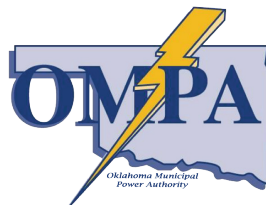


# Embracing The Change

## 2023 Annual Report



Oklahoma Municipal Power Authority



# INDEX

## 2022 Annual Report

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# HIGHLIGHTS FROM 2022



**March 10**

American Public Power Association (APPA) CEO Joy Ditto speaks at the Authority's Annual Meeting, updating members on the national industry

**May**

Board approves the establishment of a hot water rebate program as part of the long-standing Ways I Save Electricity (W.I.S.E.) Program

**May**

Board adopts resolution establishing risk parameters in response to congestion hedging requirements in the Southwest Power Pool

**June**

OMPA General Manager Dave Osburn receives the Mark Crisson Leadership and Managerial Excellence Award at the American Public Power Association's National Conference



**June**

OMPA staff completes its first-ever Business Plan, providing a defined guide for the Authority as it plans for future generating resources and other industry changes

**August 10**

Gov. Kevin Stitt holds a signing ceremony for several OMPA-related bills, including legislation related to the utilities OMPA is eligible to serve power to, OMPA's ability to invest in nuclear projects and regulations regarding competitive bidding



**October 13**

OMPA Board of Directors approves new rider to rates meant to accompany large loads added to the system

# The Year In Review...



**General  
Manager**

**Dave  
Osburn**



**Board  
Chairman**

**Homer  
Nicholson**

We in the electric utility and wholesale power industry have grown accustomed to change and welcome coming developments as potential improvements. For many years, however, those industry changes happened over a long period of time and the window to respond to them was wide. More than ever, especially in 2022, it became apparent that the Oklahoma Municipal Power Authority and its members need to remain flexible, as the industry is no longer taking its time when implementing change.

OMPA spent the year preparing for the closure of a third generating plant in four years that the Authority had been co-owner of. The Pirkey Power Plant will cease operations in 2023, following the closure of the Dolet Hills Power Station in 2021 and the Oklaunion Power Plant in 2020. OMPA's combined share of the three plants was about 120 megawatts, but plans were quickly created to replace the lost generation, exemplifying the Authority's ability to pivot.

We are certainly not the only power supplier having to adjust. Over the summer, the Southwest Power Pool (SPP) Board of Directors approved an increase in the amount of reserve capacity power suppliers must have, upping it from 12 to 15 percent, with little time provided to meet the new policy. This comes at the same time as a change to accreditation policies that may impact the capacity credit of OMPA assets. The combined policies have left many power suppliers scrambling to add new capacity. As it currently stands, OMPA appears poised to be able to meet the new regulations, but they have altered the way in which staff and the Board are viewing future generation planning.

All of this is coming at a time of continued demand. The Authority witnessed an increase in system-wide peak demand to 737 megawatts in 2022, which was the highest peak of the most-recent decade. The SPP reflected similar demand, hitting an all-time peak for the region several times throughout the year, topping out on July 19 and then hitting an all-time peak for winter load in December.

OMPA took an extra step in preparing to meet challenges by crafting its first-ever

Business Plan in 2022. The Authority had been assembling a strategic plan on an annual basis, but the Business Plan provides a much-more detailed and thorough road map of where OMPA is headed. The hope is that it will establish a process for items like the decommissioning of aging plants, building healthy reserve funds, generating working capital to meet annual needs and reviewing the programs and services offered to members. All of these issues are always discussed in detail over several days at the annual Board Retreat, as well, which provides another layer of input and perspective.

Another noteworthy part of 2022 when it comes to adaptation was the successful passage of several bills in the Oklahoma legislature related to OMPA. Among them includes an amendment to the legislation that created the Authority, allowing it to sell power to municipal utilities that weren't in existence at the time of OMPA's creation. Another piece of legislation dealt with removing a prohibition against the Authority investing in nuclear generation projects. There is no direct plan to put these new abilities into play, but they are important with regard to future flexibility.

Of course, the OMPA members also need flexibility to respond to changes. That is why the Authority continues to look for ways to



provide assistance. In 2022, another distribution engineer was hired to provide that assistance for the local systems, and staff continues to address more interest in the Field Services Department, which has expanded to include line crews in two separate parts of the state. A new rate class was created in finance and approved by the Board that allows members to better manage unusually large loads, such as those for bitcoin mining operations. And the rebate programs managed by Member Services continued to be updated to meet member needs, including the creation of a rebate programs for water hot tanks.

As our resource mix evolves, member city needs and those of their retail customers change, and new challenges develop, we will meet the future with our vision statement of “Powering Cities, Empowering People” at the forefront and embrace the changes that come our way.

*Homer Nicholson*

*Dan W. Johnson*

# BOARD OF DIRECTORS

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**Homer Nicholson**  
*Ponca City*  
Chairman



**Jim Greff**  
*Prague*  
Vice Chairman



**Dale Bunn**  
*Purcell*  
Treasurer



**Dave Slezigkey**  
*Kingfisher*  
Secretary



**Gary Jones**  
*Altus*  
Member



**Kimberly Meek**  
*Duncan*  
Member



**Dixie Johnson**  
*Perry*  
Member



**Jason McPherson**  
*Marlow*  
Member



**Chuck Ralls**  
*Comanche*  
Member



**Patty Witchey**  
*Laverne*  
Member



**Glen Fisher**  
*Edmond*  
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.

Dave Andren of Mangum also served on the Board of Directors in 2022.

# KEY PERSONNEL



**Dave Osburn**  
*General  
Manager*



**Ellen Edwards**  
*General  
Counsel*



**John Vansant**  
*Director of Corporate  
Services & CFO*



**Jim McAvoy**  
*Director of  
Engineering*



**Natasha Brown**  
*Director of  
Operations*



**Jennifer Rogers**  
*Director of Member  
Services*



**David Huff**  
*Plant  
Manger*



**Andrea Simmons**  
*Manager of HR &  
Administration*

# MEMBERSHIP

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

In 2022, OMPA provided power to 118,196 customers in its member cities, including 102,551 residential customers and 14,968 commercial/industrial customers. OMPA's service area encompasses approximately 250,000 Oklahomans.

## Members

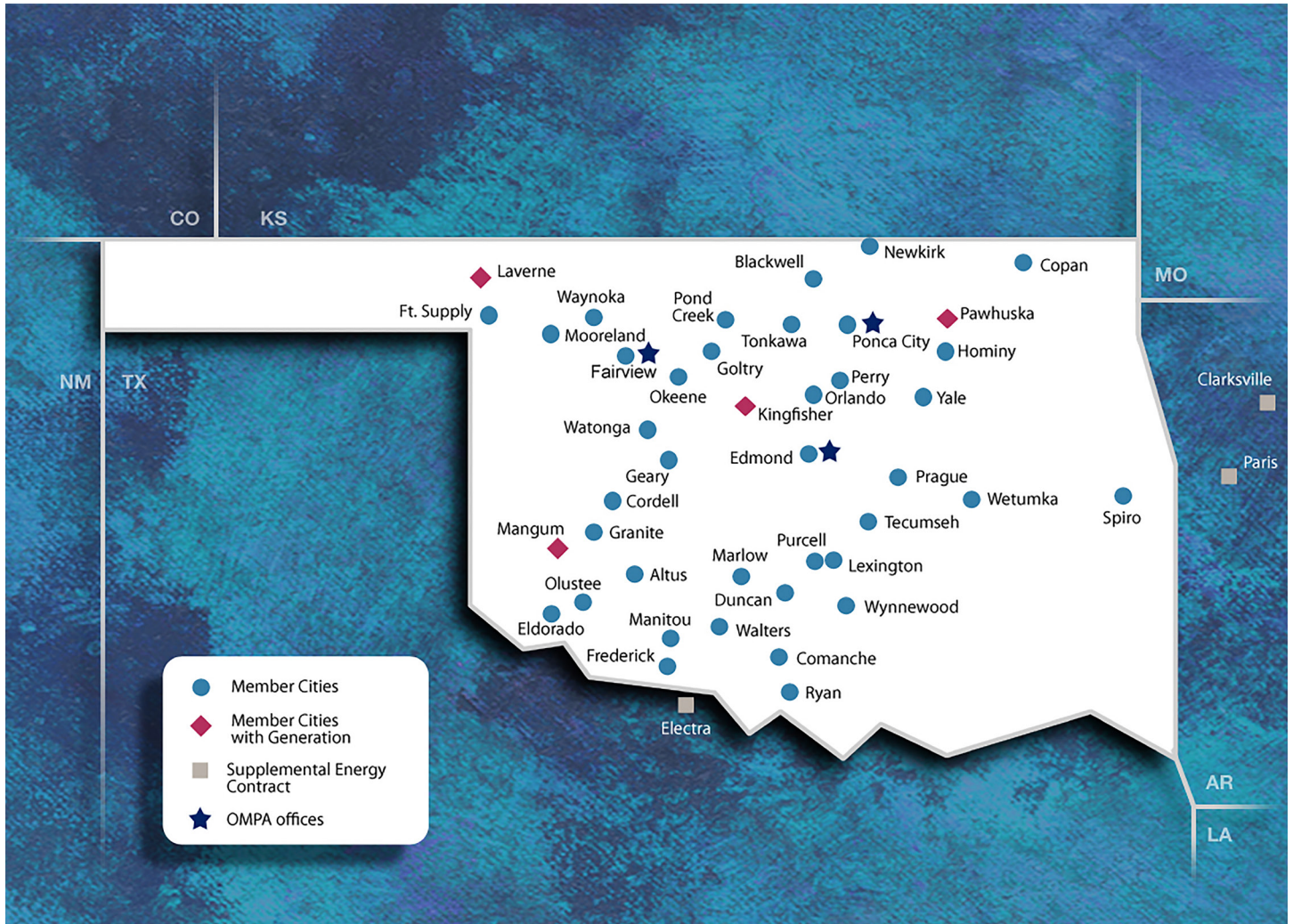
*Altus Municipal Authority*  
*Blackwell Municipal Authority*  
*Comanche Public Works Authority\**  
*Copan Public Works Authority\**  
*Duncan Public Utilities Authority\**  
*Edmond Public Works Authority*  
*Eldorado Public Works Authority\**

*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*





2022 Highlights

	2022	2021	2020	2019
<b>Operating Revenues</b>	\$220,623,253	\$191,825,632	\$172,237,780	\$182,766,469
<b>Operating Expenses</b>	\$198,606,747	\$168,497,987	\$152,391,278	\$154,676,446
<b>Operating Income</b>	\$22,018,506	\$23,327,645	\$19,846,502	\$28,090,023
<b>Net Interest Expense Bonds</b>	\$21,293,867	\$23,550,505	\$25,042,219	\$26,266,209
<b>Other Income and Expenses (net)</b>	(\$77,068)	\$487,433	\$5,438,890	\$2,605,706
<b>Increase/Decrease in Net Position</b>	\$647,571	\$264,573	\$243,173	\$4,429,520

# RESOURCES

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OMPA assets are both solely owned and operated, as well as joint ventures with other power suppliers. They include generation that uses natural gas and coal, hydro facilities, wind farms and even landfill-to-gas.

In recent years, the Authority’s resource mix has undergone significant changes. In addition to wind farms being added to the portfolio and the Authority’s Charles D. Lamb Center coming online, there have been a number of coal plants that have been retired and are in the process of being decommissioned. OMPA was part-owner of these plants, with a combined share of around 120 megawatts of capacity. The closures include the Oklaunion Power Plant in October of 2020, the

Dolet Hills Power Station in 2021 and the Pirkey Power Plant, slated for closure in April of 2023.

This has caused the percentage of coal in the Authority’s resource mix to plummet from 24 percent in 2018 to just 15 percent in 2022. Simultaneously, renewables have seen a growth as part of the resource mix, going from 18 to 27 percent.

Extra effort has also been made in recent years to provide weatherization for certain assets, including the McClain and Redbud natural gas plants the Authority is a co-owner of and the plant in Ponca City that OMPA operates.

## Power Supply



### Kaw

Location: Ponca City, OK  
OMPA share: 34 MW  
Type: Hydro



### Redbud

Location: Luther, OK  
OMPA share: 161 MW  
Type: Natural Gas



### Grant Plains

Location: Grant County, OK  
OMPA share: 41 MW  
Type: Wind



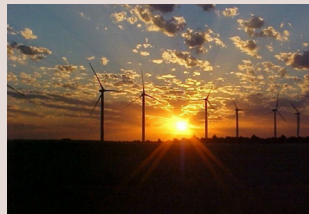
### Oneta

Location: Broken Arrow, OK  
OMPA share: 50 MW  
Type: Natural Gas



### McClain

Location: Newcastle  
OMPA share: 115 MW  
Type: Natural Gas



### OK Wind Center

Location: Woodward, OK  
OMPA share: 51 MW  
Type: Wind

## 2022 Generation By Plant

McClain	528.1 GWH	Kaw	31.1 GWH
Redbud	512.8 GWH	Landfill-To-Gas	16.2 GWH
Turk	253 GWH	Ponca City #4	11.1 GWH
Sooner Wind	178.1 GWH	Pirkey	8.7 GWH
Grant Plains	157.2 GWH	ONETA	4 GWH
CDLEC	137.3 GWH		
Canadian Hills	115.5 GWH	Pawhuska (city-owned)	0.3 GWH
GRDA	58 GWH	Laverne (city-owned)	0.2 GWH
PCRP	34.4 GWH	Kingfisher (city-owned)	0.1 GWH

## Power Supply



### Canadian Hills

Location: El Reno, OK  
OMPA share: 49 MW  
Type: Wind



### GRDA #2

Location: Chouteau, OK  
OMPA share: 19 MW  
Type: Coal



### Charles Lamb Center

Location: Ponca City, OK  
OMPA share: 103 MW  
Type: Natural Gas



### Ponca City

Location: Ponca City, OK  
OMPA share: 105 MW  
Type: Gas/Steam



### Landfill-to-Gas

Location: Sand Springs, OK  
OMPA share: 3 MW  
Type: Gas



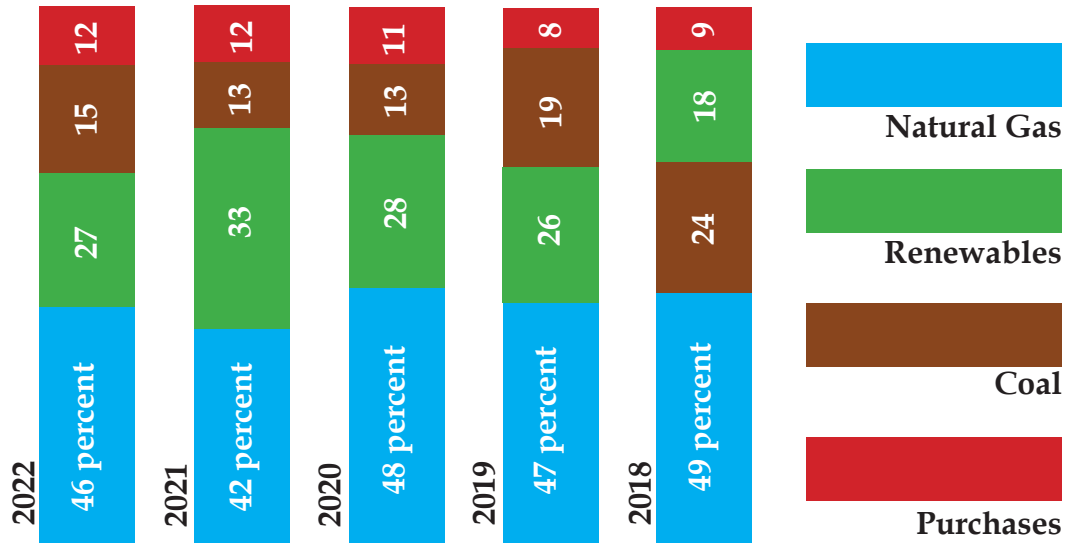
### John W. Turk Jr.

Location: Fulton, AR  
OMPA share: 42 MW  
Type: Coal

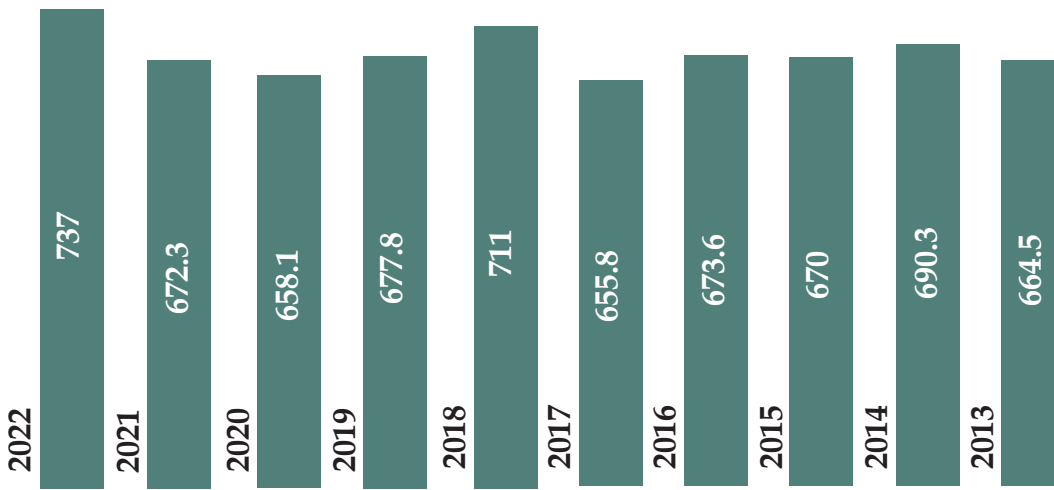
# GENERATION

## Resource Mix

Natural gas was the leading resource for the Authority in 2022 at 46 percent of the mix. Renewables decreased from an all-time high, but were still 27 percent.



Energy is listed in megawatts



## System-Wide Peak

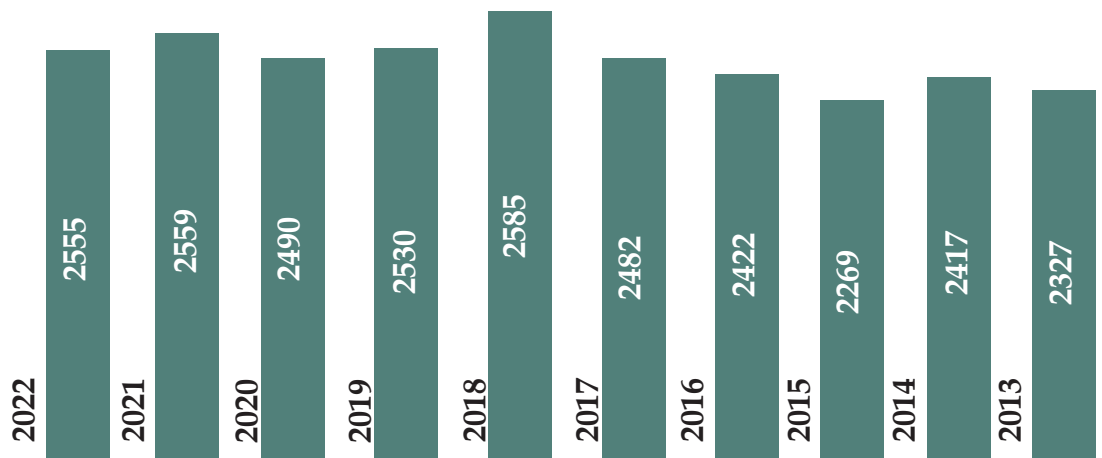
OMPA's coincident peak for utilities served in Oklahoma only was 736.9 megawatts in 2022.

It was the highest peak of the most recent decade.

## Energy Delivered

OMPA's total power delivered in 2022 was 2,555 gigawatt hours, which remained similar to recent years.

In all, 24,636 gigawatts of power have been delivered in the last 10 years.



Energy is listed in gigawatt hours

The Oklahoma Municipal Power Authority offers a series of rebate programs as a way to encourage member customers to be more energy efficient. These programs not only reduce power costs for the members, but also decrease the costs of generating projects that OMPA must invest in to meet demand.

The Ways I Save Electricity (W.I.S.E.) program gives customers the opportunity to receive rebates for heat pumps, ceiling insulation and hot water heaters that increase energy efficiency. It is a cost-share program,

with member utilities who choose to participate funding 50 percent of the rebates and OMPA sharing the other 50 percent.

The Demand & Energy Efficiency Program (DEEP) was set to incorporate new qualifications in 2023, but throughout 2022 remained a program that was reserved for OMPA member, governmental and public facilities.

OMPA also offers free residential energy audits to customers of members. It includes a blower door test, and infrared camera walk thru of the home.

## W.I.S.E. Heat Pump

Year	Projects	Rebates	kW Savings
2022	21	\$10,385	32.60
2021	38	\$17,326	62.62
2020	48	\$23,299	89.36

## W.I.S.E. Ceiling

Year	Projects	Rebates	kW Savings
2022	40	\$6,125	45.94
2021	35	\$5,025	38.27
2020	26	\$4,025	24.06

## DEEP

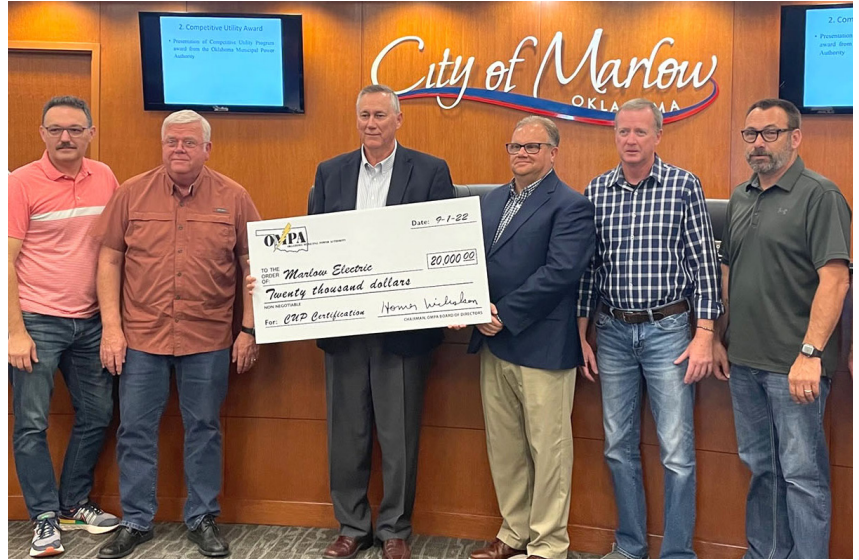
Year	Projects	Rebates	kW Savings
2022	5	\$74,377	493.66
2021	12	\$47,095	289.23
2020	26	\$94,928	619.34

## Energy Audits

Year	Audits Performed
2022	101
2021	51
2020	NA due to COVID-19

# RECOGNITIONS

The Competitive Utility Program (C.U.P.) was created by the OMPA Board of Directors as a way to incentivize member utilities to use best practices. The program provides two types of rewards: recognition in the form of certification and financial awards. In 2022, these members were recognized for their efforts in CUP: Laverne, Ponca City, Comanche, Tonkawa, Ft. Supply, Okeene, Perry, Edmond, Altus, Goltry, Fairview, Olustee, Granite, Blackwell, Mooreland, Marlow, Purcell, Tecumseh, Pond Creek and Frederick.



The Our Local Power campaign began in 2018 as a way for Public Power utilities in Oklahoma to brand themselves as a benefit to their community. Each year, OMPA hands out an Our Local Power Champion award to the utility that puts extra effort into promoting Our Local Power. In 2022, it was the City of Tecumseh.

OMPA General Manager Dave Osburn was honored by the American Public Power Association with the Mark Crisson Leadership and Managerial Excellence Award at the association's National Conference. Board Member Chuck Ralls from Comanche also was honored with the 7 Hats Award, given to those in their community who handle a range of duties at their utilities.





