

WE POWER ON



2021 ANNUAL REPORT



MISSION

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

VISION

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

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FROM THE CHAIR AND THE PRESIDENT & CEO

The not-for-profit utilities that make up WPPI Energy deliver significant value in the form of safe, reliable, low-cost electric power, and much more. By partnering with like-minded, locally owned utilities, our members share resources, technology, and expertise to help their communities thrive. This has been the case among the WPPI membership for well over 40 years, and today our dedication and unity of purpose remains as strong as ever.

In 2021, we delivered on this commitment by continuing to power WPPI member communities with reliable wholesale electric power at a competitive cost while also reducing carbon dioxide (CO₂) emissions. In September, we cut the ribbon on our newest generation resource, the 100-megawatt Point Beach Solar Energy Center. Not only does the addition help reduce WPPI's average cost of power, Point Beach Solar also signifies our continued progress toward WPPI's target to reduce CO₂ emissions 100% by 2050.

Like the rest of the world, our communities have experienced difficulties due to COVID-19. WPPI member utilities remain dedicated to helping through such times of challenge. We have always understood that grit, determination, and resilience are vital for our industry. As the past two years have shown, we remain well-prepared with the shared resolve, forward-thinking programs, and modern technologies to support our communities regardless of how circumstances may change.

As we reflect on all WPPI members have accomplished, we also know that to continue succeeding we must keep our eyes on the future. In 2021, we concluded a five-year business plan period in which we accomplished our critical objectives, including keeping WPPI's average cost of wholesale power highly competitive and modernizing our comprehensive suite of



utility business technologies. We also worked continuously throughout the year to develop our new plan for 2022-2026. Thanks to strong member engagement in the process, we are well positioned for the next five years, with a member-focused strategy to continue delivering on our core business priorities.

Our most important takeaway for 2021 is that joint action works. Even during these challenging times, our membership continues to achieve high satisfaction ratings, with residential customers indicating that what they most appreciate about their utility is that it is locally owned, reliable, and trustworthy. This result is gratifying but should come as no surprise. Rather, it is the tangible effect of customer-focused public power utilities working for the benefit of those they serve. That's something we can all be proud of.

Now, as our industry continues to transform, and as technologies and customer expectations keep evolving, WPPI members carry on with the shared strength and resolve to help their communities thrive. Together, our membership is well positioned with reliable, competitive, responsible power; an effective voice for energy policy advocacy; and the forward-thinking services and advanced technologies that all utilities will need for continued success.

Together, we power on.

Jim Stawicki

WPPI Energy Board Chair
General Manager, Sturgeon Bay Utilities

Mike Peters

WPPI Energy President & CEO





JOINT ACTION: MEMBER-LED, MEMBER-DRIVEN

The locally owned, not-for-profit member utilities of WPPI share a steadfast commitment to those they serve. This customer-focused, public power model delivers significant local value. Partnering with other likeminded utilities helps WPPI members preserve and enhance this value for the long term.

Powering On: 2022-2026 Business Plan

Together, WPPI members develop and implement a shared, multiyear strategy for meeting their communities' local needs, addressing industry challenges and opportunities, and satisfying customers' changing expectations. WPPI is a member-owned and member-driven joint action agency, and the development of our joint action business plan is centered on participation from WPPI's Executive Committee (EC), the WPPI Board of Directors, and actively engaged local utility leaders from across the membership.

In 2021, our membership completed work on its next five-year business plan focused on our key objectives of delivering reliable, affordable, responsible power; forward-looking services; and effective energy policy advocacy. In addition to regular discussions held as part of EC and board meetings, development of the 2022-2026 WPPI business plan included 11 local individual and small-group input sessions with local utility management staff. Well over 50 individuals attended from more than 40 member communities. Their insights, direction and industry expertise all served to help shape the resulting plan.

The resulting document will serve as our joint action roadmap through 2026.

Together, WPPI members have crafted our next business plan in a manner that both builds upon our decades of success and keeps us responsive and ready for the future.

BUSINESS OBJECTIVES

The 2022-2026 Business Plan objectives support WPPI Energy's Mission and Vision in keeping with our Guiding Principles. Our three business objectives are:

1.

To provide reliable, environmentally responsible power at a stable, competitive cost while maintaining financial strength.

2.

To provide forward-thinking services, support, and cost sharing for program development and delivery, all in response to member needs.

3.

To protect the interests and advocate the policy positions of WPPI and its members in legislative, regulatory and industry forums.



Executive Committee

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



The WPPI Energy Executive Committee includes, from left to right, (row 1:) Kevin Westhuis; Randy Jaeckels, vice chair; Jim Stawicki, chair; Casey Engebretson; (row 2:) Scott Adler, Jill Weiss, Tim Herlitzka, treasurer; Mike Reynolds, secretary; Joe Pickart. Not pictured: Dale Lythjohan.

Senior Management

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



The WPPI Energy executive staff team includes, from left to right: Tom Paque, senior vice president – services & business strategy; Marty Dreischmeier, chief financial officer; Valy Goepfrich, senior vice president – power supply; Tom Hanrahan, general counsel; Phil Hansen, chief information officer; and Mike Peters, president & chief executive officer.

Board of Directors

WPPI's joint action model is built on the principle that all members contribute their expertise and experience to participate in decision-making for the organization. The Board of Directors includes a representative from every member community.

Alger Delta CEA Mike Furmanski ⁴

Algoma Pete Haack

Baraga LeAnn M LeClaire

Black River Falls Casey E Engebretson ¹

Boscobel Mike Reynolds ^{1, 2}

Brodhead Ed Hoff

Cedarburg Dale A Lythjohan ¹

Richland Center Scott Gald

Columbus Michelle Kaltenberg

Crystal Falls Dave Graff

Cuba City George A Morrissey

Eagle River Mike Sanborn

Evansville Jim Brooks

Florence Kevin Inman

Gladstone Skip Kennedy

Hartford Brian C Rhodes

Hustisford Todd M Tessmann

Independence Kevin M Sidles

Jefferson Scott R Adler ¹

Juneau Mac Affeld

Kaukauna Michael Avanzi

L'Anse Bob LaFave

Lake Mills Steve Wilke

Lodi Ann Groves-Lloyd

Maquoketa Chris Krogman

Menasha Melanie S Krause

Mount Horeb Nic Owen ³

Muscoda Dorothy Hackl

Negaunee Nate Heffron

New Glarus Kevin Funseth

New Holstein Randy T Jaeckels ^{1, 2}

New London Jason Bessette

New Richmond Weston Arndt

Norway Ray Anderson

Oconomowoc Joe Pickart ¹

Oconto Falls Greg Kuhn

Plymouth Ryan Roehrborn ³

Prairie du Sac Troy T Murphy

Preston Teresa Weinschenk

Reedsburg Brett H Schuppner

River Falls Kevin L Westhuis ¹

Slinger Margaret Wilber

Stoughton Jill M Weiss ¹

Sturgeon Bay Jim Stawicki ^{1, 2}

Sun Prairie Rick Wicklund

Two Rivers Brian Delleman

Waterloo Barry L Sorenson

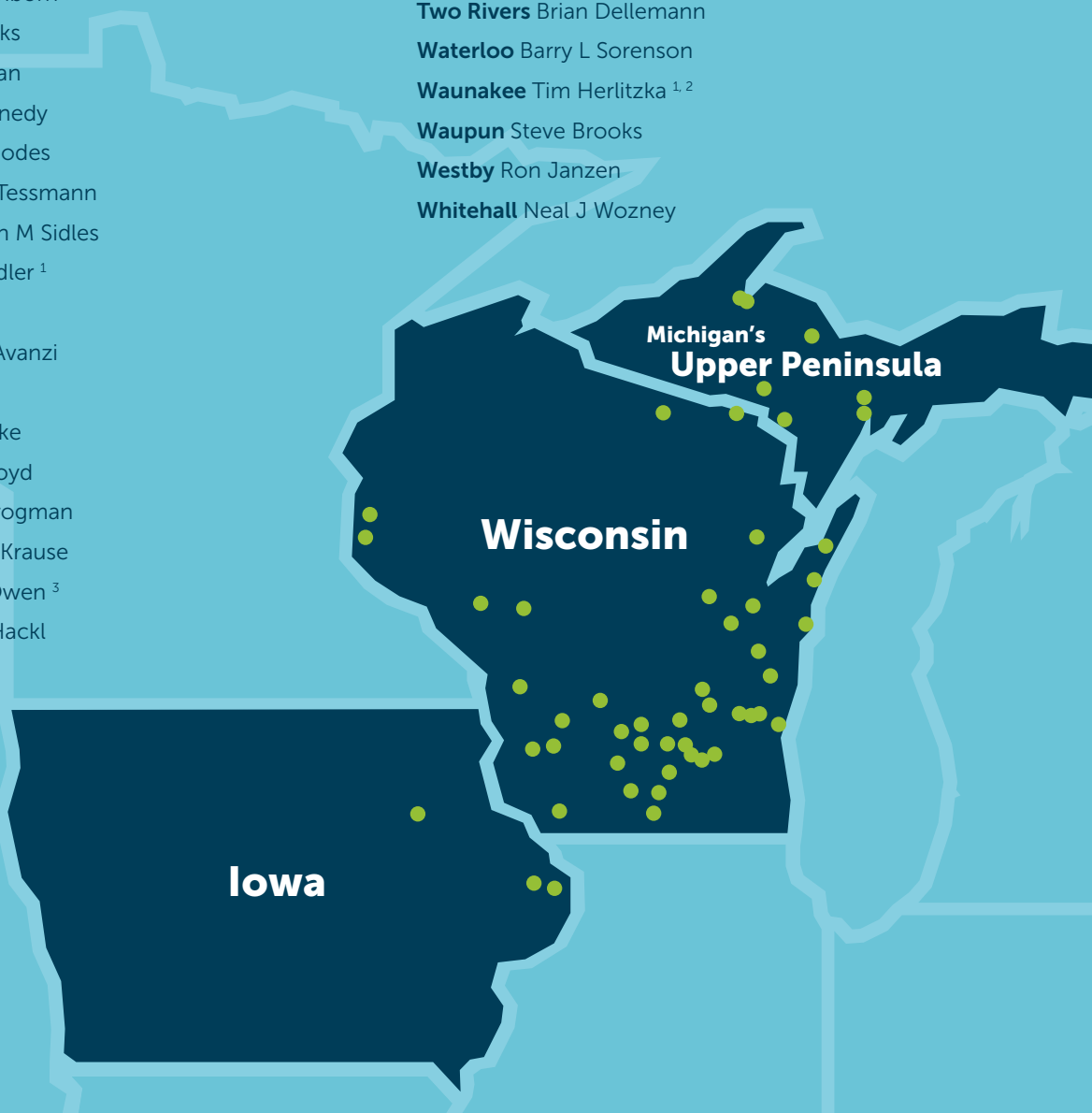
Waunakee Tim Herlitzka ^{1, 2}

Waupun Steve Brooks

Westby Ron Janzen

Whitehall Neal J Wozney

- 1 Executive Committee
- 2 Officer
- 3 Alternate
- 4 Non-Voting Appointed Representative





LEADERSHIP PROFILE

JEFF FELDT RETIRES AFTER 10+ YEARS AS BOARD CHAIR



After more than a decade as the chair of our joint action agency, Kaukauna Utilities General Manager Jeff Feldt in December 2021 headed up his final WPPI Board of Directors business meeting before retirement. Throughout Feldt's 30 years in public power and 40 years in the electric industry, he has given extensively of his time and expertise for the benefit of local utilities and those they serve. In addition to his service as chair, he served in almost every officer role and on nearly every WPPI board committee and advisory group. Feldt's tenure leading the WPPI board is second in length only to that of Ernie Mullen, also of Kaukauna Utilities, who was the first ever to serve in the role.

During his 20 years in Kaukauna, Feldt worked with his utility commission and staff to make Kaukauna Utilities a premier public power utility. He is highly regarded at the local, state, and national levels in our industry for his career's worth of expertise in management, customer service, engineering and operations, and energy policy advocacy.

Following Feldt's retirement, Sturgeon Bay Utilities General Manager Jim Stawicki was elected as WPPI's new board chair. Stawicki, who held the role of vice chair for 11 years, has served on the board since 2004, and on the Executive Committee (EC) since 2006. Randy Jaeckels, general manager of New Holstein Utilities, was elected as the board's new vice chair. Jaeckels has served on the WPPI board since 2006, and on the EC since 2010. Mike Reynolds, director of public works for Boscobel Utilities, is continuing in his role as secretary of the board, and General Manager of Waunakee Utilities Tim Herlitzka will continue as treasurer.

We extend our sincere congratulations and heartfelt thanks to Jeff Feldt for all that he has helped achieve for Kaukauna Utilities, WPPI, and the electric utility industry. Our membership is well positioned for continued success thanks to his dedicated service and thoughtful leadership.

A PROVEN TRADITION

Public power is a tradition that works. Most WPPI member utilities possess well over a century of experience delivering reliable, affordable, responsible power and customer-focused service. The advantages they deliver are well established and strongly valued by their communities.

Congratulations to the following WPPI Energy members for their milestone public power anniversaries in 2021.



130

BARAGA



120

CEDARBURG



125

CRYSTAL FALLS



120

EVANSVILLE



120

JEFFERSON



110

LAKE MILLS



120

PLYMOUTH



110

SLINGER



130

STOUGHTON



FOR THE LONG TERM **POWER SUPPLY**

WPPI member utilities power their communities with reliable, affordable, responsible electricity. By leveraging the combined strength of 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. Today and for the long term, this remains our top operational priority.

Reliable and Competitive

Despite the economic challenges and uncertainty of the pandemic, WPPI's average wholesale power costs to WPPI member utilities have remained competitive.

While significant shifts in natural gas and market energy prices during the second half of 2021 contributed to higher costs across the electric power sector, we have developed WPPI's power supply resources with long-term stability in mind. WPPI owns a diverse electric generation portfolio, which is not primarily dependent on natural gas or any other single fuel resource. In addition to being a purchaser from the regional energy markets, we sell the output from our resources into the same energy markets, and these sales act as a hedge on the cost of our purchases. Especially during such periods of volatility, our mix of resources helps to moderate overall cost impacts for WPPI members.

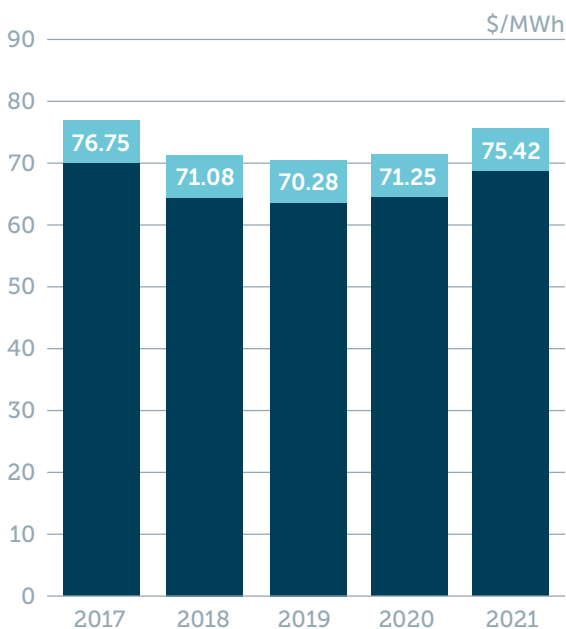
Responsible and Diverse

While maintaining our highly competitive wholesale power costs, we are also continuing to diversify our resource portfolio and reduce the CO₂ emissions associated with supplying power for WPPI member communities.

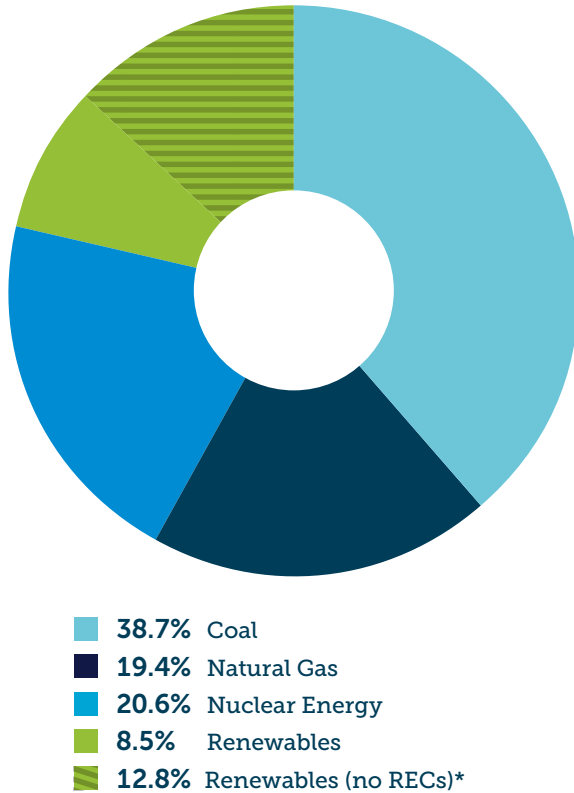
Reducing Carbon Emissions

WPPI members' longstanding support for renewable energy has delivered significant results for the environment, and we are not stopping now. The commissioning of the Point Beach Solar Energy Center signifies WPPI's continued progress toward our target of reducing CO₂ emissions 100% by 2050. With the addition of this cost-effective new resource, WPPI is on track for a 45% reduction in CO₂ emissions by 2025 when compared to 2005.

Average Power Cost to Members



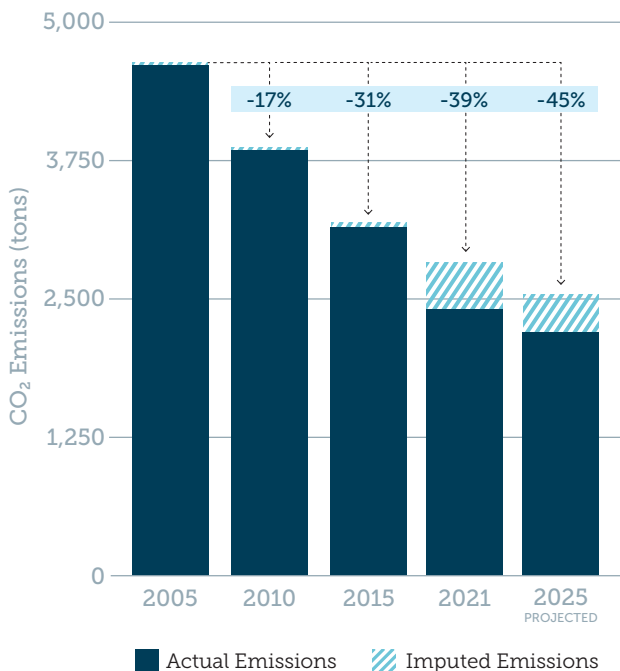
2021 Fuel Mix



* 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 Energy also sells some RECs, the revenues from which help lower the wholesale costs for WPPI members.

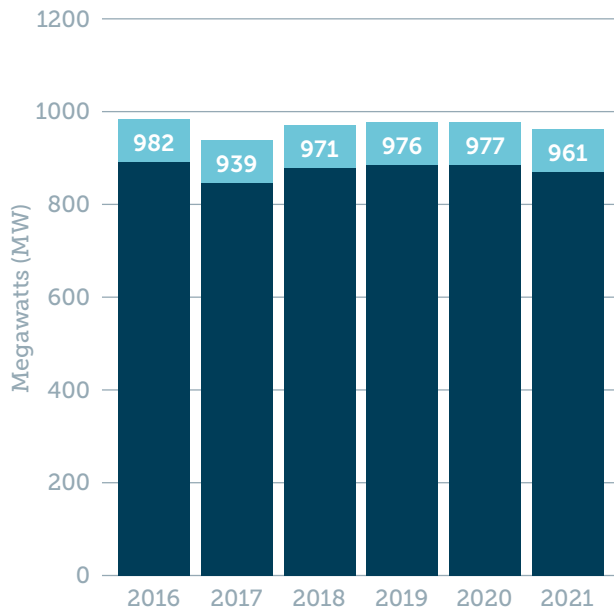
The area of the chart labeled "Renewables" represents the portion of electricity received from renewable sources for which WPPI received and has not sold the associated RECs. These RECs may in the future be used by WPPI to comply with regulatory requirements, retired for other purposes or sold to third 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.

Power Supply CO₂ Emissions

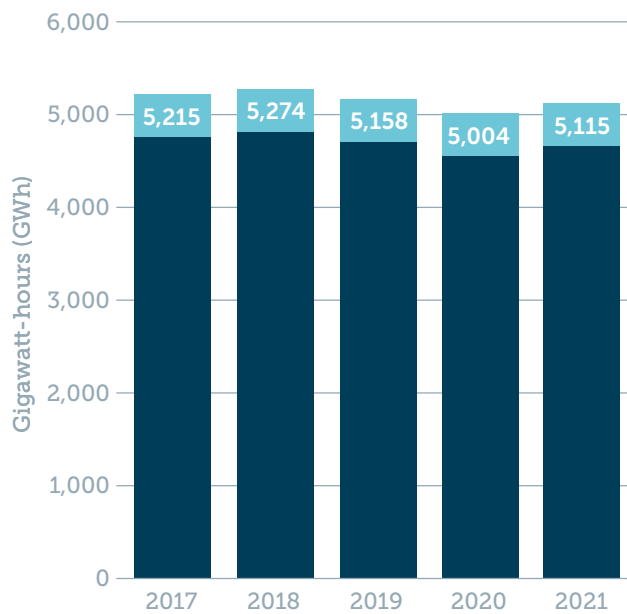


The solid bars in the chart represent WPPI's actual emissions from WPPI-owned generating units and purchased power from specific generating units, utility systems and the Midcontinent Independent System Operator (MISO) market. The dashed bars represent imputed emissions for renewable resources for which 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.

Peak Demand



Energy Requirements



WPPI Transmission Ownership Helps Keep Costs Down

Owning transmission assets delivers a valuable return that helps offset increasing costs of transmission service, which comprise more than 15% of WPPI's wholesale electric rate to members.

- **American Transmission Co.** As of Dec. 31, 2021, WPPI has a 6.7%, \$148-million equity investment in this regional transmission organization.
- **Badger Coulee 345 Kilovolt (kV) Transmission Line.** WPPI owns 1.5% of the project's jointly owned physical transmission assets from the Briggs Rd. to North Madison substations.

- **Hampton–Rochester–La Crosse 345 kV Transmission Line.** WPPI owns approximately 9.5% of the Grid North Partners (formerly CapX2020) project's jointly owned physical transmission assets located in Wisconsin.

WPPI recovers a majority of the costs associated with our direct transmission ownership as a transmission owner within the Midcontinent Independent System Operator. Our transmission investments also help ensure a strong regional grid, with increased access to cost-effective generation and more renewable energy options.



Point Beach Solar Energy Center

In September, our membership cut the ribbon on its newest generation resource, the 100-megawatt Point Beach Solar Energy Center, located adjacent to the WPPI member community of Two Rivers, Wis. When announced in 2017, the Point Beach Solar Energy Center was by far the largest planned solar project in Wisconsin. The adjacent Point Beach Nuclear Plant has been producing reliable, zero-carbon energy since the early 1970s, and WPPI purchases a portion of the power that facility produces to serve member utilities as well.

“When WPPI began looking for new generation resources, we decided that if anyone could make a solar proposal cost-competitive, that was something we wanted to see. And NextEra came through.”

– WPPI President & CEO Mike Peters



Pictured above, from left: Matt Handel, senior vice president, NextEra Energy Resources; Mike Peters, president and CEO, WPPI Energy; Jeff Bryce, project manager, renewable development, NextEra Energy Resources; Greg Buckley, Two Rivers City Manager; and Preston Cole, Secretary of Wisconsin Department of Natural Resources cut the ribbon at the Point Beach Solar Energy Center Commissioning Ceremony.

2021 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	125
Point Beach Nuclear Plant	Nuclear	117
Nelson Energy Center	Gas	91
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
John Street Hydro	Hydroelectric	0.5
Community Solar Gardens	Solar	0.6



FORWARD-THINKING: WPPI PROGRAMS & SERVICES

As customer expectations evolve and the electric industry continues to change, WPPI members are ready for the future. Together, they have built an unparalleled array of the kinds of forward-thinking services and business technologies that all utilities will need for continued success. Partnering through joint action for cost-effective, shared resources and expertise helps all members accomplish more for their communities.

In 2021, WPPI members remained focused on delivering the program offerings utility customers want, supporting strong communities and local economies, implementing modern business technologies, and more.

Industry Leadership

The American Public Power Association's (APPA) Smart Energy Provider program recognizes locally owned, not-for-profit electric utilities that demonstrate a commitment to and proficiency in energy efficiency, distributed generation, and environmental initiatives. In 2021, WPPI members represented nearly one-third of Smart Energy Providers across the nation.

Ninety-seven utilities now hold APPA's Smart Energy provider designation nationwide, including 27 WPPI members.

Utilities applying for Smart Energy Provider status undergo a rigorous, in-depth review benchmarking their local efforts based on industry-wide best practices. WPPI members' shared programs and services align well with the Smart Energy Provider criteria, helping them lead the way in earning the prestigious recognition. Most importantly, the designation underscores how WPPI members' joint action efforts support their customers and communities in responsible energy use, helping them to both save money and reduce their collective footprint on the environment.



Cedarburg	Negaunee
Columbus	New Holstein
Eagle River	New London
Florence	New Richmond
Hartford	Oconomowoc
Independence	Oconto Falls
Jefferson	Richland Center
Juneau	River Falls
Kaukauna	Slinger
Lake Mills	Stoughton
Maquoketa	Sturgeon Bay
Menasha	Sun Prairie
	Two Rivers
	Waunakee
	Waupun



Pictured l-r are Lead Journeyman Lineman Dony Ison, L'Anse Village Manager Bob LaFave, Baraga Village Manager LeAnn LeClaire and Journeyman Lineman Mat Robison.

Shared Expertise Brings Shared Strength

A dedicated WPPI line crew serves the electric distribution and maintenance needs of neighboring villages Baraga and L'Anse in Upper Michigan. Their work in 2021 included voltage conversion projects, general system maintenance such as pole and transformer replacements, and a complete rebuild and undergrounding project in progress for a mid-1900's substation. Launched in 2019, the two-man crew has been welcomed to the area with open arms.

Satisfied Customers

WPPI member utilities share a singular focus on satisfying those they serve, and feedback from customers is their most important measure of success. In 2021, our membership surveyed residential customers.

The results confirmed that eight out of ten residential customers are satisfied with their utility overall, significantly higher than the industry standard.

Customers were most satisfied with their local utility for:

- ✓ **Providing reliable energy**
- ✓ **Being trustworthy**
- ✓ **Being locally owned**



THROUGH CHOOSE
RENEWABLE, CUSTOMERS OF WPPI
MEMBER UTILITIES VOLUNTARILY
PURCHASE ENOUGH CARBON-FREE
ENERGY TO POWER MORE THAN
3,800 HOMES



WPPI MEMBERS
HELPED CUSTOMERS LOWER
THEIR ELECTRIC BILLS IN 2021
**BY NEARLY
\$ 4.4 MILLION**



In Jefferson, the local fire and emergency medical services facility installed solar panels with the help of a grant from the WPPI membership. The project will save taxpayers a projected \$3,600 per year in reduced energy costs, while also lowering the community's carbon emissions. "It's a win-win for everyone," said Scott Adler, utility manager for Jefferson Utilities.

Community Support

Our market research also confirms that customers value their utilities' active involvement in worthy local causes. In 2021, WPPI members delivered more than \$940,000 in local contributions to help support local non-profit organizations, schools and educational program outreach, community development and a variety of utility customer services and energy management programs.

Renewable Energy Options

Customers of all types continue to seek opportunities for using renewable energy. WPPI members offer options like the Choose Renewable program, through which customers can offset some or all of their electric usage with energy from renewable resources such as wind, solar, hydro, and biogas.

In 2021, we secured regulatory approval for updates to the Choose Renewable program in all 40 participating WPPI member communities. While Choose Renewable has enjoyed strong success and participation for more than 15 years, the recent updates make the program even more affordable and accessible to customers.

Choose Renewable program revenues are reinvested to further advance the use of renewable energy in member communities. Our Renewable Energy Grants for Non-Profits have funded local solar PV installations for schools, municipal buildings, and community action organizations across the WPPI membership.

Reducing Waste, Boosting the Bottom Line

By empowering customers to make use of state, local and WPPI energy-saving programs and incentives, our membership is both helping to protect the environment and delivering substantial utility bill savings for customers. WPPI members' support for these efforts also strengthens their customers' satisfaction.

PROJECT PROFILE

UTILITIES CUSTOMERS SAVE TO GIVE

The 51 members of WPPI have a long track record of supporting their communities in the ways that matter most, and Lodi Utilities is no exception. In partnership with Wisconsin's statewide energy savings program, Focus on Energy, the local utility piloted Save to Give, a challenge that encourages customers to reduce their energy waste while also earning donations to support worthy local causes in the community.



Through two eight-week challenges, local electric customers were encouraged to implement low and no-cost energy-saving strategies like opening windows at night and using fans instead of air conditioning. Participants signed up via Lodi Utilities' MyAccount online portal. They also tracked their success in MyAccount, earning points that translated into community donations.

Results from the challenge were announced during Susie the Duck Days, Lodi's signature summer event. Nearly 130 customers participated, netting more than \$10,000

in donations from Focus on Energy. Lodi Utilities contributed an additional \$2,100 in local outreach funding from WPPI.

The Save to Give funds were donated to three local non-profit organizations.

- **Prairie Valley Resale Store**, which funds free clothing and other necessities for families in need, along with dental services, eyeglasses, and medical equipment for children, and donations to the American Family Children's Hospital Kids Can't Wait program supporting young cancer patients.
- **Lodi Parent-Teacher Organization**, which funds scholarships and awards, playground equipment, teacher appreciation, family fun nights and more for the school district.
- **Reach Out Lodi**, a safe and welcoming community center, food pantry, and community store that helps people in the Lodi area who are struggling to meet their basic living needs.

Based on the successful pilot in Lodi, Focus has expanded Save to Give to additional rural communities, with a strong interest in continuing to work with utilities using tools like the MyAccount platform, which is available to all WPPI members as part of our shared technology suite.

Among the communities that have since been selected for additional Save to Give campaigns are Mount Horeb and New Richmond, both of which are also WPPI members. We look forward to celebrating their results in 2022.

Strengthening Local Economies

In addition to helping businesses save, WPPI members work to help them grow. Our New Load Market Pricing initiative encourages large energy users — which are often among the largest local businesses and employers — to locate or expand in member communities. The resulting economic growth boosts competitiveness for the local community and the WPPI membership as a whole.



31 WPPI MEMBERS
HAVE IMPLEMENTED NEW LOAD
MARKET PRICING TO SUPPORT
LOCAL ECONOMIC GROWTH

Technical Education & Training for Customers

While the pandemic presented obstacles for in-person gatherings in 2021, WPPI members delivered a record number of technical training and educational events remotely. More than 1,300 registrants attended our virtual events, with another 1,000 watching later, on demand. We also reached 80,000 students via Wisconsin's

Cooperative Educational Service Agency Virtual Career Symposium, providing free access to WPPI's clean energy careers video series.

WE REACHED

82,000 LEARNERS



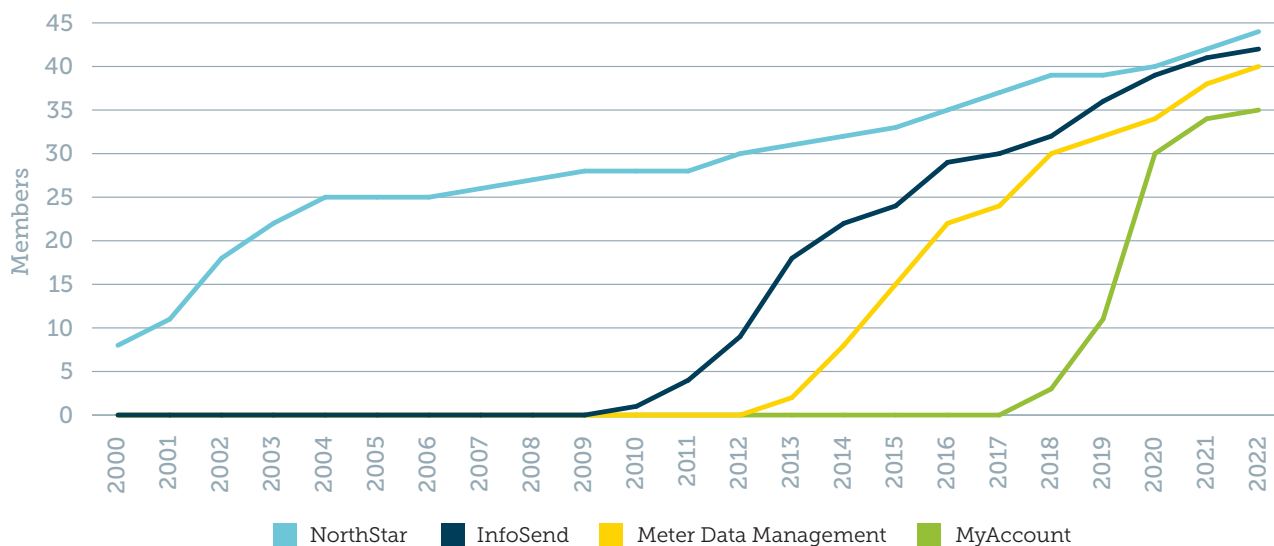
WITH VIRTUAL EDUCATION AND TRAINING
FOR WPPI MEMBER UTILITY CUSTOMERS

The WPPI Utility Technology Suite

Participation continues to grow in the WPPI membership's shared business technology suite, which helps utilities provide proactive service and meet customers' growing expectations.

Especially during the past two years, our membership's technology investments and shared expertise have delivered meaningful benefits in the form of stronger business continuity and resilience through the impacts of the pandemic. In 2021, we completed further updates and enhancements to these systems, continued to increase our training and support for member employees, launched a new mobile app for the MyAccount customer self-service platform, and more.

Technology Service Growth





NorthStar Customer Information System

This sophisticated customer information system ties together the technology suite components and facilitates billing of complex rates and municipal services.

46

Members using or preparing to use WPPI's hosted utility billing and customer information system

200,000+

WPPI member advanced electric and water meters



Meter Data Management

This WPPI-hosted centralized system maximizes the value of advanced meter data for members.

Collects, stores, and validates information in 15- or 60-minute intervals

Performs remote disconnect and reconnects

Enhanced data analysis capabilities

Superior detection of errors, losses



Shared Meter Technicians

This cost-effective program provides access to shared staff of advanced metering experts for WPPI member utilities of all sizes.

43

Members participating WPPI's the shared meter technician service



Outage Management

A WPPI-developed "lite" OMS tool helps visualize advanced meter outage alerts

WPPI supports members implementing comprehensive OMS tools



Retail Billing & Tariff Compliance

Shared expertise through WPPI helps members ensure billing accuracy while applying innovative rate structures and deploying new technologies.



InfoSend Retail Billing

Energy usage information

Bill messaging

Online bill presentation

42

WPPI members use this service to minimize administrative mailing tasks for staff while enhancing communications for customers



MyAccount Self-Service

This customer-facing portal provides self-service and customer engagement tools

Facilitates online bill payment

Customer access to energy use data

Fosters online customer interaction

37

Members using WPPI's online customer self-service tool



WPPI member utilities are now launching a mobile app to make customer access to MyAccount even more convenient

Protecting the Electric Grid: Cyber and Physical Security

The U.S. electric power industry, including WPPI and our members, has an essential responsibility to protect the physical integrity of the electric grid. While recent world events have highlighted the critical importance of this issue, we have treated grid security as a top priority for many years. It's a responsibility we take very seriously.

In fact, the electric power industry is the only U.S. critical infrastructure sector with mandatory and enforceable federal cybersecurity standards and has been proactive in partnering with the government and private-sector leaders on preparation, prevention and detection, information sharing, and response and recovery to secure our systems. We work closely with our industry peers, as well as state and federal government partners, on matters of critical infrastructure protection.

WPPI member utilities have an extraordinary record of reliability. They maintain site-specific measures to ensure the physical security of local distribution assets, and partner with local government entities to plan and drill for

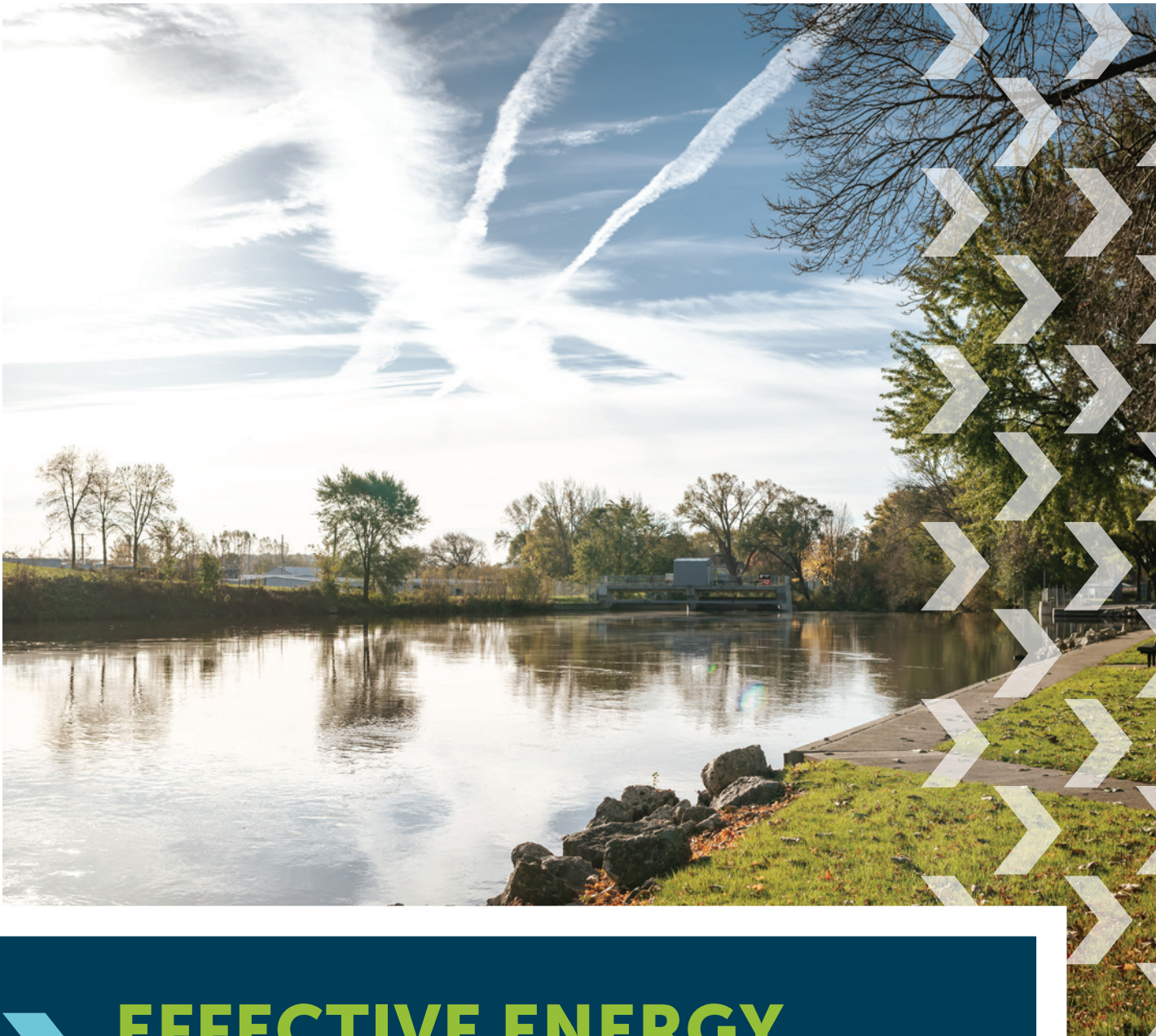
emergency situations. And, whether responding to a cyberattack or adverse weather, during significant outage events, utilities can turn to our industry's mutual assistance program, backed by thousands of fellow utilities across the nation, to help restore power efficiently.

Through joint action, our membership also has access to comprehensive network assessment and monitoring and a focused cybersecurity service delivering specialized information security talent and multiple layers of protection.

While no single local solution on its own can make the grid universally safe and secure from large-scale threat or disaster, our cyber and physical security response is appropriately focused on risk management and continuous improvement to make our system stronger, more reliable, and more resilient. While WPPI's service offerings will continue to change as technologies evolve and new threats emerge, our goal remains the same: to help member utilities monitor, evaluate, and navigate cyber risks with cost-effective, flexible strategies that best meet their local needs.



Our cyber and physical security response is appropriately focused on risk management and continuous improvement to make our system stronger, more reliable, and more resilient.



EFFECTIVE ENERGY POLICY ADVOCACY

WPPI staff and members actively engage with legislators and regulators to help ensure that state and federal energy policy decisions are well informed by local needs and perspectives. As a membership, we speak with the combined strength of 51 communities working together to protect and advance the interests of the customers and communities WPPI members serve.

WPPI Members Return to Capitol Hill

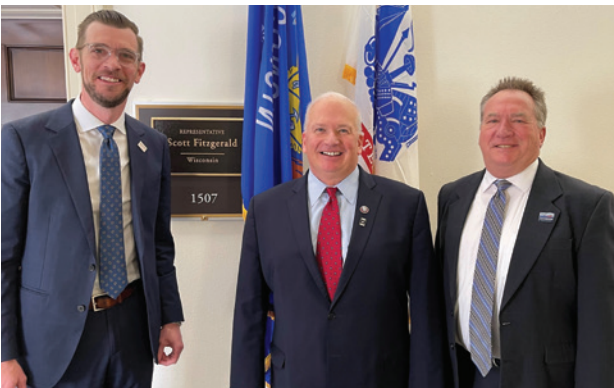
More than 20 utility and municipal officials from 15 WPPI member communities traveled to Washington, D.C. on March 1-2, 2022, to advocate for sound energy policies on behalf of their customers and communities. The group, which included seven mayors, met personally with U.S. Senator Ron Johnson and U.S. Reps. Jack Bergman, Glenn Grothman, and Scott Fitzgerald, as well as staffers for U.S. Reps. Ron Kind, Mike Gallagher, and Mark Pocan.

Held in conjunction with the American Public Power Association's annual Legislative Rally, the in-person meetings were a welcome change from 2021, when these Congressional visits were conducted virtually due to the pandemic.

Key 2022 Legislative Rally Topics

- Climate policy and the ways our industry continues to reduce emissions while ensuring a reliable and affordable power supply
- Municipal bond modernization
- Energy infrastructure investments
- Preserving local control for our public power communities
- Cyber and physical grid security

Our membership is widely recognized for its leadership in public power advocacy, thanks in large part to WPPI members' willingness to give their valuable time to advocate for policies that help keep our communities strong and thriving.



U.S. Rep. Scott Fitzgerald (center) with City of Jefferson Mayor Dale Oppermann and WPPI Director of Government Affairs Joseph Owen.



U.S. Rep. Jack Bergman (center) with City of Norway officials (from left) City Manager Ray Anderson, City Clerk Trisha Plante, Mayor Candy Brew, and WPPI's Joseph Owen.



Cuba City Light & Water Director of Public Works George Morrissey (at right) with Sen. Joe Manchin, recipient of the American Public Power Association's Public Service Award at APPA's Legislative Rally. Sen. Manchin has served on the Energy and Natural Resources Committee since joining the Senate in 2010.



From left: Waupun Utilities General Manager Steve Brooks, City of Menasha Mayor Don Merkes, Manitowoc Public Utilities Commissioner Eric Sitkiewitz, City of Waupun Mayor Julie Nickel, City of Sun Prairie Alderperson and Utility Commissioner Mike Jacobs, U.S. Rep. Glenn Grothman, Cedarburg Light & Water Commission Vice President Andy Moss, City of Cedarburg Mayor Michael O'Keefe, City of Lodi Mayor Ann Groves Lloyd, and WPPI's Joseph Owen.

With a Single Voice: Presenting the Concerns of Public Power Communities

WPPI is fortunate to count among its membership three local leaders who serve on the American Public Power Association's Policy Makers Council.

- **Jim Brooks, City Council President, Evansville, Wis.**
- **Lee Meyerhofer, Kaukauna Utilities Commission President**
- **Andy Moss, Cedarburg Light & Water Commissioner**

"The PMC's main task is to call on Congress and policy writers in Washington to present the concerns of public power communities with a single voice," said Brooks in a Feb. 28, 2022 interview with the association's Public Power Current.

Comprised of 40 elected and appointed officials from public power communities across the nation, the PMC assists APPA on national energy policy issues that could potentially impact customers in public power communities. Brooks will take over as chair of the PMC mid-year in 2022.

"Lawmakers know that when we show up as local officials, we are bringing along the

thoughts and needs of thousands of voters in their district. Many in Congress started in local government and have maintained those ties to our communities," Brooks said.

Group members meet a minimum of twice a year and participate in meetings with elected representatives and congressional staff to support the association's national legislative and regulatory agenda.

"We are very fortunate to have our region and our membership so strongly represented at the national level on this influential advocacy group," says WPPI Director of Government Affairs Joseph Owen. "Our efforts would not be as successful without their involvement."



From left: Evansville City Council President Jim Brooks, Marshfield Utilities Commissioner Mike Eberl, Cedarburg Light & Water Commissioner Andy Moss, U.S. Sen. Tammy Baldwin, Kaukauna Utilities Commission President Lee Meyerhofer, and WPPI Director of Government Affairs Joseph Owen.

Addressing Climate Change

WPPI members have long prioritized reducing CO₂ and other emissions to combat climate change, and we have done so while supplying safe, reliable, and affordable electricity to homes and businesses across our members' service territories. Now, as we work toward a target of zero carbon emissions by 2050, WPPI will continue to make clear that efforts to reduce carbon must be carried out in balance with maintaining electric affordability and reliability. This "three-legged stool" is essential for addressing the issue of climate change while also fulfilling the full scope of our responsibilities to WPPI member utility customers and communities.





POLICY LEADER SPOTLIGHT

ENERGY & UTILITIES COMMITTEE CHAIR MIKE KUGLITSCH HONORED AS FRIEND OF WPPI

Wisconsin State Rep. and Chair of the Assembly Committee on Energy & Utilities Mike Kuglitsch was recently presented the “Friend of WPPI” award.

Local utility leaders, members of the WPPI Energy Board of Directors, and dozens of employees gathered to recognize Kuglitsch for his work on behalf of the many Wisconsinites served by public power utilities.

“WPPI and our public power members across the state have always participated in the legislative arena, but I would be hard pressed to think of another legislator, let alone the chair of an energy committee, who has listened to and responded to the interests and concerns of municipal utilities and their customers like Chairman Kuglitsch has done,” said WPPI President & CEO Mike Peters.

Rep. Kuglitsch was also commended for his service to the State of Wisconsin and his focus on ensuring that state energy policy decisions provide Wisconsinites with safe, reliable, and affordable electricity.

Rep. Kuglitsch was elected to the Wisconsin State Assembly in 2010, served as Chair of the State Affairs Committee in 2012, and has been Chair of the Assembly Committee on Energy & Utilities for the past eight years. He recently announced that he is retiring from the Assembly and will not run for re-election.



From left: Waunakee Utilities General Manager Tim Herlitzka, New Holstein Utilities General Manager Randy Jaeckels, WPPI President & CEO Mike Peters, Wisconsin State Rep. and Chair of the Assembly Committee on Energy & Utilities Mike Kuglitsch, Utility Manager for Sun Prairie Utilities Rick Wicklund, and WPPI Director of Government Affairs Joseph Owen. Rep. Kuglitsch was presented the engraved Friend of WPPI Energy award, crafted as a desk lamp with a 1920 Westinghouse electric meter that spins while the lamp is lit.



➤ FINANCIAL STRENGTH

WPPI remains in excellent financial health. Based in large part on the solid foundation of WPPI members' long-term wholesale power supply agreements, along with our reduced debt and strong equity position, we are well-positioned for continued success in the future.

Competitive Wholesale Power Costs

Our average wholesale cost of power to WPPI members has remained competitive over the past five years and more.

>> See our 2017-2021 average wholesale power costs on p. 11

Reduced Debt, Strong Equity

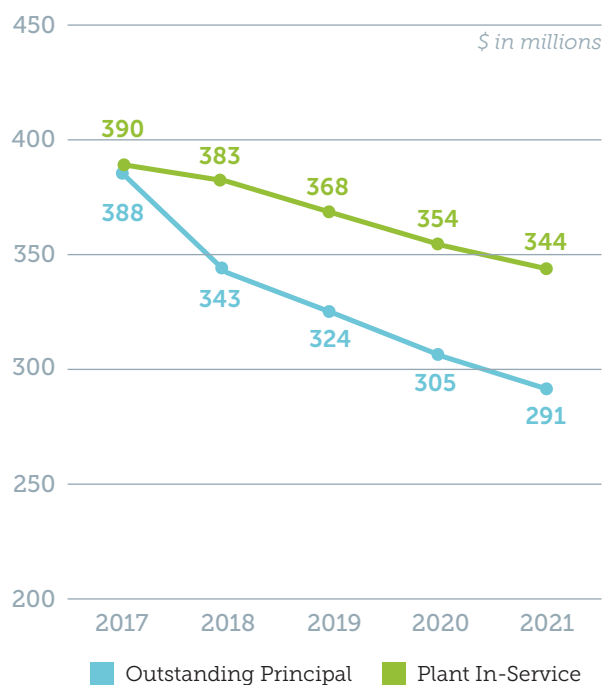
WPPI is well-positioned with our liquidity and debt service coverage at appropriate targeted levels for our risk profile. We accomplished significant deleveraging between 2017 and 2021, reducing our debt by more than \$97 million.

Currently, our debt extends to only 2037, while member power supply agreements ensure comprehensive and timely recovery of WPPI's wholesale costs to 2055.

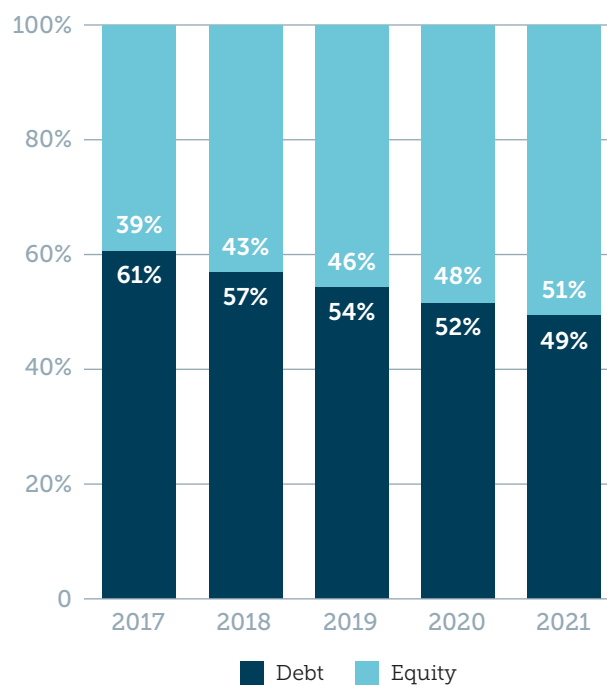
As a result, while WPPI currently has no pressing need to take on significant new generation projects, we have greater capacity to take on additional debt as needed when opportunities arise for beneficial additions to WPPI's power supply portfolio.

Most importantly, our declining debt service helps keep wholesale power costs down for WPPI members.

Outstanding Principal vs Plant In Service

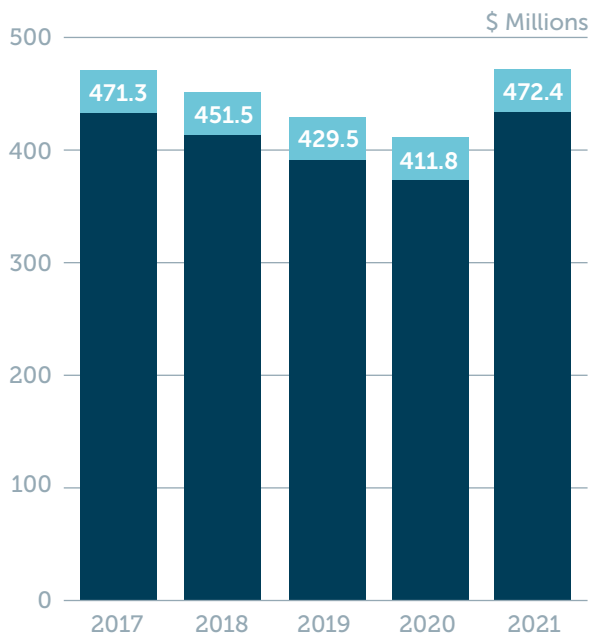


Debt to Equity Ratio

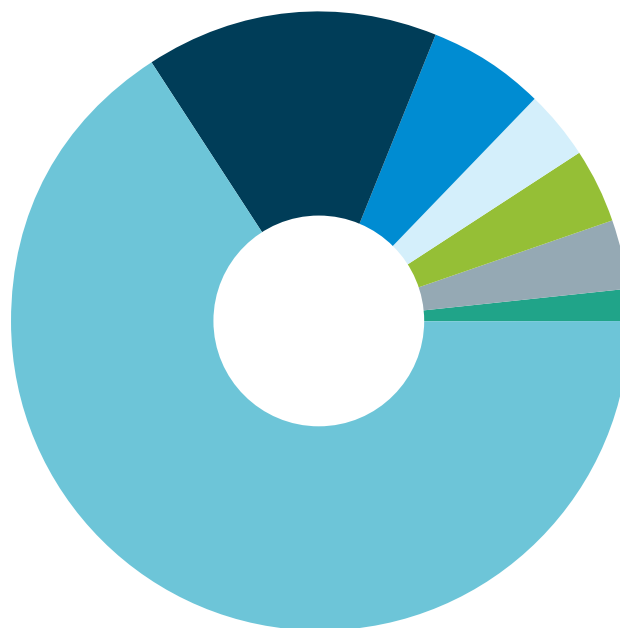


FINANCIAL HIGHLIGHTS

Operating Revenues



2021 Operating Expenses



2021
Long Term
Bond Ratings

Fitch **A+**

Moody's **A1**

S&P **A**

- 66.0%** Purchased Power
- 15.2%** Transmission
- 6.3%** Fuel Expense
- 3.5%** Operation & Maintenance
- 3.9%** Customer Service and Administrative and General
- 3.7%** Depreciation and amortization
- 1.4%** Taxes

Summary Statements of Net Position

December 31,	2021	2020
ASSETS		
Current assets	\$ 150,843,941	\$ 139,904,604
Non-current assets	267,546,183	272,148,777
Capital assets	<u>354,090,351</u>	<u>361,472,601</u>
Total assets	772,480,475	773,525,982
Deferred Outflows of Resources	20,397,846	20,055,388
LIABILITIES		
Current liabilities	58,600,054	51,185,161
Non-current liabilities	9,927,290	10,107,058
Long-term debt	<u>303,846,599</u>	<u>324,492,646</u>
Total liabilities	372,373,943	385,784,865
Deferred Inflows of Resources	91,968,852	90,230,384
Net Position	\$ 328,535,526	\$ 317,566,121

Summary Statements of Revenues, Expenses, and Changes in Net Position

Years ended December 31,	2021	2020
Operating revenues	\$ 472,427,127	\$ 411,799,748
Operating expenses	<u>462,077,513</u>	<u>401,399,621</u>
Operating income	10,349,614	10,400,127
Non-operating revenues (expenses), net	1,746,338	5,412,358
Future recoverable costs	<u>(1,126,547)</u>	<u>(2,036,351)</u>
Change in net position	10,969,405	13,776,134
Net position, beginning of year	<u>317,566,121</u>	<u>303,789,987</u>
Net position, end of year	<u>\$ 328,535,526</u>	<u>\$ 317,566,121</u>

See our complete financial statements online at www.wppienergy.org





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