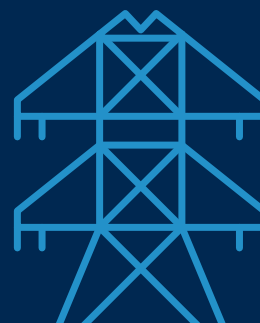




LEADING WITH PURPOSE



2022 ANNUAL REPORT





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 diverse in landscape, population size, industry, and local culture. It is our privilege to feature in this report recent photos from just some of these great places, including:

Negaunee	Page 2	Stoughton	Page 27
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Eagle River	Page 14	Boscobel	Page 36
Gladstone	Page 20	Negaunee	Page 40



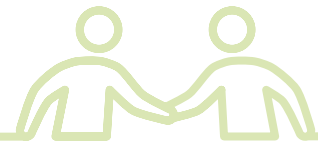
THE ROAD WE TAKE

FROM THE CHAIR AND THE PRESIDENT & CEO

“If you don’t know where you’re going, any road will get you there.”

This saying is often attributed to Lewis Carroll’s well-known story, *Alice in Wonderland*. While the actual wording of the 1865 novel differs somewhat from the popular quote, its meaning still resonates today. Our desired destination must determine our path.

The point is certainly relevant to our transforming energy industry. If we seek to arrive at a place that assures the continued well-being of the customers and communities we serve, we must select our path with intention and care. Without a purpose that guides the most critical decisions about our energy future, the way forward would indeed look uncertain.



Our Direction is Clear

Fortunately for the WPPI Energy membership, our guiding purpose could not be clearer.

As WPPI's vision describes, we are motivated by far more than just the "what" of the electric business. It's the "why" that drives us.

Not only do the 51 utilities that make up WPPI's membership deliver an essential service in the form of safe, reliable, affordable power, they also strive toward a greater goal. These not-for-profit, locally owned utilities were created to help their communities thrive. Their unity of purpose is what makes WPPI's joint action model strong.

A Shared Journey

By partnering for the journey, WPPI member utilities fulfill a shared mission to accomplish more for the benefit of those they serve.

- A reliable, affordable, responsible power supply.
- Forward-thinking services and modern business technology offerings.
- A highly effective voice to advocate for customers and communities.

We continued our forward progress in each of these areas throughout 2022. Despite what was in many ways a challenging year, WPPI's membership remained highly satisfied and engaged. Our responsive, member-governed joint action model enabled us to take timely action to offset some of the most significant cost impacts of high market energy prices for customers. We also continued delivering on the kinds of business technologies and customer programs all utilities will need for future success.

Leading with Purpose

As demonstrated by many of the accomplishments described in this report, the WPPI membership's joint action successes are unparalleled. We set the bar high because our industry leadership makes WPPI members trusted experts and valued partners for their customers, their communities, and the policymakers with whom we must partner to arrive at a better energy future.

The energy issues and opportunities before us will continue to evolve, and our shared strength and unity of purpose will help us keep leading the way for communities that thrive. This is our most important destination.

Jim Stawicki

WPPI Energy Chair
Sturgeon Bay Utilities General Manager

Mike Peters

WPPI Energy President & CEO



Mike Peters and Jim Stawicki

MEMBER DRIVEN





THE JOINT ACTION ADVANTAGE

Not only is the WPPI membership certain about our destination, but our roadmap for getting there is clear. By partnering as like-minded, locally owned utilities, our members 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.



MEMBER SATISFACTION WITH WPPI IS HIGH.

8.9
MEAN

90%

MEMBER ENGAGEMENT IS IMPORTANT TO WPPI'S SUCCESS.

9.3
MEAN

97%

Forging a Path Together

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

Satisfied Members

As a member-owned, member-driven joint action agency, WPPI measures its success in the feedback of the member utilities and communities we serve. In our 2022 survey, 90% of WPPI members rated their overall satisfaction with top-box scores of 8, 9, or 10 out of 10.

Engaged Local Leaders

Our 2022 survey results also show that members see great value in actively engaging with our joint action model. This was the highest-rated measure in the survey, with 97% of respondents assigning top-box scores to this item.

A PROVEN TRADITION

Public power is a tradition that works. Most WPPI member utilities possess well over a century of experience providing 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 2022.



85 YEARS
ALGER DELTA
CEA



85 YEARS
HUSTISFORD
UTILITIES



90 YEARS
OCONTO FALLS
MUNICIPAL UTILITIES



100 YEARS
PRESTON MUNICIPAL
UTILITIES



110 YEARS
KAUKAUNA
UTILITIES



110 YEARS
NEW HOLSTEIN
UTILITIES



115 YEARS
MUSCODA
UTILITIES



115 YEARS
LODI
UTILITIES



120 YEARS
NEW GLARUS
UTILITIES



120 YEARS
TWO RIVERS
UTILITIES



125 YEARS
HARTFORD
UTILITIES



WPPI's member outreach efforts in 2022 centered on a series of regional Power Dinner meetings with local utility staff and officials from across the membership. The events provided welcome opportunities for WPPI member leaders to network with their peers, and helped local officials learn more about key electric industry issues and WPPI initiatives. Approximately 30-60 individuals were in attendance at each of the six meetings.

WPPI member utility managers also engaged in small-group roundtable gatherings with President & CEO Mike Peters throughout the year. The discussions helped foster peer exchange, networking, and in-depth discussions about issues of importance for the overall membership. More than 40 member utility staff leaders attended one of WPPI's four roundtables in 2022.



Members attend a WPPI Regional Power Dinner in Oconomowoc on June 8, 2022

PHOTO INSTALLATIONS KEEP FOCUS ON WPPI MEMBERS

When it comes to WPPI's Office and Operations Facility, nothing could make for more appropriate décor than artwork featuring the utilities we serve. Now on display in WPPI's boardroom are photo panel collages of local scenery, infrastructure, downtown streetscapes, and signage from all 51 member communities. In the lobby, a newly installed portrait gallery recognizes WPPI's past and present member board chairs.



MEMBER-GOVERNED

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.

Executive Committee (L-R top row): Tim Herlitzka, treasurer, Kevin Westhuis, Jill Weiss, Melanie Krause, Casey Engebretson, secretary, Brian Rhodes. (L-R front row): Steve Brooks, Michael Avanzi, Jim Stawicki, chair, Mike Reynolds, vice chair



Senior Management

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

Senior Management (L-R top row): Tom Paque, senior vice president of services & business strategy, Phil Hansen, chief information officer, Mike Peters, president & chief executive officer. (L-R front row): Tom Hanrahan, general counsel, Marty Dreischmeier, chief financial officer, Tim Noeldner, senior vice president of power supply



Joint Action Leaders

In 2022 our membership celebrated the inaugural "graduating class" to complete WPPI's Joint Action Leadership Certification program. Seventeen employees from 15 member communities completed this multiyear program in 2022, expanding their knowledge about joint action and its benefits for utilities and customers.

Joint Action Leadership Certification program participants.



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 Cooperative Electric Association Mike Furmansk^{1,3}

Algoma Utilities Pete Haack

Baraga Electric Utility LeAnn M LeClaire

Black River Falls Municipal Utilities Casey E Engebretson^{1,2}

Boscobel Utilities Mike Reynolds^{1,2}

Brodhead Water & Light Ed Hoff

Cedarburg Light & Water Utility Ben Collins

City Utilities of Richland Center Scott Gald

Columbus Utilities Michelle Kaltenberg

Crystal Falls Electric Department Dave Graff

Cuba City Light & Water George A Morrissey

Eagle River Light & Water Utility Mike Sanborn

Evansville Water & Light Jim Brooks

Florence Utilities Roger Secrist

Gladstone Power & Light Skip Kennedy

Hartford Utilities Brian C Rhodes¹

Hustisford Utilities Todd M Tessmann

Independence Light & Power, Telecommunications

Kevin M Sidles

Jefferson Utilities Sarah Hinze

Juneau Utilities Mac Affeld

Kaukauna Utilities Michael Avanzi¹

L'Anse Electric Utility Bob LaFave

Lake Mills Light & Water Paul Hermanson

Lodi Utilities Ann Groves-Lloyd

Maquoketa Municipal Electric Utility Chris Krogman

Menasha Utilities Melanie S Krause¹

Mount Horeb Utilities Jordy Schmitz

Muscoda Utilities Dorothy Hackl

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

Oconomowoc Utilities Joe Pickart

Oconto Falls Municipal Utilities Greg Kuhn

Plymouth Utilities Tim Blakeslee

Prairie du Sac Utilities Troy T Murphy

Preston Municipal Electric Utility Teresa Weinschenk

Reedsburg Utility Commission Brett H Schuppner

River Falls Municipal Utilities Kevin L Westhuis¹

Slinger Utilities Margaret Wilber

Stoughton Utilities Jill M Weiss¹

Sturgeon Bay Utilities Jim Stawicki^{1,2}

Sun Prairie Utilities Rick Wicklund

Two Rivers Utilities Brian Dellemann

Waterloo Utilities Barry L Sorenson

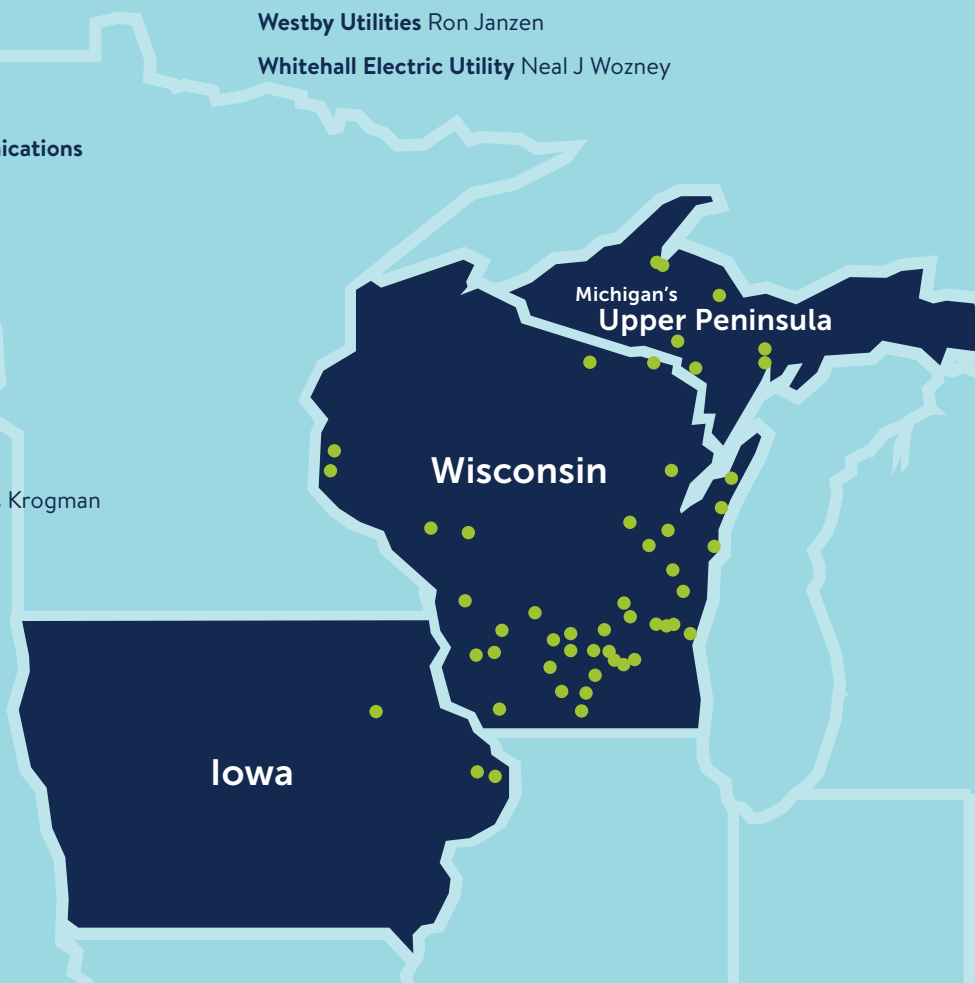
Waunakee Utilities Tim Herlitzka^{1,2}

Waupun Utilities Steve Brooks¹

Westby Utilities Ron Janzen

Whitehall Electric Utility Neal J Wozney

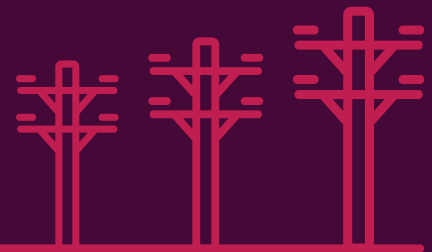
- ¹ Executive Committee
- ² Officer
- ³ Non-Voting Appointed Representative



Smart Energy Providers

Congratulations to the WPPI member utilities recognized as Smart Energy Providers by the American Public Power Association. These public power utilities have demonstrated leading practices in their structuring of smart energy programs, energy efficiency and distributed energy offerings, environmental and sustainability initiatives, and prioritizing the customer experience.

More than 100 utilities nationwide now hold the two-year designation, including 27 WPPI members. The distinction is well-deserved. Working together over the past four decades, our membership has built a cost-effective array of forward-thinking programs, shared expertise, and modern technologies. Our programs and services align well with the SEP criteria, and the designation underscores how WPPI members' joint action efforts support customers to both save money and reduce their collective footprint on the environment.



Algoma Utilities (2022)

Eagle River Light & Water (2022)

Hartford Utilities (2022)

Juneau Utilities (2022)

Slinger Utilities (2022)

Sturgeon Bay Utilities (2022)

Waupun Utilities (2022)

Cedarburg Light and Water (2021)

Columbus Water & Light (2021)

Florence Utilities (2021)

Independence Light & Power (2021)

Jefferson Utilities (2021)

Kaukauna Utilities (2021)

Lake Mills Light & Water (2021)

Maquoketa Municipal
Electric Utility (2021)

Menasha Utilities (2021)

New Holstein Utilities (2021)

New London Utilities (2021)

New Richmond Utilities (2021)

Oconomowoc Utilities (2021)

Oconto Falls Municipal Utilities (2021)

Richland Center Electric
Department (2021)

River Falls Municipal Utilities (2021)

Stoughton Utilities (2021)

Sun Prairie Utilities (2021)

Two Rivers Water & Light (2021)

Waunakee Utilities (2021)

WPPI ENERGY AWARDS

WPPI presents awards to honor outstanding achievements and contributions by leaders throughout the membership. It was our privilege to recognize 15 individuals in 2022.

JOINT ACTION HALL OF FAME

The WPPI membership's highest honor recognizes individuals who have made extraordinary and substantial contributions to the development and success of WPPI and joint action.



Jeff Feldt

*Retired General
Manager
Kaukauna Utilities
Former Board Chair
WPPI Energy*

UTILITY LEADERSHIP

The Utility Leadership Award honors member utilities that have advanced WPPI's strategic initiatives, provided benefits to the membership, served as a model for other utilities to follow, and demonstrated dedicated support for public power and joint action.



COMMUNITY SERVICE

Community Service Awards are presented in memory of Hustisford's Richard "Dixie" Kirchoff to recognize public officials and member utility managers who demonstrate the utility's value by their active participation in the community and commitment to volunteerism.



James Kardoskee

*Utility Commission President
Oconto Falls Municipal Utilities*



Roger Steingraber

*Utility Commission President
New London Utilities*



Gerry Warner

*Utility Commissioner
New Richmond Utilities*

INDIVIDUAL ACHIEVEMENT

Individual Achievement Awards are presented to utility managers or employees who make significant contributions to the success of WPPI through active participation in committees, task forces and advisory groups.



Paul Hermanson

*Director of Public Works
Lake Mills Light & Water*



Paula Maurer

*Customer Service Manager
Menasha Utilities*



Joe Pickart

*Utility Manager
Oconomowoc Utilities*

SHINING STARS

Shining Star Awards recognize new or seasoned managers and employees demonstrating growth, leadership, and proven dedication to strategic initiatives within the utility. These individuals have gone above and beyond for their customers and communities.



Rose Schulze

*Financial Manager
Sun Prairie Utilities*



Christine Coulthurst

*Accounting/Payroll/Customer Service
Sturgeon Bay Utilities*



Jen Benson

*Office & Customer Service Supervisor
Waupun Utilities*



Mike Frederick

*Electric Supervisor
New London Utilities*



Paul Fabian

*Line Crew Foreman
Two Rivers Utilities*



Sarah Hinze

*Office Manager
Jefferson Utilities*

VOLUNTEER POWER

The Volunteer Power Award recognizes employees of WPPI or member utilities who demonstrate exceptional leadership while contributing to the betterment of their community.



Kayla Pierce
*Member Relations
Coordinator
WPPI Energy*



NATIONAL INDUSTRY HONORS



SEVEN HATS AWARD

The American Public Power Association in 2022 honored George Morrissey, director of public works for Cuba City, with its Larry Hobart Seven Hats Award. The recognition acknowledges managers of small public power systems who must fulfill multiple roles. The “seven hats” these leaders wear include planning and design, administration, public relations, field supervision, accounting, human resources, and community leadership. In Cuba City, Morrissey is responsible for all aspects of public works such as streets, parks and recreation, zoning and planning, code enforcement, duties related to economic development, and management of the water, wastewater, and electric utilities.

Cuba City Director of Public Works George Morrissey (left) with WPPI President & CEO Mike Peters.

PUBLIC POWER COMMUNICATIONS AWARD OF MERIT

At APPA’s Customer Communications Conference in November, Kaukauna Utilities received the association’s Award of Merit in Public Power Communication for its Year-in-Review publication which features highlights and updates demonstrating the significant value KU delivers for customers and the community.



FOR THE LONG TERM





POWER SUPPLY

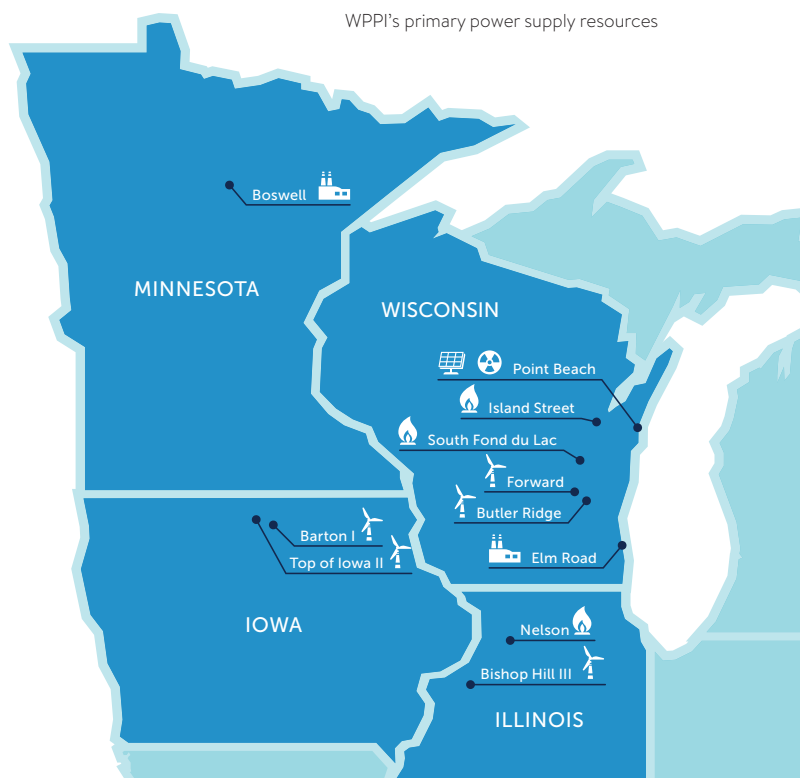
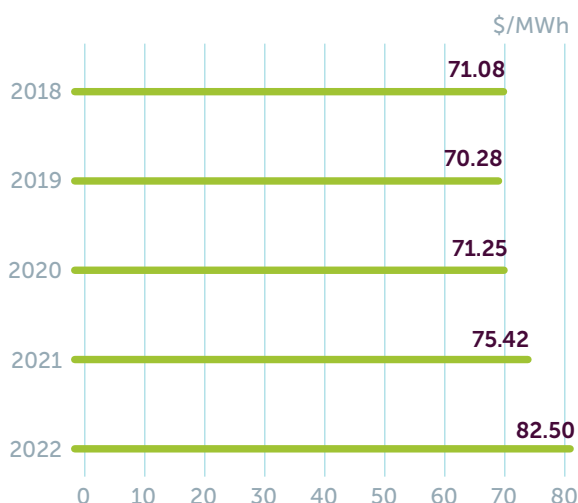
WPPI members power their communities with reliable, affordable, responsible electricity. As 51 like-minded utilities working together, our membership achieves greater economies of scale and a diverse, cost-competitive power supply portfolio that helps local communities thrive. Today and for the long term, this is our driving purpose.

Reliable and Diverse

While the significant shifts in natural gas and market energy prices that began in mid-2021 continued contributing to higher costs across the electric power sector during 2022, we have developed WPPI's power supply resources with long-term stability in mind. Especially during such periods of volatility in fuel and market energy prices, our mix of resources helps to moderate overall cost impacts for WPPI members.

WPPI's diverse electric generation portfolio is not primarily dependent on natural gas or any other single fuel resource. We derive approximately one-third of our generating capacity from owned generation, with no single unit representing more than 10% of WPPI's capacity. Most of the remainder of our need is fulfilled through long-term power purchase agreements with staggered contract lengths.

Average Power Cost to Members



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. We rely on short-term and spot market purchases to meet less than 10% of our needs. This relatively low market exposure helps ensure reliability and reduce overall cost volatility for WPPI members.



86%

WPPI DOES A GOOD JOB CONTROLLING COSTS.

84%

Respondents who rated their agreement with these statements at an 8, 9 or 10 out of 10.

Reducing Carbon Emissions

In addition to maintaining highly competitive wholesale power costs, we are continuing to reduce the carbon dioxide (CO₂) emissions associated with supplying power for WPPI member communities. WPPI is on track for a 45% reduction in CO₂ emissions by 2025 when compared to 2005, and it is our target to become carbon-neutral by 2050.

Cost-Effective, Accessible

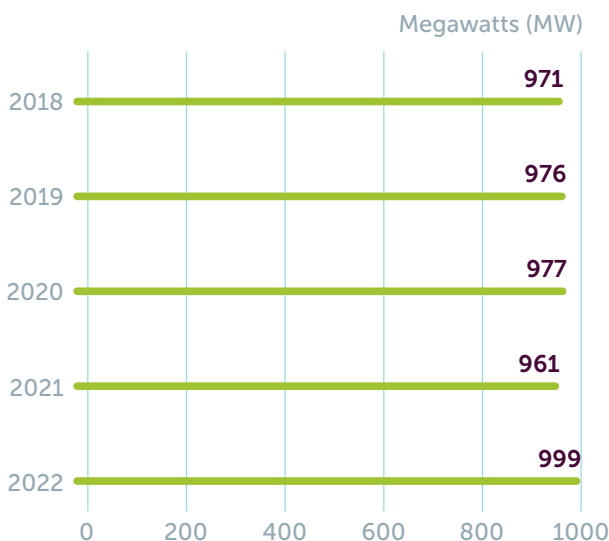
Carbon-Free Energy

WPPI members' longstanding support for carbon-free energy has delivered meaningful results for the environment. In 2022, we celebrated the first anniversary of our newest resource, the cost-effective Point Beach Solar Energy Center. Such utility-scale projects are the most cost-effective and equitable option for making the benefits of carbon-free energy accessible to all customers.

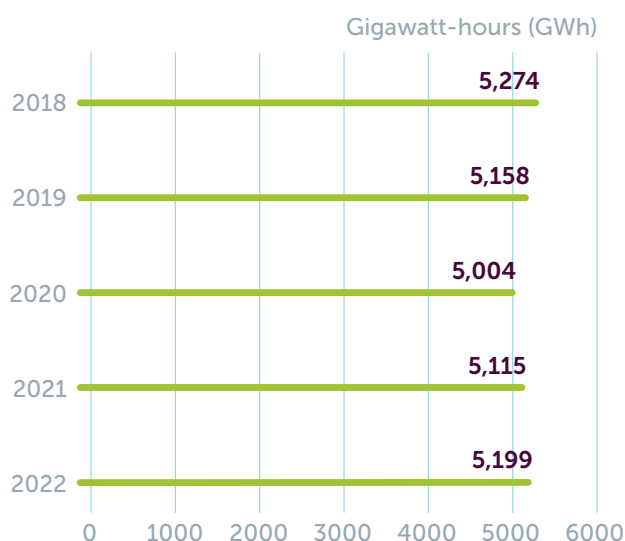
Strong Satisfaction

Member utility satisfaction with WPPI's wholesale electric rates remains strong and has increased over the past several years. In 2022, 84% of members indicated they believe WPPI does a good job of controlling costs, and 86% agreed WPPI rates are competitive.

Peak Demand



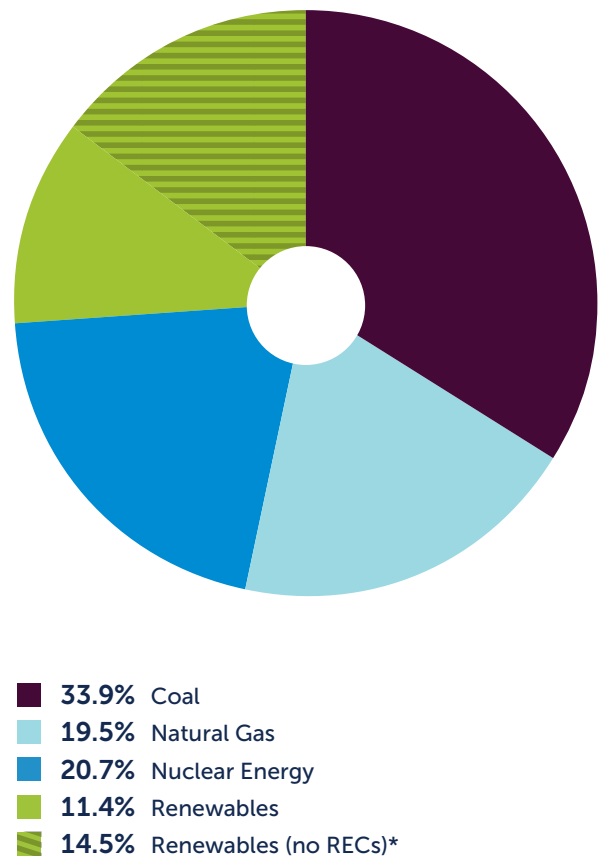
Energy Requirements



2022 Fuel Mix

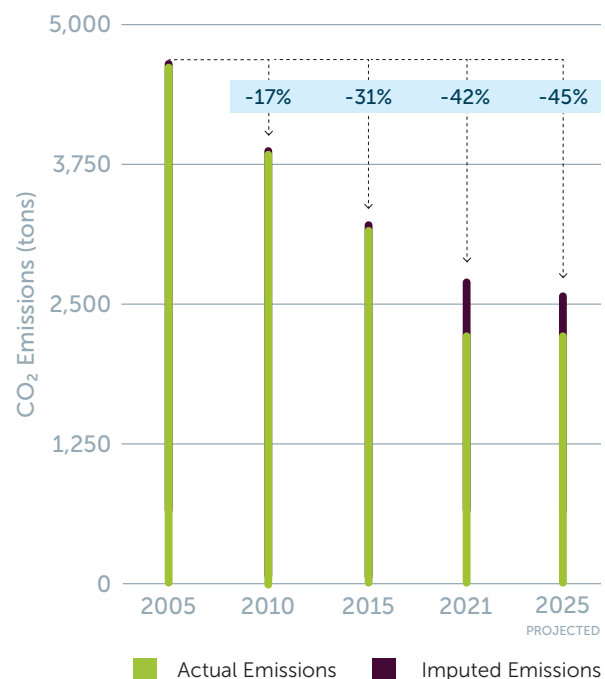
* For every megawatt hour of electricity produced by renewable sources, a renewable energy certificate or credit (REC) is created. The person or entity holding that REC is entitled to claim all of the environmental benefits of the associated renewable electricity generation. WPPI holds some, but not 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 light-colored, green 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 darker-colored, brown 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.



2022 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	100
Point Beach Nuclear	Nuclear	117
Point Beach Solar	Solar	100
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
Community Solar Gardens	Solar	0.6
John Street Hydro	Hydroelectric	0.5

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 rates to members.



AMERICAN TRANSMISSION CO.

As of Dec. 31, 2022, WPPI has a 6.7%, \$157-million equity investment in this regional transmission organization. WPPI President & CEO Mike Peters serves on the ATC Board of Directors.

BADGER COULEE 345 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 jointly owned physical transmission assets located in Wisconsin for this Grid North Partners (formerly known as CapX2020) project.

WPPI recovers a majority of the costs associated with our direct transmission ownership as a transmission owner within the Midcontinent Independent System Operator. By supporting increased access to reliable, cost-effective generation and more carbon-free energy options, our transmission investments also help ensure the continued strength of our regional grid as the electric industry transforms.

FORWARD-THINKING SERVICES & TECHNOLOGY





As the electric industry transforms, WPPI members are ready to continue leading the way. In 2022, our membership remained focused on sharing the forward-thinking services, expertise, and unparalleled business technologies that accomplish more for customers and communities.



**WPPI MEMBERS HELPED
CUSTOMERS LOWER THEIR ELECTRIC
BILLS IN 2022 BY APPROXIMATELY**

\$5.1 MILLION



Supporting Strong Communities

The customer-focused, community-minded member utilities of WPPI regularly support local causes, and our market research confirms that customers highly value their active community involvement. In 2022, WPPI members delivered nearly \$910,000 in contributions to local nonprofits, schools and educational outreach, community development, and more.

For the past two years, donations from Oconto Falls Municipal Utilities have supported the community's "Main Street Revival" initiative to update older building façades on Main Street. Barb Salscheider (left), a member of the Main Street Committee, is pictured with Oconto Falls Utility Manager Greg Kuhn. Photo courtesy of OFMU.

Helping Customers Save

WPPI members help their customers achieve substantial bill savings and protect the environment through energy-saving state, local and WPPI programs and services. Our membership's support for these programs also strengthens customer satisfaction.

In Upper Michigan, WPPI member utilities launched the Energy Innovations Collaborative in 2022 to deliver locally-controlled energy efficiency, beneficial electrification, and renewable energy programs for customers.



Better Outreach for Income-Qualified Customers

When households facing financial challenges can stay current on their energy bills, customers and the not-for-profit utilities that serve them are all better off. With a study grant from the American Public Power Association's Demonstration of Energy & Efficiency Developments program, our membership in 2022 gained useful new insights about income-qualified customer awareness and use of energy assistance programs. WPPI members are now putting these findings to use with updated outreach to this important customer segment.

The study also determined that, while income-qualified customers are typically less trusting of their utility providers, no such gap existed among WPPI member customers. The finding may be connected to our membership's locally owned, not-for-profit business model and the confidence that is inspired when households feel they can rely on their utility as a customer-focused energy expert and advisor.



**WPPI MEMBER UTILITY
CUSTOMERS ARE AMONG
THE MOST SATISFIED IN
THE NATION.**

Satisfied Customers

WPPI members share a singular focus on satisfying those they serve, and customer feedback is their most important measure of success. In 2022, our membership again earned first place honors in a small and midsize business customer satisfaction survey conducted by industry-leading data research authority E Source. Participants ranked WPPI member utilities at 8.5 out of ten – well above the national average of 7.3.

WPPI members' customers were most satisfied with their local utility for:

- Providing reliable energy
- Being trustworthy
- Being easy to do business with

ELECTRIC VEHICLES: DELIVERING VALUE

Not only does the growing use of electric vehicles reduce transportation emissions, but when EVs charge overnight, they can also help make the grid more cost-effective for everyone. The WPPI membership has long promoted EV advancement with demonstration projects, shared customer outreach resources and matching funds for utility, municipal or customer charging stations.

EV-FRIENDLY WAUNAKEE

Waunakee Utilities is helping to lead the way with a recently approved EV-friendly electric rate. The innovative offering makes the most of the utility's advanced metering investment for customers, encouraging them to charge when costs are lower while also avoiding the expense of an extra meter or utility-owned charger required under most traditional EV rate structures.



TASK FORCE TAKES ON SYSTEM PLANNING FOR EVS

WPPI members have convened a task force to help small electric systems prepare for the growing use of EVs. With a grant from the Public Service Commission of Wisconsin's Office of Energy Innovation, the WPPI membership is investigating forecasting tools and electric distribution system planning strategies to support residential EV adoption. At the heart of our study is WPPI members' longstanding commitment to delivering safe, reliable, responsive service for their customers and communities.

Cedarburg
Eagle River
Hartford
Kaukauna

Menasha
Oconomowoc
New Richmond
Prairie du Sac

Sun Prairie
Crystal Falls



**WPPI'S SERVICES BRING
NECESSARY SUPPORT TO
YOUR UTILITY.**

89%

**WPPI SUPPORT SERVICES
RESULT IN COST SAVINGS
FOR YOUR UTILITY.**

88%

Respondents who rated their agreement with these statements at an 8, 9 or 10 out of 10.

Satisfied Members

In 2022, 89% of members indicated they believe WPPI services bring necessary support to their utilities, and 88% agreed they result in utility cost savings.

**THROUGH CHOOSE
RENEWABLE,
CUSTOMERS OF WPPI
MEMBER UTILITIES
VOLUNTARILY PURCHASE
ENOUGH CARBON-FREE
ENERGY TO POWER
APPROXIMATELY**



**5,000
HOMES**

Renewable Energy Leaders

Customers also say it is important that their utilities offer options for the use of renewable energy. WPPI members have delivered such programs for well over 15 years, and we continue to refine and adapt with changing technology and customer preferences.

In 2022, four WPPI member communities earned top rankings in the U.S. for their local Choose Renewable participation rates.



Revenues from Choose Renewable are used to raise awareness and increase the use of resources such as solar, wind, hydro, and biogas. Thanks to strong customer participation, approximately 100 local renewable energy projects have received \$2.7 million in funding.

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 rooftop solar installations. WPPI members provide accurate rate projections and other evaluation tools to help educate and protect their customers' interests.

WANT SOLAR?

Follow these steps to ensure a correctly installed solar system.

DO YOUR HOMEWORK.
Identify your solar options. Some important basic questions are: What type of solar installation could work for me? Ground or roof mounted? Would my solar project receive any shading? What type of inverter do I want?

FORMS AND APPROVALS.
Complete and submit required interconnection documents including application, agreement and supporting documents to the Utility for review and approval prior to construction. Forms can be found at menashautilities.com.

CONTACT SOLAR INSTALLATION CONTRACTORS.
Get information and quotes to install a solar system at your home. Not sure who to call? Try the Find a Trade Ally tool on Wisconsin's Focus on Energy website, FocusOnEnergy.com. We recommend getting 3 bids to compare. We can help you review them.

OBTAIN LOCAL PERMITS.
Contact your local government permitting office to submit the necessary paperwork and have a structural analysis performed for any roof mounted application.

SELECT YOUR CONTRACTOR.
Discuss expectations of cost, construction timeframes, and investment returns as well as who will be responsible for obtaining permits and scheduling inspections.

INSTALLATION AND INSPECTION.
Contact the City Inspector and Utility when construction is complete. Your meter will be reprogrammed to allow recording of system generation at this time.

CONTACT US TO LEARN MORE!

Menasha Utilities
the power of community

menashautilities.com • (920) 967-3400

At Menasha Utilities, we join forces with other local, not-for-profit utilities through WPPI Energy to share resources and lower costs.

Ⓐ WPPI ENERGY COMMUNITY



WPPI MEMBERS EARN TOP-TEN U.S. RANKINGS FROM NATIONAL RENEWABLE ENERGY LABORATORY.

RIVER FALLS MUNICIPAL UTILITIES

2ND IN THE U.S.
Green Power Participation

7TH IN THE U.S.
Green Power Sales

WATERLOO UTILITIES

2ND IN THE U.S.
Green Power Sales



MUSCODA UTILITIES

6TH IN THE U.S.
Green Power Participation

STOUGHTON UTILITIES

8TH IN THE U.S.
Green Power Participation



WPPI MEMBERS LEAD MICROGRID STUDIES

Thanks in part to grant funding from the Public Service Commission of Wisconsin's Office of Energy Innovation, four WPPI member utilities recently delivered studies examining the feasibility of using microgrids to bolster emergency preparedness and resilience at critical customer facilities in their communities. Collaborating with customers and essential service providers, the utilities worked to help their communities better understand the customer facilities, their natural disaster risks, and emission reduction opportunities. The resulting studies incorporated extensive stakeholder input and industry expertise to deliver potential microgrid designs for the local facilities.

FLORENCE ELEMENTARY SCHOOL.

Florence Utilities worked to evaluate new backup power options for forward-thinking resiliency at the local elementary school, which also serves as an American Red Cross shelter.



HEART OF THE VALLEY METRO SEWER DISTRICT WASTEWATER TREATMENT PLANT.

Kaukauna Utilities helped the wastewater treatment plant study the potential use of microgrids to preserve the operation of this essential facility supporting the public health and well-being of 52,000 customers in Outagamie, Wis.

SAUK PRAIRIE POLICE DEPARTMENT.

This police department serving the WPPI member community of Prairie du Sac and its neighbor, Sauk City, shares its building with an emergency operations center delivering critical services for residents throughout the county. Among the questions this study examined was how the potential future use of electric vehicles in the police fleet could impact resiliency at the facility.



SUN PRAIRIE LIBRARY.

As part of its current efforts to redevelop an existing library, the city worked with Sun Prairie Utilities to consider whether this facility could help serve community members' essential needs in the event of a prolonged outage. The study also considered the potential for the library to employ solar energy and batteries for back-up power.

In addition to providing useful insight for customers and organizations, actively supporting these studies helps the WPPI membership stay abreast of how emerging technologies may interact with local electric distribution systems. WPPI members will continue to help lead the way in these areas as trusted energy experts and valued local partners for those they serve.



TECHNOLOGY FOR A TRANSFORMING INDUSTRY

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

Beyond Billing:

Advanced Metering Delivers Value

When WPPI members first deployed advanced meters in 2012, their focus was on replacing aging equipment, adding operational efficiencies, and systems integrations. More than a decade later, the value of this investment continues to grow with our evolving industry. In 2022, we continued maximizing the value of these meters and the data they provide to benefit member systems and their customers.

Optimizing Critical Equipment

Our WPPI-created automated transformer loading tool empowers utility employees to easily and routinely monitor the demand placed on this critical equipment for keeping power flowing reliably to homes and businesses. Especially as supply chain issues have drastically increased transformer costs and lead times, our ability to automatically analyze advanced meter data in order to optimize and protect the life of this equipment is now a more valuable advantage than ever for WPPI members.

SHARED TECHNOLOGIES SET THE STANDARD

Together, our members share unparalleled joint action tools and services to help meet their customers' growing expectations. Participation continues to grow in the WPPI membership's shared suite of utility business technologies. In 2022, we completed further updates and added new functionality to these systems.



47

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

NORTHSTAR CUSTOMER INFORMATION SYSTEM

- › This sophisticated customer information system ties together WPPI's technology suite components with expert staff support to facilitate billing of complex rates and municipal services

ADVANCED METER DATA MANAGEMENT

235,000+

Local utility electric
and water meters



- › WPPI-hosted, centralized system maximizes the value of advanced metering infrastructure
- › Collects, stores, and validates interval data
- › Performs remote disconnects and reconnects
- › Enhanced data analysis capabilities
- › Superior detection of errors, losses



SHARED METER TECHNICIANS

43

Local utilities using
WPPI's shared meter
technician service

- › Provides local utilities of all sizes with cost-effective, shared access to expert metering staff and state-of-the-art testing equipment.



RETAIL BILLING & TARIFF COMPLIANCE

- › Cost-effective, shared access to WPPI's rates and billing experts helps members ensure billing accuracy while applying innovative rate structures and deploying new technologies



MYACCOUNT SELF SERVICE

39

Utilities using WPPI's customer portal and mobile app

- › Facilitates online payment
- › Energy usage insights for customers
- › Mobile app for added convenience



INFOSEND RETAIL BILLING

45

WPPI members use this service to minimize mailing and administrative costs while enhancing communication to customers

- › Online bill presentation
- › Energy usage information
- › Bill messaging



GIS MAPPING & OUTAGE MANAGEMENT SYSTEMS

- › A WPPI-developed "lite" OMS tool helps visualize advanced meter outage alerts
- › WPPI supports members implementing comprehensive OMS
- › GIS mapping serves as foundation

Ensuring Accuracy

As utility service options expand, the rates to support them can become more complex. To help avoid the potential for resulting billing errors, we built on our technology in 2022 with an automated tool for utility employees to easily verify that customer accounts are set up correctly.

Expert Users

As utility business needs and systems evolve, so must the skills of those who use them. This year, we continued to expand opportunities for member utility employees to grow their expertise, with quarterly training opportunities now available for new and seasoned users of WPPI's shared NorthStar customer information system and meter data management platform.

Cyber Security Options

Managing the threat of cyber-attack remains one of the biggest issues facing electric utility safety and reliability. Since the late 1990's, WPPI members have shared joint action technology services that help keep their systems secure. Today, we also deliver a dedicated, cost-effective cybersecurity service that offers multiple layers of protection, including the option to have WPPI install and manage advanced firewall systems for members, end-user training, and access to specialized information security talent.



NEARLY
240 PARTICIPANTS
FROM
36 MEMBER UTILITIES
ADVANCED THEIR
EXPERTISE VIA ONE OR
MORE OF THE 29 UTILITY
BUSINESS SYSTEM
TRAINING EVENTS WPPI
OFFERED IN 2022.

Recently, manufacturer solutions have improved in price and accessibility for small and mid-size organizations. As a result, not only did we lower the cost for WPPI's cyber security service in 2022, we also added new options to better serve member utilities of all sizes.

As utility cyber risks and the technologies for managing them keep evolving, we will continue updating WPPI's joint action service to best meet local needs and deliver substantial value for our membership.

SHARED SOLUTIONS IN TRYING TIMES

Essential electric distribution system components – including everything from meters to bucket trucks and bolts to transformers – have been in critically short supply for well over two years. WPPI members have taken steps to help work through these challenges together, beginning with a group purchase for a limited number of transformers. We have also facilitated inventory management education for utility staff and governing bodies and helped members share equipment by voltage class groups.

While global supply chain problems will no-doubt require industrywide solutions to resolve, WPPI members are doing all we can in the meantime to work through these challenges together.



EFFECTIVE 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 shared purpose of 51 communities working together to protect and advance the interests of the customers and communities WPPI members serve.

Members Rally 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 an opportunity to meet face-to-face with Congressional representatives and their staff on Capitol Hill. Thank you to each of the 30+ local leaders from 17 WPPI member communities who came together on February 28–March 1 to advocate on behalf of their customers as part of this event in 2023

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



Federal Policy Topics

- **Alleviating the supply chain crisis** affecting utilities across the nation, in part by directing funding to address labor and materials shortages. Lead times for purchasing essential equipment have more than tripled over the past 24 months.
- The ways in which our industry continues to **reduce emissions while ensuring a reliable, affordable power supply.**
- Ensuring that public power utilities have **equitable access to critical incentives** for wind, solar, hydropower, and other **carbon-free energy resources.**
- Ensuring **timely permitting and appropriate cost allocation for needed utility infrastructure.**
- Ensuring the **cyber and physical security of our grid** through robust information-sharing partnerships between utilities and government agencies, without inefficient regulatory overlap and inconsistent requirements from separate federal agencies.
- Stopping across-the-board **sequestration cuts that for years have harmed public power utilities** that seek to issue municipal bonds for critical infrastructure projects



American Public Power Association Policy Makers Council Chair Jim Brooks takes the microphone during the group's meeting in July.



**98% OF MEMBERS
WERE HIGHLY
SATISFIED WITH WPPI'S
ADVOCACY EFFORTS.**

Respondents who rated their agreement with these statements at an 8, 9 or 10 out of 10.

State Issues

WPPI's staff and member leaders also remain engaged in state-level energy policy issues including innovative electric utility rate design, preserving the customer protections afforded by our regulated utility industry model, and ensuring that reliability and affordability remain primary objectives on the path to a zero-carbon future.

Municipals Win Equitable Access for Carbon-Free Incentives

The 2022 Federal Inflation Reduction Act marked the passage of the largest climate bill in U.S. history. The measure will fund incentives, including an array of tax credits, to speed up the deployment of carbon-free energy, electric vehicles, battery storage and more. While tax credits were not typically accessible to not-for-profit organizations like WPPI, we are pleased that the new law includes WPPI and its members as eligible recipients. Our membership has long advocated for this policy change to help ensure that, as we plan for a better energy future, our communities have all available options on the table.

Policy Makers Council: WPPI Members Lead the Way

The WPPI membership's public power advocacy leadership is widely recognized, thanks in large part to the many local utility leaders and officials who give their time to advocate for energy policies

that help keep their communities strong. One such leader, Jim Brooks, took the reins as the chair of APPA's Policy Makers Council in 2022.

PMC members meet monthly via conference call and twice a year in Washington, D.C., to advocate on topics of importance to public power utilities across the nation.

At home in Evansville, Brooks serves as chair of the Municipal Services Committee and president of the City Council. As PMC chair, Brooks also serves on the APPA Board of Directors. He will hold the post until July 2023.

WPPI's membership has enjoyed strong representation on the PMC over the years. In fact, Brooks is the second public power leader associated with WPPI to chair the council. Paul Fisk, a former mayor of the WPPI member community of Lodi, also chaired the PMC in 2016.

A third WPPI member PMC chairmanship will materialize soon. Kaukauna Utilities Commission President Lee Meyerhofer was elected in 2022 as first vice chair of the PMC. He will serve as vice chair in 2023, and beginning in 2024, Meyerhofer will lead the PMC as chair.



During WPPI's Regional Power Dinner in June 2022, we the membership was pleased to have in attendance Paul Fisk (left), who previously served as chair of the American Public Power Association's Policy Makers Council, as well as the then-incoming PMC chair, Jim Brooks.



Lee Meyerhofer is set to begin serving as the Policy Makers Council chair in 2024.

ADDRESSING CLIMATE CHANGE

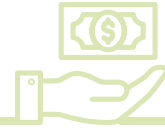
WPPI members have long prioritized reducing carbon dioxide and other emissions to combat climate change, and we have done so while supplying safe, reliable, and affordable electricity to homes and businesses across our members' service territories. Now, as we work toward a target of becoming carbon-neutral by 2050, our membership will continue to stress 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.



RELIABLE
AFFORDABLE
RESPONSIBLE

FINANCIAL STRENGTH





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 Price Impacts

Beginning in mid-2021 the industry experienced significant increases in natural gas prices, coal delivery issues, and corresponding increases in market energy prices. These factors continued through 2022, with resulting cost impacts across the industry, including for WPPI. As a result, after remaining relatively stable for more than the past five years, wholesale power rates to WPPI members rose beginning in the second half of 2021 and continued to increase in 2022.

**SEE OUR 2018-2022 AVERAGE
WHOLESALE POWER COSTS ON P. 15.**

Weathering the Storm

Although market energy prices for the second half of the year were nearly double what the industry experienced in the recent past, the impact on WPPI member utilities and their customers was significantly mitigated. WPPI concluded

the year with average wholesale power costs to members around 9.5% above budget. This outcome demonstrates the benefit of WPPI's long-term joint action planning approach. Thanks to a significantly hedged, diverse portfolio, WPPI relies on the market to meet only a small portion of our membership's needs.

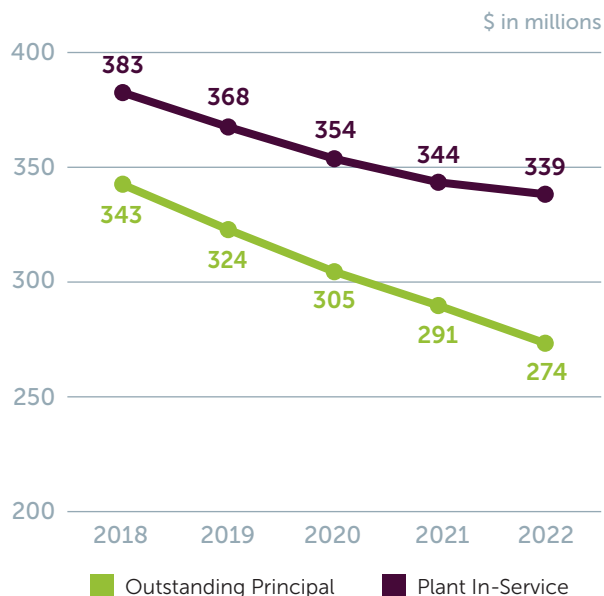
**READ MORE ABOUT OUR ELECTRIC
GENERATION RESOURCES ON P. 18.**

Responsive and Member-Driven

We also remained focused on operating our resources as cost-effectively as possible and exploring approaches to mitigate the impacts of market energy prices.

When unplanned generator outages increased WPPI's market exposure in May and June, our responsive financial structure and member-governed business model enabled the membership to take meaningful action. To help offset the

Outstanding Principal vs Plant In Service

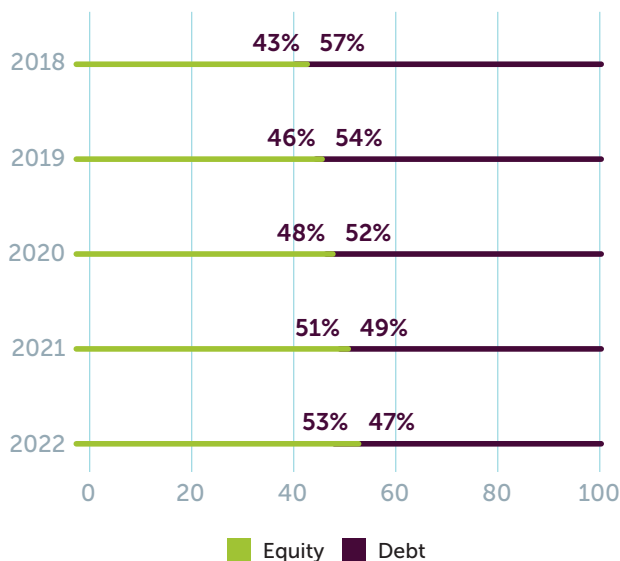


impacts, WPPI's Executive Committee approved the use of a total of \$6.5 million in unbudgeted revenues and Rate Stabilization Funds, to mitigate the wholesale rate in the summer, when these dollars could be of most immediate benefit to WPPI member customers.

Bond Refinancing to Deliver Savings

Also in 2022, we locked in an advantageous interest rate for the future refunding of \$112 million in outstanding WPPI bonds. This accomplishment will significantly reduce wholesale costs to WPPI members for the next 15 years.

Debt to Equity Ratio



Reduced Debt, Strong Equity

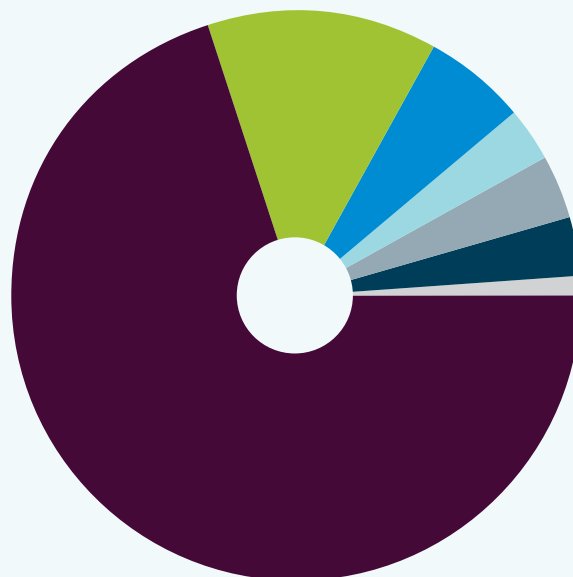
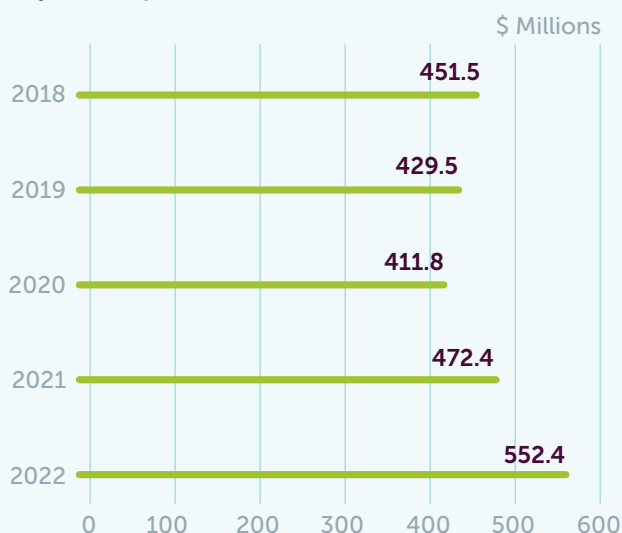
WPPI maintains targeted liquidity and debt service levels appropriate for our risk profile. We have accomplished significant deleveraging between 2018 and 2022, reducing our debt by \$69 million.

Our debt extends to only 2037, while WPPI member power supply contracts extend to 2055. While we have no pressing need for significant new generation projects, we have the capacity to take on additional debt as 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's 51 member utilities and the customers and communities they serve.

FINANCIAL HIGHLIGHTS

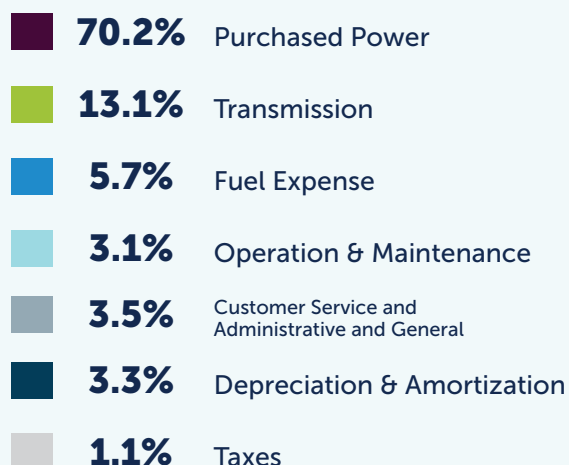
Operating Revenues



2022 LONG TERM BOND RATINGS

Fitch A+
Moody's A1
S&P A

Operating Expenses



SUMMARY STATEMENTS OF NET POSITION

December 31,	2022	2021
ASSETS		
Current assets	\$ 147,021,312	\$ 150,843,941
Non-current assets	257,724,439	267,546,183
Capital assets	346,554,704	354,090,351
Total assets	751,300,455	772,480,475
Deferred Outflows of Resources	23,121,232	20,397,846
LIABILITIES		
Current liabilities	56,918,394	58,600,054
Non-current liabilities	9,846,219	9,927,290
Long-term debt	284,030,264	303,846,599
Total liabilities	350,794,877	372,373,943
Deferred Inflows of Resources	86,531,388	91,968,852
NET POSITION	337,095,422	328,535,526

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

Years ended December 31,	2022	2021
Operating revenues	\$ 552,376,438	\$ 472,427,127
Operating expenses	541,327,459	462,077,513
Operating income	11,048,979	10,349,614
Non-operating revenues (expenses), net	(675,605)	1,746,338
Future recoverable costs	(1,813,478)	(1,126,547)
Change in net position	8,559,896	10,969,405
Net position, beginning of year	328,535,526	317,566,121
NET POSITION, END OF YEAR	\$ 337,095,422	\$ 328,535,526

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





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