

August 4, 2021

Financial Highlights	<p>In the second quarter 2021, WPPI Energy's change in net position was a loss of \$963,684 compared to a positive change in net position of \$751,909 in the second quarter 2020. Approximately half of this difference is due to the change in fair market value of WPPI's investments in the second quarter 2021 compared to 2020. WPPI budgeted for a larger loss in 2021 through the first half of the year compared to 2020, and anticipates increased revenues and change in net position during the summer months.</p> <p>Energy sales to members totaled 1,191,084 megawatt-hours (MWh) in the second quarter of 2021. This is 72,791 MWh or 6.5% more than the same period a year ago. Two factors that contributed to increased energy usage in the second quarter 2021 are; the increased energy usage by businesses due to easing of COVID restrictions in second quarter of 2021 compared to the situation in 2020, and increased energy usage due to warmer weather experienced in the second quarter 2021 compared to 2020.</p> <p>Total operating revenues for the second quarter in 2021 were \$107,733,785 or 12.6% higher than the same period a year ago. Total operating expenses for the second quarter in 2021 were \$109,284,571 or 14.9% higher than the same period a year ago. The increase in operating revenues is primarily due to increased MWh sales to members, higher average dollar per MWh revenue collected from members and higher revenue from off system sales during the quarter. The increase in operating expenses in the second quarter 2021 compared to 2020 is primarily due to higher purchased power expenses driven by higher market energy prices experienced in the second quarter 2021 compared to 2020. Transmission expenses, fuel expenses and operation and maintenance expenses were also higher in second quarter of 2021 compared to 2020.</p>
Power Supply Update	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 13,947 MWh of electricity at an average capacity factor of 5.5% during the second quarter of 2021. This compares to 68,443 MWh generated at an average capacity factor of 26.8% in the second quarter of 2020. Boswell Unit 4 was offline for a planned outage of approximately 11 weeks to conduct a major overhaul of the steam turbine generator and replace the hot reheat piping. WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 187,397 MWh at an average capacity factor of 81.2% in the second quarter of 2021. In the same quarter a year ago, the units generated 148,611 MWh at an average capacity factor of 64.4%. Elm Road Unit 1 was off line for 8 days to repair a leaking hot reheat safety valve and Unit 2 was offline for 15 days to repair a leaking high pressure bypass valve.</p>
News Highlights	<p>Every other year, WPPI Energy senior staff visit utility member governing bodies to discuss current WPPI Energy and electric industry developments, and provide recent accomplishments members have achieved together by partnering through joint action. These presentations allow WPPI Energy the opportunity to maintain relationships with city councils, village boards, utility commissions and other community leaders. Senior staff are currently making governing bodies visits and will continue to do so throughout the summer months.</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)

June 30,	2021	2020
Assets		
Current assets	\$ 141,545,102	\$ 142,379,261
Non-current assets	269,662,737	267,331,098
Electric plant, equipment, and land, net	351,493,169	362,382,156
Construction work in progress	6,815,895	5,371,023
Total assets	769,516,903	777,463,538
Deferred Outflows of Resources		
	19,172,275	22,778,361
Liabilities		
Current liabilities	54,065,499	56,570,036
Non-current liabilities	10,362,341	12,635,376
Long-term debt, net	322,579,573	341,240,480
Total liabilities	387,007,413	410,445,892
Deferred Inflows of Resources		
	90,539,178	86,824,227
Net Position		
	\$ 311,142,587	\$ 302,971,780

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

	Quarter Ended June 30,		Fiscal-to-Date	
	2021	2020	2021	2020
Operating Revenues	\$ 107,733,785	\$ 95,714,520	\$ 207,789,022	\$ 189,094,819
Operating Expenses				
Purchased power	72,939,848	62,267,253	139,558,906	121,852,685
Transmission	17,314,507	14,634,343	34,460,023	30,342,938
Fuel expense	4,897,080	4,491,230	12,622,206	11,549,794
Operation and maintenance	3,762,395	3,364,385	7,763,369	6,999,345
Customer service and administrative and general	4,501,908	4,454,701	9,099,184	8,856,057
Depreciation and amortization	4,242,418	4,205,938	8,465,994	8,415,280
Taxes	1,626,415	1,729,947	3,277,536	3,489,074
Total operating expenses	109,284,571	95,147,797	215,247,218	191,505,173
Operating Income	(1,550,786)	566,723	(7,458,196)	(2,410,354)
Non-Operating Revenues (Expenses)				
Investment income	3,626,346	3,689,330	7,300,277	7,629,673
Interest expense	(3,769,590)	(4,003,763)	(7,538,075)	(8,009,442)
Other	730,346	499,619	1,272,459	1,971,915
Total non-operating revenues (expenses), net	587,102	185,186	1,034,661	1,592,146
Change in Net Position	\$ (963,684)	\$ 751,909	\$ (6,423,535)	\$ (818,208)

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

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

WISCONSIN	Evansville	Menasha	Plymouth	Two Rivers	MICHIGAN	Negaunee
Algoma	Florence	Mount Horeb	Prairie du Sac	Waterloo	Alger Delta CEA	Norway
Black River Falls	Hartford	Muscoda	Reedsburg	Waunakee	Baraga	IOWA
Boscobel	Hustisford	New Glarus	Richland Center	Waupun	Crystal Falls	Independence
Brodhead	Jefferson	New Holstein	River Falls	Westby	Gladstone	Maquoketa
Cedarburg	Juneau	New London	Slinger	Whitehall	L'Anse	Preston
Columbus	Kaukauna	New Richmond	Stoughton			
Cuba City	Lake Mills	Oconomowoc	Sturgeon Bay			
Eagle River	Lodi	Oconto Falls	Sun Prairie			

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