

## 2<sup>ND</sup> QUARTER 2024

August 12, 2024

### Financial Highlights

In the second quarter 2024, WPPI Energy's change in net position was \$1,593,592 compared to \$1,136,820 in the second quarter 2023. The increase in the change in net position between the two periods is primarily due to a \$153,651 positive change in fair value of investments between the periods and a one-time \$159,000 realized gain on investments in second quarter 2024 related to the 2024A bond issuance.

Energy sales to members totaled 1,176,077 megawatt-hours (MWh) in the second quarter of 2024. This is 17,316 MWh or 1.5% less than the same period a year ago. The decrease in MWh sales in 2024 is primarily the result of weather impacts. While the average temperature over the second quarter 2023 and 2024 was similar, 2023 had some significantly higher temperatures on peak days, especially May 2023, that increased MWh energy sales.

Total operating revenues for the second quarter in 2024 were \$101,554,939 or 3.1% lower than the same period a year ago. Total operating expenses for the second quarter in 2024 were \$103,630,144 or 2.3% lower than the same period a year ago. The decrease in operating revenues is primarily due to lower revenue from off system sales in the second quarter of 2024 compared to 2023 due to lower market energy prices. Sales revenue to members was also lower in the second quarter of 2024 compared to 2023 due the lower MWh sales described above. The decrease in operating expenses in the second quarter 2024 compared to 2023 is primarily due to lower purchased power and administrative and general expenses. This was offset to a degree by higher transmission and operating and maintenance expenses in second quarter of 2024 compared to 2023.

### Power Supply

WPPI Energy's 20% share of Boswell Unit 4 generated 130,810 MWh of electricity at an average capacity factor of 51.2% during the second quarter of 2024. This compares to 175,243 MWh generated at an average capacity factor of 68.6% in the second quarter of 2023. Boswell Unit 4 was offline for seven days for a planned maintenance outage and was online for the remainder of the quarter. Generation was lower than expected due to low market energy prices.

WPPI Energy's 8.33% share of the Elm Road Generating Station units generated 191,498 MWh at an average capacity factor of 83.0% in the second quarter of 2024. In the same quarter a year ago, the units generated 121,047 MWh at an average capacity factor of 52.4%. Each of the units was offline for approximately eight days to repair boiler tube leaks and was online for the remainder of the quarter.

### News

On April 3, 2024, WPPI closed on the issuance of \$67.915 million of 2024A bonds to refund outstanding 2014A bonds and new money for various capital projects at WPPI's generators. The refunding of the 2014A bonds resulted in a present value savings of approximately \$8.5 million or 12.8%.

### Company Profile

Member-owned, not-for-profit WPPI Energy serves 51 locally owned electric utilities. Together, WPPI members have built a diverse, competitive and responsible power supply. They share modern technologies and forward-thinking services, and they speak with a unified voice for effective energy policy advocacy.

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

# FINANCIAL STATEMENTS

## Statements of Net Position (Unaudited)

June 30,	2024	2023
<b>Assets</b>		
Current assets	\$ 147,517,192	\$ 140,714,200
Non-current assets	278,910,255	256,463,741
Electric plant, equipment, and land, net	322,301,199	333,851,549
Construction work in progress	8,200,137	6,908,284
Total assets	756,928,783	737,937,774
<b>Deferred Outflows of Resources</b>	16,256,792	14,461,837
<b>Liabilities</b>		
Current liabilities	52,243,959	45,601,281
Non-current liabilities	13,356,359	9,869,263
Long-term debt, net	254,590,185	267,425,775
Total liabilities	320,190,503	322,896,319
<b>Deferred Inflows of Resources</b>	98,378,611	92,981,694
<b>Net Position</b>	\$ 354,616,461	\$ 336,521,598

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

	Quarter Ended June 30,		Fiscal-to-Date	
	2024	2023	2024	2023
<b>Operating Revenues</b>	\$ 101,554,939	\$ 104,809,636	\$ 200,352,636	\$ 201,970,930
<b>Operating Expenses</b>				
Purchased power	59,444,864	61,742,208	119,984,982	121,494,408
Transmission	19,059,410	17,646,576	38,227,090	34,920,749
Fuel expense	8,072,953	8,010,936	16,011,798	16,476,172
Operation and maintenance	5,292,317	4,501,280	10,312,810	8,423,657
Customer service and administrative and general	5,834,677	8,149,579	11,511,335	13,941,500
Depreciation and amortization	4,342,051	4,512,800	8,708,180	9,021,422
Taxes	1,583,872	1,511,959	3,135,754	3,170,879
Total operating expenses	103,630,144	106,075,338	207,891,949	207,448,787
<b>Operating Income</b>	(2,075,205)	(1,265,702)	(7,539,313)	(5,477,857)
<b>Non-Operating Revenues (Expenses)</b>				
Investment income	5,313,284	4,422,766	10,297,636	8,780,994
Interest expense	(2,585,608)	(2,750,135)	(5,171,783)	(6,123,713)
Other	941,121	729,891	1,531,443	2,246,752
Total non-operating revenues (expenses), net	3,668,797	2,402,522	6,657,296	4,904,033
<b>Change in Net Position</b>	\$ 1,593,592	\$ 1,136,820	\$ (882,017)	\$ (573,824)

Some 2023 amounts were reclassified to conform to the 2024 presentation.

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

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

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