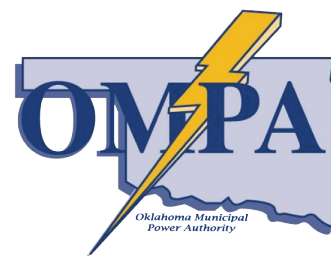


# Powering Cities, Empowering People



## 2021 OMPA Annual Report



## 2021 Annual Report

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# HIGHLIGHTS FROM 2021

## January

Second crew put in place as part of OMPA's Field Services Department. The new crew is housed out of member Marlow and designed to assist OMPA cities and towns in the southern part of the state.

## February 9

At a special meeting, the Board of Directors approves a short-term loan in an amount not to exceed \$60 million to help the Authority meet financial demands emerging from a winter storm.

## March 11

Board of Directors approves a series of items as part of a plan to mitigate the financial impacts of a February ice storm and prevent cost increases to the members.

## May 13

Board of Directors votes to change the vision and mission statements of OMPA, after discussion at the annual retreat. The new vision statement is "Powering cities, Empowering people", and the new mission statement is "Providing services for a sustainable and reliable energy future."

## May

OMPA honored with a clean cities award by the Association of Central Oklahoma Governments.

## June 20

The American Public Power Association announces OMPA General Manager Dave Osburn as the Vice Chair of its Board of Directors. It is the second time for Osburn to serve on the APPA Board.

## July 8

2021 A and B refunding bonds are signed, allowing the Authority to manage expenses incurred from a winter storm in February.

## September

Marlow City Manager Jason McPherson is elected to the Board of Directors for the American Public Power Association. He becomes the first representative of an OMPA member to serve in such a capacity.

## December

The Dolet Hills Power Station in DeSoto Parish, Louisiana ceases operations after a majority ownership votes to close it. OMPA's share of the 640-megawatt plant had been 25 megawatts.



# A MESSAGE FROM



**General  
Manager**

**Dave  
Osburn**



**Board  
Chairman**

**Homer  
Nicholson**

The theme of the 2021 Annual Report is “Powering Cities, Empowering People”. That was the new vision statement developed for the Authority after a discussion by the Board of Directors at the annual retreat. It is meant to reflect the original objective of OMPA, while also embracing the ever-changing nature of the industry.

OMPA was created in 1981 by the very members it serves, but its development wasn’t just about delivering power. It was formed as a way for the founding cities and towns to have more control over their power supply, which had become badly needed during a turbulent period for the energy industry. In recent years, it’s not just the members who need that control, but customers are increasingly expressing a desire to have more options with each part of their experience. As part of OMPA’s vision, we are empowering the people we deliver power to.

During the summer of 2021, OMPA hit 40 years of holding meetings for the Board

of Directors. Few periods during those four decades were as challenging as February 2021.

It all began with winter storm Uri. It hit our area right before Valentine’s Day, with temperatures reaching as low as 26 degrees below zero. At a time when demand was high for natural gas because of heating needs, the low temperatures caused significant wellhead freeze-offs, disrupting power supply across the region, and interrupting operations with every type of generation. It wasn’t long before the delicate balance between supply and demand became unbalanced. Market prices for natural gas reached unprecedented levels, as purchases skyrocketed to more than 300 times their normal levels.

At the same time, the Southwest Power Pool began issuing Energy Emergency Alerts, quickly going to Level 2, which was a request for customers in the region to conserve energy. On Feb. 15, for the first time in its history, the SPP issued a Level 3 alert, which meant that

operating reserves were below the required minimum and forced service interruptions would begin. We are proud to report that several OMPA cities answered the call and helped to conserve energy and avoid a larger energy crisis.

Fortunately, the Level 3 alert lasted a matter of hours and, by Feb. 18, the alerts ceased entirely. Unfortunately, OMPA was left to manage the fallout of the financial implications of the storm. Uri ended up being the costliest natural disaster recorded in the United States at an estimated \$196 billion. OMPA's share of that, due to the historic natural gas prices, was soon estimated to be about \$64 million. That expense was, of course, not factored into the annual budget.

After many late hours by staff and emergency meetings with the Board of Directors, the Authority crafted a plan to handle the expense. It involved a combination of action, including the reissuing of bonds and calling on the rate stabilization fund. The welcoming news about the plan is that it would not result in an immediate increase in rates for the membership. This was in contrast to many other power suppliers in the state, who were forced to raise rates.

Uri created a lot of confidence in the OMPA staff and Board of Directors that they could handle special challenges. Many thanks should be offered to everyone who contributed to the effort, especially those members who participated in the forced interruptions ordered by SPP. OMPA has always been a uniquely collaborative effort and Uri was a fine example of that.

The storm wasn't the only upheaval on the power supply front. A year after the Oklaunion plant ceased operations, Dolet Hills was shut down. We were also informed that Pirkey would be closing in 2023. OMPA's share of

the output of these three plants adds up to about 120 megawatts, but the Authority has always approached generation with flexibility in mind. So, plans were quickly put into motion to replace the lost generation. There will also be decommissioning costs associated with the closing of the plants and those expenses will need to be a part of the Authority's future planning.

It was another good year for the Field Services Department, which continues to assist members with their distribution systems, both during emergencies and on a day-to-day operational basis. The first line crew as part of the program, based out of Fairview, grew quickly after being formed in 2015. Increased interest allowed OMPA to open a southern location during the past year. It is located in member city Marlow, along a state highway, giving them quick access to numerous other members in the area. There is also now a forming interest for more assistance in other parts of the state. The Field Services Department has become a great example of OMPA being able to respond to the needs of the members and we're pleased with its success so far.

Many of the items discussed at the annual Board retreat will be key concerns for the Authority moving forward. They involve issues like cybersecurity, emerging technologies, electrification, the possible implementation of new programs for the members and managing the changes forced upon us on the generation front. The Authority will also be developing a business plan to ensure that we remain on solid footing.

As always, OMPA will develop its strategies with the best interests of the membership in mind. We aim to empower them and their customers to help them be successful in the coming years and beyond.

*Homer Nicholson*

*Dan W. Osburn*

# 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



**Dave Andren**  
*Mangum*  
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.

## Representing At The APPA

Throughout 2020, OMPA managed to find itself representing public power on a national level, thanks to several appointments on boards associated with the American Public Power Association.

The APPA is the national umbrella organization for public power, representing more than 2,000 utilities in the U.S. They advocate and advise on electricity policy, technology, trends, training, and operations.

Marlow's Jason McPherson was elected to serve on the APPA Board, becoming the first representative of an OMPA member to do so. McPherson is the city manager for the City of Marlow and had already served on the OMPA Board of Directors since 2016. McPherson has also been a recipient of the APPA's 7 Hats Award.

Also during the year, OMPA General Manager Dave Osburn was tabbed to serve as the Vice Chair for the APPA Board of Directors. Osburn had joined the Board in 2018, after previously serving a stint from 2004-07. The appointment meant that Osburn would serve as Chairman of the same Board in the



**Marlow City Manager Jason McPherson, right, gives a tour of the city's substation.**

future, which is also a first for a representative of OMPA.

Other Authority personnel assisted the APPA during 2021, as well. Manager of Environmental Engineering Michael Watt served as the Vice Chair of the Environmental Committee of the Engineering and Operations section. Both Manager of HR and Administration Andrea Simmons and Member Relations and Training Manager Palma Lough served on committees with the Business and Finance Section of the APPA, in Human Resources and Customer Financial Services, respectively.



**The 2021 Board of Directors, along with the General Manager and General Counsel.**

# KEY PERSONNEL

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**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*



**Ashley Stringer**  
*Compliance  
Manager*

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

In 2021, OMPA provided power to 118,728 customers in its member cities, including 103,084 residential customers and 14,968 commercial/industrial customers. OMPA's service area encompasses approximately 250,000 Oklahomans.

## Members

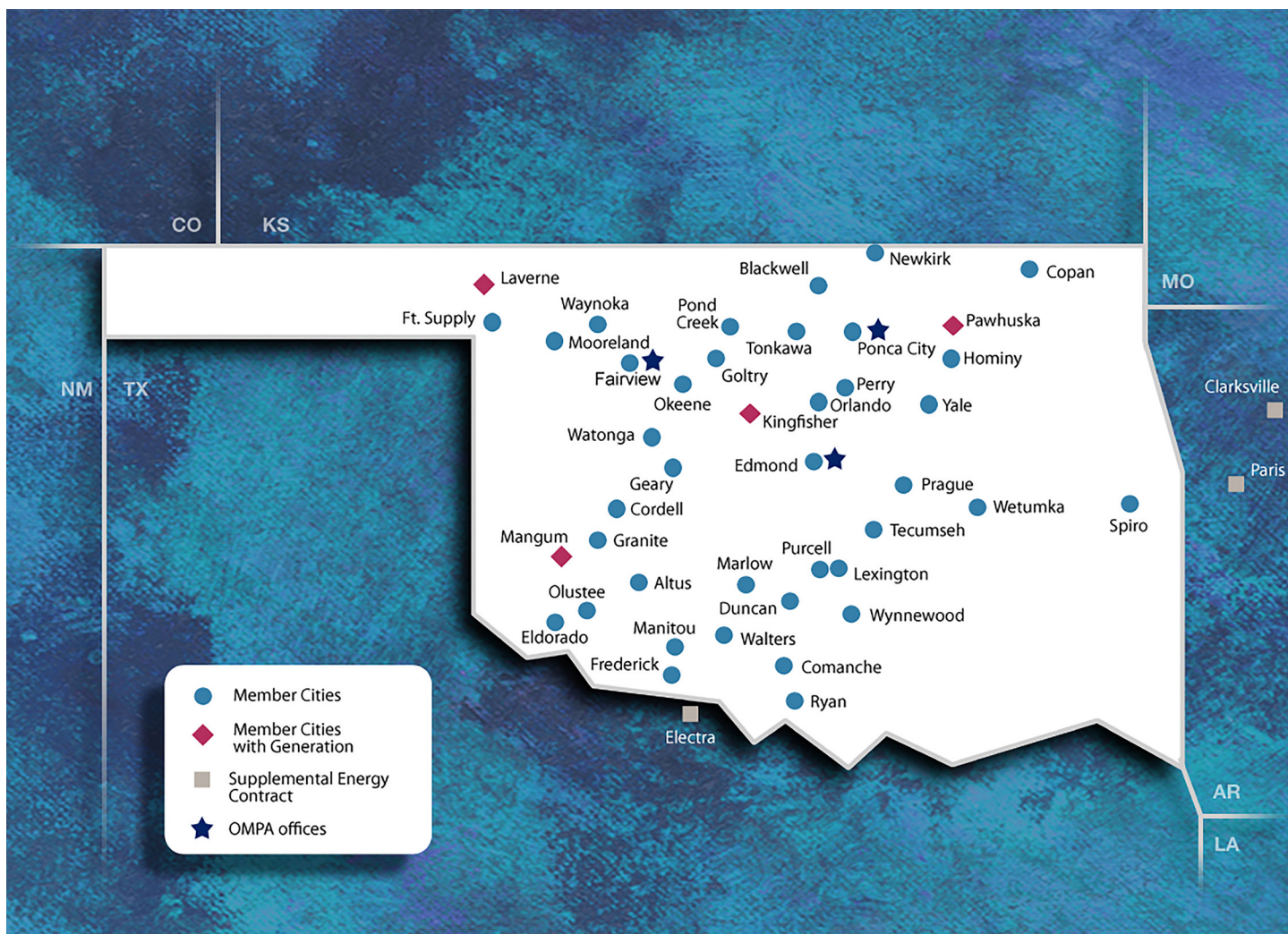
*Altus Municipal Authority*  
*Blackwell Municipal Authority*  
*Comanche Public Works Authority\**  
*Copan Public Works Authority\**  
*Duncan Public Utilities Authority\**  
*Edmond Public Works Authority*  
*Eldorado Public Works Authority\**

*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*



# FINANCIALS

## 2021 Highlights

	2021	2020	2019	2018
<b>Operating Revenues</b>	\$191,825,632	\$172,237,780	\$182,766,469	\$190,822,265
<b>Operating Expenses</b>	\$165,708,112	\$152,391,278	\$154,676,446	\$159,499,596
<b>Operating Income</b>	\$26,117,520	\$19,846,502	\$28,090,023	\$31,322,669
<b>Net Interest Expense</b>	\$24,923,345	\$25,042,219	\$26,266,209	\$27,587,845
<b>Other Income and Expenses (net)</b>	(\$929,602)	\$5,438,890	\$2,605,706	(\$2,063,897)
<b>Increase/Decrease in Net Position</b>	\$264,573	\$243,173	\$4,429,520	\$1,670,927



## A Storm To Forget

Winter storm Uri hit Oklahoma in February of 2021. When it was over, OMPA was left with a significant and unexpected financial burden.

Uri was the costliest natural disaster recorded in United States history with damages estimated at \$196 billion. Some of that was due to the physical damage caused by the storm, but much of it was a result of historically high natural gas prices during the storm, as demands for natural gas surpassed the supply available.

OMPA's final bill for time period was about \$64 million. Authority staff and the Board of Directors were forced to respond with a solution quickly and held meetings over the course of several days. The first was a special meeting on Feb. 9 that allowed OMPA the authority to acquire a short-term loan not to exceed \$60 million. On March 11, the Board of Directors approved its final plan to handle the financial fallout from the storm. It involved a series of actions, including the reissuing of bonds and pulling funds from the rate stabilization fund.

The Authority was proud to announce to its members that it had found a solution to the financial problem that did not include any raise in wholesale power rates.

OMPA staff assisted Chairman Homer Nicholson and Secretary Dave Sleziekey in July when the process finalized with the signing of 2021 A and B refunding bonds.

Uri was also the first time ever that the Southwest Power Pool (SPP) was forced to implement Energy Emergency Alert Level 3, signaling a shortage of capacity, and forced utilities in the region into power interruptions.

SPP's Energy Emergency Alert Levels are a series of steps that send a signal to the region regarding real-time demand and supply. They begin with "Normal Operations", move to "Weather Advisory" when extreme weather is expected in SPP territory and "Resource Advisory" when severe weather conditions and load forecast uncertainty are expected.

Below is a timeline of SPP's alerts during and after winter storm Uri.

- **Feb. 9**, SPP issues a "Conservative Operations Advisory", requesting that members and market participants in the region conserve energy.
- **Feb. 14**, an Energy Emergency Alert Level 1 is declared to begin at 5 a.m. the following day, signaling that all available resources have been committed to meeting obligations.
- **Feb. 15**, at 10:08 a.m., just hours after declaring a Level 1, an Energy Emergency Alert Level 3 is declared, signaling that SPP's operating reserves are below the required minimum and that service interruptions will begin.
- **Feb. 15**, at 2 p.m., service interruptions cease and the alert level is demoted to Level 2.
- **Feb. 16**, at 6:43 a.m., alert levels are moved back up to Level 3, which involves more load curtailments, including load meant for several OMPA members.
- **Feb. 16**, at 11:30 a.m., Energy Emergency Level 2 is restored.
- **Feb. 16**, at 12:31 p.m., SPP moves to an Energy Emergency Level 1.

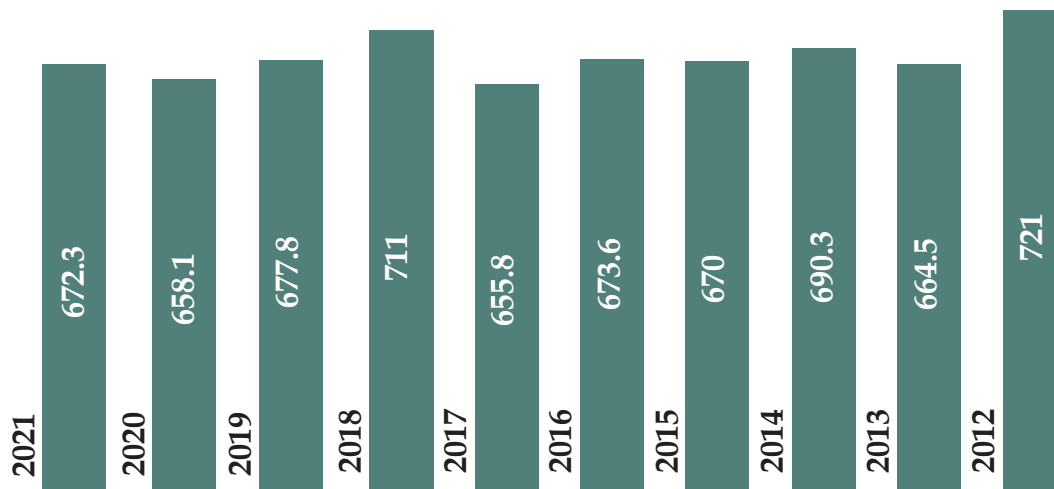
# GENERATION

## Resource Mix

Natural gas was once again the resource that made up the largest part of the Authority's portfolio, though its percentage decreased with the large increase from renewable energy, which peaked at an all-time high of 33 percent.



Energy is listed in megawatts



## System-Wide Peak

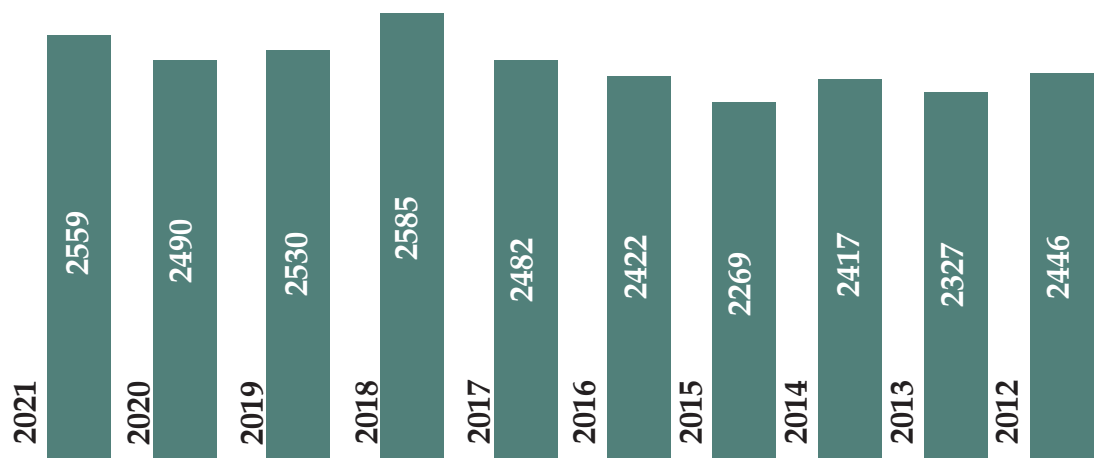
OMPA's coincident peak for utilities served in Oklahoma only was 672.3 megawatts in 2021.

The high peak for the previous 10 years was 721 megawatts in 2011.

## Energy Delivered

OMPA's total power delivered in 2021 was 2,559 gigawatt hours, which was the second-highest total of the last 10 years, and just 25 gigawatts below the 10-year high of 2,585 in 2018.

In all, 24,527 gigawatts of power have been delivered in the last 10 years.



Energy is listed in gigawatt hours

## Adapting To Changes

While the Oklahoma Municipal Power Authority still spent time in 2021 preparing for its generating future, it also was forced to respond to several changes with present conditions.

Already tasked with replacing generation from the closing of the Oklaunion Power Station, the Authority also saw the shuttering of the Dolet Hills Power Station in Louisiana and was notified that majority ownership in the Pirkey Power Plant had voted to close it, as well. OMPA's collective share of the three plants had been 120 megawatts.

Part of that generation will be replaced through an agreement with Recurrent Energy for

the development of a solar farm. It is slated to be constructed on 1,100 acres in Kiowa County in southwest Oklahoma. The 120 megawatts expected from the plant is projected to come online in 2024. It will be the first time that solar is part of the Authority's generating mix.

Natural gas continued to be the main component for OMPA's resources, making up 42 percent of the mix. Wind and hydro generation had a big year, as renewables made up a record-high 33 percent. The previous high had been 28 percent in 2020. Coal continued to be well below former levels at 13 percent.

As for individual plants, Redbud was credited with the most at 20 percent of the generating mix. The natural-gas powered plant in Luther became part of OMPA's portfolio in 2008.



The Pirkey Power Plant was constructed in 1985. Majority ownership decided in 2021 that the plant would cease operations. OMPA's share of the generation from the 721-megawatt plant had been 2.3 percent.

## Always Improving

Power production is an ever-improving venture at three Kay County plants owned and operated by the Oklahoma Municipal Power Authority: the Ponca City Power Plant, the Kaw Hydroelectric Plant and the Charles D. Lamb Energy Center.

Maintenance and routine inspections are done consistently at all locations, but one of the most important projects at the Ponca City Power Plant in 2021 was the construction of a new building designed to improve the winterization of important infrastructure used in the operating of the plant.

An 840-square-foot building was erected around the plant's existing water pumps. The power production team also completed a much-needed and overdue upgrade to the cooling tower. The mainline and distribution piping were replaced with fiberglass to provide long-term durability and lessen the weight.

During winter Storm Uri in early 2021, plants around the region struggled to operate in freezing temperatures. So, heat tracers of a higher wattage were also installed at the Ponca City Power Plant to allow

the plant to withstand much colder temperatures in the future.

The Ponca City Power Plant was a repowering project taken over by OMPA in 1995 after the Authority signed an agreement with the City of Ponca City, which is OMPA's second-largest member. Combined, the units at the plant are capable of producing up to 102 megawatts. In 2021, it was responsible for 21,943 megawatt hours.

The Charles D. Lamb Energy Center became a part of OMPA's portfolio in 2015. Named after the former Chairman of the Board, the natural-gas-powered-CDLEC has a producing capacity of 103 megawatts. In 2021, the Authority conducted an important operating inspection, as it hit 16,000 hours of operation. The CDLEC is primarily used as a peaking plant and, in 2021, delivered 118,152 megawatt hours.

The Kaw Hydroelectric Plant, located on Kaw Lake, was the first plant for OMPA to own and operate, becoming commercially viable in 1989. The 29-megawatt hydro plant is subject to the authority of the U.S. Army Corps of Engineers, which operates the lake and the dam. In 2021, Kaw produced 88,353 megawatt hours.

## Power Supply

### **Kaw** (hydro)

Location: Ponca City, OK  
2021 production: 88 GWH



### **Grant Plains** (wind)

Location: Grant County, OK  
2021 production: 144 GWH



### **McClain** (natural gas)

Location: Newcastle  
2021 production: 506 GWH



### **Henry W. Pirkey** (lignite)

Location: Hallsville, TX  
2021 production: 72 GWH



### **Redbud** (natural gas)

Location: Luther, OK  
2021 production: 560 GWH



### **OK Wind Center**

Location: Woodward, OK  
2021 production: 135 GWH



At the forefront is the new building constructed at the Ponca City Power Plant to protect the heating and cooling infrastructure for the plant.

## SWPA

The Southwestern Power Administration (SWPA) is one of four power marketing administrations in the U.S., delivering hydropower to public entities like municipal electric utilities.

When the Oklahoma Municipal Power Authority was formed, several future OMPA members had hydro allocations with SWPA. Under agreements with the newly-formed OMPA, they were allowed to keep their hydro allocations.

Today, a total of 16 OMPA members still receive power from SWPA. They include Copan, Hominy, Yale, Goltry, Wetumka, Spiro, Purcell, Lexington, Ryan, Comanche, Duncan, Walters, Manitou, Granite, Olustee and Eldorado.

## Power Supply



**Canadian Hills** (wind)  
Location: El Reno, OK  
2021 production: 151 GWH

**GRDA #2** (coal)  
Location: Chouteau, OK  
2021 production: 52 GWH



**Charles Lamb Center**  
Location: Ponca City, OK  
2021 production: 118 GWH



**PCRP** (gas/steam)  
Location: Ponca City, OK  
2021 production: 21 GWH



**Landfill-to-Gas**  
Location: Sand Springs, OK  
2021 production: 19 GWH

**John W. Turk Jr.** (coal)  
Location: Fulton, AR  
2021 production: 215 GWH



# FIELD SERVICES



## Continuing To Grow

The OMPA Field Services Department continued to expand in 2021. And it may not be done.

The department was founded in 2015 as a way to assist members with their distribution systems and long-term maintenance. It was funded by a revenue pool, with five members in the northwest part of the state combining forces to hire an original two employees out of a location in Fairview. Over time, more members became interested, so the crew expanded employees. Finally, the Board of Directors told OMPA staff to move forward with opening another home base for the department.

That location became a reality in 2021. It was situated on the south side of the city of Marlow, off Highway 81. OMPA reached a deal to purchase the property, which was formerly a car dealership, late in 2020 and spent the next year finalizing the closing and hiring a three-man crew for that part of the state.

The south crew was recommended after a need

in that part of the state surfaced and the logistics of serving that area with a crew based out of Fairview became inefficient. The crew has the ability to assist members with all of their distribution needs, including substation work and quarterly substation inspections. Like the Fairview crew, they will serve members who contribute to the revenue pool on a regular basis, while also being available to other members on a contract basis.



The building in Marlow is 18,000 square feet, making it capable of hosting all the linecrew's trucks and equipment with room to spare. It is situated on a 4-acre lot directly off the highway, giving the crew quick access to respond to emergencies. The size of the lot also gives them room to host lineman training, which the Field Services Department in Fairview does on an

annual basis.

OMPA staff also spent part of late 2021 speaking to members in the north part of the state, where a need to potentially open a third site has arisen. There are currently 18 members contributing to the Field Services Department funding pool, with others using the department on a one-off basis.

## Serving The Members

The Oklahoma Municipal Power Authority's energy-efficiency programs serve to reduce customer peak load, saving customers on energy costs and OMPA members on future generation costs.

The oldest of the programs, formed in 1995, is the Ways I Save Electricity (WISE) program. Rebates are provided to customers through a 50-50 funds match between OMPA and its members. Rebates are available for ground-source, air-source, and dual-fuel heat pumps for residential, and commercial customers who meet minimum energy-efficiency requirements and other criteria. In 2021, there were 38 projects rebated state-wide for \$17,326 with an expected kw savings of 62.62.

The Demand and Energy Efficiency Program (DEEP) assists organizations like, public educational institutions, senior citizen facilities, libraries, municipal and federal government facilities and more with rebates towards the installation of high efficiency LED lighting. It also provides governmental, public, commercial and industrial facilities with rebates towards heat pumps and geothermal heat pump systems. In 2021, there were 12 projects rebated that were all lighting projects for \$47,095, with an expected kw savings of 289.23.

OMPA also provides a ceiling insulation rebate program that is funded by a 50-50 split with the

members. It offers financial incentives to residential electric customers who meet guidelines regarding energy-efficiency improvements accomplished by adding ceiling insulation in their existing homes. In 2021, 35 of these projects were rebated \$5,025 with an expected kw savings of 38.27.

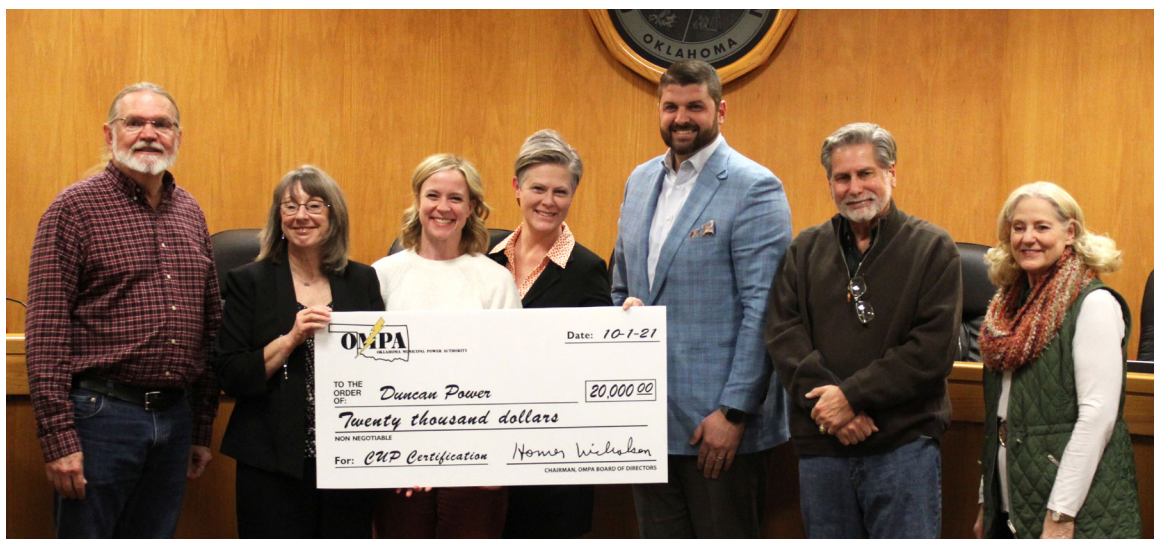
The Authority provides residential home energy audits free of charge to customers of OMPA members. In 2021, 51 of the energy audits were performed.

### Apogee

In 2021, OMPA assisted 18 members with offering Apogee software to their customers. The tools offered by Apogee help the customers learn about ways to save energy and money in their home, and can help utilities further their initiatives by promoting programs, encouraging self-service, and increasing customer satisfaction.

January 2021 through December 2021, the Apogee Energy Advisor and Special Purpose Calculator use equated to 3,085 customer energy education opportunities. There were 886 total uses of the Energy Advisor in 2021.

Twelve of the 18 members also offered Special Use Calculators to their customers through Apogee. Usage for those include 430 for the Electric Vehicle Calculator, 523 for the Heat Pump Calculator, 516 for the Lighting Calculator and 707 for the Vampire Load Calculator.



**The Competitive Utility Program (CUP),** which rewards eligible members on an annual basis, is a best practices program designed to ensure utilities are well-run. In 2021, 17 members continued to be certified.

# AWARDS



OMPA was honored with a Clean Cities Award by the Association of Central Oklahoma Governments for its work in promoting various programs within the member cities and towns.



OMPA thanked a series of state legislators for their role in promoting public power during 2021. They included Rep. Mike Osburn, Senator Chuck Hall and Rep. Brad Boles. Hall is pictured at left and Boles at right.



The City of Comanche was presented the fourth annual Our Local Power Champion award at the 2021 Annual Meeting. The award is given to an OMPA member who gives extra effort in promoting the benefit public power brings to the communities it serves.



DVD Button

