

May 11, 2021

Financial Highlights	<p>In the first quarter 2021, WPPI Energy's change in net position was a loss of \$5,459,850 compared to a loss of \$1,570,117 in the first quarter 2020. WPPI had budgeted for a \$1.7 million larger loss in the first quarter 2021 compared to first quarter 2020. Due to seasonal wholesale rates that include a higher demand charger during the summer months, WPPI anticipated and experienced a loss in both first quarter 2021 and 2020. Additionally, there was nearly a \$2.0 million decrease in the change in fair value of investments between the two periods, which impacted the additional loss in the first quarter 2021 compared to the first quarter 2020.</p> <p>Energy sales to members totaled 1,178,159 megawatt-hours (MWh) in the first quarter of 2021. This is 5,620 MWh or 0.5% less than the same period a year ago.</p> <p>Total operating revenues for the first quarter in 2021 were \$100,055,237 or 7.1% higher than the same period a year ago. Total operating expenses for the first quarter in 2021 were \$105,962,646 or 10.0% higher than the same period a year ago. The increase in operating revenues is primarily due to higher off-system sales driven by higher market energy prices experienced in February 2021. The increase in operating expenses in the first quarter 2021 compared to 2020 is primarily due to higher market energy prices experienced in February increasing purchased power expenses. Transmission expenses, fuel, and operation and maintenance expenses were also higher in the first quarter 2021. It should be noted that WPPI's resources performed well during the higher market prices experienced in February 2021 and provided a hedge against the higher market energy prices experienced.</p>
Power Supply Update	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 177,792 MWh of electricity at an average capacity factor of 70.4% during the first quarter of 2021. This compares to 169,488 MWh generated at an average capacity factor of 66.3% in the first quarter of 2020. Boswell Unit 4 was offline for weekend maintenance outages three times in the first quarter of 2021 to repair various valves. WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 189,972 MWh at an average capacity factor of 83.3% in the first quarter of 2021. In the same quarter a year ago, the units generated 179,755 MWh at an average capacity factor of 77.9%. Elm Road Unit 1 was off line the first 16 days of the quarter to repair damage to the pendant superheater caused by a large waterwall tube failure.</p>
News Highlights	<p>WPPI Energy is on track to cut CO2 emissions 45% by 2025 when compared to 2005 levels. The newest addition to the organization's energy portfolio, a 100-megawatt photovoltaic solar energy generating facility, will come online by October of 2021. Point Beach Solar Energy Center is owned and operated by a subsidiary of NextEra Energy Resources, and WPPI Energy will purchase the energy created by the facility for the next twenty years.</p>
Company Profile	<p>Member-owned, not-for-profit WPPI Energy serves 51 locally owned electric utilities. Together, WPPI members have built a diverse, competitive and responsible power supply. They share advanced technologies and forward-thinking services, and they speak with a unified voice for effective energy policy advocacy.</p>

This report and other information about WPPI Energy can be found at [wppienergy.org](http://wppienergy.org).

# FINANCIAL STATEMENTS

## Statements of Net Position (Unaudited)

March 31,	2021	2020
<b>Assets</b>		
Current assets	\$ 131,049,921	\$ 131,994,029
Non-current assets	275,904,929	266,081,045
Electric plant, equipment, and land, net	351,537,438	366,289,476
Construction work in progress	6,605,959	4,488,406
Total assets	765,098,247	768,852,956
<b>Deferred Outflows of Resources</b>		
	19,613,832	23,260,280
<b>Liabilities</b>		
Current liabilities	48,240,649	49,618,771
Non-current liabilities	10,242,889	12,532,833
Long-term debt, net	323,536,110	342,266,006
Total liabilities	382,019,648	404,417,610
<b>Deferred Inflows of Resources</b>		
	90,586,160	85,475,755
<b>Net Position</b>		
	\$ 312,106,271	\$ 302,219,871

## Statements of Revenue, Expenses and Changes in Net Position (Unaudited)

	Quarter Ended March 31,	
	2021	2020
<b>Operating Revenues</b>	\$ 100,055,237	\$ 93,380,299
<b>Operating Expenses</b>		
Purchased power	66,619,058	59,585,431
Transmission	17,145,516	15,708,596
Fuel expense	7,725,126	7,058,565
Operation and maintenance	4,000,974	3,634,960
Customer service and administrative and general	4,597,275	4,401,355
Depreciation and amortization	4,223,576	4,209,342
Taxes	1,651,121	1,759,127
Total operating expenses	105,962,646	96,357,376
<b>Operating Income</b>	(5,907,409)	(2,977,077)
<b>Non-Operating Revenues (Expenses)</b>		
Investment income	3,673,930	3,940,343
Interest expense	(3,768,485)	(4,005,680)
Other	542,114	1,472,297
Total non-operating revenues (expenses), net	447,559	1,406,960
<b>Change in Net Position</b>	\$ (5,459,850)	\$ (1,570,117)

Some 2020 amounts were reclassified to conform to the 2021 presentation.

## WPPI ENERGY IS THE POWER SUPPLIER FOR THE FOLLOWING LOCALLY-OWNED UTILITIES

### WISCONSIN

Algoma  
Black River Falls  
Boscobel  
Brodhead  
Cedarburg  
Columbus  
Cuba City  
Eagle River

Evansville  
Florence  
Hartford  
Hustisford  
Jefferson  
Juneau  
Kaukauna  
Lake Mills  
Lodi

Menasha  
Mount Horeb  
Muscodia  
New Glarus  
New Holstein  
New London  
New Richmond  
Oconomowoc  
Oconto Falls

Plymouth  
Prairie du Sac  
Reedsburg  
Richland Center  
River Falls  
Slinger  
Stoughton  
Sturgeon Bay  
Sun Prairie

Two Rivers  
Waterloo  
Waunakee  
Waupun  
Westby  
Whitehall

### MICHIGAN

Alger Delta CEA  
Baraga  
Crystal Falls  
Gladstone  
L'Anse

Negaunee  
Norway  
**IOWA**  
Independence  
Maquoketa  
Preston

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