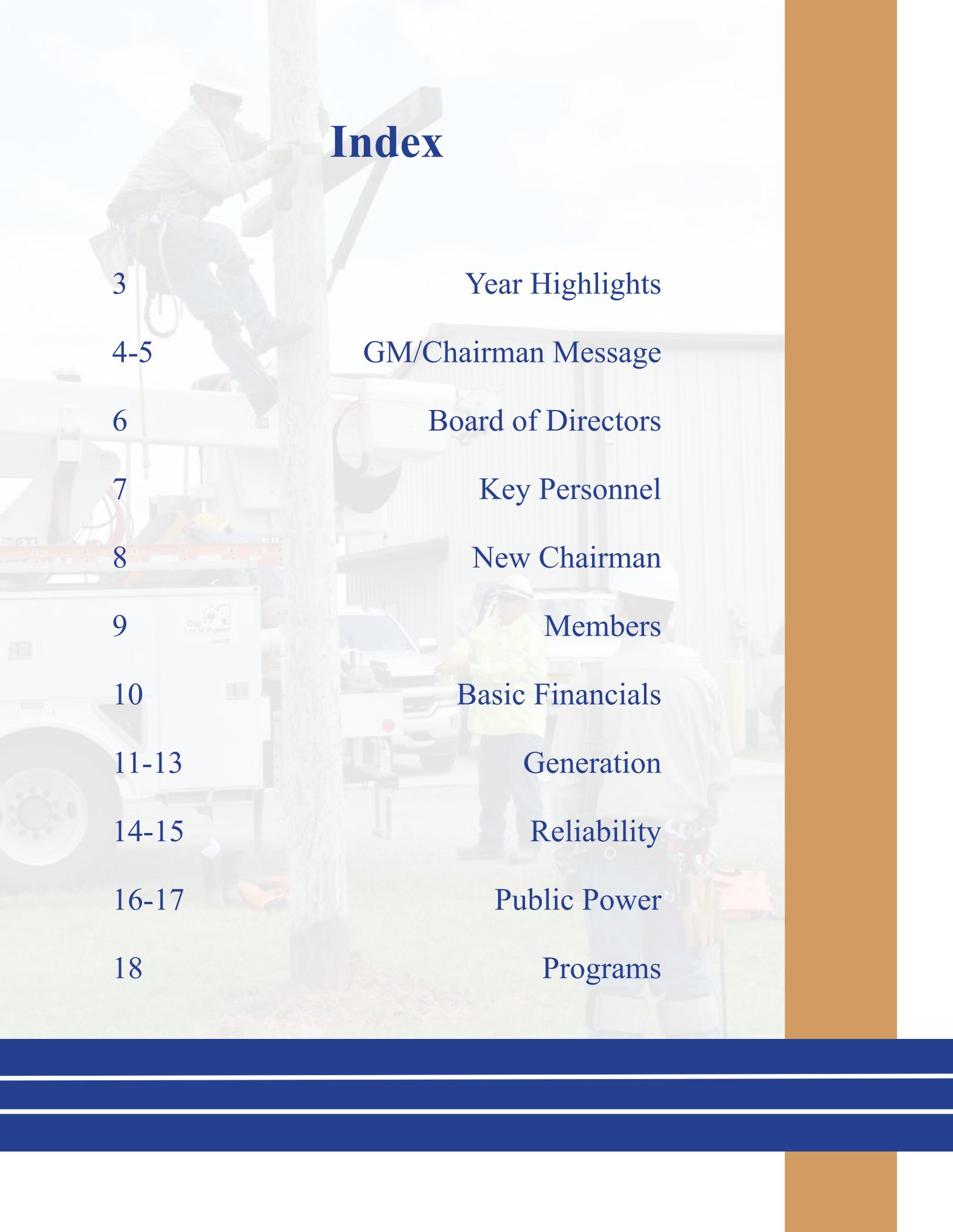


A Resilient Future



**Oklahoma Municipal
Power Authority**
2019 Annual Report



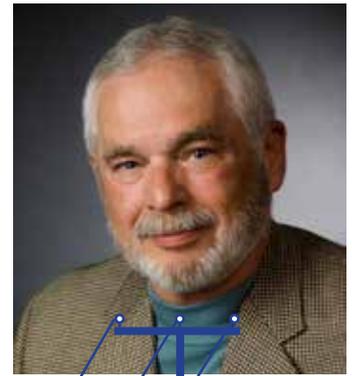
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Highlights

January 10, 2019

Board of Directors approves Robert Johnston of Frederick as Board Chairman, Homer Nicholson of Ponca City as Vice Chairman and Dale Bunn of Purcell as Secretary



March 14, 2019

OMPA holds Annual Meeting in the spring for the first time, using an expanded format with educational outbreak sessions



March 14, 2019

Board approves the naming of its APPA Scholarship after long-time chairman Charles Lamb

April 11, 2019

Staff instructed to move forward with expanding the OMPA linecrew so that a location is established in the southern part of the state

May, 2019

OMPA issues Request For Proposal for utility-scale solar project

August 1, 2019

Substation in Perry named after former councilman Earl Dean Hicks

October 10, 2019

Staff announces that a rate decrease is expected for 2020 for all members

November 14, 2019

The Board approves the hiring of Ellen Edwards as new General Counsel, upon the retirement of Randy Elliott



A Message From



**Board Chairman
Robert Johnston**



**General Manger
Dave Osburn**

The theme for the 2019 Annual Report is “A Resilient Future”. It is a reflection of the decisions made by the Oklahoma Municipal Power Authority and its members throughout the year to ensure they remain successful now and into the future.

Resiliency is a popular power industry term, typically used in reference to the sustainability of the grid. For OMPA and its members, it goes well beyond just that. It means researching, educating and communicating about how trends in the industry could impact all of us, as well as responding to unexpected structural challenges.

That first challenge came right away in 2019 with the sudden need to elect a new Chairman for the Board of Directors after the unexpected passing of Charles D. Lamb. That was a challenge because Lamb had been a mainstay for the Authority, the longest-serving

Chairman in the Board’s history and a member of the Board for 25 years. OMPA had already honored him by making him the namesake of its new natural gas plant in Kaw County, and extended another honor by using the Annual Meeting to name its APPA National Meeting scholarship after him.

Robert Johnston from Frederick was chosen to be the next Chairman, and immediately set to work making sure the Authority stayed on the path Lamb had put them on. Johnston had previously served as Vice Chair and had been on the Board for 15 years.

For the first time, the Annual Meeting was held in the spring, instead of the fall. In addition to moving its time slot, it was also expanded to include educational break-out sessions. These included presentations on Advanced Metering Infrastructure (AMI), as

well as electric vehicle technology. These are technologies that can be a benefit to the OMPA members moving forward, but to do so, they need to be prepared to handle them.

Other educational sessions were held throughout the year, including an elected officials meeting at OMPA, a meeting on rate design at OMPA and the annual legislative luncheon in Oklahoma City. Staff also stayed busy at city council and civic club meetings in member communities, providing educational outreach.

Nothing says preparing for the future more than changes in the power portfolio. On that front, the Authority issued a Request for Proposal for a utility-scale solar project. The project-proposal response was enthusiastic, and OMPA hopes to soon have solar power as part of the portfolio for the first time. This would further increase the renewable percentage of the Authority's resource mix, which was already at a record-high 26 percent in 2019. In addition, on the first day of 2020, OMPA began receiving power from the Grant Plains Wind Farm in northern Oklahoma. OMPA will receive 40 megawatts of the project's 147-megawatt capacity.

Resiliency does, of course, still pertain to the grid, especially the local distribution systems. That is why the OMPA line crew was created in 2016, as a way to assist members

who were very challenged to find and retain qualified people to work on their systems. This crew was important enough for the Board to take a look at expansion, which they voted to do at the annual retreat. The hope is that a crew will be assembled to assist the southern part of the state, in addition to the current line crew in the northwest.

In its 25th year, changes also came to the popular Competitive Utility Program (CUP). This is a best-practices program that awards members who meet certain standards with a \$20,000 annual check and possible points off the electric bills in the winter. The program was due a remodel, and several parts were revamped by the program's committee and later approved by the Board. The most notable of these is a tiered awards program that hopefully will allow more members to become certified.

We were pleased to be able to finish the year by announcing to the members that we expected wholesale power rates to decrease in 2020. This is just one of the benefits of being a cost-of-service organization, and is proof that the Board of Directors is living up to its mission statement, which includes the desire to not only provide adequate and reliable power supply, but supply that is affordable, as well.

It was a successful year, and we look forward to our resilient future.

Robert B. Johnston *David W. Osburn*

Robert Johnston,
Board Chairman

David W. Osburn,
General Manager



BOARD OF DIRECTORS



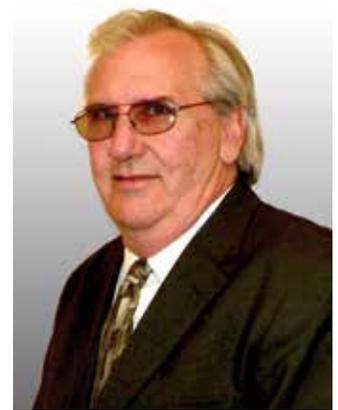
Robert Johnston
Frederick
Chairman



Homer Nicholson
Ponca City
Vice Chairman



Dale Bunn
Purcell
Secretary



Jim Greff
Prague
Treasurer



Gary Jones
Altus
Member



Kimberly Meek
Duncan
Member



Dixie Johnson
Perry
Member



Jason McPherson
Marlow
Member



Chuck Ralls
Comanche
Member



Dave Slezcicky
Kingfisher
Member



Nick Massey
Edmond
Member

Others who served during
2019 were:

Warren Porter Edmond
Janice Cain, Altus

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.

NEW BOARD CHAIRMAN

Chairman
Robert
Johnston

On Jan. 10, 2019, Robert Johnston of Frederick became the sixth Board of Directors Chairman in OMPA history.

His appointment was sudden, following the unexpected passing of Charles Lamb, who had been the Chairman since 2001, the longest tenure in OMPA Chairman history. Johnston himself had been on the Board since August of 2004 and had been in the role of Vice Chair.

“I am honored to be chosen by my peers for this position, and am eager to help lead an organization that is crucial to many cities and towns across Oklahoma,” Johnston said. “I hope to carry on the tradition of collaboration and important discussion that my predecessor set, always striving to do what is best for all of the membership.”

In addition to naming Johnston as Chairman, Homer Nicholson of Ponca City was also appointed Vice Chairman and Dale Bunn of Purcell as Secretary. Jim Greff of Prague remained Treasurer.

Well-known in municipal circles across Oklahoma, Johnston had been the City Manager at Frederick since 1993 and had worked for a city in some capacity for 36 years. He is a past president of the Oklahoma Municipal League and also served on the International City/County Management Association Executive Board. He received the Ray Duffy Personal Service Award from Municipal Electric Systems of Oklahoma in 2010, and was inducted into the Oklahoma Hall of Fame for City and Town Officials in 2013.

Johnston also received the 7 Hats Award from the American Public Power Association in 2016, which recognizes utility managers who take on a variety of responsibilities well beyond those of a larger system with a larger staff.

“I want to congratulate Robert on being elected as Board Chair,” OMPA General Manager Dave Osburn said. “His many years on the OMPA board, including serving as Vice Chair, have prepared him well for this new role. I look forward to working with him as we continue to move OMPA forward in serving our member cities.”



OMPA Board Chairmen

- * 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-present

KEY PERSONNEL



This publication is issued by the Oklahoma Municipal Power Authority as authorized by the OMPA General Manager. 200 copies have been prepared and distributed at a cost of \$780 [74 O.S. § 3105 (B)]



Dave Osburn
General Manager



Randy Elliott
General Counsel



John Vasant
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

MEMBERS

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

In 2019, OMPA provided power to 117,390 customers in its member cities, including 101,820 residential customers and 15,570 commercial/industrial customers. OMPA's service area encompasses approximately 250,000 Oklahomans.

Members

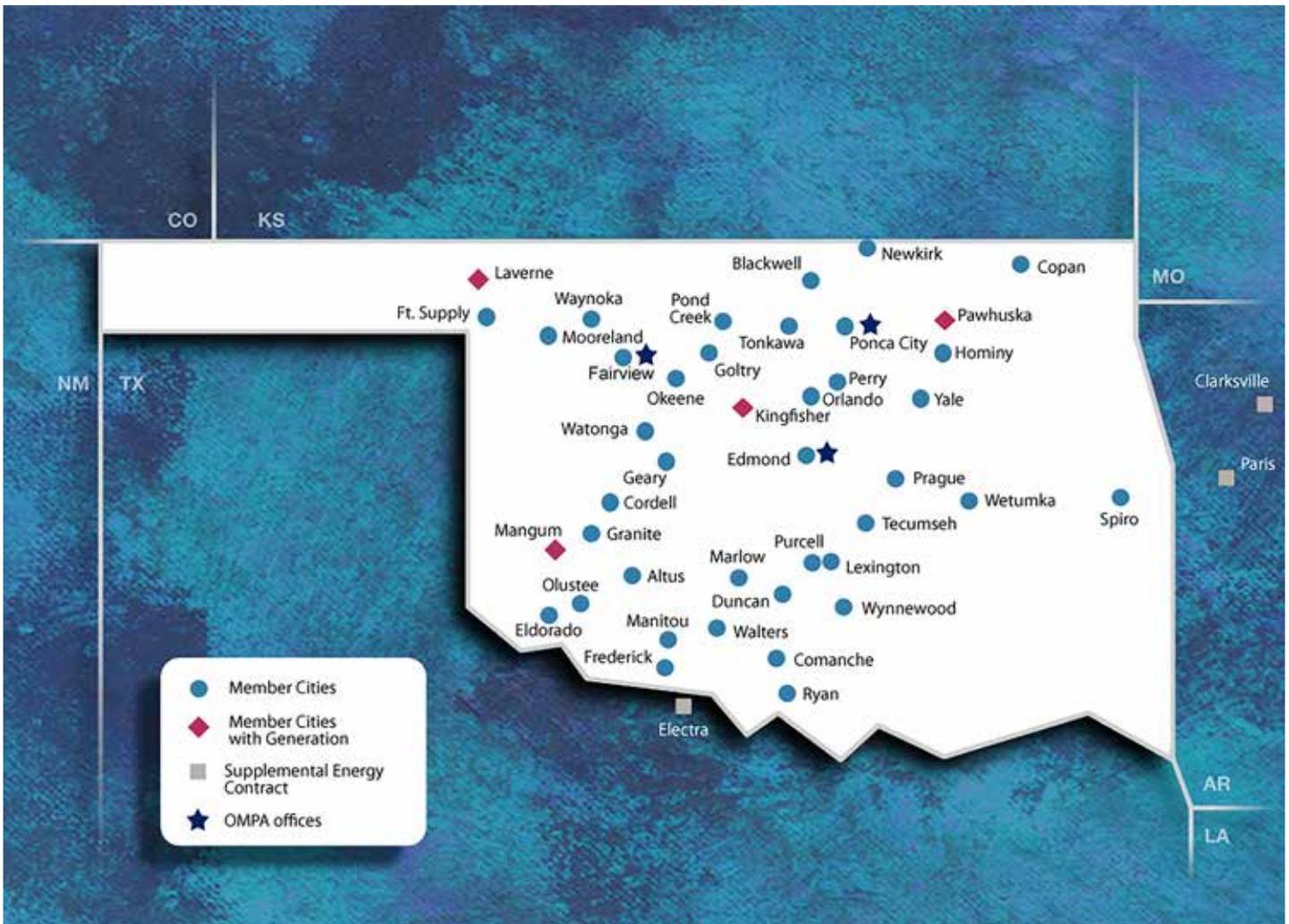
Altus Municipal Authority
Blackwell Municipal Authority
*Comanche Public Works Authority**
*Copan Public Works Authority**
*Duncan Public Utilities Authority**
Edmond Public Works Authority
*Eldorado Public Works Authority**

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



FINANCIALS

2019 Highlights

	2019	2018	2017	2016
Operating Revenues	\$182,766,469	\$190,822,265	\$187,610,105	\$184,783,987
Operating Expenses	\$154,676,446	\$159,499,596	\$156,192,297	\$156,618,344
Operating Income	\$28,090,023	\$31,322,669	\$31,417,808	\$28,165,643
Net Interest Expense	\$26,266,209	\$27,587,845	\$28,881,200	\$28,169,959
Other Income and Expenses (net)	\$2,605,706	(\$2,063,897)	(\$1,609,394)	\$306,652
Increase/Decrease in Net Position	\$4,429,520	\$1,670,927	\$927,214	\$302,336

GENERATION

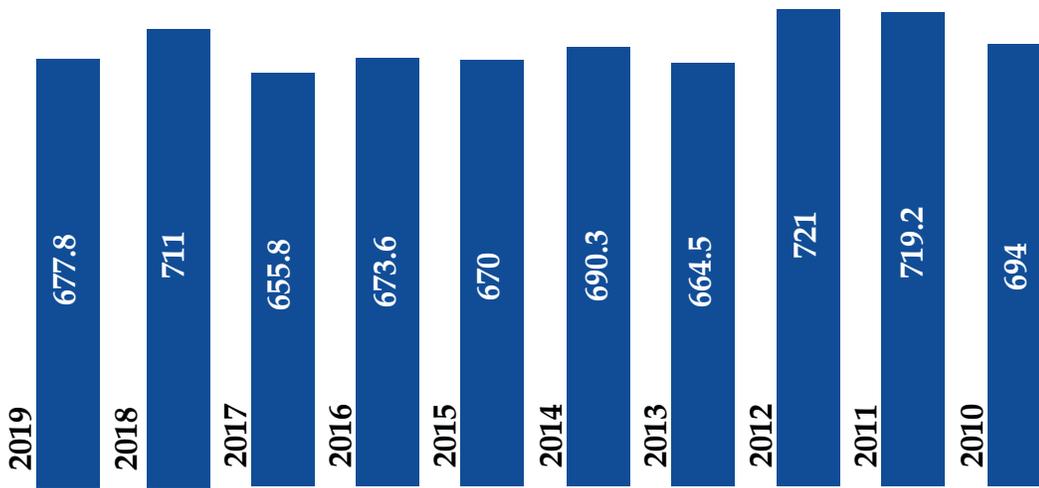
Resource Mix

Natural gas continued in 2019 to be the primary power resource for OMPA at 47 percent of the portfolio.

Renewables grew to an all-time high of 26 percent of the portfolio.



Energy is listed in megawatts



System-Wide Peak

OMPA's coincident peak for utilities served in Oklahoma only was 677.87 megawatts in 2019.

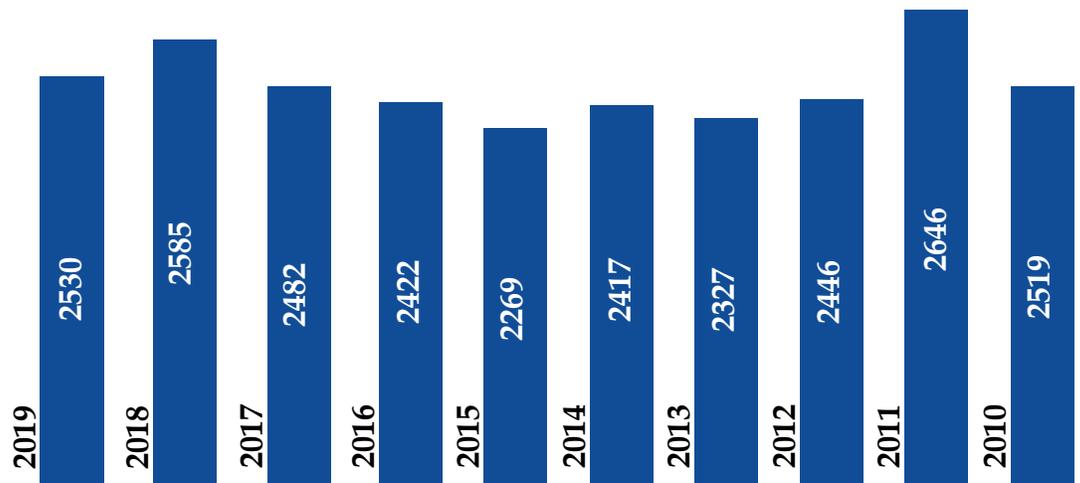
This was close to the 10-year average of 687.7 megawatts per year the last decade.

The Authority did not add any members in 2019.

Power Delivered

OMPA's total power delivered in 2019 was 2,530 gigawatts, which was a small decrease from 2018, and 116 gigawatts below the 10-year high of 2,646 in 2011.

In all, 24,643 gigawatts of power have been delivered in the last 10 years.



Energy is listed in gigawatts

GENERATION

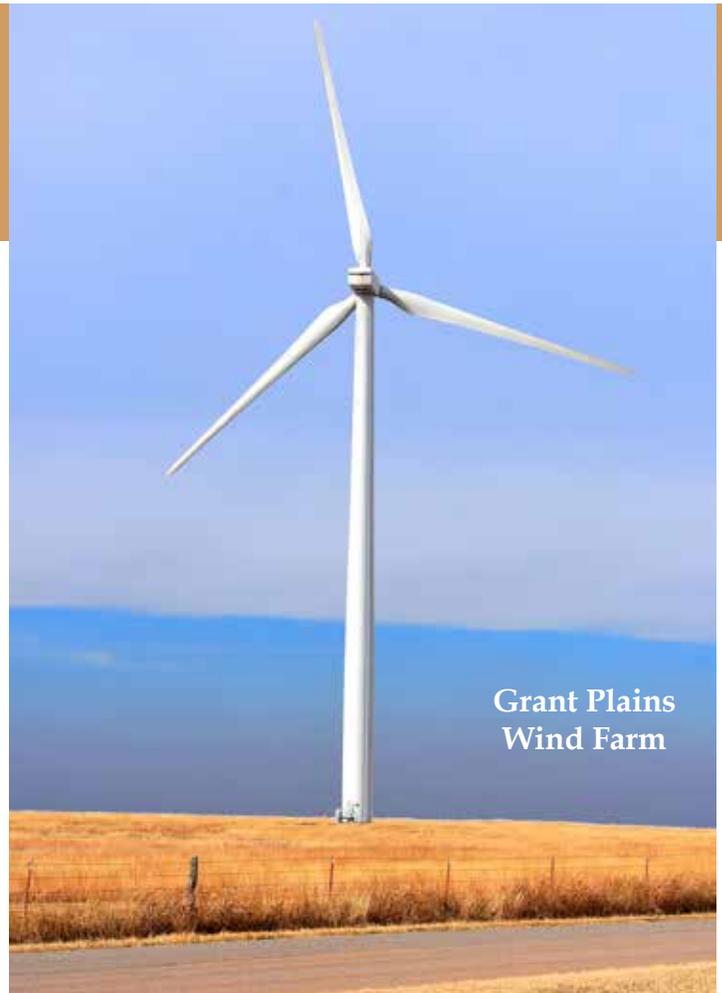
The Oklahoma Municipal Power Authority not only received an all-time high percent of its power from renewable energy in 2019, it appears the percentage will only go forward.

The Authority owns a 51-megawatt share of energy from the Oklahoma Wind Energy Center, and 49 megawatts from the Canadian Hills Wind Farm. In addition, the OMPA-owned-and-operated Kaw Hydro facility is 29 megawatts, and another 3 megawatts are produced by a landfill to gas plant in Sand Springs, OK.

Combined, that allowed OMPA to get 26 percent of its power from renewable sources in 2019.

That percentage promises to rise because, at the end of the year, OMPA began receiving power from the Grant Plains Wind Farm. That agreement calls for the Authority to acquire 40 megawatts from the 147-megawatt project, which was constructed in 2016 by Apex Clean Energy in northern Oklahoma.

In addition, late in 2019, OMPA



Grant Plains
Wind Farm

announced a request for proposal for a utility-scale solar project. If the Authority enters into an agreement with a vendor, this will be the first time for OMPA to invest in solar energy.



Grant Plains Wind Farm

At the same time, other energy sources are on their way from being removed from the OMPA resource mix. In September, the owners of the Oklaunion Power Plant in Vernon, Tex., voted to cease operations of the facility by October, 2020. OMPA voted against the plant's closing. Since 1986, the Authority has had a 12 percent – or 80-megawatt – ownership share in the coal plant.

Member cities continued throughout 2019 to implement distributed generation policies, due to customers wanting to install solar panels. OMPA member cities are all part of a “full requirements” contract, which means that they must receive all of their power from The Authority, with the only exception being the 16 cities that had Southwestern Power Administration (SWPA) hydro allocations at the time they joined OMPA.

To allow cities and towns to purchase their customers' excess solar power, the OMPA Board of Directors approved an amendment to the power sales contract, allowing members to get 1 percent of their peak from another source. In 2019, the Authority began discussing amending that policy even further, and expects to take it up in 2020.

Members With SWPA Allocations

Copan
 Hominy
 Yale
 Goltry
 Wetumka
 Spiro
 Purcell
 Lexington
 Ryan
 Comanche
 Duncan
 Walters
 Manitou
 Granite
 Olustee
 Eldorado

Power Supply

Kaw (hydro)

Location: Ponca City, OK
 OMPA share: 29 megawatts



GRDA #2 (coal)

Location: Chouteau, OK
 OMPA share: 20 megawatts



PCRP (gas/steam)

Location: Ponca City, OK
 OMPA share: 62 megawatts



Grant Plains (wind)

Location: Grant County, OK
 OMPA share: 40 megawatts



John W. Turk Jr. (coal)

Location: Fulton, AR
 OMPA share: 43 megawatts



McClain (natural gas)

Location: Newcastle
 OMPA share: 118 megawatts



Canadian Hills (wind)

Location: El Reno, OK
 OMPA share: 49 megawatts

Redbud (natural gas)

Location: Luther, OK
 OMPA share: 155 megawatts



Charles Lamb Center

Location: Ponca City, OK
 OMPA share: 103 megawatts



Henry W. Pirkey (lignite)

Location: Hallsville, TX
 OMPA share: 16 megawatts



OK Wind Center

Location: Woodward, OK
 OMPA share: 51 megawatts

Dolet Hills (lignite)

Location: DeSoto Parish, LA
 OMPA share: 25 megawatts



Landfill-to-Gas

Location: Sand Springs, OK
 OMPA share: 3 megawatts



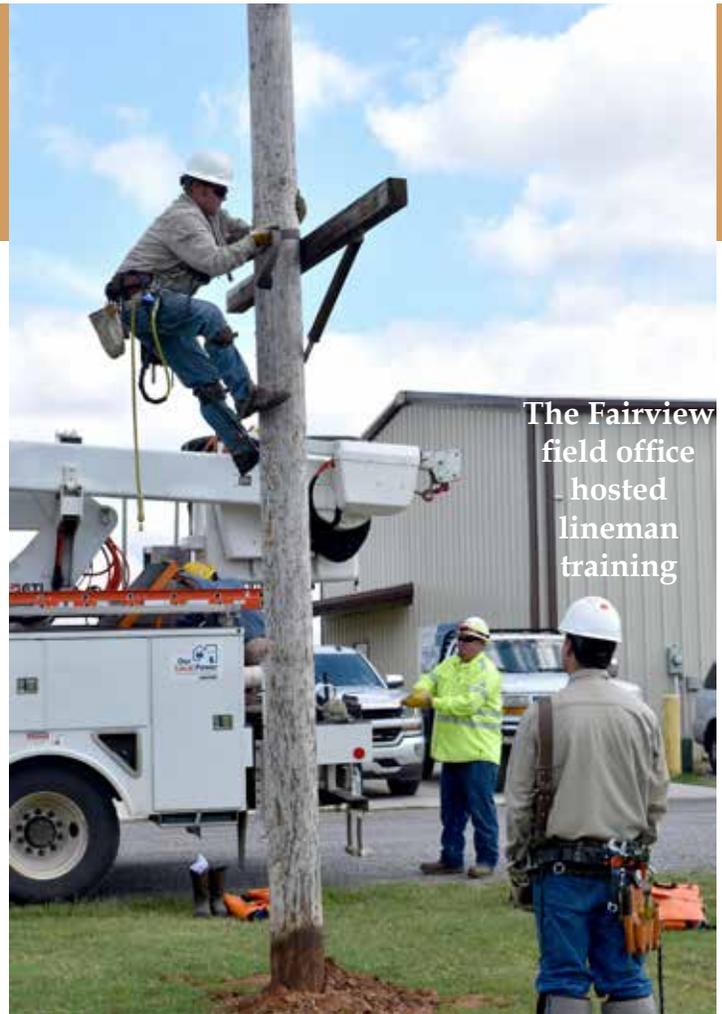
RELIABILITY

Reliability continues to be a top priority for electric customers, and OMPA utilities continue to treat it as such. Many of them in 2019 had notable reliability numbers, with few outages of significant length.

It is not an easy task. It requires constant vigilance, budgeting for items like tree-trimming, investing in new technologies and responding to problems during severe weather. Many utilities have proven up to the task.

The two most known reliability averages are the System Average Interruption Duration Index (SAIDI), which divides the total number of outages by the number of customers served, and the Customer Average Interruption Index (CAIDI), which measures total customer interruption durations by the number of customers interrupted.

Of the members who track their outages, some of the best-performing utilities in SAIDI included Pawhuska (13.46), Laverne (3.91) and Olustee (27.8). Among the best-performing utilities in CAIDI were Comanche (41.77), Mooreland (28.75) and



The Fairview field office hosted lineman training

Pawhuska (64.34).

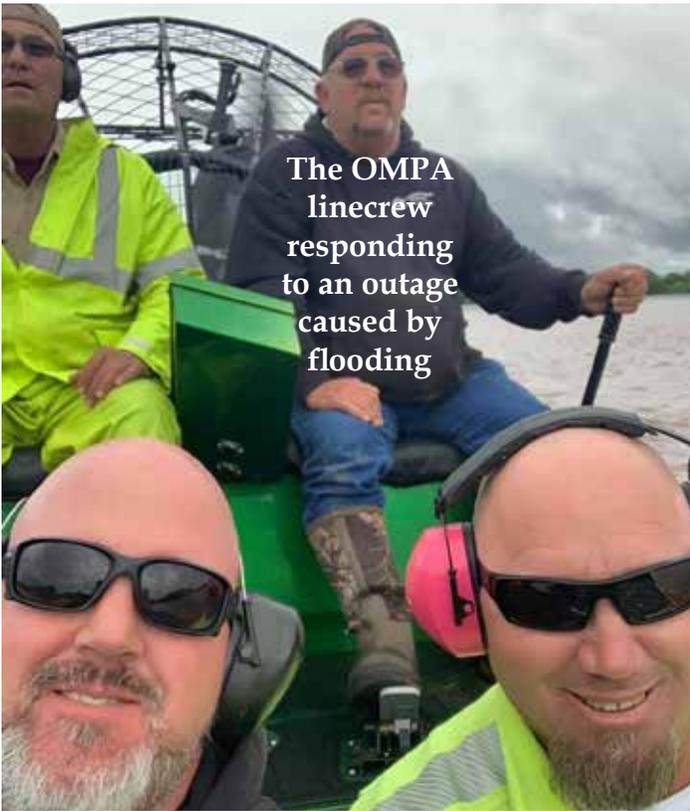
OMPA Linecrew

A linecrew of two employees was formed in 2015 to serve five utilities in the northwest part of the state who were needing assistance in finding qualified help to work on their distribution systems. That crew quickly grew in popularity and, by the end of 2018, had doubled in size and was serving 12 member cities and towns.

The purpose of the crew is to complete tasks that are part of each utility's 5-year maintenance plan, as well as any other projects aimed at improving the reliability and efficiency of local distribution systems. The crew, which consists of two journeyman linemen and two apprentice linemen, has also proved beneficial during unexpected outages.

Based out of Fairview, the linecrew also assists OMPA with maintenance inspections





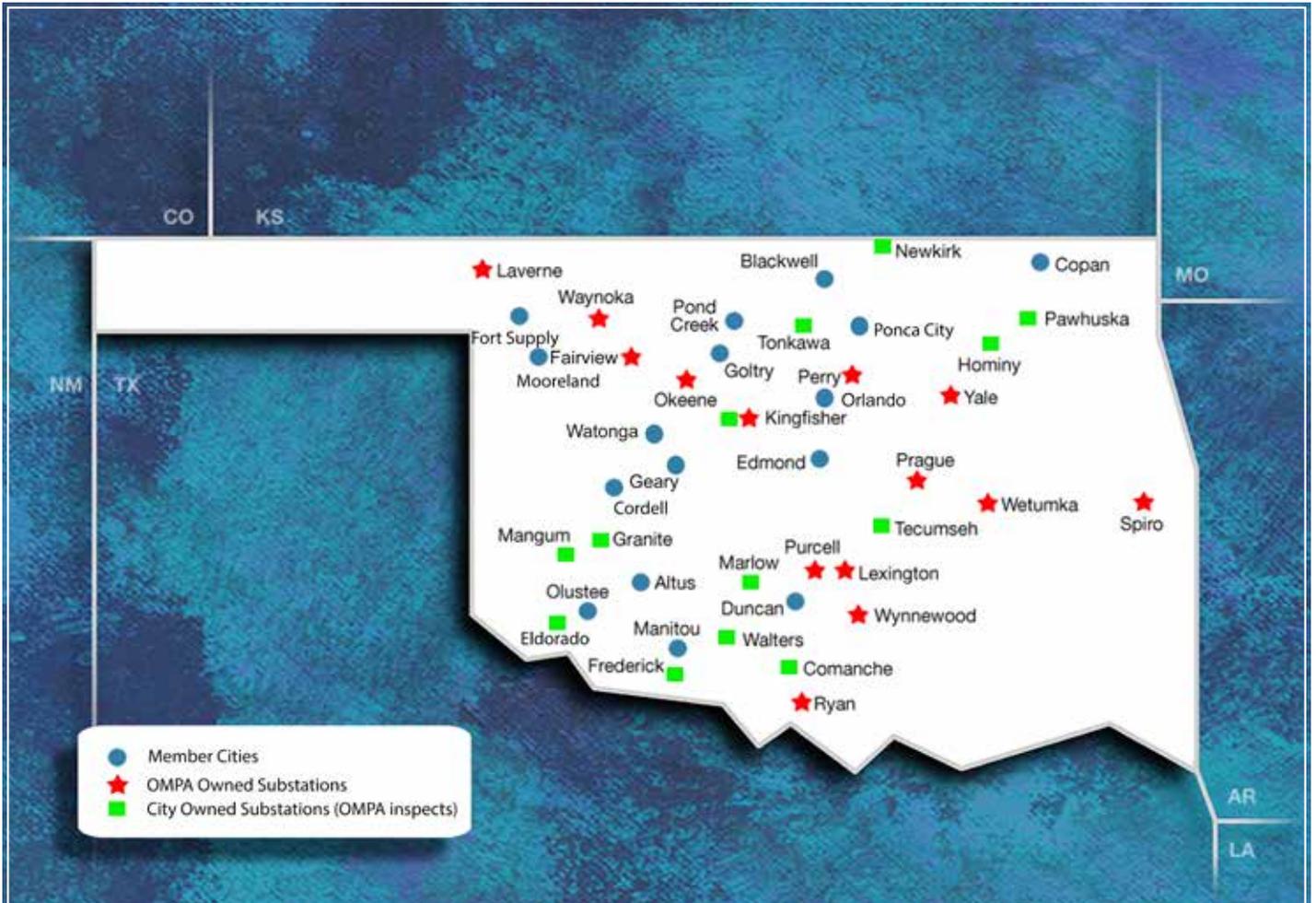
Cities In Maintenance Linecrew Program

Waynoka	Pond Creek
Fairview	Cordell
Goltry	Geary
Laverne	Comanche
Mooreland	Frederick
Fort Supply	Marlow

on the substations the Authority owns.

At the 2019 Board Retreat, the Board decided that it was time to add a second linecrew and instructed OMPA staff to look into how to place one in the southern part of the state. This would allow OMPA crews to assist more member cities and in a faster time period for those in the south.

Staff identified a potential location in Marlow, which is already a part of the linecrew program, and hopes to have a second crew in place soon.



PUBLIC POWER

Customers, lawmakers and local elected officials received an unprecedented education session during 2019, as OMPA staff and member utilities raised awareness about the role of the Authority and public power in general across the state.

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, continued to educate the public on issues like reinvestment, local control and reliable service. A social media presence continued to drive traffic to the campaign website at ourlocalpower.org, using new video interviews with Board Chairman Robert Johnston from Frederick, Marlow City Manager Jason McPherson, Perry Electric Superintendent Brian Wheatley and Tonkawa Mayor Ken Smith.

New Our Local Power materials were also distributed to member cities and towns,



State Senator and former OMPA Board Member Chuck Hall speaks at the dedication of the Perry Substation to former councilman Earl Hicks





Tonkawa was the 2019 Our Local Power Champion

including two each of metal entrance signs that identified the community as an Our Local Power member.

The first Our Local Power Champion award was also handed out to Tonkawa, acknowledging the town's effort to promote the campaign. Part of that effort included putting the campaign logo on the community water tower.

Staff took the Our Local Power message to various public power communities throughout the year in the form of civic club presentations. These included luncheons for the local Lions Club, Kiwanis Club, Rotary and Chamber of Commerce.

There are more than 2,000 Public Power communities across the United States, and 62 in Oklahoma. They serve more than 49 million people nationally, and approximately 410,000 in the state.

The OMPA Annual Meeting was transformed into an event that was much more educational than in the past. In addition to having the usual keynote speaker for the event, which was Transmission Access Policy Study Group (TAPS) Executive Director John Twitty, there were also breakout sessions later in the day. They included presentations from

speakers from Hometown Connections Inc., ChargePoint, Siemens and the Association of Central Oklahoma Governments. They discussed new technologies in the industry, such as Advanced Metering Infrastructure (AMI) and electric vehicles. The day after the Annual Meeting, attendees were given a chance to tour the Redbud Power Plant in Luther, OK.

An elected officials meeting was also held at OMPA offices in Edmond. Members

of utility authorities from around Oklahoma listened to OMPA staff highlight the important aspects of their role in their community, and how to make the best decisions for their customers.

That was joined by another presentation from OMPA staff later in the year on rate-making,

including how city staff should prepare for different rates in the future amid technological changes.

Staff also continued to educate members of the state legislature, both on the benefits of public power and the role OMPA plays as a joint-action agency. This included presentations in front of committees, and the annual legislative luncheon in Oklahoma City.



PROGRAMS

The year not only marked the 25th for the existence of the Competitive Utility Program (CUP), it also saw the most drastic changes to the program since its inception.

CUP was formulated in 1995 amid concerns over deregulation as a way to make OMPA utilities more favorable to customers. It is a best-practices program that gives utilities a way to evaluate and improve their operations, making them better able to compete.

It has long been one of OMPA's more popular programs, providing a \$20,000 check to certified cities on an annual basis, as well as allowing them the ability to deduct points on their power bills in the winter. However, at the 2019 Board Retreat, the Board decided that it was time to update the program.

The CUP Committee, made up of representatives from member cities, met throughout the year on suggested changes. Their recommendations were then approved by the Board at the end of the year.

The most notable change involved making the awards tiered, certifying members on three different levels, depending on what qualifications they meet. The objective of the tiered system was to make it easier for non-certified members to at least be certified on some level.

The committee also found ways to make the program less complex, including having OMPA take over the task of customer surveys for all of the members, as well as purchasing the American Public Power Association's eReliability Program to help them track outages.

At the end of 2019, there were 24 cities certified in the program.

Other programs

The Demand and Energy Efficiency Program awarded 62 different projects a



Altus



Blackwell



Olustee



Mooreland

total of \$317,564 in 2019. That resulted in a kw reduction of 2,147, which came out to an average of \$147.89 per kw.

The Ways I Save Electricity program awarded 42 projects for a total of \$74,274 in rebates. The total kw reduction was 78.3.

OMPA staff also completed 137 residential energy audits across the state.

DVD Button

