



Strategic Plan



*Charles D. Lamb Energy Center
Ponca City, OK*

Our Vision

OMPA sets the standard for the provision of energy and services to meet or exceed our members' and customers' expectations. As an innovative and dynamic organization, we work together to maximize the benefits of aggregation, and effectively manage our resources.

Our Mission

To provide reliable, low cost energy and services to municipal entities to enable each municipality to be competitive, while maximizing the benefit to our stakeholders.

Core Values

Fairness

We seek in all our transactions to be free from favoritism and self-interest.

Respectfulness

We maintain a courteous regard for people.

Consistent Application of Ethical Standards

We strive to build positive character qualities vital to the success of the individual and our organization.

Stewardship of Resources

We believe in the responsible use (including conservation) of natural resources that takes full and balanced account of the interests of society and future generations.

Ability to Assist Member Cities to Remain Competitive

We assist our members in their efforts to be the provider of choice in their communities.

Local Control

We maintain that public power is the best option available for our member cities because it provides benefits to the citizens in these communities, including lower rates, responsive service and financial support of other local government services.

Quality

We strive for excellence through the process of building and sustaining relationships in our member cities.

Goals

1. Excellence in Governance- The OMPA Board of Directors is committed to leading the organization towards its mission by providing vision, guidance, and good governance.

2. Supplier of Greatest Value- OMPA will be the supplier of greatest value to its member cities by being innovative and producing the most reliable, cost effective service possible.

OMPA has a stable power supply portfolio that is well diversified and will continue to investigate additional fuels and energy sources as economics justify.

3. Exhibit High Ethical Standards- We will perform our duties according to the highest ethical practices, as stated in the OMPA ethics policy and strive for the highest level of compliance with all regulatory and legislative requirements. This includes strong compliance related to such areas as environmental, NERC, cyber security, and other critical functions.

4. Emphasis on Local Control- OMPA will continue to place a high value on the ability of Oklahoma's municipal systems to maintain local control over the delivery of power and will support its member systems in maintaining that control. OMPA actively monitors and engages in the legislative and regulatory processes to protect the interests of the Authority and its member cities.

5. Exhibit Sound Corporate Strengths- OMPA as an organization maintains its role as a lean organization with efficient business practices focused on delivering the right power supply program and services to the member cities. OMPA will maintain sound financial metrics consistent with a stable "A" credit rating.

OMPA will operate using a thoughtfully developed human resources program to treat employees fairly, provide competitive compensation, provide technical training and conduct business consistent with OMPA Core Values, and establish OMPA as an employer of choice.

6. Maintain Good Member Relations- OMPA will continue to grow and welcome new members as they become available and show a desire to join the program. OMPA will continue to develop and promote a valued suite of programs for the benefit of the member cities. The staff will monitor industry trends and technology developments and educate the membership on the opportunities they represent.

Longer-Term Strategic Initiatives

Distributed Generation

Staff will monitor developments related to distributed generation and its potential impact on OMPA and its member cities.

Staff will initiate a work plan to accomplish the following:

- a. Educate our member cities on the potential impact of DG on their operations. *(On-going)*
- b. Develop a DG Toolkit to assist member city personnel as they address DG issues in their communities. *(Completed)*
- c. Assist member cities with retail rate design concepts to accommodate DG sources on their systems. *(On-going)*
- d. Keep the Board updated on the status of DG activities on a periodic basis. *(On-going)*

Workforce Development Program

OMPA will develop a long-term assessment of its workforce needs, and structure programs designed to meet its requirements.

- a. Periodic compensation surveys to enable OMPA to offer competitive salaries. This will include: *(Survey completed)*
- b. Cross-training for key activities. *(On-going)*
- c. The development of a formal succession planning process. *(Pending)*
- d. Establish a revised performance review system to supplement the above items. *(Pending)*

Wholesale Rate Design Review

OMPA will undertake a project to review its wholesale rate design. The goal is to consider alternative designs that more closely reflect the new environment in which it operates and provide more appropriate cost signals to member cities. *(Completed-pending implementation 2017)*

Enterprise Risk Management

OMPA will begin the process of developing an Enterprise Risk Management program. This is a multi-year project which, when completed, will better define the various risks facing the Authority and provide a better tool for board review. *(In progress)*

Environmental Regulations

Environmental compliance with new regulations can have a significant cost on plant operations and up-front capital requirements. The primary environmental regulation of concern at this time is the proposed Clean Power Plan. Activities include: *(All activities on-going, pending outcome of legal challenges)*

- a. Monitor the status of proposed regulations.
- b. Actively participate in reviews and comment development with our peers and through such organizations as the American Public Power Association.
- c. Work with the co-owners of our jointly-owned impacted facilities to determine the impacts and coordinate responses if necessary or appropriate.
- d. Determine the cost impact of the proposed regulations and communicate such to the board.
- e. Develop appropriate mitigation plans once the regulations become final.

Transmission Development and Investment

OMPA will continue with the development of the South Central Municipal Cooperative Network to increase its ownership in transmission within the Southwest Power Pool and to improve reliability to its member cities. *(Several projects being evaluated)*

Solar Energy Sources

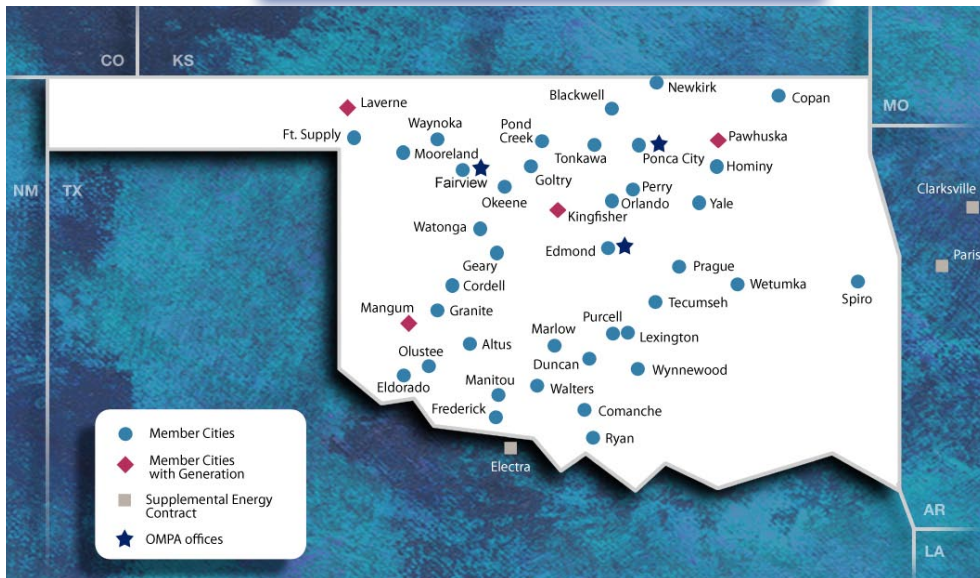
Staff will investigate opportunities for utility-scale solar energy at the community level while still preserving the obligations of the full requirements Power Sales Contract. *(Staff evaluating solar options/costs)*

Improvements in Financial Strength

Staff will continue to review and present to the board options to improve the Authority's financial strength with the following goals in mind.

- a. Increase cash-on hand to meet short-term, extraordinary expenses. *(In progress)*
- b. Increase the Hot Gas Path Fund to support the periodic major maintenance expenditures at the gas-fired plants. *(In progress)*
- c. Generate working capital to forego future bonding requirements. *(In progress)*
- d. Gradually build up the Rate Stabilization Fund to a board-approved target. *(Board approved resolution)*

OMPA Member Cities



In the 1970s, a group of leaders from Oklahoma's municipally owned electric systems were frustrated with the rising cost they were paying for their power supply. These municipalities decided they needed more control over the future of their power supply costs. They approached the Oklahoma legislature about creating the enabling legislation to establish an authority that would give them this opportunity. Through this effort, the Oklahoma Municipal Power Authority (OMPA), a not-for-profit organization, was established by the Oklahoma legislature in 1981 under Title 11, the Municipal Code of the Oklahoma statutes. OMPA was created for the purpose of providing an adequate, reliable and affordable supply of electrical power and energy to Oklahoma's municipally owned electric systems.

OMPA began service in 1985 with 26 member cities, and has gradually grown over the years. OMPA now serves 42 of Oklahoma's municipally owned electric systems. From the beginning, OMPA was intended to be a municipal organization, as it was solely up to the member municipalities to fund the organization and control its future.

OMPA is governed by an eleven-member Board of Directors. OMPA's Board members come directly from OMPA's Member Cities. Each OMPA Member City has an identified elector. Those electors elect OMPA's Board of Directors at our Annual Electors Meeting each fall.

OMPA is guided by its vision and mission statements, which can be found on the front of this document. As a true "cost of service" organization, OMPA is owned by the member cities we serve.

Since 1985, OMPA has been providing its member cities with wholesale power and value-added programs. OMPA staff is available to assist our member cities with the implementation of any of the programs and services listed below.

Programs:

- Competitive Utility Program (CUP)*
- Demand and Energy Efficiency Program (DEEP)*
- Distribution Maintenance Crew*
- Economic Development Rate*
- Energy Audits*
- Ways I Save Electricity (WISE) Loans*
- Ways I Save Electricity (WISE) Rebate Program*
- Geo Loop Program*
- Key Accounts*
- Wind Energy*

Services:

- All-Employee Training*
- Customer Service Training*
- Customer Satisfaction Surveys*
- Distribution Planning Engineer*
- Payment Options*
- Utility Rate Analysis*
- Utility Marketing*



Oklahoma Municipal Power Authority
www.ompaa.com