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MEMORANDUM

TO: WPPI Energy Board of Directors, Alternates, Member Utility Managers
CC: Joe Daggett, Marty Dreischmeier, Tom Hanrahan, Phil Hansen, Jake Oelke
FROM: Mike Peters
DATE: May 28, 2026
SUBJECT: **Member Long-Term Power Supply Contract Extension**

At the April meeting of the WPPI Board of Directors, I introduced our need to extend the “Long-Term Power Supply Contract for Participating Members.” These contracts allow WPPI to invest in the shared resources member utilities need to power their communities while maintaining competitive average wholesale power costs over the long term.

Less than 30 years remain on these contracts today, while many cost-effective long-term resource planning, financing and purchased power arrangements commonly extend 30 years or longer. As we discussed in April, several important opportunities are expected in the near term. Extending member contracts now will help us preserve access to arrangements that support lower costs for members. These include:

- Funding new natural gas peaking units planned for 2027-2028;
- An energy prepay transaction planned for 2027;
- New transmission investments, including the Grid Forward and Project WISE transmission projects and American Transmission Company infrastructure.

Extending the member contract end date before addressing these needs preserves access to beneficial long-term resource and financing opportunities that help keep wholesale power costs down for members. As always, your feedback and insights are very important. Listed below are key facts about this process. Please do not hesitate to contact me with any questions, concerns, or comments.

1. **Why Long-Term All-Requirements Contracts Matter**

All members have entered into substantively identical all-requirements long-term power supply contracts with WPPI. Each member is treated on an equivalent basis under the same contract terms, including the same blended wholesale rate. Having consistent terms, including the same termination date, is important because it keeps the interests of WPPI members aligned and demonstrates the stability of WPPI’s business model to the financial community and other parties with whom WPPI wishes to conduct transactions related to the power supply system. It also provides mutual assurance that

all peer members have made the same commitment to WPPI (and each other) ensuring the unity of purpose that has underpinned the collective success of WPPI and its members for over 45 years.

2. Why the Contract End Date Matters

Current member contracts extend through 2055. Many of the most cost-effective long-term resource planning, financing and purchased power arrangements commonly extend 30 years or longer, which is beyond the remaining WPPI member contract terms. Extending member contract end dates before addressing future financing and planning needs preserves the WPPI membership's access to beneficial long-term resource and financing opportunities that help keep wholesale power costs down for members.

3. Similar to Previous Extension

Members have extended their contracts multiple times since forming WPPI. The most recent extension, completed in 2015-2016, extended member agreements by 18 years and brought contract end dates to 2055. The planned extension of 18 years sets a contract end date of 2073 and retains the membership's longstanding blended wholesale rate structure, which treats all members on an equivalent basis for the life of the agreement. This equity maintains the unity of purpose that has provided the foundation for WPPI members' shared success over the past 46 years.

4. What Members Need to Do

Each member will need to take formal action locally both at the utility governing body (where applicable) and at the municipal governing body (in most cases).¹ This is done by passing resolutions, which WPPI is preparing and will send to each utility by mid-July 2026. Each member will need to obtain a legal opinion from their attorney concerning due authorization, approval, and enforceability of the extension. The contract extensions only become effective with formal execution by two-thirds of the WPPI membership (34 member utilities).

5. Timeline

| | |
|-------------|---|
| April 2026 | Introduce to the WPPI Board of Directors the need to extend long-term power supply contracts. |
| April - May | Discuss process and timeline at business plan input meetings and regional dinners. |

¹ As in 2015, the process to address the contracts of WPPI's Iowa members will be slightly different than the process for Wisconsin and Michigan members due to Iowa state constitutional requirements limiting the term of municipal contracts to 40 years. Consequently, the Iowa members will be asked to enter into agreements resulting in 40-year contract terms initially, with the expectation that those contracts will be modified again in approximately seven years to match the Wisconsin and Michigan members' extended contract terms.

| | |
|-----------------|---|
| June - November | WPPI CEO, Executive Committee, and leadership team available to attend local governing body meetings. |
| July | By mid-July, members receive legal documents and amendment packages. Local approvals begin. |
| September | Status update to the Board; recognize members with completed approvals and documents. Board provides necessary approvals for adoption of member contract extensions. |
| December | Target date (December 31, 2026) for members to complete local approvals. |
| February 2027 | Final deadline (February 26, 2027) for contract extension approvals. |

6. Member Support and Local Discussions

WPPI will provide resources to support your local governing body and community conversations regarding the contract extension process.

- Member communities interested in a local presentation or governing body discussion are encouraged to notify their Energy Services Manager.
- I will personally participate in as many local discussions as possible, with additional support from WPPI staff and representatives as needed.
- WPPI will also help facilitate local conversations for board members and utility managers interested in speaking with fellow board leaders or utility managers who have experience with previous contract extensions.

7. If a Member Chooses Not to Extend

The final date for a member to extend the long-term power supply contract is February 26, 2027. If a member chooses not to extend on or before this date, the future “right” to extend the contract is at WPPI’s sole discretion.

A member that does not extend must continue to purchase all requirements at the same rate as other members until 2055, including the costs of projects to serve the other members beyond that date. After 2055, there will be no right to WPPI power supply or support services.

Enclosures

- **WPPI Energy At-A-Glance.** Overview of WPPI, the public power and joint action models, and the membership’s shared power supply resources.
- **WPPI Energy Support Services for Members.** Summary of 75+ utility services and customer programs available to members.

AT A GLANCE

Member-owned, not-for-profit WPPI Energy serves 51 locally owned electric utilities.

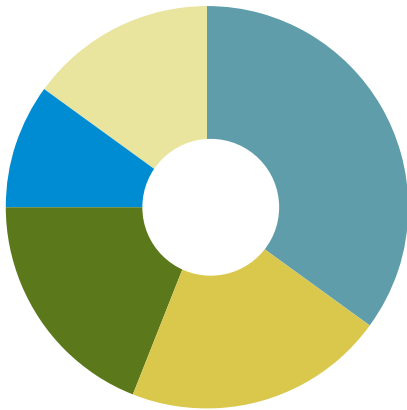


The Joint Action Advantage

Together, WPPI members have built a reliable, competitive and responsible power supply. They share modern utility business technologies and forward-thinking services, and they speak with a unified voice for effective energy policy advocacy.

Diverse. Competitive. Responsible.

WPPI's average wholesale power costs to members are stable and competitive, and together our membership shares a diverse, long-term portfolio of electric generation resources.



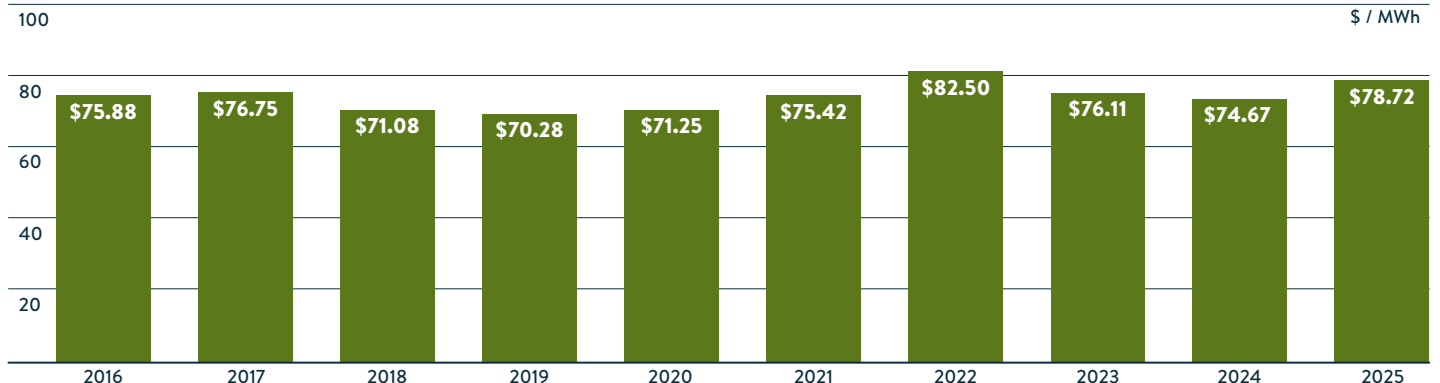
2025 FUEL MIX

- **35.0%** Coal
- **19.1%** Natural Gas
- **20.9%** Nuclear
- **14.7%** Renewables: No RECs
- **10.3%** Renewables

2025 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 | 50 |
| Point Beach Nuclear | Nuclear | 117 |
| Point Beach Solar | Solar | 99 |
| Nelson Energy Center | Gas | 90 |
| Butler Ridge | Wind | 54 |
| Top of Iowa II | Wind | 50 |
| Member-Owned Generation | Gas, Oil | 45.2 |
| 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 |

AVERAGE POWER COST TO MEMBERS



The Power of Joint Action

The not-for-profit utilities that make up WPPI deliver safe, reliable, cost-competitive electric power, and much more. To preserve and enhance this significant local value for the long term, WPPI members share technology, expertise and resources that help their communities thrive.

Forward-Thinking Services & Technologies

WPPI member utilities cost-effectively serve their customers and communities with forward-thinking programs and services, shared expertise and a suite of modern utility technologies.

- Customer information systems
- Advanced meter data management
- Shared meter technicians
- GIS mapping
- Outage management technologies
- Joint purchasing
- Electric rates studies
- Financial modeling
- Renewable energy options
- Online self-service tools
- Energy efficiency programs
- Marketing/communications
- Key account management
- ...And more

Effective Advocacy

State and federal policymakers' decisions about energy issues can significantly impact local utilities, their customers and their communities. Together with WPPI's government affairs staff, member local officials work to inform legislators and regulators about constituents' energy policy needs. A few current topics include:

- Preserving access to tax-exempt bonds for utility infrastructure financing
- Streamlining permitting for transmission and energy infrastructure
- Keeping costs down while maintaining robust grid reliability

1 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 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.

QUICK FACTS

| | | |
|---|---|----------------------------|
| Member Utilities 51 | President & CEO Mike Peters | Established 1980 |
| Homes & Businesses Served by WPPI Energy Members: 220,000+ | | |
| Peak Demand in 2025: 1,019 megawatts | | |
| As of December 31, 2025: | | |
| Total Assets: \$764 million | Net Position (Retained Earnings): \$388 million | |
| Equity Ownership in American Transmission Co.: \$197 million | | |



Member Communities

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



UTILITIES



SUPPORT SERVICES

for members and
their customers





Eagle River, Wisconsin

Negaunee, Michigan



Maquoketa, Iowa

Brodhead, Wisconsin



Member-owned, not-for-profit WPPI Energy supplies wholesale electric power to 51 locally owned utilities in Wisconsin, Michigan's Upper Peninsula, and Iowa. 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.

Services Bring Value

The utility industry is changing, customer expectations are evolving, and new technologies offer utilities opportunity to gain operational efficiencies. WPPI members are making the most of these changes. Together they have built a cost-effective array of programs and services, shared expertise and a suite of modern utility technologies.

Many of these high-quality services are available at no additional cost to all members as part of WPPI membership while others are available on a pay-for-service basis.

Member-Focused, Member-Driven

Member utilities participate in shaping WPPI's constantly evolving programs and services, which are developed and delivered with oversight from the member-led board of directors, advisory groups, and executive committee. The result: offerings are relevant, robust and responsive to local needs.

Partnered for Success

As a result of their joint action partnership, the membership is prepared for success, today and well into the future.

Support Services

Utility Services

Customer Communications

- » Cooperative Advertising
- » Customer Feedback Studies
- » Electric Vehicle Technologies Initiative
- » Energy Assistance Administration
 - Customer Credit
 - Weatherization
- » Energy Assistance Support Emails (EASE)
- » Home Energy Report
- » News Releases
- » Peak Time Usage Communications
- » Program Promotion
 - Marketing Toolkit
 - Customer Publications
- » Social Media
- » Website Development

Distribution System

- » DER Interconnection Application Support
- » Electric Distribution Maintenance & Construction
- » Electric Service Territory & Customer “Right to Serve” Program
- » GIS Support Service
- » Interim Utility Management
- » Management Support
- » NERC Compliance
- » Outage Management
- » Shared Meter Technicians

Financial & Accounting

- » Financial Accounting Software (Dynamics)

Information Technology

- » Cybersecurity
- » Network Assessment & Monitoring
- » Member Network Support
- » Virtual Server Hosting

Joint Purchasing

- » Electric Materials
- » Field Services

Metering & Billing

- » Meter Data Collection & Management
 - Annual Optional Time of Day Review
 - Meter Data Validation and Storage
- » Retail Bill Printing
- » Retail Billing
 - Full, Partial or Temporary Billing
- » Utility Billing & Customer Information Software (NorthStar)
 - MyAccount
 - Tariff Compliance Reports
 - Utilization Review

Rates

- » Benchmarking Studies
- » Electric Rate Applications
- » Energy Information Administration 861 Filing
- » Five-Year Projection of Purchased Power Costs & Sales Revenue
- » Rate Adjustment Planning
- » Rate Comparisons

Customers Programs

Business

- » Customer-Sited Distributed Generation
 - Capacity Program
- » Demand Response
 - Curtailable Capacity Program
- » New Construction Design Assistance
- » New Load Market Pricing
- » Retail Power Quality
- » RFP for Energy Efficiency
- » Shared Savings
- » Technical Training & Educational Outreach

Community

- » Community Leader Education & Outreach
- » Energy Management for Schools and Governments
- » K-12 Energy Education Program
- » Member Loan Program
- » National Theatre for Children
- » Speakers Bureau
- » Value of Local Utility Program
 - Community Contributions
 - Customer Service & Branding
 - Economic Development Partnership
 - School Education & Outreach

Energy Services Field Staff

- » Key Account Management
- » Retail Customer Program Delivery
- » Community Development Support

Renewable Energy

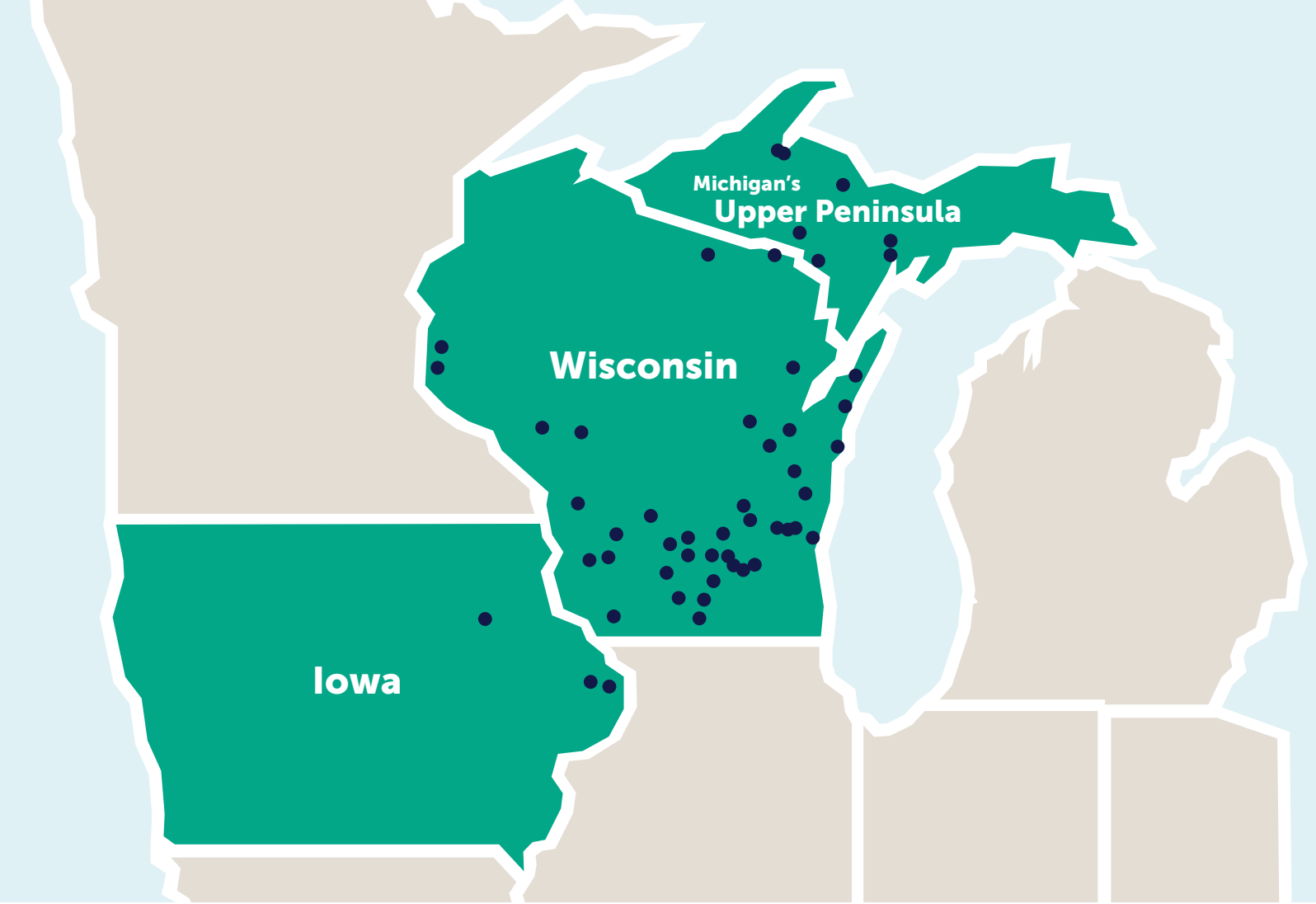
- » Choose Renewable
- » Renewable Energy Certificate Transactions

Residential

- » Wisconsin Focus on Energy
- » Energy Innovations Collaborative

Please visit our website and log in to access detailed services information, joint purchasing catalog, load data, news, events and more.

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WISCONSIN

Algoma
 Black River Falls
 Boscobel
 Brodhead
 Cedarburg
 Columbus
 Cuba City
 Eagle River
 Evansville
 Florence

Hartford
 Hustisford
 Jefferson
 Juneau
 Kaukauna
 Lake Mills
 Lodi
 Menasha
 Mount Horeb
 Muscoda
 New Glarus

New Holstein
 New London
 New Richmond
 Oconomowoc
 Oconto Falls
 Plymouth
 Prairie du Sac
 Reedsburg
 Richland Center
 River Falls
 Slinger

Stoughton
 Sturgeon Bay
 Sun Prairie
 Two Rivers
 Waterloo
 Waunakee
 Waupun
 Westby
 Whitehall
MICHIGAN
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Baraga
 Crystal Falls
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