years, following Mooreland, Fort Supply and Cordell.

In March, OMPA hosted its expanded Annual Meeting for the second time, with breakout sessions focusing on new technologies and trends in the industry. As part of the presentation, attendees were also given a chance to tour Spiers New

Technologies in Oklahoma City the day after the meeting.

However, it was right around this time that COVID-19 began changing the way we all operate daily, and the challenges began. OMPA shut down out-of-state travel for its employees, as well as most travel to member cities and towns. It also quickly developed a work-from-home option for the employees. Member cities and towns combatted problems associated with the pandemic by finding ways to help their customers through the economic impact. This included some utilities that stopped service cut-offs, some who allowed deferred payments and others who found ways to raise money for their customers most affected by the downturn in the economy.

The new protocols put in place during the year of COVID-19 meant extra steps and precautions for employees, both when they were in the office and when they

were working with others in the field, but the people in our industry handled the situation well, and made sure service continued at all levels.

The second-biggest challenge of the year might have been a historic ice storm that ravaged through the state in October. Because the storm hit earlier than usual ice storms – at a time when leaves were still on the trees – the damage done to branches being pulled into electric lines was catastrophic. Hundreds of outages blanketed the state, and crews were called to assist from around the region. Comparatively, Public Power did quite well in its restoration efforts, getting most issues resolved within a few days, if not earlier. The combined efforts of our valuable line workers through the mutual aid program were the driving force behind this challenge being met.

Leadership on the Board of Directors level can be a crucial instrument for a joint-action agency like OMPA, and the Authority found itself looking for a new leader after long-time Board member and Chairman Robert Johnston resigned to accept a position in a non-Public Power community. The Board quickly chose Ponca City Mayor Homer Nicholson as the replacement. Nicholson had previously served as Vice Chair and had been on the Board for 12 years. The Authority is fortunate to have a deep pool of leaders to choose from when there is a vacancy and looks forward to Chairman Nicholson's guidance.

The generation portfolio for OMPA is a challenge that doesn't rest, as planning for future generation is a process that must begin years in advance. The Authority has strived to have a diverse portfolio that will allow it to be flexible, as industry trends and political pressures change the landscape on an almost annual basis. In addition, OMPA was given

an extra obstacle when the Oklaunion Power Station, which the Authority had owned a share of since the 1980s, was recently shuttered. However, OMPA found a way to replace some of that lost generation in late 2020 when it signed a power-purchase agreement to receive generation from a yet-to-be-built solar farm in Kiowa County. The contract is for 120 megawatts and will be the first time in OMPA's history that it has solar power as part of its portfolio.

Other challenges have been met by OMPA and its member cities with regard to physical safety and cybersecurity, as new concerns lead to new practices and protocols. Emerging technologies also meant that OMPA staff needed to make amendments to its popular programs and services, including the Competitive Utility Program and the rebate programs. Staff continues to do more to assist the cities with these, taking over customer surveys and rolling out online home audit software. Every move is made to meet growing customer expectations, as people continue to want more control over their energy choices.

The coming year will mark the 40th anniversary of the creation of OMPA, which organized as a solution to a problem for Oklahoma's Public Power utilities. It was an enormous undertaking and was never thought to be free of challenges. However, in those four decades, the Authority and its members have met challenges successfully thanks to careful planning and collaboration. 2020 was no different, and we intend to keep that resolute spirit in the coming years and decades as we strive to meet our stated purpose: to provide an adequate, reliable and affordable supply of electrical power and energy to Oklahoma's municipally owned electric systems.

Homer Nicholson

Dan W. Johnson

BOARD OF DIRECTORS



Homer Nicholson
Ponca City
Chairman



Jim Greff
Prague
Vice Chairman



Dale Bunn
Purcell
Secretary



Dave Slezigkey
Kingfisher
Treasurer



Gary Jones
Altus
Member



Kimberly Meek
Duncan
Member



Dixie Johnson
Perry
Member



Jason McPherson
Marlow
Member



Chuck Ralls
Comanche
Member



Dave Andren
Mangum
Member



Glen Fisher
Edmond
Member

Others who served during
2020 were:
Nick Massey, Edmond
Robert Johnston,
Frederick

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.

SEATING

..... A New Board Chairman

Homer Nicholson became the seventh chairman of the Oklahoma Municipal Power Authority's Board of Directors on Sept. 10.

The mayor of Ponca City, Nicholson had previously served as Vice Chair under Chairman Robert Johnston of Frederick, who stepped down to assume a new employment opportunity with a non-OMPA member.

Nicholson had served on the OMPA Board since December of 2008 and had been active at both the state and federal level in engaging legislators and educating them on the value of public power.

In addition to previously serving as the Vice Chair of the Board, he also was part of the Authority's Legislative Committee and, in 2016, was named to the American Public Power Association's (APPA) Policy Maker's Council.

Nicholson is an honoree of the Spence Vanderlinden Public Official Award, which is handed out by the APPA to elected officials who go above and beyond to contribute to the goals of the association. He also was inducted into the Oklahoma Hall of Fame for City and Town officials in 2016.

Johnston served as the Chairman of the Board for 21 months, after former Edmond Mayor Charles Lamb had filled the role for 17 years. Johnston accepted the city manager position at the City of Clinton.

OMPA is governed by its 11-member Board of Directors, who are elected by representatives of the members. The board is comprised of elected officials, city managers and others who are involved in the operating or governing of their electric systems. Board members serve staggered three-year terms, with one-third of them coming up for election each year.



Homer Nicholson is honored by the American Public Power Association

Board Chairman History

Ron Borbeau, Altus, 1981-81

A.L. Veltema, Walters, 1981-82

Michael Brown, Edmond, 1982-88

W. Charles Martin, Altus, 1988-2001

Charles Lamb, Edmond, 2001-2019

Robert Johnston, Frederick, 2019-2020

Homer Nicholson, Ponca City, 2020-present

KEY PERSONNEL



Dave Osburn
*General
Manager*



Ellen Edwards
*General
Counsel*



John Vansant
*Director of Corporate
Services & CFO*



Jim McAvoy
*Director of
Engineering*



Melie Vincent
*Director of
Operations*



Jennifer Rogers
*Manager of Member
Services*



David Huff
*Plant
Manger*



Andrea Simmons
*Manager of HR &
Administration*



Ashley Stringer
*Compliance
Manager*

FINANCIALS

2020 Highlights

	2020	2019	2018	2017
Operating Revenues	\$172,237,780	\$182,766,469	\$190,822,265	\$187,610,105
Operating Expenses	\$152,391,278	\$154,676,446	\$159,499,596	\$156,192,297
Operating Income	\$19,846,502	\$28,090,023	\$31,322,669	\$31,417,808
Net Interest Expense	\$25,042,219	\$26,266,209	\$27,587,845	\$28,881,200
Other Income and Expenses (net)	\$5,438,890	\$2,605,706	(\$2,063,897)	(\$1,609,394)
Increase/Decrease in Net Position	\$243,173	\$4,429,520	\$1,670,927	\$927,214

MEMBERS

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

In 2020, OMPA provided power to 118,051 customers in its member cities, including 102,406 residential customers and 15,644 commercial/industrial customers. OMPA's service area encompasses approximately 250,000 Oklahomans.

Members

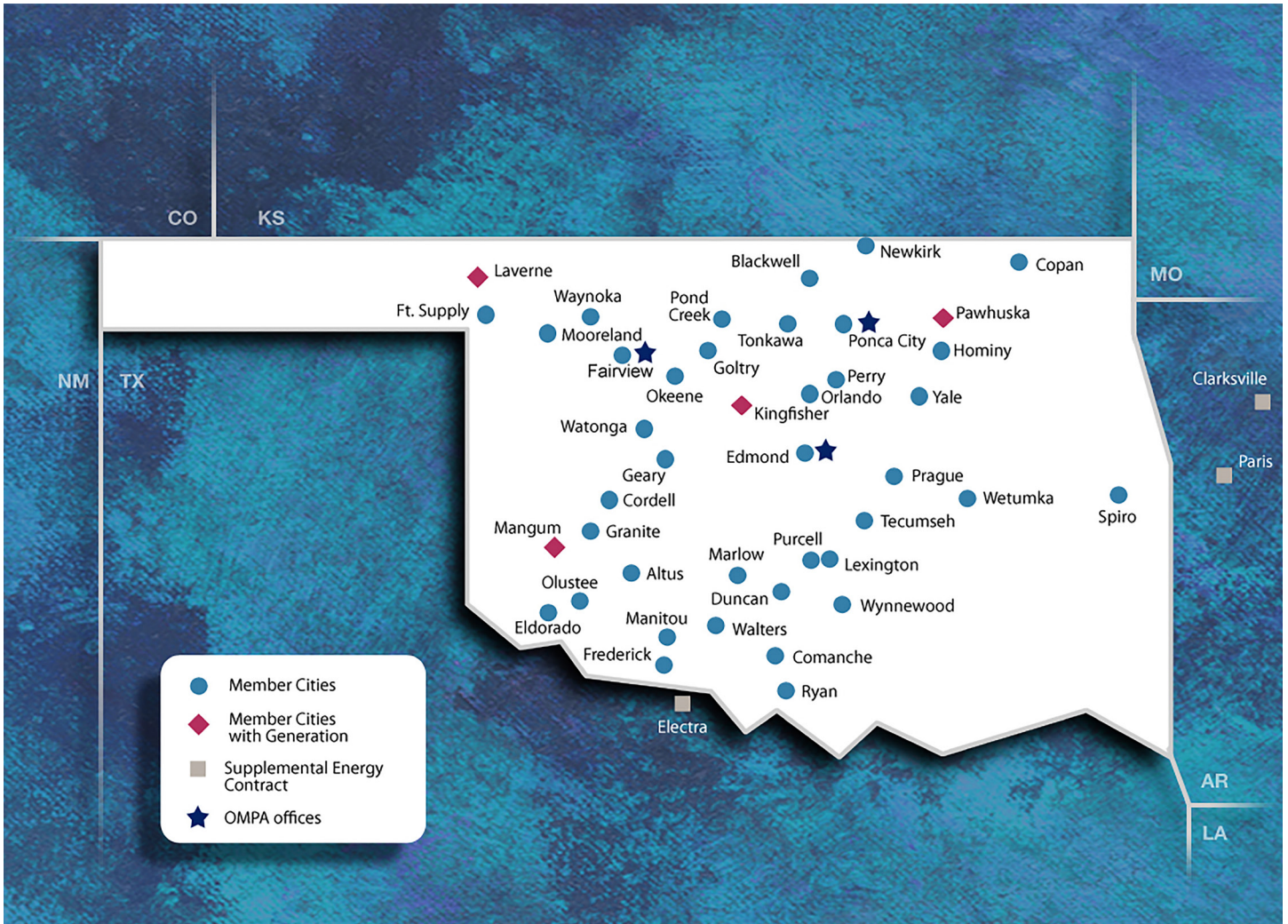
Altus Municipal Authority
Blackwell Municipal Authority
*Comanche Public Works Authority**
*Copan Public Works Authority**
*Duncan Public Utilities Authority**
Edmond Public Works Authority
*Eldorado Public Works Authority**

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 (AR) Light & Water Company
Electra (TX) Utility Authority
Paris (AR) Municipal Light & Water



WELCOMING

A New City



Recent Additions

Town of Orlando,
2011

City of Watonga,
2011

Town of Mooreland,
2015

Town of Fort
Supply, 2015

City of New Cordell,
2015

City of Lindsay,
2020

The City of Lindsay signed a contract to become the 43rd member to receive power from the Oklahoma Municipal Power Authority (OMPA) at the Board of Directors Meeting in February of 2020.

Located in Garvin County, 50 miles south of Oklahoma City, Lindsay had a population count of 2,840 at the most recent census count. Nearby OMPA members include Marlow, Duncan and Comanche to the southwest, Purcell and Lexington to the northeast, and Wynnewood to the southeast.

Lindsay was the fourth new city or town to join OMPA's power supply in the last five years. Mooreland, Fort Supply and Cordell all recently joined, as well.

Lindsay had always been a member with an Elector. The city will retain that Elector, in addition to now receiving power from the Authority.

OMPA was originally created by the Oklahoma State Legislature in 1981 and began serving power in 1985. There were 26 original members the first year, and the membership grew by another six cities and towns the following year.

The Authority now claims as members 43 of the 62 Public Power communities in the state. It also serves three non-Oklahoma utilities.

Lindsay is led by a five-person council with both a mayor and vice mayor. It changed from a town to the City of Lindsay in 1947, after being founded in the early 20th century.

The city will begin receiving power from OMPA in 2025.

GENERATION

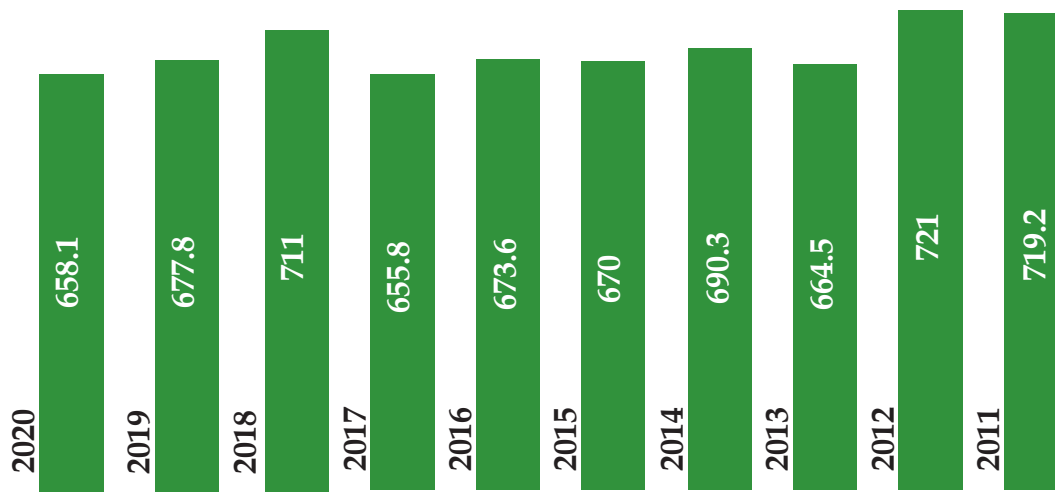
Resource Mix

Natural gas continued in 2020 to be the primary power resource for OMPA at 48 percent of the portfolio.

Renewables grew to an all-time high for the second consecutive year, this time at 28 percent.



Energy is listed in megawatts



System-Wide Peak

OMPA's coincident peak for utilities served in Oklahoma only was 658.1 megawatts in 2020.

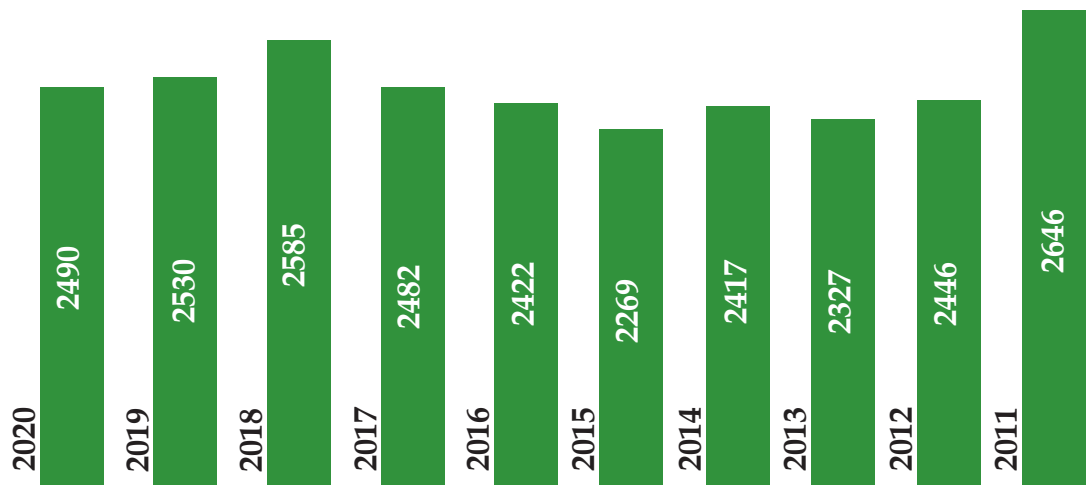
The high peak for the previous 10 years was 721 megawatts in 2012.

Energy is listed in gigawatts

Power Delivered

OMPA's total power delivered in 2020 was 2,490 gigawatts, which was a small decrease from 2019, and 156 gigawatts below the 10-year high of 2,646 in 2011.

In all, 24,614 gigawatts of power have been delivered in the last 10 years.



DIVERSIFYING

The Portfolio

Top-Producing Plants In 2020

(percent of portfolio)

23, Redbud (gas)

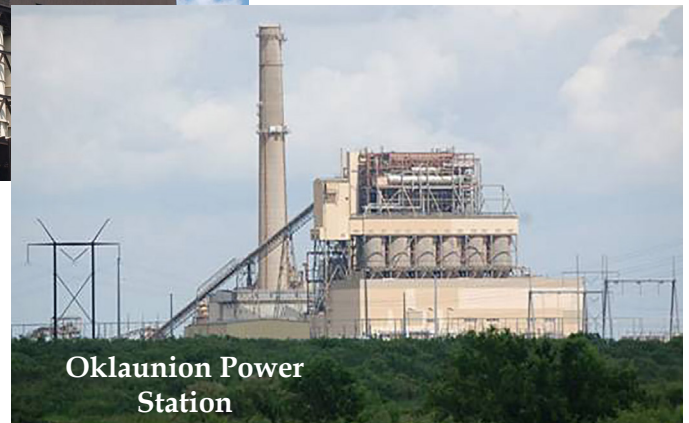
21, McClain (gas)

6, Turk (coal)

5, Canadian Hills
(wind)

4, Grant Plains
(wind)

4, Sooner (wind)



The generation mix for the Oklahoma Municipal Power Authority has experienced much change in recent years, but perhaps none more so than 2020.

Most of the changes weren't felt immediately, as the most notable decisions had to do with future planning. Majority owners made the decision to close three different plants in which OMPA was a part-owner, while the Authority also reached a deal to replace some of that generation with its first ever solar power.

The Oklaunion Power Station, which OMPA had owned an 80-megawatt share, ceased operations in the fall of 2020. The Vernon, Tex., plant had been part of the resource mix since 1986.

Majority owners also voted to retire two lignite-fueled plants: Dolet Hills in Desoto Parish, La., and Henry W. Pirkey in Hallsville, Tex. The Authority's share of those plants is 25 megawatts and 16 megawatts, respectively. Dolet Hills is expected to cease operations in 2021, while the initial plan for Pirkey is a retirement in 2023.

In the final days of 2020, the Authority executed a power purchase agreement for 120 megawatts of power from a yet-to-be-built solar farm. The farm is slated to be built on 1,100 acres in Kiowa County in southwest Oklahoma, near OMPA members Altus, Mangum, Granite and New Cordell.

The farm's developer is Recurrent Energy, which has been behind several utility-scale solar projects in recent years, including a 266-megawatt facility in Tom Green County, Tex., and another 222-megawatt project in Pecos County, Tex.

The addition of solar promises to increase OMPA's renewables to an even larger degree. They were already at a new high of 28 percent of the portfolio, after being 26 percent in 2019. That's a notable increase from just a few years earlier, when they were 16 percent in 2016. They include wind, hydro and landfill-to-gas power.

Coal has seen the largest decline as a percentage of the resource mix. Once the largest part of the portfolio, it was 13 percent in 2020 and is forecasted to be 7-9 percent in coming years, after the closure of plants.

KEEPING

.....The Lights On



Three members of OMPA's Field Services Department don masks during COVID-19

Oklahoma municipal utilities embarked on a large-scale restoration effort after a historic ice storm caused widespread outages the week of October 26-31.

State-wide, more than 300,000 customers lost power in the first 24 hours of the storm, due mainly to fallen trees. Utilities in Oklahoma typically employ tree-trimming programs to avoid such disasters, but this storm came earlier in the year than normal and dumped several inches of ice onto trees that still hadn't lost their leaves, thus impacting trees that had sustained decades worth of winters.

The state's municipal utilities deployed their mutual aid program to get customers back online, as crews from around the state answered the call for assistance, as well as crews from utilities in Arkansas, Kansas and Missouri.

Fourteen of the Oklahoma Municipal Power Authority's (OMPA) 42 members suffered outages in the first day of the storm, while another 15 experienced outages in the following days, impacting thousands of customers. One municipal utility with just less than 16,000 customers had 260 different individual outages on the second day of the storm.

Several of the outages OMPA members saw lasted days, some the entire week, due to the extensive damage



sustained from the fallen trees. However, all OMPA members had power restored by Monday, November 2, with a few remaining service drop issues.

South Line Crew

The OMPA Field Services Department found a home for its new southern crew during 2020. The office will be placed in member city Marlow, in close proximity to other members in Duncan and Comanche. A supervisor was also hired for the crew, which will serve a variety of cities and towns in that region of the state and expands OMPA's ability to respond to emergencies anywhere.

The original crew was formed in 2015 and is housed in Fairview. Only five members were part of the first pool being served, but that number quickly grew to beyond a dozen. The Board of Directors for the Authority decided in 2019 that it was time to expand to another part of the state, and gave staff the go-ahead to form a southern crew.



Above, workers at Ponca City Energy work to restore power after the October storm. At left and right is damage in Kingfisher and Edmond.

PREPARING

.....For New Technology



An electric vehicle that is part of the OMPA fleet charges at a commercial station newly installed in Edmond

A key component of the modern-day electric utility has become keeping up with technological trends that impact daily operations. In 2020, many OMPA member utilities, working with Authority staff, began to implement policies for that.

By the end of the year a total of 31 cities and towns had passed an amendment to the power sales contract that allows them to approve policies for behind the meter generation. Accompanying policies include determining a customer charge for distributed generation customers, determining a rate for purchasing excess power, crafting safety standards for a distribution grid with distributed generation on it and more. These policies are expected to become more necessary in the coming years, as interest in rooftop solar power increases.

Also in 2020, some OMPA members saw commercial charging stations for electric vehicles installed for the first time. These stations needed to be placed in a way that would not cause complications for the local grid, and utilities worked with staff to also research ways to prevent commercial stations for impacting peak. The “OMPA Electric Vehicle Guidebook” was created to provide an update on the newest trends in electric vehicles and their many types, as well as charging-station options cities and towns can analyze. In addition, it contains thoughts on municipal rate structures for those charging stations, codes, fees, layouts, network management and examples of permits and other requirements.

Finally, 18 OMPA members opted to provide their customers with Apogee software. The platform assists customers with energy analysis tools to help them learn about ways to save energy and money in their home. Its Home Energy Advisor tool is a quick calculator that estimates energy use and costs of heating, cooling, water heating, refrigeration, lighting and appliances in the home. There are also Special Purpose Calculators, an Electric Vehicle Calculator, a Lighting Calculator, a Heat Pump Calculator and information on Phantom Loads.

PRIORITIZING

Safety

The Oklahoma Municipal Power Authority makes safety a priority, and it took on a completely different meaning in 2020.

When COVID-19 broke out in March, the Authority implemented a series of policies to help protect employees. Some of the policies were created quickly, but most of them had been put in place years earlier as part of a plan.

Much travel to and from member cities was halted for employees, who also were given the choice to work from home. A new level of cleaning and sanitation was adopted routinely both at the Edmond office and the plants in Ponca City. Employees were required to wear masks and check in to have their temperature taken when they entered offices.

OMPA's safety has several layers. Cybersecurity is one of them, as the engineering department works to ensure that operations remain unaffected by attackers. Employees are also tested with practice phishing campaigns to keep them alert, and training on the topic is required for everyone.

Physical safety is also crucial, and the Authority was honored with a safety award by the American Public Power Association in March. The Safety Award of Excellence was awarded due to OMPA's safety practices in 2019. OMPA earned the first-place award in the category for utilities with 150,000 worker-hours of annual worker exposure.

OMPA Safety Principles

- Safety is a culture, not a program
- We believe all injuries are preventable
- When we see something, we say something and do something
- Safety is everyone's responsibility and management's accountability
- We value the safety of ourselves and others
- We report hazards and unsafe behavior to promote positive change
- We never compromise on safety

Staff films a contractor safety video at the substation in Perry



2020 Energy Efficiency Rebates

DEEP

26 projects
\$94,928 in rebates
619.34 kW reduction

WISE

48 projects
\$23,299 in rebates
89.36 kW reduction

WISE CEILING

26 projects
\$4,025 in rebates
24.06 kW reduction

Note: Due to COVID-19, no energy audits were performed in 2020

Our Local Power



The Our Local Power campaign, which was formed in the fall of 2018 to highlight the benefits of a municipal-owned utility to the community it serves, educates the public on issues like reinvestment, local control and reliable service.

OMPA members who go above and beyond to promote the campaign are awarded the honor of Our Local Power Champion. The award is handed out at the OMPA Annual Meeting. Winners of the award and the year they were honored include:

- 2019: Tonkawa
- 2020: Ponca City
- 2020: Perry

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DVD Button

