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Board Report - September/
October

OMPA MEMBER CITIES

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A member of the American Public Power Association, Municipal Electric Systems of Oklahoma and Southwestern Power Resources Association.

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OMPA is a wholesale power company owned by 42 municipal electric utilities. OMPA provides economies of scale in power generation and related services to support community-owned electric utilities. The members of OMPA serve approximately 250,000 Oklahomans. This publication is issued by OMPA as authorized by the OMPA General Manager. 425 copies have been prepared and distributed at a cost of \$700. [74 O.S. § 3105(B)]

Public Power Advocacy Page 4



outlet

news from your Oklahoma Municipal Power Authority

Rodeo Comes to Edmond



Edmond was the host of this years Lineworker's Rodeo, which featured Public Power linemen from across the state competing in a series of events. For more on the event organized by MESO, go to pages 6-7.

Rates forum set for November 8

The Oklahoma Municipal Power Authority will host a rates forum at its Edmond offices at 10 a.m. on Nov. 8.

The event is a chance for members to learn more about OMPA's process of establishing its annual rates, how it calculates bills and what cost projections look like for 2023. Speakers will include General Manager



John Vansant

Dave Osburn and CFO John Vansant.

OMPA staff will also be able to discuss a new large load rider recently approved by the Board of Directors.

The rate is intended to protect member utilities in the event customers with a load of 5 megawatts or larger want to be served by the utility, while also offering an incentive to the customer.

OMPA rates are set by the Board of Directors each fall for the following calendar year.

Power costs were unusually high

Continued on Page 3

OMPA adopts rate for large loads

The OMPA Board of Directors approved at its October meeting a new rider to rates meant to accompany large loads added to the system.

The rate is meant to protect member utilities from potential consequences of taking on new large loads, while also offering an incentive to the customer. Large loads, per the rider, are defined as those estimated to be greater than 5,000 kilowatts.

The rate requires the customer to agree to be interruptible during peak times. There are other requirements, as well, including the potential customer's load factor, a cap on the percent of the load that is non-interruptible, the ability of the customer to reduce OMPA peak demand and the ability of the customer to maintain demand reduction.

If the large load customer meets obligations, it will be eligible to receive a credit on its bill. There are also penalties for customers who fail to meet requirements spelled out in the rider.

Unusually large loads being added to systems is becoming more common for Public Power. The most common concern comes from cryptomining operations, but other customers like data centers or large marijuana grows could also pose challenges. These customers could also be a benefit to utilities, if handled properly.



Crypto currency mining poses risk for utilities and suppliers

American Public Power Association - 02/02/2022

Digital asset or crypto currency mining in the U.S. could present power supply risks to public power utilities unless they are sufficiently mitigated, according to Fitch Ratings.

Crypto mining “is energy intensive and requires a considerable amount of power that can significantly increase a utility’s overall electrical load. Utilities must balance the revenue prospect of increased electrical sales with the commitment to procure or generate large amounts of power for crypto mining operations,” Fitch said.

The rating agency noted that crypto mining operations are price-sensitive entities that may be quickly scaled back or shut down if mining becomes uneconomical.

To date, Fitch’s rated public power utilities “have successfully limited their risk by restricting the scope of crypto mining operations in their service area or by defining their power procurement commitments in a way that protects the utility from nonpayment, including due to a sudden closure of the mining facility,” Fitch said.

It noted that utilities that have excess generation capacity may have the ability to meet the power supply requirements of crypto mining operations from existing power supplies. “This is the case in the state of Washington, where energy-intensive aluminum smelting operations have gradually closed over the last two decades and wind energy production has increased available energy supplies over the last decade. This, coupled with abundant low-cost hydroelectric generation, made the region an attractive location for data centers historically and crypto-mining operations in recent years.”

A utility with excess capacity “must evaluate the opportunity costs and benefits of a new large crypto load versus retaining capacity for other economic development opportunities,” according to the rating agency.

Rates forum: Continued from Page 1

throughout Oklahoma during this past summer, impacting customers of all utilities. Demand was especially high, as the all-time peak for the Southwest

Power Pool was broken several times. Natural gas prices were a big driver in the increase of costs, as market prices averaged about twice what they were a

year earlier.

OMPA members seeking more information about the rates forum should contact Member Services.

Cities recognized by international group for their economic development efforts

City Update

Both Ponca City and Comanche were recently honored for their economic development efforts by the International Economic Development Council.

Ponca City was recognized in a variety of categories of the Excellence in Economic Development Awards, while Comanche earned one award. The awards are an annual event.

Comanche earned the Silver Winner in the Multi-Year Economic Development Program category for efforts taken by the Comanche Land Management Authority. Those efforts included the rejuvenation of economic development in the town through low interest loans, incubator spaces, utility rate restructuring, infrastructure improvements, and new sidewalks.



Comanche has provided a clean and inviting main street and new destination points to draw people in through tourism. The town also installed a fast charge EV Charger as a draw for new demographics.

Ponca City managed to be recognized as Gold Winner in four different categories: Business Retention and Expansion (BRE) Initiatives, Talent Development and Retention,



Entrepreneurship, and Partnerships with Educational Institutions. These awards were based on a variety of efforts compiled by the Ponca City Development Authority (PCDA), including:

- Shared Equipment Group. The PCDA collaborated with the local career technology center, Pioneer Technology,

Continued on Page 9

Edmond Mutual Aid in Florida



Edmond Electric sent a crew of seven linemen to Florida in September to assist with restoration efforts following Hurricane Ian. They were sent to Mount Dora, a community of 14,000 northwest of Orlando. They weren't the only Public Power teams from Oklahoma, as utilities in Skiatook and Tahlequah also sent linemen to assist.

New requirements in the SPP market

I thought I would share with you some of the significant changes taking place in the Southwest Power Pool (SPP) and the impact it is having on OMPA and other power generators in the region.

At the end of July, the SPP Board of Directors approved changes to the amount of excess generating capacity – or reserves – utilities are required to carry. They abruptly increased it from 12 percent to 15 percent, effective next summer. This was strongly opposed by many utilities, as it is nearly impossible

General Manager's Report

David W. Osburn



to increase generation capacity in short notice. As things stand currently, OMPA has more than the required 15

percent, however, it has changed our plans dramatically.

We have an agreement to add a large-scale solar project online in 2024, which will help. We are also actively strategizing on what other resources make sense for our members. We are also expecting to compliment this with more aggressive demand-side programs. Those programs will require the cooperation of our members to implement. Expect to hear more on these over the next 4-6 months as we put more substance to them.



Board Reports



Highlights From September 2022 Board of Directors Meeting

- Approved CUP Recertification award to Pond Creek Public Works and Tecumseh Utility Authority for two awards valued at 1.5 points and three awards valued at 2.75 points, respectively
- Approved CUP Interim Review Award to Purcell Public Works Authority and Mooreland Public Works Authority for two awards valued at 1.5 points each
- Passed a resolution recognizing Public Power Week
- Approved the purchase of a replacement transformer for the Okeene Substation in the amount of \$464,568
- Approved issuing letters of termination to member cities with Capacity Purchase Agreements

Highlights From October 2022 Board of Directors Meeting

- Approved CUP recertification award to Frederick Public Works Authority
- Moved January 2023 OMPA Board meeting to avoid conflict with CMAO Winter Conference
- Approved new rider to OMPA rates for large flexible loads
- Approved 2023 budget and rates

The next Board of Directors meeting is scheduled to be held at 10 a.m. on November 10 at OMPA offices in Edmond.

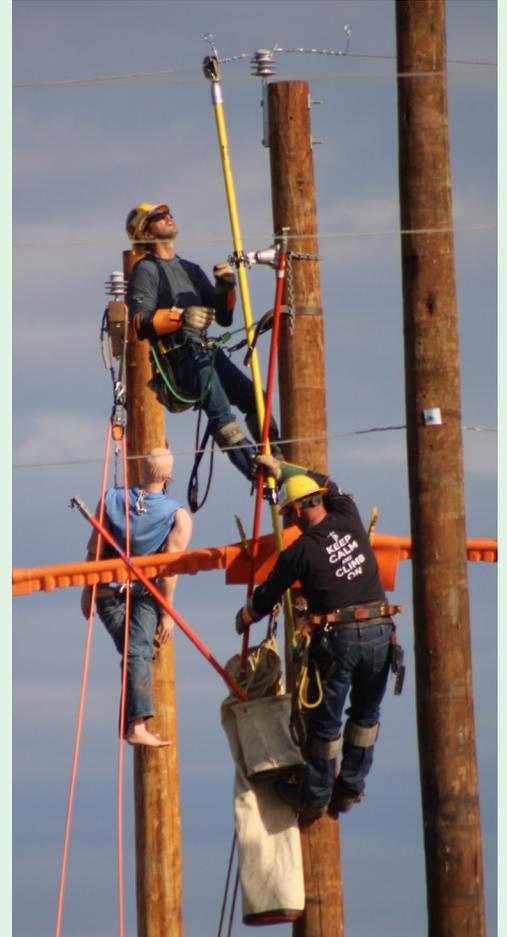
Advocates For Public Power



The Oklahoma Municipal Power Authority recently presented a series of Public Power Advocacy Awards to members of the Oklahoma State Legislature. Recipients included, below and going clockwise, Rep. Mike Dobrinski from District 59, Rep. Kevin Wallace from District 32, and Senator James Leewright.



Lineworker's Rodeo 2022



Photos courtesy of Shelby Hale



Results

Hurtman Rescue – Journeyman
1st – Tomas Alvarez / Ponca City Energy

2nd – Chris Crain / Ponca City Energy

3rd – Dustin Layugan / City of Bentonville

Speed Climb – Journeyman

1st – Tomas Alvarez / Ponca City Energy

2nd – Dustin Layugan / City of Bentonville

3rd – Chris Crain / Ponca City Energy

Veteran Event

1st – David Bates / City of Stillwater

2nd – Wes Bennett / Edmond Electric

3rd – Keith King / City of Bentonville

Obstacle Course – Apprentice

1st - Isaac Boswell / City of Skiatook

2nd – Tristan Stefani / Edmond Electric

3rd – Christian Smitski / Edmond Electric

Hurtman Rescue – Apprentice

1st – Case Mutz / City of Stillwater

2nd – Dakota Jones / City of Stillwater

3rd – Tristan Stefani / Edmond Electric

Speed Climb – Apprentice

1st – Dakota Jones / City of Stillwater

2nd – Isaac Boswell / City of Skiatook

3rd – Garrett Moss / City of Skiatook

Team Event #1 – Mystery (Journeyman)

1st – City of Bentonville / Shawn Buttry, Daniel Fox, and David Tate

2nd – City of Stillwater / Jake Marshall, Dakota Plum, and Brandon Davis

3rd – City of Bentonville / John Colf, Joey Dirks, and Zach Sone

Team Event #2 – 12kV Insulator

Change A/C (Journeyman)

1st – City of Stillwater / Jake Marshall, Dakota Plum, and Brandon Davis

2nd – City of Bentonville / Sergio Jacobo, Dustin Layugan, and John Ragsdale

3rd – City of Bentonville / Shawn Buttry, Daniel Fox, and David Tate

Mutual Aid Event

1st – Gye Roedel / City of Kingfisher, Joey Dirks / City of Bentonville, and Tomas Alvarez / Ponca City Energy

2nd – Austin Johnson / City of Skiatook, Andrew Knutz / OMPA, and Wyatt Williams / City of Stillwater

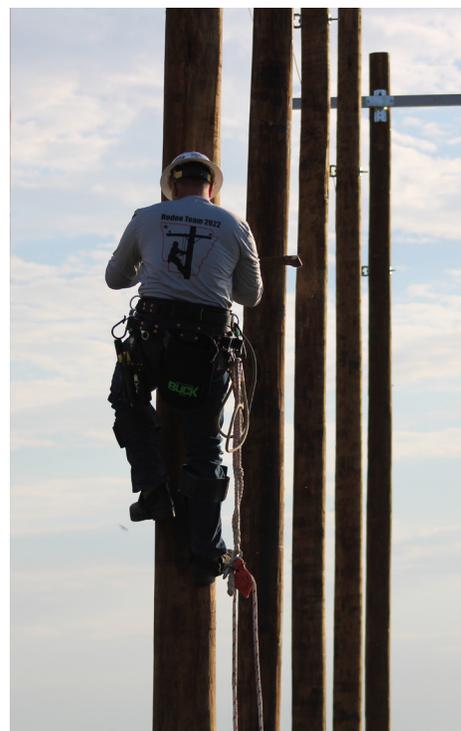
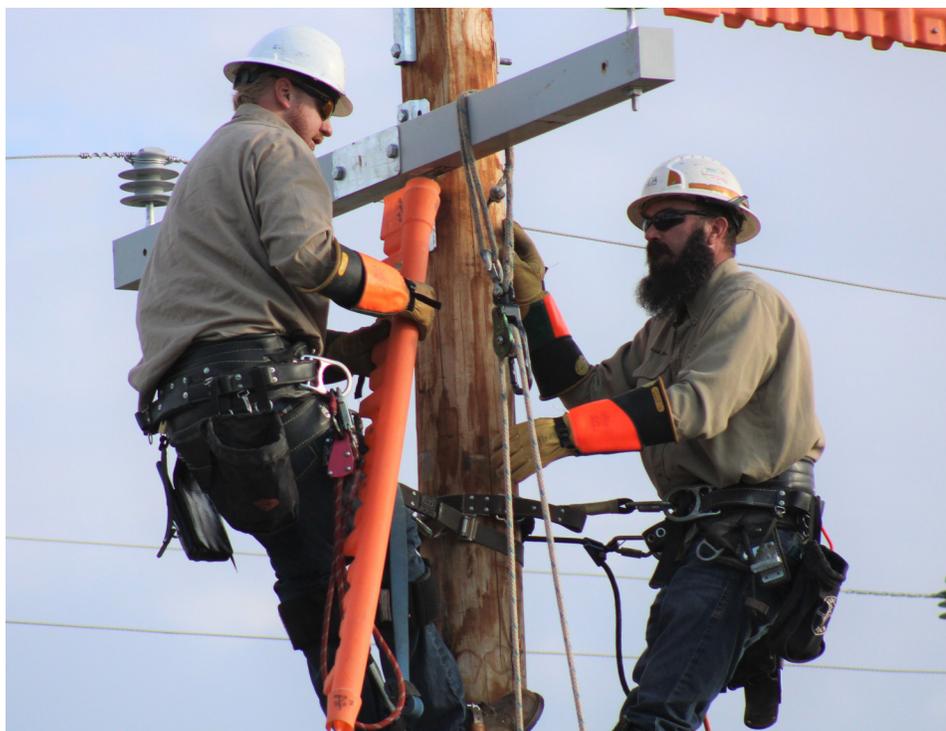
3rd – Tristan Stefani / City of Edmond, Tyler Wolf / OMPA, and Dustin Kincaid / City of Stillwater

Apprentice Written Test

1st – Dakota Jones / City of Stillwater

2nd – Tristan Stefani / Edmond Electric

3rd – Austin Anderson / OMPA



Public Power Week 2022



Various OMPA members from around the state celebrated Public Power Week the first week of October with events designed to alert their communities to the benefits of municipal-owned electric systems. Some had open houses where they gave away small items as customer appreciation or larger items through drawings.

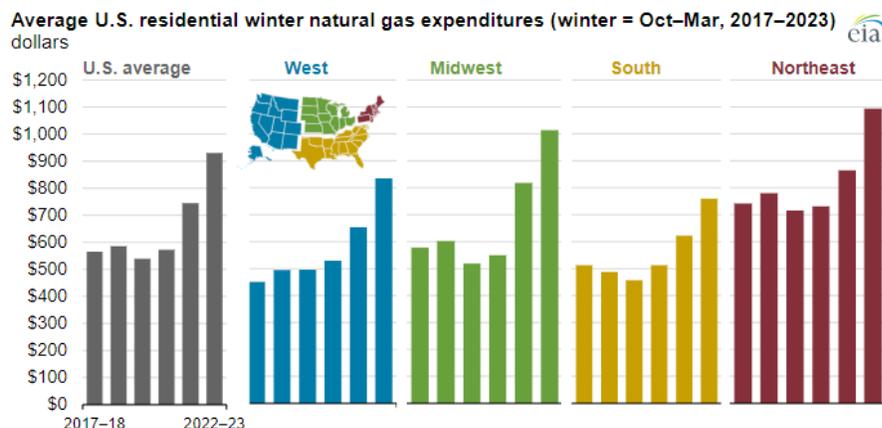


Gas prices expected to be high for winter

OMPA members should prepare their customers for higher-than-usual gas prices this winter, following a recent report by the U.S. Energy Information Administration (EIA).

The EIA has predicted that gas prices will be 22 percent higher this winter than they were a year ago. This impacts electric rates, especially since utilities in Oklahoma use natural gas to meet much of their generation needs. Natural gas is one of the primary generators in the region's power market, the Southwest Power Pool, at 35 percent of the resource mix.

Throughout 2022, the market price of natural gas has been about double what it was a year earlier. Contributing factors include high electric demand in the U.S. and increased liquified exports to Europe, due to gas shortages there. Additionally, gas used for electric generation has a competing use in the



Data source: U.S. Energy Information Administration, *Winter Fuels Outlook*

winter, with 47 percent of homes in the U.S. using natural gas for heating, according to the EIA. Gas prices have dropped in the past month providing some relief, but expectations are they

will increase during the winter months.

Traditionally, electric power costs are still lower in the winter than they are in the summer when peaks are typically set.

Economic development: Continued from Page 3

to expand an existing plan/bid room into a shared equipment program for local industry to access. Included were a Keyence CMM measuring machine, a 3D Photopolymer Printer and a Vectris Cobot robotic welder. Seven local companies were able to slash shipping and time constraints with the access to the CMM inspection device. The photopolymer printer and the robotic welder were used in tandem to increase industry productivity by creating parts to speed up turnaround time and filling the void left by the shortage of skilled labor, such as small-part welders.

- Ponca City Business Plan Pitch Off. Designed to assist and anchor business start-ups to Ponca City, the pitch off provided tools to approach a bank for funding, to buy a building, to start a line of credit or to Pitch to a panel of judges for incentives. With the assistance of the entrepreneurial

coordinator at Pioneer Technology Business Services, PCDA was able to identify an easy-to-use business plan software participants can access on their time: LivePlan.

- Ponca Works Program. This program was responsible for two awards. The program was developed to combat the issue of available jobs outnumbering the available workforce. Digital recruiting, community connection, and growing home talent have been the tools used throughout the process. School programs evolved into class credit internships for junior and senior students, Careers & Cookies program for seniors to learn about local career opportunities, augmented reality tours to bring local industry to schools in the form of an iPad program, Ambassador Program for millennial-aged industry employees to learn to tell their career journey and company

story to students in classrooms, career fairs and company tours. Girl Power STEM camp was created to educate and empower middle school girls to know about male-dominated industries. Community-wide job fairs, digital recruiting, and recruiting at college career fairs across the region are other arms of the program. The Ambassador Program has helped 9 companies tell their stories through 'A Day in the Life Of' videos and the Ambassador speaking to students.

Ponca City also earned Silver Winner and Bronze Winner in the Paid Advertising Awards and Internet and Digital Media Awards, respectively. The awards were for the "It's Science" and the "Entrepreneur Roadmap" videos, which were commissioned to showcase economic development and the many free resources in the community for existing and start-up businesses.

Board listens to presentation on demand response and smart meters for OMPA

In Brief

- A study was done to analyze the benefit programs might bring to OMPA
- Study involved demand response, smart meters and more
- Study concluded that programs would be beneficial

At its October meeting, the OMPA Board of Directors listened to a presentation from Lighthouse Energy Consulting on a study done to assess the potential savings and costs of various demand side management (DSM) programs that OMPA and its member cities could implement.

The study was conducted by Lighthouse, along with Anchor Blue and The Energy Authority.

OMPA is researching potential DSM programs as a way to reduce capacity needs, increase load flexibility, reduce the costs of serving load and meet the expectations of its member cities' end use customers for control of their energy usage.

Based on the goals of OMPA and the findings of the results, a list was narrowed to four potential programs to be analyzed as to their costs and benefits. The potential programs were: utility demand voltage reduction, smart thermostat demand response, residential time-of-use pricing and smart thermostat energy efficiency.

The study results showed varying degrees of both capacity savings and energy savings for OMPA and its member utilities, depending on the programs. Overall, it showed a financial benefit. The study assumed incentives would be provided by the utilities to customers who want smart thermostats and factored costs and savings over a 20-year period.



What is...

Demand Response

Demand response programs are incentive-based programs that encourage electric power customers to temporarily reduce their demand for power at certain times in exchange for a reduction in their electricity bills. Some demand response programs allow electric power system operators to directly reduce load, while in others, customers retain control. Customer-controlled reductions in demand may involve actions such as curtailing load, operating onsite generation, or shifting electricity use to another time period. Demand response programs are one type of demand-side management, which also covers broad, less immediate programs such as the promotion of energy-efficient equipment in residential and commercial sectors.

Demand voltage reduction

Demand voltage reduction is the intentional operation of the transmission and distribution system to provide customer voltages in the lower end of the acceptable range, with the goal of achieving energy and demand reductions for customers.

Time-of-Use

Time-of-use metering is a method of measuring and charging a utility customer's energy consumption based on when the energy is used. Utility companies charge more during the time of day when electricity use is higher.

A Smart Meter

A smart meter is an electronic device that records information such as consumption of electric energy, voltage levels, current, and power factor. Smart meters communicate the information to the consumer for greater clarity of consumption behavior, and electricity suppliers for system monitoring and customer billing.

CUP Completion in Marlow



The City of Marlow was awarded a \$20,000 check at its September council meeting for getting recertified at the Gold Level in the Competitive Utility Program (CUP). Marlow achieved two advanced awards for system reliability and advanced marketing, as well.

City Update

City approves request for substation idea

Comanche Public Works Authority has approved a request from City Manager Chuck Ralls to start looking for proposals for a new substation project.

Ralls specified that this is the early process of looking at projects with no money or expenditures being approved in this month's meeting as he just wanted to start the process.

Ralls said he is putting projects together so that he can apply for The Build Back Infrastructure grant that is coming out, which will release \$1.3 trillion dollars in funds according to Ralls.

His goal is to request \$5 million and proceed with proposals on the substation



and what the true cost would be.

“The reason that we are wanting to upgrade our substation it has two transformers and one transformer is low voltage,” Ralls said. “So I would like to upgrade our south one to match the north one and then over the next few years convert our entire system for KV to that 12KV. We also have an interested party in buying our 4 KV south transformer so since they are interested in it, normally you would sell it for scrap, it has more value than it normally would.”

Ralls said selling it will offset costs if they don't get the grant and they can use the money from the sale to make sure no costs will incur for any

expenditures for the city.

With that being the only action item for the Public Works Authority, the board moved to the regular city council actions as they set a work planning session for funds that might be coming in.

This work session was to help council get a better look at the funds and put together a five year capital plan to go over the needs for the town of Comanche, according to Ralls.

“I want to get your input on the vision for the city. I need you all to help me cast some vision and where we need to focus our efforts as I'm writing grants so that I can meet those needs,” Ralls said. “It is very difficult to do that in a council setting because it is very structured. You can't have a lot of free conversation where as in a work session you can be free to talk about whatever.”

On the next item, Comanche Council went into executive session to discuss a purchase of real property and discussed several items related during a quick executive session.

- Duncan Banner

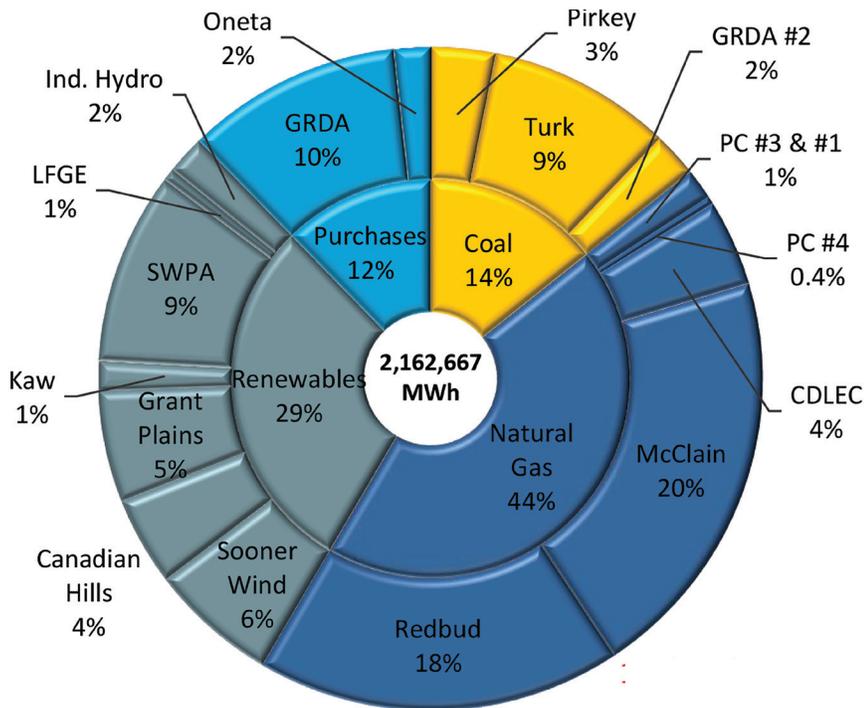


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