

November 8, 2021

Financial Highlights	<p>In the third quarter 2021, WPPI Energy's change in net position was \$17,027,276 compared to \$15,862,184 in the third quarter 2020. WPPI budgeted for a larger change in net position in 2021 during the second half of the year compared to 2020.</p> <p>Energy sales to members totaled 1,359,099 megawatt-hours (MWh) in the third quarter of 2021. This is 48,095 MWh or 3.7% more than the same period a year ago. Two factors that contributed to increased energy sales in the third quarter 2021 are: the increased energy usage by businesses in the third quarter of 2021, and decreased member hydro generation production that increased WPPI sales to that member during the third quarter of 2021 compared to same time in 2020.</p> <p>Total operating revenues for the third quarter in 2021 were \$150,599,089 or 15.5% higher than the same period a year ago. Total operating expenses for the third quarter in 2021 were \$133,725,723 or 16.1% 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 third quarter 2021 compared to 2020 is primarily due to higher purchased power expenses driven by higher market energy prices experienced in the third quarter 2021 compared to 2020. Transmission expenses, fuel expenses and operation and maintenance expenses were also higher in third quarter of 2021 compared to 2020.</p>
Power Supply Update	<p>WPPI Energy's 20% share of Boswell Unit 4 generated 207,023 MWh of electricity at an average capacity factor of 80.1% during the third quarter of 2021. This compares to 134,213 MWh generated at an average capacity factor of 52.0% in the third quarter of 2020. With the exception of several brief 1–2 day outages, Boswell Unit 4 ran continuously throughout the quarter.</p> <p>WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 205,308 MWh at an average capacity factor of 88.5% in the third quarter of 2021. In the same quarter a year ago, the units generated 223,209 MWh at an average capacity factor of 95.7%. Elm Road Unit 1 ran continuously throughout the quarter until coming off line on September 25 for a planned outage. Elm Road Unit 2 ran continuously throughout the entire quarter.</p>
News Highlights	<p>The WPPI Energy membership's 2021 WPPI Annual Meeting and Board of Directors Meeting took place on Sept. 16, including a State of WPPI address by President and CEO Mike Peters.</p> <p>One week later, on Sept. 23, the Point Beach Solar Energy Center was celebrated with a ribbon-cutting ceremony. The solar energy center has a capacity to generate 100 megawatts of electricity. A subsidiary of NextEra Energy Resources built, owns and will operate the project. The energy will serve WPPI Energy member communities under a 20-year power purchase agreement.</p> <p>During the American Public Power Association's Customer Connections Conference Oct. 24-27, 20 WPPI member utilities earned the Smart Energy Provider designation. The two-year designation recognizes public power utilities for demonstrating leading practices in energy efficiency, distributed generation, renewable energy, and environmental initiatives.</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)

September 30,	2021	2020
Assets		
Current assets	\$ 146,971,902	\$ 142,082,846
Non-current assets	267,458,821	266,991,918
Electric plant, equipment, and land, net	348,709,918	358,657,680
Construction work in progress	7,714,849	5,898,384
Total assets	770,855,490	773,630,828
Deferred Outflows of Resources		
	18,759,315	22,349,703
Liabilities		
Current liabilities	54,738,366	51,574,169
Non-current liabilities	10,463,624	12,737,691
Long-term debt, net	304,743,086	325,439,063
Total liabilities	369,945,076	389,750,923
Deferred Inflows of Resources		
	91,499,866	87,395,644
Net Position		
	\$ 328,169,863	\$ 318,833,964

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

	Quarter Ended September 30,		Fiscal-to-Date	
	2021	2020	2021	2020
Operating Revenues	\$ 150,599,089	\$ 130,413,054	\$ 358,388,111	\$ 319,507,873
Operating Expenses				
Purchased power	90,111,739	77,846,975	229,670,645	199,699,660
Transmission	18,823,258	16,105,380	53,283,281	46,448,319
Fuel expense	9,964,850	7,096,510	22,587,056	18,646,304
Operation and maintenance	4,202,108	3,812,514	11,965,477	10,811,860
Customer service and administrative and general	4,786,692	4,504,831	13,885,875	13,360,886
Depreciation and amortization	4,297,376	4,212,139	12,763,369	12,627,419
Taxes	1,539,700	1,565,096	4,817,237	5,054,170
Total operating expenses	133,725,723	115,143,445	348,972,940	306,648,618
Operating Income	16,873,366	15,269,609	9,415,171	12,859,255
Non-Operating Revenues (Expenses)				
Investment income	3,643,747	4,110,597	10,944,024	11,740,270
Interest expense	(3,583,286)	(3,767,236)	(11,121,361)	(11,776,678)
Other	93,449	249,214	1,365,907	2,221,129
Total non-operating revenues (expenses), net	153,910	592,575	1,188,570	2,184,721
Change in Net Position	\$ 17,027,276	\$ 15,862,184	\$ 10,603,741	\$ 15,043,976

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			

wppienergy.org