



# PEOPLE OF PUBLIC POWER

A group of people is walking across the large white letters of the title "PEOPLE OF PUBLIC POWER". The people are seen from above, and their shadows are cast on the letters, suggesting a bright, sunny day. The letters are arranged in three lines: "PEOPLE", "OF PUBLIC", and "POWER".

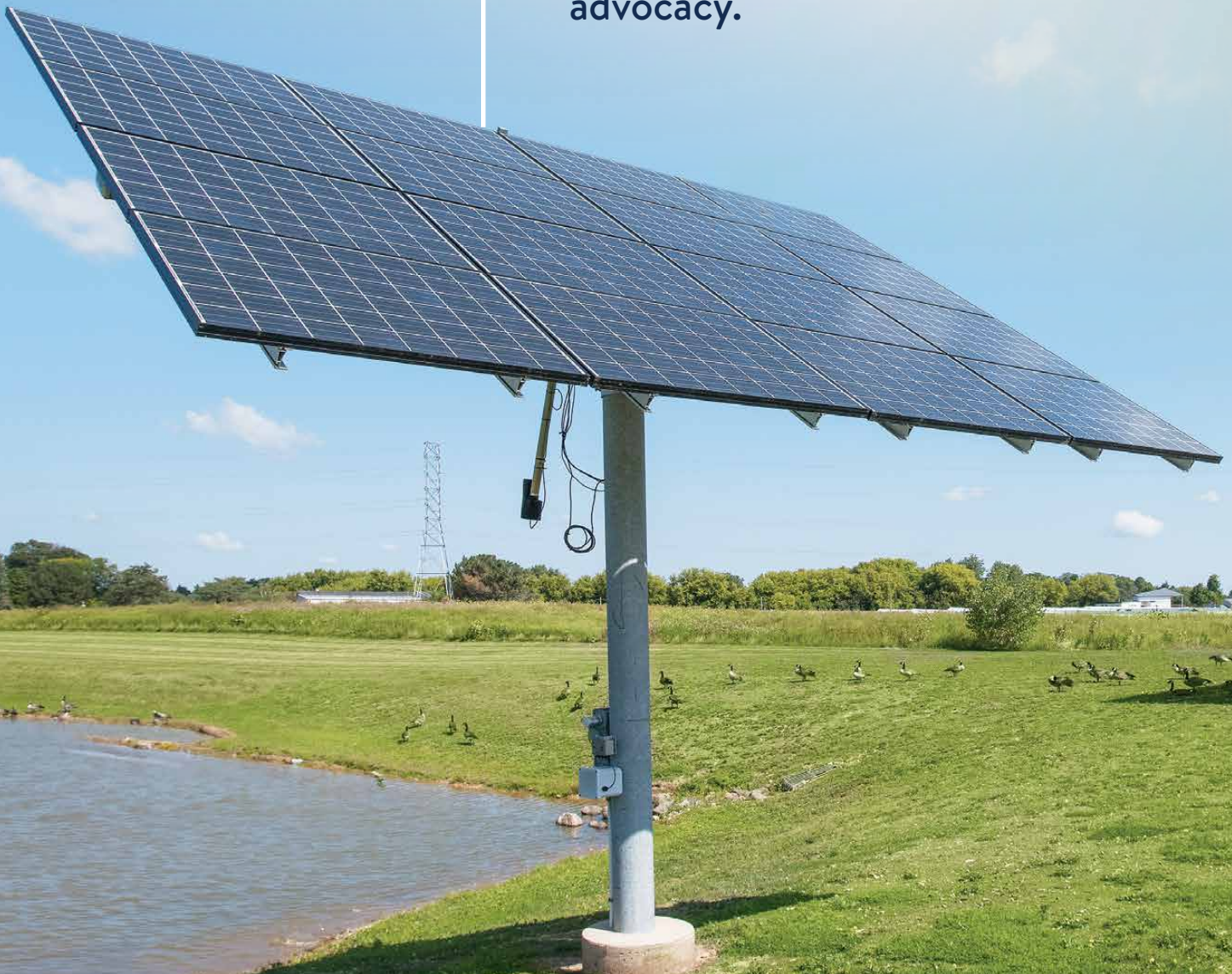
ANNUAL REPORT | **2023**

## VISION

WPPI Energy members will set the standard for locally owned utilities working together to help their communities thrive.

## MISSION

To help member utilities accomplish more by working together for reliable, affordable, responsible electricity, forward-thinking services, and effective advocacy.



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The WPPI membership includes 51 remarkable communities all driven by the people of public power. It is our privilege to feature in this report some of them, including:

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# FROM THE CHAIR AND THE PRESIDENT & CEO

Public Power employees are dedicated to the success of not only their local utility, but, at a higher level, the communities they serve. When it comes to fostering strong economies, advancing important local causes and implementing the kinds of forward-looking initiatives that make their communities great places, it is the people behind these public power utilities who help make it all happen.

It is these same public power leaders who have built WPPI into the organization it is today. This is why we chose to highlight the “people of public power” this year.



Dale Lythjohan (center) stands with WPPI President & CEO Mike Peters (left) and WPPI Board Chair Jim Stawicki (right)



## Our members

As a member-owned and member-governed joint action agency, WPPI measures itself on the satisfaction of its members. To ensure we remain aligned with the goals and objectives of our members, we launched a Support Services Survey this year. The main finding of the report was overall ratings for support services are strong, and they continue to improve.

The survey also revealed 95% of our members are satisfied with the work performed by the employees of WPPI.

Another takeaway from the survey was that members want additional services, including a Geographical Information System (GIS) support service, which we are launching in 2024, and a request for help with outage management, which is also underway.



## Our employees

And while the satisfaction of our members is our topmost concern, we are also invested in how our employees feel about the work they do. To measure this, we use a third party to survey our employees each year.

For the third year in a row, WPPI Energy earned Top Workplace designation by the Wisconsin State Journal, along with special recognition for having management that cares.

The honor was based solely on feedback from our employees, collected through a third-party research firm and benchmarked against peers in the same sector across the nation. The anonymous survey measures 15 culture drivers that are critical to the success of any organization, such as alignment, execution and connection.

The three words staff used most often to describe WPPI’s culture were flexible, friendly and collaborative.



## Customer satisfaction

While the purpose of WPPI's staff team is to serve the membership, our member utilities exist for the benefit of their customers. Feedback from the people living and working in the 215,000 homes and businesses served by members of WPPI helps drive our joint action efforts. To stay on top of their communities' ever-changing needs, WPPI members work together to survey residential customers, small and mid-sized businesses, and large businesses across our system. We conduct this research on a three-year rotating schedule, and in 2023 we again reached out to large businesses.

Results were very positive, and the WPPI membership received the highest rankings for providing reliable energy, trustworthiness and being easy to do business with.

Helping increase customer satisfaction is our members' dedication to communicating effectively. In the summer of 2023, WPPI launched a program to alert customers when warmer temperatures could lead to increased energy usage and higher bills. The program won an Award of Excellence from the American Public Power Association in November.



## Joint Action Hall of Fame

Throughout this report you will see highlighted the everyday commitment of WPPI's members and employees to deliver the value of public power for our communities. Sometimes, the culmination of their contributions is such that we induct them into the Joint Action Hall of Fame, our membership's highest honor recognizing these extraordinary individuals.

This year, Dale Lythjohan became the 35th recipient of our Hall of Fame award.

During his time with WPPI, Dale served as board chair from 2007-2011, and he was active on the board of directors for nearly 30 years. He always led by example and his leadership had a resounding impact within his community of Cedarburg, WPPI, and the utility industry in general. Dale was a true leader and teacher to the people with whom he worked, and we thank him for his contributions to public power.

**We look forward to highlighting many more individuals throughout this annual report.**

### Jim Stawicki

WPPI Energy Chair  
Sturgeon Bay Utilities General Manager

### Mike Peters

WPPI Energy President & CEO



# JOINT ACTION:

## PEOPLE WORKING TOGETHER

By working together, the people who make up the WPPI membership achieve more. They partner as likeminded, locally owned utilities, and share the resources, technology, and expertise required to help their communities thrive.

**THIS HAS BEEN THE  
CASE AMONG THE WPPI  
MEMBERSHIP FOR WELL  
OVER 40 YEARS,**

and today this unity of purpose remains as strong as ever.

# PEOPLE LEADING PEOPLE

## Executive Committee

The board elects an executive committee to oversee WPPI's business affairs and to make recommendations for action by the board on major decisions.



Top (L-R): Michael Avanzi, George Morrissey, Melanie Krause, Jim Stawicki, chair, Jill Weiss, Casey Engebretson, secretary, Brian Rhodes.

Front (L-R): Kevin Westhuis, Steve Brooks, Tim Herlitzka, treasurer, Mike Reynolds, vice chair.

## Senior Management

Led by President & CEO Mike Peters, WPPI's executive staff implements the membership's board-approved WPPI business strategy and directs the company's operations.

Top (L-R): Tom Paque, senior vice president of services & business strategy, Tim Noeldner, senior vice president of power supply, Mike Peters, president and chief executive officer.

Front (L-R): Marty Dreischmeier, chief financial officer, Phil Hansen, chief information officer, Tom Hanrahan, general counsel.



# BOARD OF DIRECTORS

**A Alger Delta Cooperative Electric Association** | Mike Furmanski

**Algoma Utilities** | Pete Haack

**B Baraga Electric Utility** | LeAnn M. LeClaire

**Black River Falls Municipal Utilities** | Casey E Engebretson<sup>1,2</sup>

**Boscobel Utilities** | Mike Reynolds<sup>1,2</sup>

**Brodhead Water & Light** | Ed Hoff

**C Cedarburg Light & Water Utility** | Ben Collins

**Columbus Utilities** | Michelle Kaltenberg

**Crystal Falls Electric Department** | Dave Graff

**Cuba City Light & Water** | George A Morrissey<sup>1</sup>

**E Eagle River Light & Water Utility** | Mike Sanborn

**Evansville Water & Light** | Jim Brooks

**F Florence Utilities** | Roger Secrist

**G Gladstone Power & Light** | James Olson

**H Hartford Utilities** | Brian C Rhodes<sup>1</sup>

**Hustisford Utilities** | Todd M Tessmann

**I Independence Light & Power, Telecommunications** | Kevin M Sidles

**J Jefferson Utilities** | Sarah Hinze

**Juneau Utilities** | Mac Affeld

**K Kaukauna Utilities** | Michael Avanzi<sup>1</sup>

**L L'Anse Electric Utility** | Bob LaFave

**Lake Mills Light & Water** | Randy Myrum

**Lodi Utilities** | Ann Groves-Lloyd

**M Maquoketa Municipal Electric Utility** | Chris Krogman

**Menasha Utilities** | Melanie S Krause<sup>1</sup>

**Mount Horeb Utilities** | Jordy Schmitz

**Muscoda Utilities** | Dorothy Hackl

**N Negaunee Electric Department** | Nate Heffron

**New Glarus Utilities** | Kevin Funseth

**New Holstein Utilities** | Marc Stephanie

**New London Utilities** | Jason Bessette

**New Richmond Utilities** | Weston Arndt

**Norway Department of Power & Light** | Dan Stoltman

**O Oconomowoc Utilities** | Mark Frye

**Oconto Falls Municipal Utilities** | Greg Kuhn

**P Plymouth Utilities** | Tim Blakeslee

**Prairie du Sac Utilities** | Troy T Murphy

**Preston Municipal Electric Utility** | Sheryl Ganzer

**R Reedsburg Utility Commission** | Brett H Schuppner

**City Utilities of Richland Center** | Scott Gald

**River Falls Municipal Utilities** | Kevin L Westhuis<sup>1</sup>

**S Slinger Utilities** | Margaret Wilber

**Stoughton Utilities** | Jill M Weiss<sup>1</sup>

**Sturgeon Bay Utilities** | Jim Stawicki<sup>1,2</sup>

**Sun Prairie Utilities** | Rick Wicklund

**T Two Rivers Utilities** | Brian Dellemann

**W Waterloo Utilities** | Barry L Sorenson

**Waunakee Utilities** | Tim Herlitzka<sup>1,2</sup>

**Waupun Utilities** | Steve Brooks<sup>1</sup>

**Westby Utilities** | Ron Janzen

**Whitehall Electric Utility** | Neal J Wozney

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1 — Executive Committee

2 — Officer

# CHOOSE RENEWABLE

Revenues from Choose Renewable are used to raise awareness and increase the use of resources such as solar, wind, hydro, and biogas.



## 43

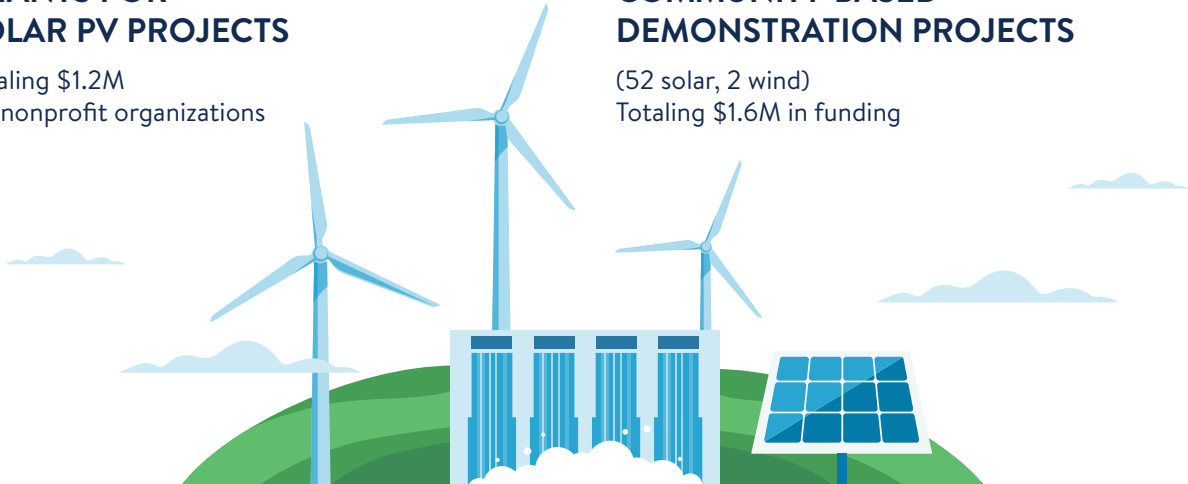
### GRANTS FOR SOLAR PV PROJECTS

Totaling \$1.2M for nonprofit organizations

## 54

### COMMUNITY-BASED DEMONSTRATION PROJECTS

(52 solar, 2 wind)  
Totaling \$1.6M in funding



Through Choose Renewable, customers of WPPI member utilities voluntarily purchase enough carbon-free energy to power approximately

**6,000 HOMES**

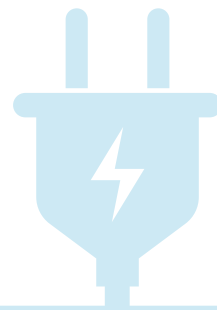
## Trusted advisors

While Choose Renewable offers the most cost effective, equitable, and accessible renewable energy option, our membership is also there to help empower well-informed decision-making for customers who want their own renewable energy installations. WPPI members provide accurate rate projections and other evaluation tools to help educate and protect their customers' interests.

## ENERGY SAVINGS

In 2023, members helped customers reduce energy waste by 53,000 megawatt hours through energy efficiency measures.

This reduced electric bills by approximately \$6 million per year and represents 88% of our 2023 goal metric.



**\$6M**  
PER YEAR

**IN SAVINGS  
FOR CUSTOMERS**

# CELEBRATING PUBLIC POWER

Public power has been the backbone of many communities for well over a century. The advantages delivered by locally owned public power utilities are well established and strongly valued by their communities. Congratulations to the following WPPI Energy members for their milestone public power anniversaries in 2023.





## THE IMPORTANCE OF GIVING BACK

Member utilities distributed approximately \$940,000 in 2023.

As locally owned, not-for-profit utilities, members value the opportunity to help the businesses and residents they serve. One of the ways they do this is through funding that supports nonprofit organizations, educational programs, customer service initiatives, local economic development, area sponsorships and special events.

Giving back is just one of the ways that public power utilities continue to make a difference in their communities.

# HELPING COMMUNITIES THROUGH MEANINGFUL PROJECTS

Participating households with electric heat are now saving an average of \$70 per year with help from their local utilities.

Member utilities of WPPI Energy joined together to tackle an issue hurting many income-qualified households in Wisconsin: the high cost of heating their homes with electric resistance heat.

Electric resistance heat, while inexpensive to install, results in higher energy bills compared to natural gas furnaces or heat pumps. According to the 2015 Energy Information Association Residential Energy Consumption Survey, about 12% of households with income below \$20,000 per year are primarily heated using built-in electric resistance heaters. Meanwhile, only 2% of households with income above \$100,000 per year use electric heaters.

The American Public Power Association provided a grant to research the issue.

The WPPI membership discovered that locally owned municipal utilities are well positioned to assist lower income households in pursuing energy efficiency through the implementation of line voltage smart thermostats (LVSTs). These thermostats allow customers to manage their electric resistance heat via a smart phone or tablet.

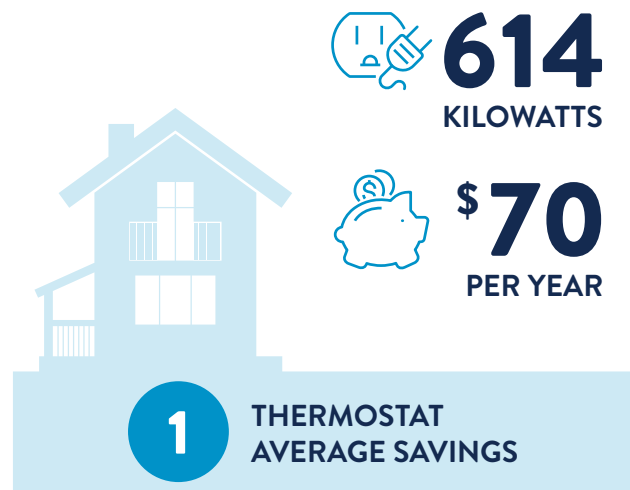
Some LVSTs also have learning capabilities and geolocation functionality – geolocation monitors the proximity of a user’s phone to determine whether the user is at home. If the user is not home, the LVST will automatically begin setting the temperature back. For a customer to utilize all the functionality of an LVST, the customer must have both Wi-Fi and a smart device.

To identify customers who use electric heat, an in-house software tool was created. Through WPPI, 17 utilities used the tool alongside additional marketing efforts to find customers interested in installing LVSTs to control their electric heat usage.

After funding made available from APPA, member utilities and WPPI, customers paid \$25 per smart thermostat. This included thermostat installation and recycling the old thermostats (a free recycler was identified for this project).

Over the course of the project, 883 thermostats were installed with an average savings of 614 kilowatts per thermostat or around \$70 per year per thermostat.

“The local utilities that helped with this program were really involved,” shared research author Anna Stieve, senior energy services manager with WPPI Energy. “The utilities were excited to see customers save money, and now when future customers call in with concerns about the high cost of electric heat, the utilities can recommend using a smart thermostat.”



More customers are set to benefit from the research results in the future, regardless of whether their utility participated in the initial research. Focus on Energy, Wisconsin’s statewide energy efficiency and renewable energy program, continues to investigate offering incentives for LVSTs across all participants in the state.

According to Stieve, “These are the fun projects, when we can identify a need and help the communities we serve.”

# NEW PROGRAM BRINGS ENERGY SAVINGS TO AFFORDABLE HOUSING

WPPI members are helping to install solar panels on newly constructed affordable housing, producing significant energy savings for homeowners.

Juneau Utilities worked with Habitat for Humanity to construct two homes, strategically placing solar panels to maximize sun exposure. The projects supply nearly all the electricity consumption for each of the homes during an average year and both projects are expected to exceed savings of 200,000 kilowatt-hours over their expected 25-year life cycles.

“We are happy to work with Focus on Energy and Habitat for Humanity on these projects,” shared Nick Gahlman, electric superintendent at Juneau Utilities. “Helping our customers to save energy and lower their energy costs is always rewarding, and these projects are examples of what can be accomplished.”

Similar projects were also completed in the WPPI-member communities of New Richmond, Reedsburg, River Falls and Sturgeon Bay. Future solar panel installations are scheduled for new affordable housing projects in Menasha, Stoughton and Sun Prairie.

**HELPING OUR CUSTOMERS TO SAVE ENERGY AND LOWER THEIR ENERGY COSTS IS ALWAYS REWARDING, AND THESE PROJECTS ARE EXAMPLES OF WHAT CAN BE ACCOMPLISHED.**



An aerial photograph of a large brick building with a flat roof covered in solar panels. The building has several windows and a balcony with a red metal structure. In the background, there are other buildings and trees under a clear sky.

**2,000**

**PUBLIC POWER  
UTILITIES**

**97**

**SMART ENERGY  
PROVIDERS**



**SMART  
ENERGY  
PROVIDER**

American Public Power Association

## **MEMBERS OF WPPI ENERGY LEAD THE NATION AS SMART ENERGY PROVIDERS**

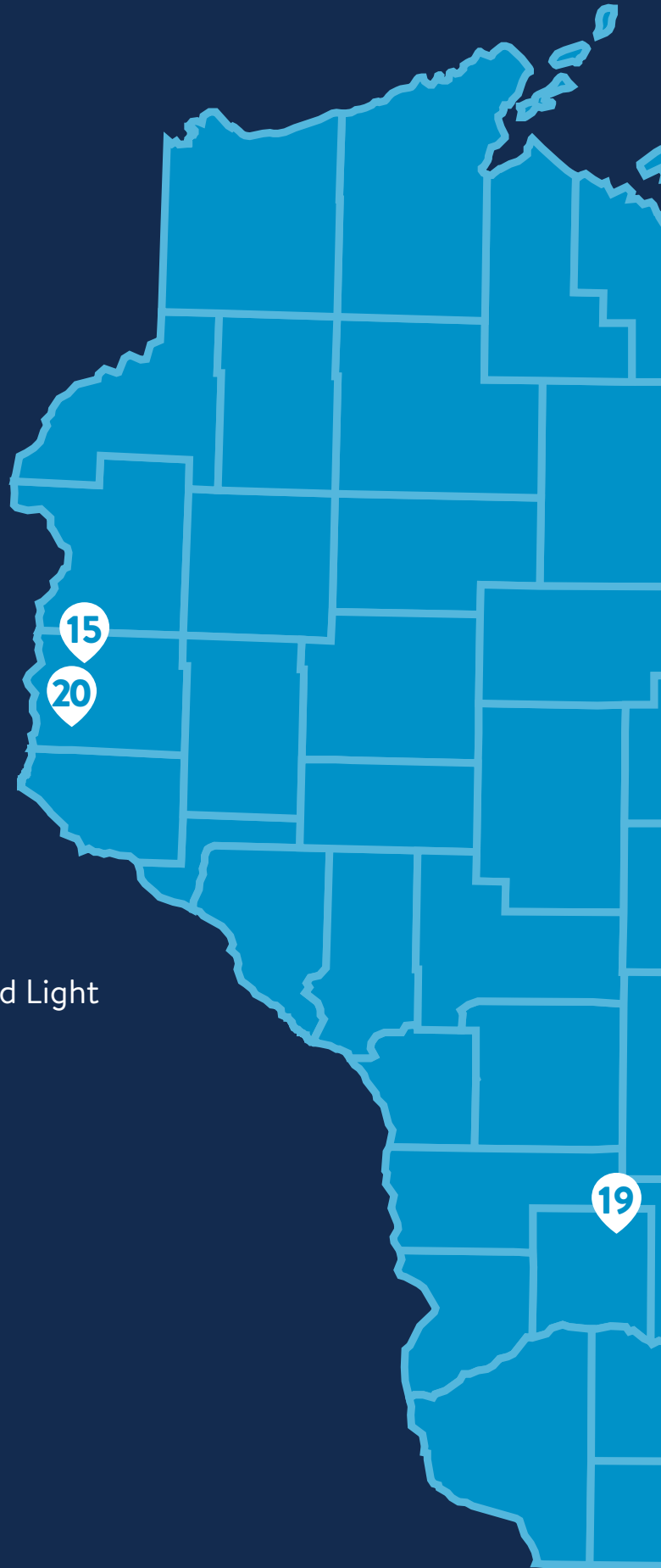
The American Public Power Association recognizes locally owned utilities as Smart Energy Providers. To earn the designation, utilities must demonstrate a proficiency in energy efficiency, distributed generation, and environmental initiatives.

There are 2,000 public power utilities across the nation, and 97 of them have earned status as Smart Energy Providers. **And member utilities of WPPI Energy make up nearly one third of this prestigious group, with 27 utilities owning the coveted title.**

By partnering together with like-minded utilities, members of WPPI have built a cost-effective array of the kinds of forward-thinking programs, shared expertise, and modern technologies that align well with the Smart Energy Provider criteria.

# SMART ENERGY PROVIDERS

- 1 Algoma Utilities
- 2 Cedarburg Light & Water Utility
- 3 Columbus Utilities
- 4 Crystal Falls Electric Department
- 5 Eagle River Light & Water Utility
- 6 Florence Utilities
- 7 Hartford Utilities
- 8 Jefferson Utilities
- 9 Juneau Utilities
- 10 Kaukauna Utilities
- 11 Lake Mills Light & Water
- 12 Lodi Utilities
- 13 Menasha Utilities
- 14 New London Utilities
- 15 New Richmond Utilities
- 16 Norway Department of Power and Light
- 17 Oconomowoc Utilities
- 18 Oconto Falls Municipal Utilities
- 19 City Utilities of Richland Center
- 20 River Falls Municipal Utilities
- 21 Slinger Utilities
- 22 Stoughton Utilities
- 23 Sturgeon Bay Utilities
- 24 Sun Prairie Utilities
- 25 Two Rivers Utilities
- 26 Waunakee Utilities
- 27 Waupun Utilities





# 27

UTILITIES

# MEMBERS OF WPPI EARN NATIONAL RECOGNITION FOR SAFETY AND RELIABILITY

Ten members of WPPI hold the Reliable Public Power Provider (RP3) designation from the American Public Power Association for providing safe and reliable electric service.

“These locally owned utilities work hard to provide a high level of service to their communities,” said Chris Chartier, director of distribution services for WPPI Energy. “Getting their lineworkers home safely and providing reliable power to the residents and businesses they serve are their top priorities, and it’s great to see them recognized for this by the American Public Power Association.”

The RP3 designation, which lasts for three years, recognizes public power utilities that demonstrate proficiency in four key disciplines: reliability, safety, workforce development, and system improvement. Criteria include sound business practices and a utility-wide commitment to safe and reliable delivery of electricity. The utilities join 271 public power utilities nationwide that hold the RP3 designation.

## Members with RP3 status:

**Evansville Water and Light** | 2021

**Kaukauna Utilities** | 2023

**Menasha Utilities** | 2023

**Plymouth Utilities** | 2022

**City Utilities of Richland Center** | 2021

**River Falls Municipal Utilities** | 2021

**Sun Prairie Utilities** | 2021

**Two Rivers Water & Light** | 2021

**Waupun Utilities** | 2022

**Waunakee Utilities** | 2023



# SUPPORTING SCHOOLS THROUGH SCHOLARSHIPS AND LIVE THEATRE

Members of WPPI educate and inspire students and school staff in their communities by collaborating with the National Theatre for Children (NTC). The program is performed by professional actors who lead the students through an action-packed, hi-tech adventure, all while teaching about energy efficiency, resources, and conservation.

“Our member utilities look forward to partnering with NTC to provide this opportunity for students in their communities,” said Kelly Davis, senior marketing manager with WPPI Energy. “It’s a great way to encourage kids to get interested in the energy field and to learn more about how communities are powered.”

In addition to the live theatre, members of WPPI also support local students through scholarship programs for high school seniors. This is just one more way that the people of public power give back to the communities they serve.

**IT’S A GREAT WAY TO ENCOURAGE KIDS TO GET INTERESTED IN THE ENERGY FIELD AND TO LEARN MORE ABOUT HOW COMMUNITIES ARE POWERED.**



# MIKE & COLE SANBORN

📍 EAGLE RIVER



Mike and Cole Sanborn, a father and son duo working at Eagle River Light & Water Utility, never intended to make linework a family tradition.


More than 30 years ago, Mike set out to find a career that would center around his love of the outdoors; anything that allowed him to be outside while making a living was fine with him. He was planning to attend training when a position opened at the utility in Eagle River. Mike has been there ever since, becoming a foreman in 2009 and taking on the manager position in 2018.

That was around the time his son, Cole, started as a lineworker. For Cole, the role was always an option. He spent time at the municipal utility in his youth and as he entered high school, Cole was encouraged to consider what type of career he wanted. That prompted him to learn more about utilities. When Cole entered his senior year of high school, he began working half-days at Eagle River Light & Water. After a training program in Green Bay, he became an apprentice in his hometown.


Mike and Cole both said they take pride in working for the municipal utility that serves their fellow community members.

“The best feeling is being the one who turns the lights back on, who helps people,” Cole said. “You’re not just a faceless number or a guy in a truck. You’re part of the community.”

Mike said the people — from the workers who make it “easy to be a manager” to the city officials who understand the importance of having a reliable municipal utility to the customers who call his personal cell on the infrequent occasion an outage occurs — are why he loves his job.



**IT’S AWESOME, THE APPRECIATION FROM FELLOW COMMUNITY MEMBERS,” MIKE SAID. “WE PRIDE OURSELVES ON SAFETY WITH SPEED AND WE CARE ABOUT WHAT WE DO.**




# POWER SUPPLY:

## PEOPLE ENERGIZING COMMUNITIES

**WPPI IS ON TRACK FOR A 45% REDUCTION IN CO<sub>2</sub> EMISSIONS BY 2025 WHEN COMPARED TO 2005, AND IT IS THE JOINT ACTION AGENCY'S TARGET TO BECOME CARBON NEUTRAL BY 2050.**

The people of public power take seriously their role in energizing their communities with reliable, affordable, responsible electricity. As 51 like-minded utilities working together, our membership achieves greater economies of scale and a diverse, cost-competitive power supply portfolio that helps local communities thrive.



**1,061**  
MEGAWATTS

Aug 23  
2023

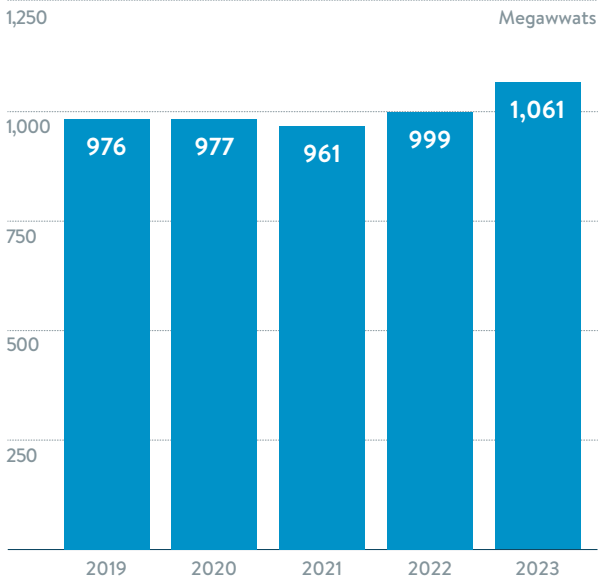
## ALL-TIME HIGH PEAK DEMAND

WPPI broke its previous record and reached its highest peak demand for electricity on August 23, 2023.

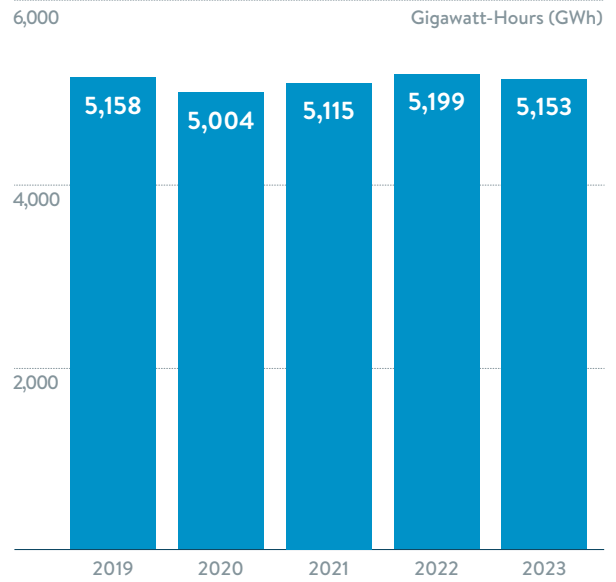
It was a very hot day throughout the area served by members of WPPI. As a result, the joint action agency reached its highest ever peak demand for electricity – 1,061 megawatts (MW). This broke the old record of 1,048 MW set in July 2012.

The peak event, however, ended up being fairly uneventful. WPPI and its members were well prepared for such an occasion. Electricity was plentiful and wholesale energy prices remained reasonable throughout the heat wave.

## Peak Demand



## Energy Requirements



### 2023 Fuel Mix\*

- **33.5%** Coal
- **22.2%** Natural Gas
- **20.0%** Nuclear
- **10.3%** Renewables
- **14.0%** Renewables: No RECs\*\*

\* Preliminary

\*\* For every megawatt hour of electricity produced by renewable sources, a renewable energy certificate or credit (REC) is created. The person or entity holding that REC is entitled to claim all of the environmental benefits of the associated renewable electricity generation. WPPI holds some, but not all, of the RECs associated with the electricity it receives from renewable sources. WPPI uses RECs (by retiring them within a REC tracking system) in connection with certain WPPI and member programs and to comply with state renewable energy standards. WPPI also sells some RECs, the revenues from which help lower the wholesale costs for WPPI members. The area of the chart labeled “Renewables” represents the portion of electricity received from renewable sources for which WPPI received and has not sold the associated RECs. These RECs may in the future be used by WPPI to comply with regulatory requirements, retired for other purposes or sold to third parties as described above. The portion of the chart labeled “Renewables, No RECs” represents the portion of electricity received from renewable sources for which WPPI did not purchase the associated RECs in the first instance, or for which the associated RECs have been sold.

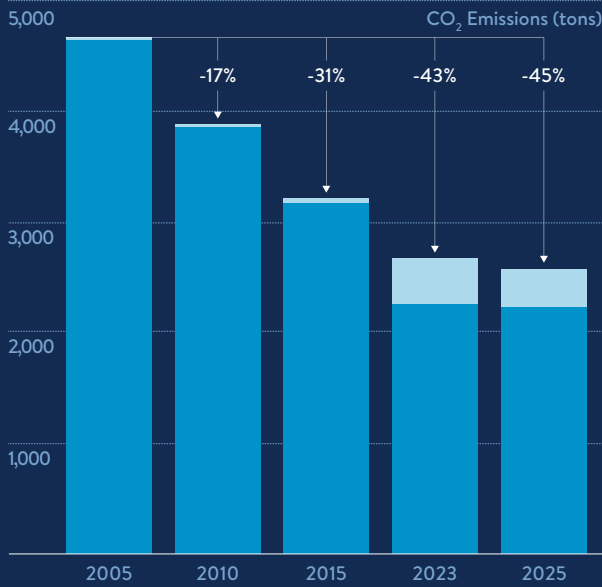


# 2023 POWER SUPPLY RESOURCES

Owned Generation	Fuel	Capacity (MW)
South Fond du Lac Units 1 & 4	Gas	154
Boswell Unit 4	Coal	117
Elm Road Generating Station	Coal	106
Island Street Peaking Plant	Gas	52
Worthington Wind Turbines	Wind	2

Power Purchase Agreements	Fuel	Capacity (MW)
Bishop Hill III Wind Energy Center	Wind	132
WPS	System Energy	75
Point Beach Nuclear	Nuclear	117
Point Beach Solar	Solar	100
Nelson Energy Center	Gas	90
Butler Ridge	Wind	54
Top of Iowa II	Wind	50
Member-Owned Generation	Gas, Oil	40
Barton I	Wind	30
Forward Wind Energy Center	Wind	27.5
Kimberly Hydro	Hydroelectric	2.1
Richland Center Renewable Energy	Biogas	1.8
Jefferson Solar	Solar	1
Community Solar Gardens	Solar	0.6
John Street Hydro	Hydroelectric	0.5

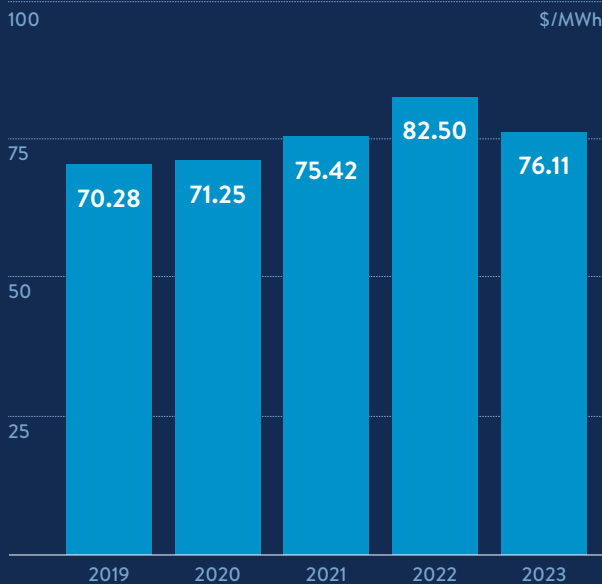
## Power Supply CO<sub>2</sub> Emissions



- WPPI’s actual emissions from WPPI-owned generating units and purchased power from specific generating units, utility systems and the MISO market.
- Imputed emissions for renewable resources for which WPPI did not purchase the associated renewable energy certificates or credits (RECs) in the first instance, or for which the associated RECs have been sold.

It is possible that RECs currently held by WPPI may be sold to third parties in the future, which would result in an increase in imputed emissions. Actual emissions from MISO market purchases and imputed emissions were determined using a calculated residual emission rate factor equal to the average emission rate of non-renewable resources in the MISO market.

## Average Power Cost to Members



## WPPI’s primary power supply resources



# BEING FLEXIBLE AND ACTING QUICKLY

Power supply often plays the long game and planning is regularly done years in advance. That doesn't mean, however, that WPPI can't act quickly when it benefits the membership.

In early 2023, the Federal Energy Regulatory Commission approved the Midcontinent Independent System Operator's new seasonal resource adequacy construct, providing WPPI with new products and creative ways to manage the cost of generation capacity.

In one example, WPPI traded some of the joint action agency's winter surplus generating capacity for Manitoba Hydro's surplus summer capacity. The exchange delivers value because Manitoba's peak electric demand occurs during the coldest winter months, whereas WPPI members are located further south, resulting in peak demands during the hot summer months.

"Collaborating with our Canadian friends in Manitoba really allows us to squeeze more value out of both power systems without incurring additional costs," explained Senior Vice President of Power Supply Tim Noeldner. "The seasonal capacity exchange was a win for both organizations."

IT REALLY  
ALLOWS US TO  
SQUEEZE MORE  
OUT OF THE  
SYSTEM WITHOUT  
INCURRING  
ADDITIONAL  
COSTS. IT WAS  
A WIN FOR  
BOTH OF OUR  
ORGANIZATIONS.



# STEPPING UP FOR RELIABLE TRANSMISSION

WPPI has a \$167-million equity ownership in the American Transmission Co. (ATC) and considers the organization a vital partner in serving the WPPI membership and ensuring electricity keeps flowing. WPPI uses distributions from ATC to help offset rates for the entire WPPI membership. Mike Peters, who serves on the ATC Board of Directors, states, “I consider it my duty to make decisions that are in the best interests of ATC, the utility systems, and the customers it serves – including the WPPI membership.”

As a member of the search committee for ATC’s next president and CEO, Peters participated in the selection of Teresa Mogensen for the position. Mogensen assumed the role in August 2023.

In addition to investing in ATC, which provides transmission delivery service in eastern Wisconsin and Upper Michigan, WPPI invests directly in certain transmission facilities located in western Wisconsin through our participation in Grid North Partners (formerly known as CapX2020). WPPI has invested approximately \$22 million thus far in western Wisconsin, and anticipates also investing in the next wave of major transmission projects.

WPPI participates with MISO, ATC, and Grid North Partners in trying to make sure the right amount of transmission gets built – not too much, not too little. The joint action agency invests in a “load-ratio share” of transmission to better manage costs, and the gains on transmission investment are returned to members and the customers they serve in the form of lower rates.



# WPPI'S POWER SUPPLY STAFF

DEDICATED TO KEEPING POWER RELIABLE,  
ELECTRICITY COSTS AFFORDABLE, AND THE  
SUPPLY RESPONSIBLE  
(SAFE AND ENVIRONMENTALLY BENIGN)



# PLANNING FOR THE FUTURE

Power supply resources often come with a long lead time of five to 10 years. Beginning in the 2030's, WPPI will have room to add more capacity. Due to some expiring wind and nuclear contracts, WPPI has room for approximately 400 MW of new resources by 2033. The lengthy lead times make today a great time to begin planning for the upcoming decade.

## HELPING LEAD THE WAY IS WPPI'S DEDICATED POWER SUPPLY STAFF

To aid their efforts, the power supply staff is using a resource planning model called Encompass to develop plans that would address a wide range of potential market futures. Using this tool, staff can see which resources are likely to result in the lowest costs for each of nine market future cases.

At this point, a combination of renewable energy resources (especially wind) and gas-fired dispatchable combustion turbines appears to be the best choice.

Power Supply Analyst Shelby Riese offered her insight, "Gas-fired turbines are easy to start, and they protect the power portfolio from volatility as the world continues to rely more heavily on weather dependent wind and solar resources. Battery storage also appears to have a future role but will need to come down in price to be a cost-effective option."

**DUE TO SOME EXPIRING WIND AND NUCLEAR CONTRACTS, WPPI HAS ROOM FOR APPROXIMATELY 400 MW OF NEW RESOURCES BY 2033. THE LENGTHY LEAD TIMES MAKE TODAY A GREAT TIME TO BEGIN PLANNING FOR THE UPCOMING DECADE.**



# SERVICES & TECHNOLOGY:

PEOPLE SERVING PEOPLE

# MEMBERS CONTINUE TO OPTIMIZE SERVICES BASED ON THEIR COMMUNITIES' NEEDS – THE GEOGRAPHICAL INFORMATION SYSTEM SUPPORT SERVICE

GIS is a powerful tool that will help member utilities analyze usage patterns, recognize problems and risks that could lead to power outages, track customers' energy consumption, and identify potential threats.

Highlighting the importance of serving their communities, members of WPPI are building on their track record of success in sharing staff expertise by expanding the existing GIS Support Service. The service expansion will provide members with access to a GIS specialist without having to hiring a full-time employee of their own. The specialist will be hired through the joint action agency, and participants will sign up for a percentage of the specialist's time.

The offering is another testament to the power of joint action. Members were able to identify a need and fill it together at a reduced cost in a way that best fits the demands of their unique utilities. And WPPI staff were there to help.



# HELPING CUSTOMERS INSTALL SOLAR WITH CONFIDENCE

A new Distributed Energy Resources interconnection guidebook.

“Local utilities working together to meet common needs” has always been the hallmark of the WPPI membership’s shared success. Not surprisingly, when WPPI members are asked what they value most about interacting with their joint action peers, the ability to share expertise and insights with one another always appears among the top responses.

With this collaborative strength in mind, and as decreasing costs and more active sales tactics for solar photovoltaic systems have driven a significant increase in customer installations of these distributed energy resources (DER), the membership convened a team to explore ways that utilities can prepare for the expected continued increase

in requests from customers who want to interconnect these DERs to the utility system. This group worked together to review and develop a set of recommended best practices for managing the customer interconnection process.

The most recent result of their efforts is our newest joint action resource: WPPI’s “Distributed Energy Resources Interconnection Guidebook” for member utilities. The book lays out a review process to ensure that all appropriate departments within the utility are informed about customer DER projects, and that, whether a utility receives requests frequently or infrequently, staff will be prepared to respond efficiently and consistently.



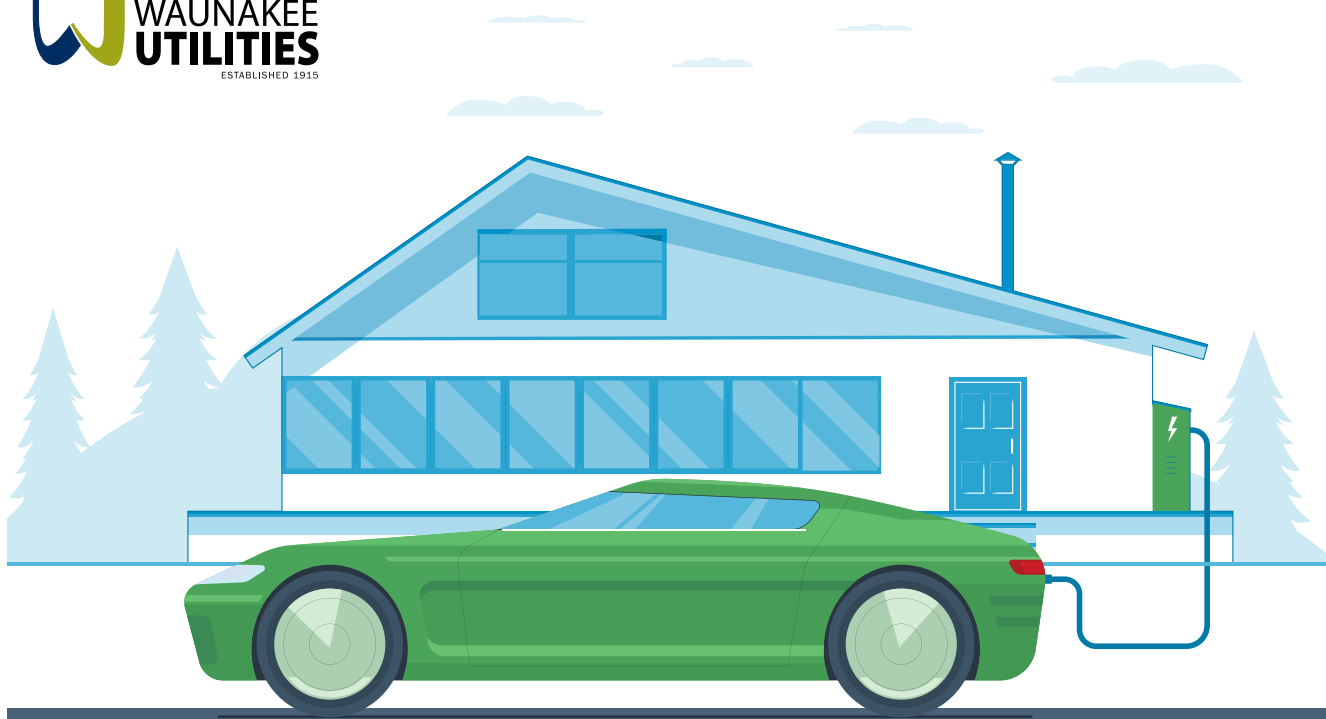
# EV-FRIENDLY TIME-OF-USE RATE HELPS EV OWNERS SAVE MONEY

This year, the Public Service Commission of Wisconsin unanimously voted to approve Waunakee Utilities' proposed optional, residential, three-tier time-of-use rate.

While the new rate will be available for all Waunakee residential customers, the offering should hold particular appeal for electric vehicle users. The rate was designed with an on-peak window of just four hours – much shorter than the 12-hour period typical in two-tier TOU rates. In addition, the off-peak period is more deeply discounted. These elements make the rate more EV-friendly for many who use level-two home chargers.

While Waunakee led the way as the first WPPI member to offer the three-tier residential TOU rate, the approval contributes to the membership's overall business objective of supporting beneficial transportation electrification for the purpose of encouraging load growth throughout member communities.

With approval for Waunakee's proposal now secure, the WPPI rates team is supporting additional member utilities interested in implementing the EV-friendly offering.



# FORWARD-THINKING TECHNOLOGY SERVICES

Our membership's shared suite of utility business technologies helps utilities provide proactive service and meet customers' growing expectations. From the NorthStar customer information and billing system to advanced meter data management, WPPI members set the standard with unparalleled joint action technology resources.



## Advanced Metering

- Records data for billing, customer service, and power quality purposes
- Allows remote disconnects and reconnects
- **43 members** use the shared meter tech service



## GIS Mapping

- Ties advanced meter alerts together with locations for visualization
- Defines device relationships, allowing advanced analytics such as identifying overloaded transformers
- See p. 31 to learn more



## Meter Data Management

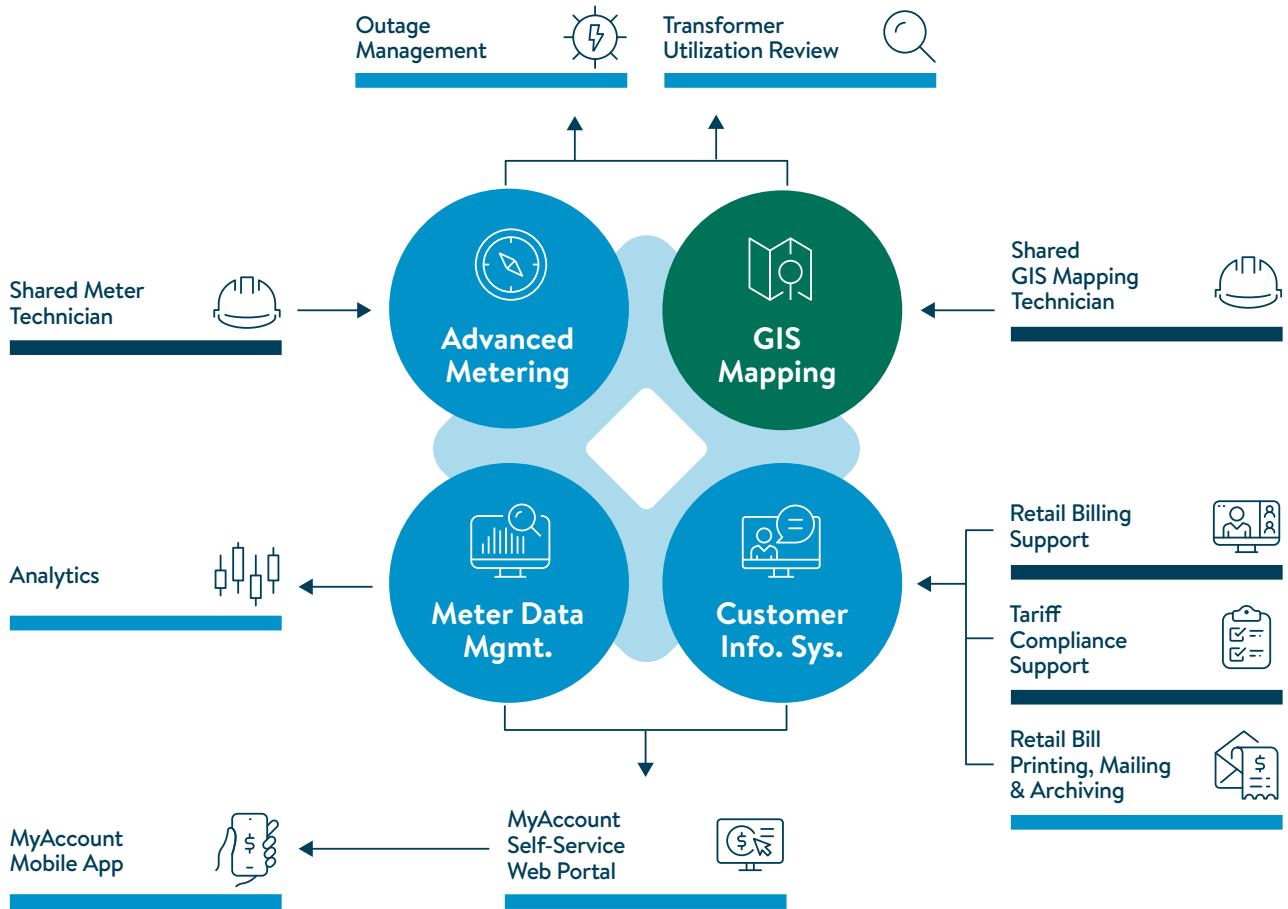
- Collects and validates meter data
- Provides long-term storage of meter data
- Facilitates billing complex rates



## Customer Information System

- **46 members** use NorthStar to bill customers and manage customer interactions
- **39 members** use the MyAccount customer portal and mobile app
  - Customers gain energy usage insight and additional bill pay convenience
  - Customers can receive notifications on power outages or water leaks

# Forward-Thinking Services



- Tech Suite Software
- WPPI Support Services
- Member Software (Third-Party)

## TRAINING EXPERT USERS

As utility business needs and systems evolve, so must the skills of those who use them. This year, we expanded opportunities for member utility employees to grow their expertise.

**379 participants**

Across 34 different training events



**45 utilities**

Participated



# JILL WEISS

📍 **STOUGHTON**



Stoughton Utilities Director Jill Weiss has practically seen it all.

“I’ve gotten to see all the sides of the world we live in,” said Weiss, who has worked throughout Wisconsin for municipalities and private companies.

Growing up in Fort Atkinson, Wis., Weiss always enjoyed math and science. Then in high school, a friend pointed to engineering as an option, and it felt like a perfect fit. After graduating from the University of Wisconsin-Madison, Weiss worked in northern Wisconsin before returning closer to home as director of public works in Jefferson. She was later drawn to a position at a private utility but returned to municipal work in 2019.

“I’m always impressed by a municipal utility,” Weiss said. “A community took the initiative and embraced oversight of its own electric utility, making it a nonprofit focused solely on meeting the needs of customers.”

With more than 25 years in the industry, Weiss said success is hard to quantify. An aim when she started out was to have diverse opportunities in her career. In every new position, she had to learn quickly. In Jefferson, her tenure began with the first ever citywide outage. Another new job brought the worst storms experienced in 15 years. Those events caused her to “step up,” she said.

Even when unpredictable events happen, like a global pandemic, Weiss stresses the importance of a supportive team. The negative effects of a single team member becoming ill can be felt, Weiss said, but the magnitude of an outbreak that could cause public safety issues was an even larger concern. Another challenge Weiss faces each day is one several managers have dealt with in the last year: how to maintain a good work environment to retain quality staff.

That is part of Weiss’s consideration of the future of public power as well. Knowing exactly what will come next is unlikely, but it’s important to understand that change is constant.

“What’s unique about our industry is that it’s always and forever changing,” Weiss said. “The future is very bright, and I think we’re able to be smarter together.”



**WHAT’S UNIQUE ABOUT OUR INDUSTRY IS THAT IT’S ALWAYS AND FOREVER CHANGING. THE FUTURE IS VERY BRIGHT, AND I THINK WE’RE ABLE TO BE SMARTER TOGETHER.**

# EFFECTIVE ADVOCACY:

The title 'EFFECTIVE ADVOCACY:' is written in large, white, sans-serif capital letters against a solid blue background. A small silhouette of a person is walking on the top of the letter 'E'. Another group of three silhouettes of people is walking on the top of the letter 'O'.

PEOPLE WHO CARE

# MEMBERS OF WPPI LEAD ADVOCACY EFFORTS ON A NATIONAL LEVEL

In July 2023, Jim Brooks concluded his term as chair of the American Public Power Association's Policy Makers Council. Brooks serves as Evansville City Council president and chair of the Municipal Services Committee in Evansville, Wis.

APPA is the voice of 2,000 locally owned, not-for-profit electric utilities acting together.

"I'm proud to have represented public power communities in a unified voice to elected officials throughout the country," Brooks said. "Lawmakers hear a lot of noise from every angle, but they know that when members of the APPA Policy Makers Council show up, we are bringing the thoughts and needs of thousands of voters in their district. They know the concerns are directly from local government officials dialed into their communities."

Another leader for public power, Kaukauna Utilities Commission President Lee Meyerhofer, began serving as vice chair of the APPA's Policy Makers Council in the summer of 2023. Meyerhofer previously served as the first vice chair after being elected in 2022 and is expected to become chair of the council in the summer of 2024.

"I have said it before, having a partnership with other public power communities gives our municipal utility a voice at the highest level of decision making that we just would not otherwise have," said Meyerhofer. "I am proud to advocate in support of locally owned utilities, both for the residents of Kaukauna and for all communities served by public power across our nation."

The Policy Makers Council advocates on federal legislative and regulatory issues that impact customers in communities like Kaukauna, Evansville and the other 2,000 public power communities across the United States. Members of the PMC meet twice a year in Washington, D.C., and at least once a month by telephone. The group advocates on issues such as climate policy, a reliable and affordable power supply, preserving local control for public power communities and energy infrastructure investments.

The WPPI membership is honored to have two of our own serving in leadership consecutively on this important council.



Jim Brooks



Lee Meyerhofer

# PUBLIC POWER ADVOCATES

Advocacy is a core component of WPPI's mission, and a group of Public Power Advocates keeps the membership informed and engaged in energy policy issues that could significantly impact member communities.

Director of Government Affairs Joseph Owen leads the effort to regularly brief members' local elected and appointed officials and managers on state and federal energy policy issues and strategy. They can be counted on to carry the public power message to state and federal legislators.



## WPPI MEMBERS ADVOCATE FOR THEIR CUSTOMERS AND COMMUNITIES IN WASHINGTON, D.C.

The American Public Power Association's annual Legislative Rally in Washington, D.C. provides WPPI member community elected officials, commissioners, and utility managers the opportunity to meet face-to-face with Congressional delegates and their staff on Capitol Hill. In February 2023, over 30 local leaders from 17 WPPI member communities came together to advocate on behalf of their customers.

Attendees met personally with U.S. Senators Tammy Baldwin and Ron Johnson, and with U.S. Reps. Jack Bergman, Scott Fitzgerald, Mike Gallagher, Glenn Grothman, Mark Pocan, Tom Tiffany, and Derrick Van Orden. They also sat down with staffers for U.S. Sens. Gary Peters and Debbie Stabenow.

Among the issues discussed was the importance of considering energy affordability, reliability and sustainability while debating any change to U.S. energy policy. The group also advocated for energy permitting reform to provide timely approval and buildout of needed utility infrastructure, while ensuring reasonable costs are allocated fairly to those who benefit. They also reiterated the importance of strong industry-government partnerships for keeping the grid safe from cyberattacks and alleviating the supply chain crisis affecting utilities across the nation as lead times for purchasing utility equipment have more than tripled over the past 24 months.

WPPI members are invested in advocating for policies that help keep their communities strong.

Image (L-R): Casey  
Engebretson, Nels  
Rude and George  
Morrissey meet with  
Representative Derrick  
Van Orden



# CINDA JOHNSON

 **MUSCODA**



People who work in public power help their communities thrive while overseeing the everyday responsibilities of a locally owned utility. One of those workers is Muscoda Village Administrator Clerk Cinda Johnson.

A long title for a woman who does it all when it comes to municipal operations. Johnson began her time with the village as a junior in high school, filing documents and performing office work for school credits. She was deputized in 1985, became clerk and treasurer in 1994 and took on even more responsibility in 2006 as village administrator.


“When you’re a small utility, everybody is involved,” Johnson said. “It’s a necessity.”

She has been working for decades as a dedicated employee focusing on the utility and its goal of providing reliable, affordable and responsible power to customers within the village and surrounding areas. In December, Johnson marked her 40th year as a full-time village employee.

Longevity is a staple of Muscoda Utilities, which has been around since 1907. Johnson has upheld the tradition — she is just one of three Muscoda village clerks in the last century.

Johnson champions the expanding industrial park and improvements to recreational space in recent years.

“From Meister Cheese to Scot Industries, we have a large customer base in our industrial park, especially for a village our size,” Johnson said. “Our significant industrial load and our updated outdoor spaces along the Wisconsin River show that our utility workers excel at ensuring everyone we serve can continue to operate their business or their home seamlessly.”



**OUR SIGNIFICANT  
INDUSTRIAL  
LOAD AND  
OUR UPDATED  
OUTDOOR  
SPACES ALONG  
THE WISCONSIN  
RIVER SHOW  
THAT OUR UTILITY  
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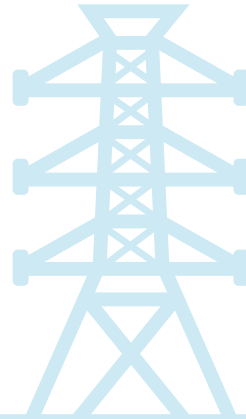
# FINANCIAL SPOTLIGHT

A group of approximately ten people are standing on the letter 'O' in the word 'SPOTLIGHT'. They are arranged in a line, with some standing on the top curve and others on the bottom curve of the letter. The background is a solid blue color.

Our excellent financial health keeps the WPPI membership well positioned for continued long-term success. WPPI's financial strength is built on the solid foundation of the membership's long-term wholesale power supply agreements. These all-requirement contracts and WPPI's wholesale rate design, which includes monthly cost adjustments, ensure comprehensive and timely recovery of wholesale costs.

# MARKET ENERGY PRICES LOWER THAN 2022

In 2023, market energy prices and natural gas prices were significantly lower than experienced in 2022 and budgeted for in 2023. WPPI's 2023 actual average power costs were \$76.11 per megawatt hour or 10.2% below budget and 7.7% below 2022 average power costs. This resulted in significant savings for the membership and their customers.



**\$76.11**  
MWH

**▼ 7.7 %**  
LESS THAN 2022

**2023**

**ACTUAL AV. POWER COSTS**

## WPPI CLOSES ON 2023A BONDS

WPPI closed on the \$107.5 million par value 2023A bonds on April 6, 2023. The bond proceeds, along with other funds, defeased all of WPPI's remaining outstanding 2013A bonds, which either matured or were called on July 1, 2023.

The 2023A bonds were issued under WPPI's existing Bond Resolution (as supplemented via action taken by the WPPI Board of Directors on May 19, 2022) and were completed under a direct placement agreement with a subsidiary of JP Morgan Chase Bank. The bonds have an interest rate of 2.97% and final maturity of July 1, 2037. WPPI locked in the interest rate with JP Morgan on May 5, 2022, after conducting an RFP. WPPI is realizing significant savings under the transaction through 2037.

**April 6, 2023**

Bond Issuance Date



**\$107.5 million**

Par Value of 2023A Bonds



**July 1, 2037**

Final Maturity Date



**2.97%**

Interest Rate



# BOARD OF DIRECTORS STRATEGICALLY TAKES ACTION

With the lower-than-budgeted average power costs in 2023, the WPPI Board of Directors, working through its elected Executive Committee, made strategic decisions to replenish an additional \$3.3 million to the self-insurance fund and defer an additional \$1.6 million to the rate stabilization fund, which otherwise would have been collected through rates in 2024 and 2025.

**\$3.3 million**

Replenished to the Self-insurance Fund



**\$1.6 million**

Deferred to the Rate Stabilization Fund



## REDUCED DEBT, STRONG EQUITY

WPPI maintains targeted liquidity and debt service levels appropriate for our risk profile. We have accomplished significant deleveraging between 2014 and 2023, reducing our debt by \$202.6 million or 44.5%.

Our debt extends to 2037, while WPPI member power supply contracts extend to 2055.

As WPPI plans for additional long-term resources by the end of the decade, we have the capacity to take on additional debt if owning generation is determined to be the optimal addition to WPPI's power supply portfolio.

Our declining debt service over the past ten years has helped keep wholesale power costs down for WPPI's 51 member utilities and the customers and communities they serve.

WPPI and its members continue to place the financial health of the joint action agency as a top priority, acting together in the best interest of the organization.

**OUR DECLINING DEBT SERVICE OVER THE PAST TEN YEARS HAS HELPED KEEP WHOLESALE POWER COSTS DOWN FOR WPPI'S 51 MEMBER UTILITIES AND THE CUSTOMERS AND COMMUNITIES THEY SERVE.**



# FINANCE & AUDIT COMMITTEE



Tim Herlitzka, general manager of Waunakee Utilities

“WPPI is a member-driven organization, and the finance and audit committee is a great example of how our joint action agency benefits from member expertise,” shared Tim Herlitzka, general manager of Waunakee Utilities.


Herlitzka is chair of the committee and has served on it since 2007. He is also a member of the WPPI Board of Directors’ 11-member Executive Committee, holding the role of board treasurer since 2013.

In addition to Herlitzka, also serving on the committee are Casey Engebretson of Black River Falls, Melanie Krause of Menasha, Robert LaFave of L’Anse, and Clara Pickett of Kaukauna.

Marty Dreischmeier, chief financial officer at WPPI Energy, added, “Together, we have a well-rounded finance and audit committee. Melanie, Clara and Tim all come from strong accounting backgrounds. Bob and Casey are a village manager and general manager, respectively, with extensive industry experience. We’re fortunate to have these dedicated individuals monitoring WPPI’s financial health and acting in the best interest of our membership.”

Under the guidance of Herlitzka and the rest of the committee, the group meets monthly with WPPI staff to review WPPI’s financial statements and provide advice and guidance. Also normally in attendance are several additional utility members who participate on a regular basis to share their expertise and add value while also gaining a better understanding of WPPI’s financial inner workings.

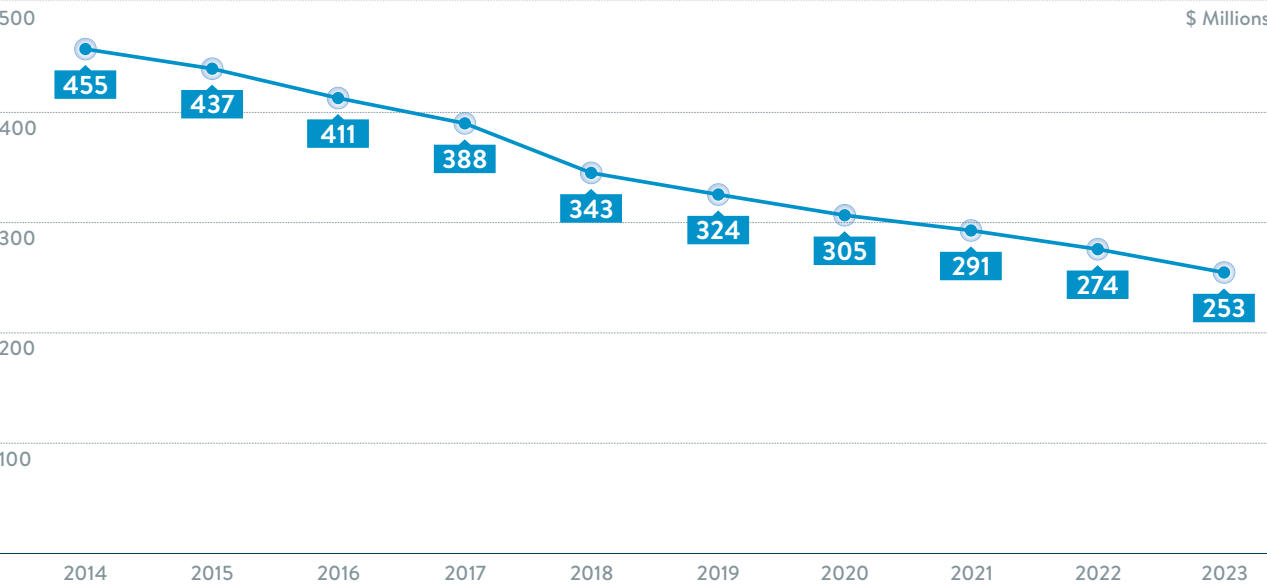
“Our duty as a committee is to carefully monitor WPPI’s financial condition on behalf of the Executive Committee, make reports and recommendations to the Executive Committee concerning financial, accounting and investment matters and to provide financial, accounting and investment advice to the CEO and CFO at WPPI,” said Herlitzka. “We take our work seriously and are proud to be part of the joint action model.”



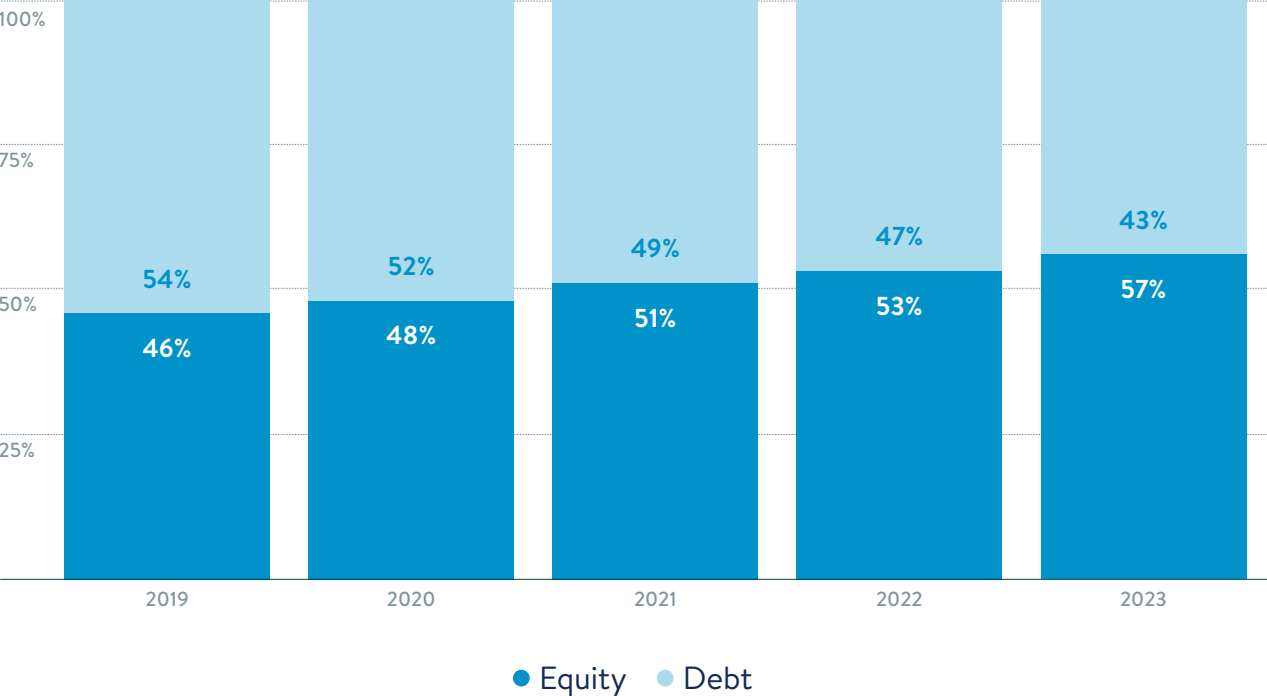
**WPPI IS A  
MEMBER-DRIVEN  
ORGANIZATION,  
AND THE FINANCE  
AND AUDIT  
COMMITTEE IS A  
GREAT EXAMPLE  
OF HOW OUR  
JOINT ACTION  
AGENCY BENEFITS  
FROM MEMBER  
EXPERTISE.**

# FINANCIAL STRENGTH

## Outstanding Principal

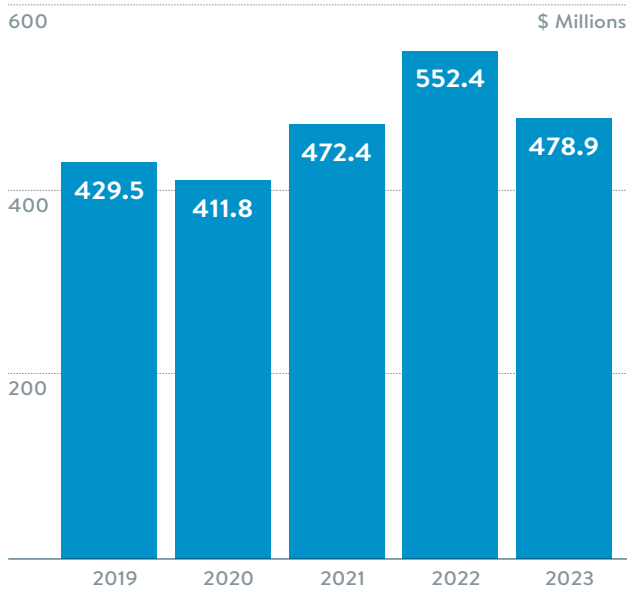


## Debt to Equity Ratio

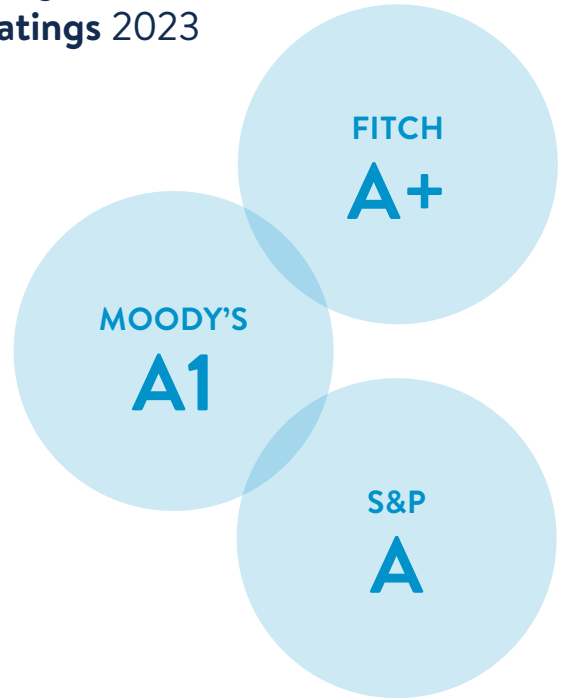


# FINANCIAL HIGHLIGHTS

## Operating Revenues



## Long Term Bond Ratings 2023



## Operating Expenses

- **63.7%** Purchased Power
- **15.3%** Transmission
- **6.5%** Fuel Expense
- **3.6%** Operation & Maintenance
- **5.8%** Customer Service and Administrative and General
- **3.8%** Depreciation & Amortization
- **1.2%** Taxes

# SUMMARY STATEMENTS OF NET POSITION

December 31,	2023	2022
<b>ASSETS</b>		
Current assets	\$ 142,980,262	\$ 147,021,312
Non-current assets	263,554,787	257,724,439
Capital assets	337,478,870	346,554,704
Total assets	744,013,919	751,300,455
<b>Deferred Outflows of Resources</b>	16,279,582	23,121,232
<b>LIABILITIES</b>		
Current liabilities	49,942,027	56,918,394
Non-current liabilities	13,253,846	9,846,219
Long-term debt	249,869,568	284,030,264
Total liabilities	313,065,441	350,794,877
<b>Deferred Inflows of Resources</b>	91,729,582	86,531,388
<b>NET POSITION</b>	<b>\$ 355,498,478</b>	<b>\$ 337,095,422</b>

# SUMMARY STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

Years ended December 31,	2023	2022
Operating revenues	\$ 478,891,558	\$ 552,376,438
Operating expenses	472,041,010	541,327,459
Operating income	6,850,548	11,048,979
Non-operating revenues (expenses), net	13,497,775	(675,605)
Future recoverable costs	(1,945,267)	(1,813,478)
Change in net position	18,403,056	8,559,896
Net position, beginning of year	337,095,422	328,535,526
<b>NET POSITION, END OF YEAR</b>	<b>\$ 355,498,478</b>	<b>\$ 337,095,422</b>

See our complete financial statements online at [wppienergy.org](http://wppienergy.org)





1425 Corporate Center Drive  
Sun Prairie, WI 53590-9109  
Ph: (608) 834-4500

**[wppienergy.org](http://wppienergy.org)**

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