



AMERICAN MUNICIPAL POWER, INC.

2022 SUSTAINABILITY REPORT





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*American Municipal Power,
Inc. (AMP) is pleased to
release its 2022 Report on
Sustainability.*

Letter to Members

In 2022, AMP remained committed to our [Sustainability Principles](#) through a consistent application of the concept of sustainability as a focused business practice to create long-term value for our Members. These principles were created to guide AMP as an organization and encompass the organization's broader corporate sustainability goals and objectives:

Principle 1 – Provide a balanced and sustainable power supply portfolio to members

Principle 2 – Reduce environmental and societal impacts from our operations

Principle 3 – Provide valued services and support to members

Principle 4 – Collaborate, educate and engage with stakeholders to promote AMP and member interests

Principle 5 – Further employee engagement and responsible governance



In support of its commitment to sustainability, AMP sponsors programs aimed at helping Members and their customers benefit from energy efficiency and support renewable energy generation.

AMP's Efficiency Smart® program provides AMP Members with access to professional energy efficiency services tailored to their needs and executed at a local level. VEIC, a nonprofit organization that designs and implements energy efficiency and clean energy solutions, has administered Efficiency Smart on behalf of AMP since the program's launch in 2011. In 2022, the program experienced another successful year; the Efficiency Smart program netted 21,700 megawatt-hours (MWh) in annual energy savings, bringing the overall total to 300,415 MWhs saved since the program began. Participation among Members remained consistent, with 27 AMP member communities participating.

AMP has offered the EcoSmart Choice® program since 2009. The green-pricing program enables participating Members the opportunity to offer their residential, commercial and industrial customers the option of supporting the development of renewable energy

generation through the purchase of renewable energy certificates (RECs) relating to some or all of their electricity usage. By the end of 2022, 13 AMP Members were enrolled in the program, with the addition of Minster and Hamilton. The program closed out the year reporting 126,855 MWhs of REC sales. Since its inception, EcoSmart Choice has reported 685,307 MWhs in REC sales.

AMP's member-led Focus Forward Advisory Council (FFAC), which consists of a group of member volunteers, rate and engineering consultants, and AMP staff, examines emerging trends, identifies needs and develops tools to assist member communities. Last year, the FFAC successfully addressed key areas identified by the group for 2022, including the development of the *Residential Solar and Solar+Battery Technical Requirements Supplemental Guidance Document*. In addition, AMP staff continued to share the WattPlan electric vehicle (EV) customer engagement platform with Members. In an effort to provide Members with direct assistance, the FFAC held several webinars on key topics of interest, including EV fleets, interconnection technical requirements, smart thermostats, grid modernization and EV charging station federal grant availability.

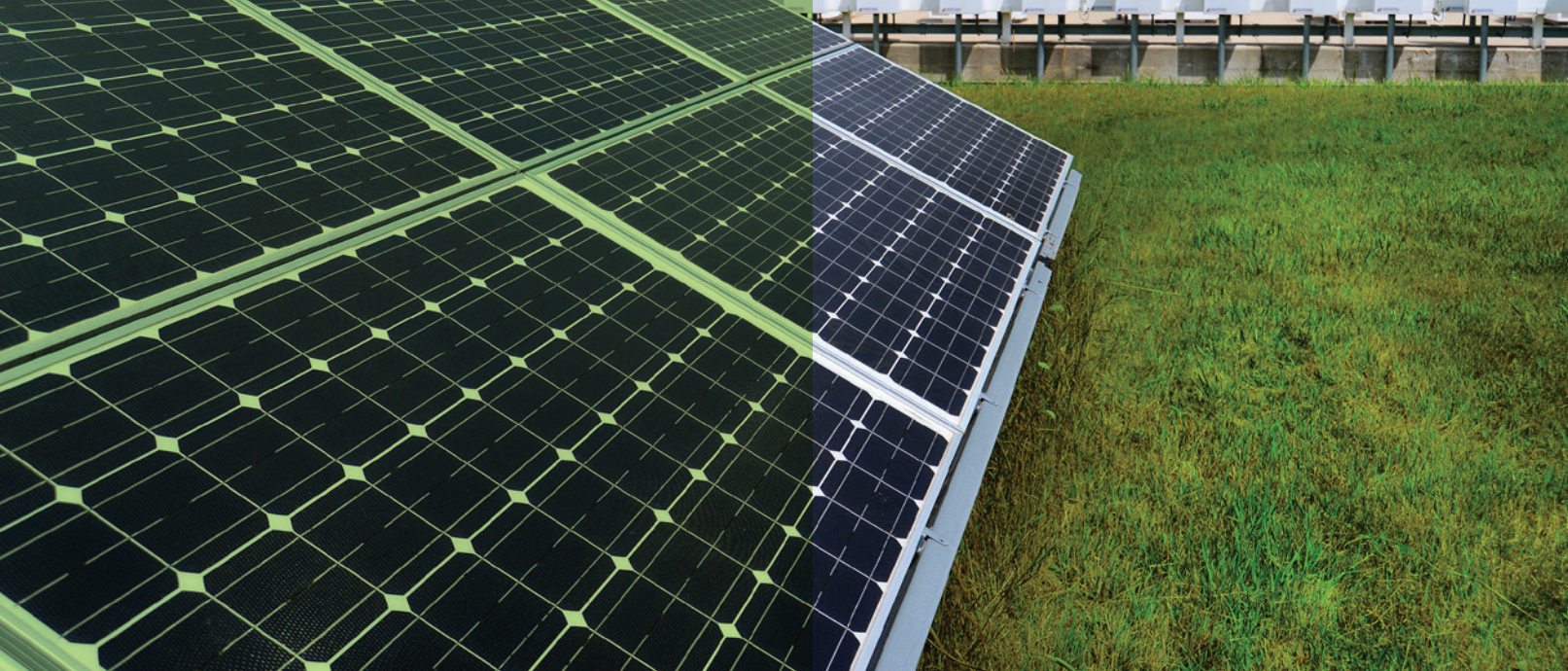


AMP has a long history of providing valued services to Members and promoting AMP and member interests. Since 1988, the AMP Scholarships Program, for example, has distributed more than \$468,000 in scholarships to graduating high school seniors. In 2022, the AMP Board of Trustees awarded five students the one-time, \$3,000 Richard H. Gorsuch Scholarship and awarded five students the one-time, \$3,000 Lyle B. Wright Scholarship.

Internally, in 2022, AMP continued to build upon its employee engagement and responsible governance efforts by ensuring that employee education and training remained a top priority. AMP staff received company-wide training in cybersecurity and compliance. In addition, almost 3,900 LinkedIn Learning videos were completed by AMP staff, covering topics such

as communicating more effectively and cultivating inclusion in the workplace. AMP also developed an outline of a Diversity, Equity and Inclusion (DEI) program, including the creation of a DEI roadmap and the formation of a staff DEI Council. Additionally, AMP staff contributed more than 250 pounds of food items, 100 pounds of clothing and support items, 20 pounds of toys and \$18,600 to charitable organizations.

Our renewable* energy facilities also saw another productive year. In 2022, AMP and member-owned hydroelectric facilities generated 2.5 million MWhs of hydroelectric power. Additionally, AMP and our Members' solar projects generated 103,470 MWhs; wind power generated 86,146 MWh; and landfill gas generated 83,962 MWhs.



Jolene Thompson
President/CEO, AMP



Jeff Brediger
Chair, AMP
Board of Trustees;
Director of Utilities,
City of Orrville

As the electric industry continues to face unprecedented transformation, AMP has continued to focus on new ways to assist Members in meeting their sustainability needs by embracing opportunities and managing risks that occur as a result of economic, environmental, regulatory and societal developments.

The following pages provide a more in-depth look at our performance and achievements that support our sustainability goals for AMP and our Members.

On behalf of the Members,

**AMP, on behalf of its Members, sells all or a portion of the RECs created by its renewable energy projects, power purchase agreements and joint ventures to help reduce its wholesale power costs.*



About AMP

Formed in 1971, American Municipal Power, Inc. (AMP) is headquartered in Columbus, Ohio, with more than 200 employees at its headquarters and generating facilities.

AMP is the nonprofit wholesale power supplier and services provider for 132 municipal Members in the states of Indiana, Kentucky, Maryland, Michigan, Ohio, Pennsylvania, Virginia, West Virginia; as well as the Delaware Municipal Electric Corporation, a joint action agency with eight Delaware municipal members. Combined, these member utilities serve approximately 650,000 customers.

The organization is governed by a Board of Trustees that consists of 21 AMP Members — 20 elected by the Members or subgroups of Members, and DEMEC, on behalf of its eight member systems. Each such elected Member then appoints a person to represent it on the Board. The Board of Trustees receives reports from nearly 30 committees and task forces, including the largely member-driven Focus Forward Task Force and Mutual Aid Committee.



MISSION VALUES

AMP Mission

To serve Members through public power joint action, innovative solutions, robust advocacy and cost-effective management of power supply and energy services.

AMP Vision

To be public power's trusted leader in providing Members and their customers the highest-quality, forward-looking services and solutions.

AMP Values

Integrity - Be honest, fair, reliable, trustworthy and ethical.

Member Focus - Provide dedicated and professional support to all Members in the AMP footprint.

Partnership - Collaborate to achieve common goals.

Employee Engagement - Commit to a diverse, inclusive, safe and supportive work environment.

Stewardship - Manage resources wisely and sustainably while striving for operational, financial and administrative excellence.

Innovation - Energize and inspire new and creative approaches that increase value to Members and Employees.

Accountability - Be responsive and communicate transparently and effectively.



DIVERSITY

Diversity and Inclusion Statement

AMP values and appreciates the strengths afforded by the different attributes, characteristics and experiences of each employee. AMP is dedicated to creating an inclusive workplace made up of employees who strengthen AMP with their diverse talents and perspectives gained through their age, race, culture, color, disability, ethnicity, religion, sexual orientation, gender identity, education, service to our country and unique personality.

AMP will continue to make a good-faith effort to recruit and retain a diverse group of employees and will maintain its commitment to being an equal opportunity employer. In so doing, AMP and its employees can maximize their contributions to their community and those of AMP's Members.

We are proud of AMP's inclusive culture that supports every employee's success and encourages an environment where they can feel challenged, appreciated, respected and engaged.

Member Map





2022 AMP Member Energy Resource Mix

NOTES:

The wind and solar percentage includes member-owned solar.

The hydro percentage includes member-owned hydro and New York Power Authority.

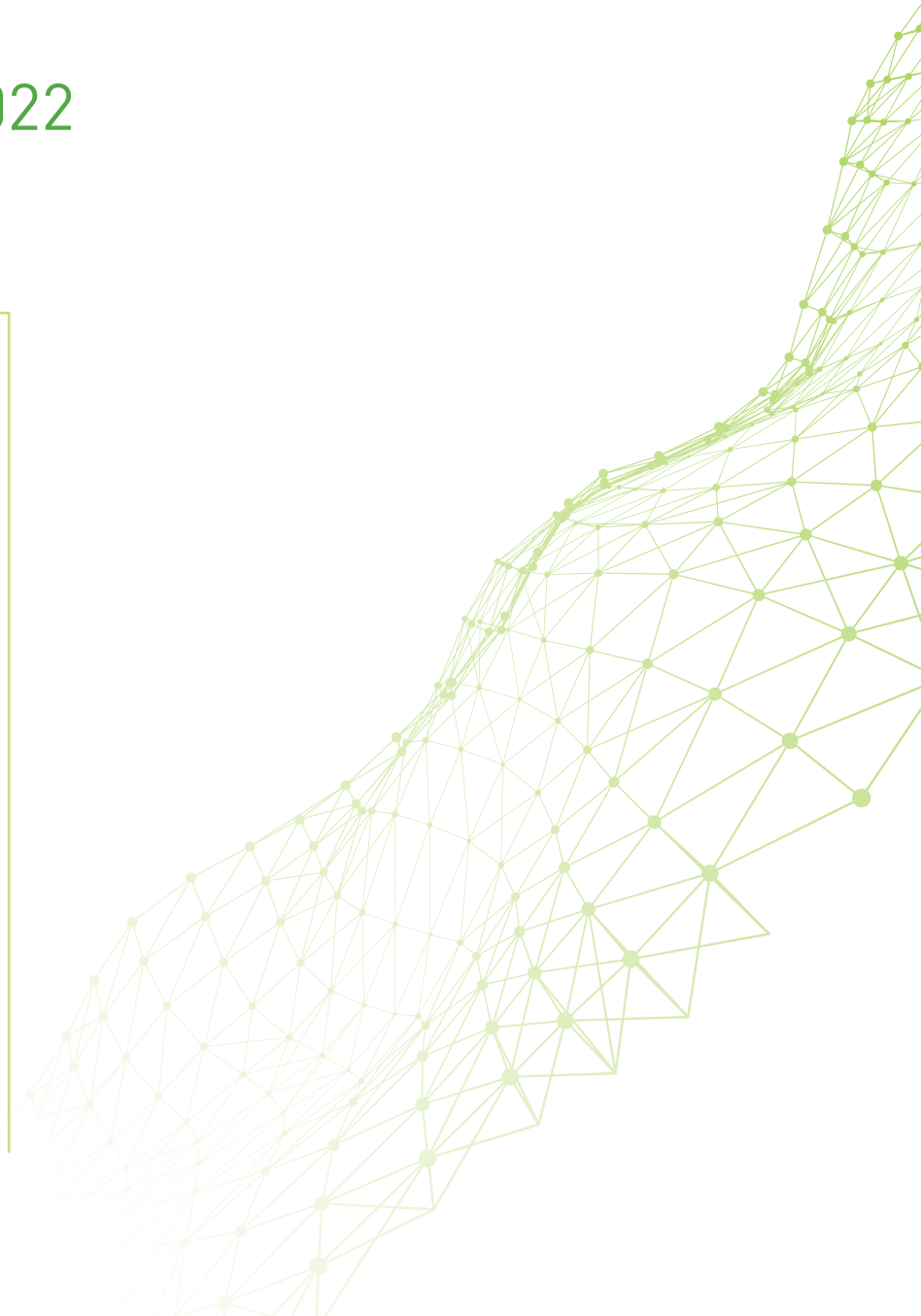
The member coal figure includes the participation of AMP Members Paducah and Princeton in PSEC through the Kentucky Municipal Power Association.

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AMP's Sustainability Performance 2015, 2021, 2022

| | 2015 | 2021 | 2022 |
|---|-----------------|-----------------|-----------------|
| AMP Organization and Financial Metrics | | | |
| Number of member communities | 131 | 134 | 133 |
| Load (in million MWh) | 16.5 | 13.5 | 13.8 |
| System peak (in MW) (non-coincidental) | 3,378 | 3,420 | 3,523 |
| Electric revenue (in \$) | \$1,103,886,270 | \$1,091,785,502 | \$1,157,686,869 |
| Service fees (in \$) | \$11,515,575 | \$11,123,302 | \$11,949,101 |
| Programs and other revenue (in \$) | \$12,589,167 | \$34,378,608 | \$59,900,795 |
| Operating expenses (in \$) | \$1,002,832,762 | \$926,941,723 | \$1,048,451,459 |
| Net margin (in \$) | \$5,823,840 | \$14,437,824 | (\$1,954,149) |
| Value of assets (in \$billion) | \$6.5 | \$6.3 | \$5.7 |
| Total women and minorities on Board of Trustees | 2 | 1 | 1 |
| Power Generation (in net MWh) | | | |
| Prairie State Energy Campus (AMP share) | 2,585,795 | 2,951,152 | 2,700,236 |
| AMP Fremont Energy Center | 3,429,684 | 3,437,161 | 3,962,766 |
| Distributed generation (gas, diesel units: JV and AMP, and BTM) | 9,396 | 19,239 | 10,069 |
| Belleville Hydro (JV5) | 262,065 | 321,175 | 267,472 |
| Greenup Hydro | 0 | 355,160 | 307,645 |
| Meldahl Hydro | 0 | 622,889 | 553,219 |
| Cannelton Hydro | 0 | 549,212 | 475,818 |
| Willow Island Hydro | 0 | 265,577 | 212,800 |
| Smithland Hydro | 0 | 461,692 | 425,336 |
| AMP Wind Farm (JV6) | 13,086 | 6,349 | 5,108 |
| Napoleon Solar (Solar I) | 5,111 | 4,937 | 4,676 |

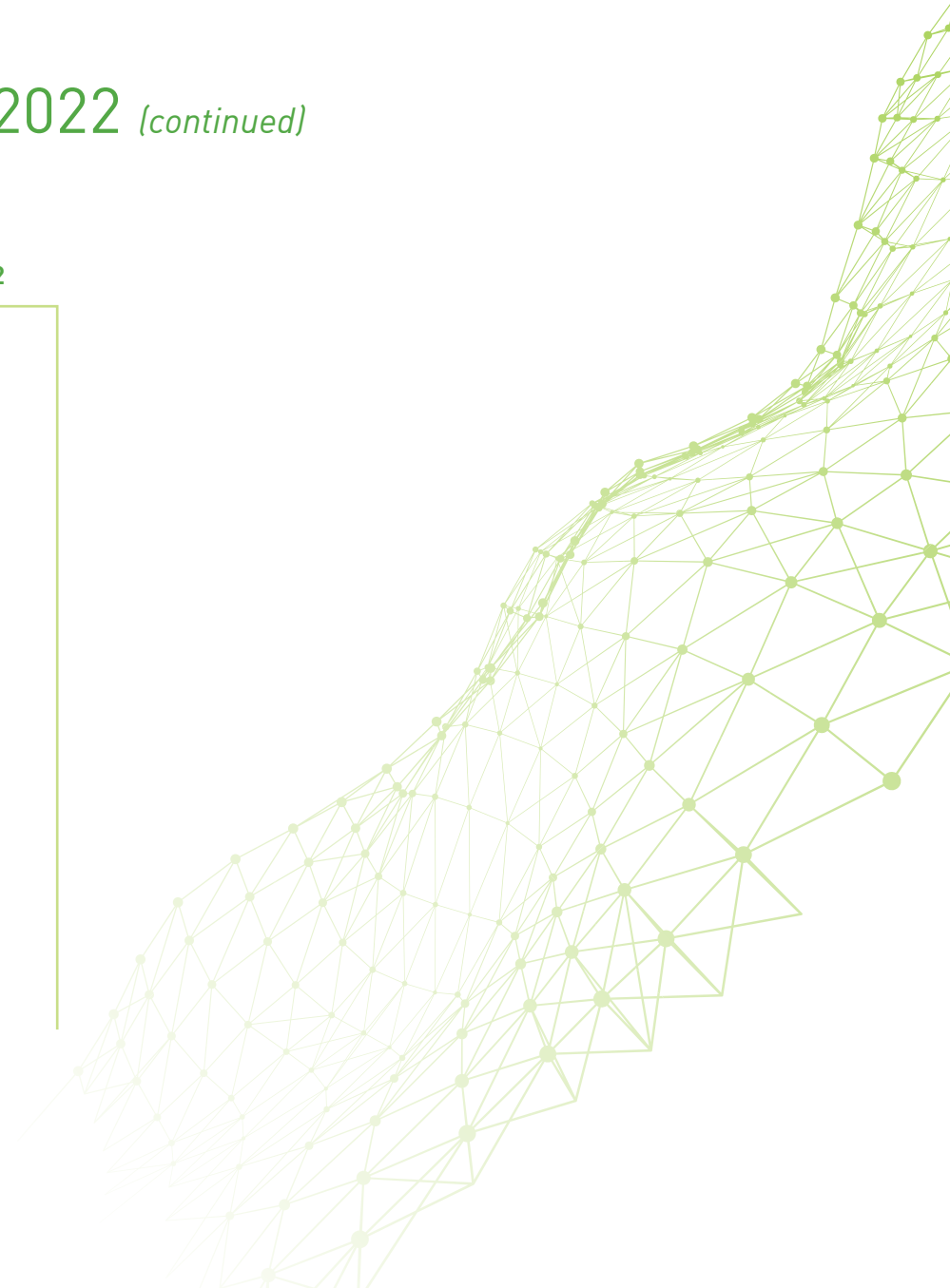


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AMP's Sustainability Performance 2015, 2021, 2022 *(continued)*

| | 2015 | 2021 | 2022 |
|--|-----------|-----------|-----------|
| Power Generation (in net MWh) <i>(continued)</i> | | | |
| Landfill Gas (PPA) | 373,821 | 364,771 | 83,962 |
| Blue Creek Wind (PPA) | 140,083 | 124,008 | 81,038 |
| Locust Ridge (PPA) | N/A | N/A | 58,013 |
| Solar Phase II (PPA) | 0 | 97,604 | 98,795 |
| NYPA (PPA) / SEPA (PPA) | 364,465 | 313,505 | 311,294 |
| Market power purchases made on behalf of members | 6,081,708 | 3,502,069 | 4,335,274 |
| <i>Note: Total plant accounted for unless noted as PPA or AMP share.</i> | | | |
| Health and Safety | | | |
| Employee work-related fatalities | 0 | 0 | 0 |
| Reportable incidents or accidents | 1 | 1 | 0 |
| Lost work-day incidents | 1 | 0 | 0 |
| Days Away, Restricted and Transfer (DART) Rate | 0.6% | 0% | 0% |
| Environment | | | |
| Permit violations | 0 | 0 | 0 |
| Fines or penalties | 0 | 0 | 0 |
| NPDES permit exceedances | 0 | 0 | 0 |
| CO2e emissions (in metric tons) for AMP | 7,998,734 | 5,913,118 | 5,828,501 |
| CO2e emissions rate (in lbs/net MWh) for AMP | 1,352 | 972 | 943 |

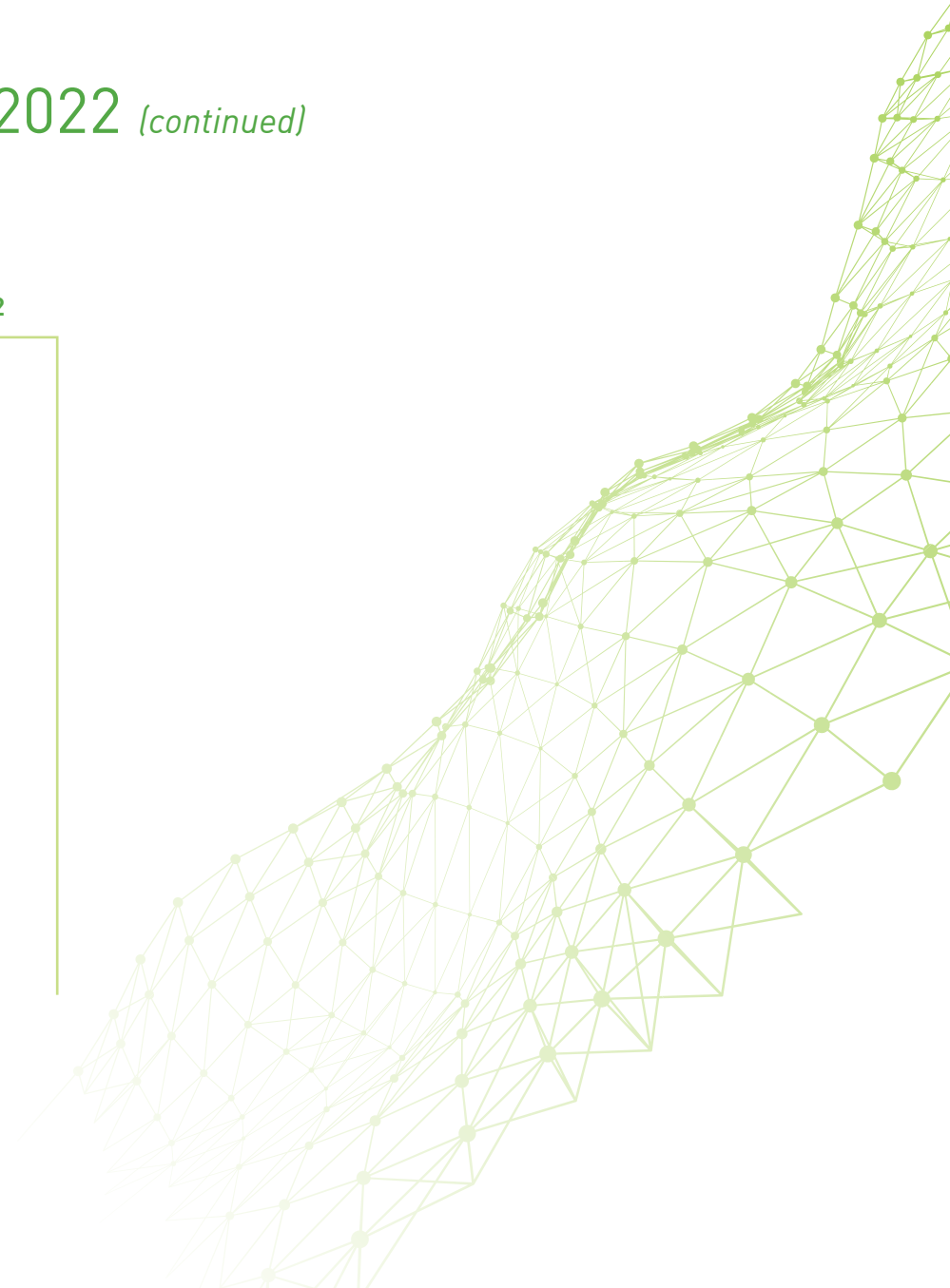
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AMP's Sustainability Performance 2015, 2021, 2022 *(continued)*

| | 2015 | 2021 | 2022 |
|--|-----------|-----------|-----------|
| Environment <i>(continued)</i> | | | |
| For AFEC, PSGC (AMP share), OMEGA JV and AMP peakers: | | | |
| CO2 emissions (in short tons) | 3,967,732 | 4,683,045 | 4,452,312 |
| Annual CO2 emission rate (in lbs/MWh) | 1,127 | 1,418 | 1,334.07 |
| SO2 emissions (in short tons) | 1,824 | 2,455 | 1,202.00 |
| Annual SO2 emission rate (in lbs/MWh) | 0.518 | 0.740 | 0.36 |
| NOx emissions (in short tons) | 894 | 1,173 | 656.04 |
| Annual NOx emissions rate (in lbs/MWh) | 0.254 | 0.360 | 0.20 |
| PM emissions (in short tons) | 79 | 112 | 49.46 |
| Annual PM emission rate (in lbs/MWh) | 0.022 | 0.030 | 0.01 |
| CO emissions (in short tons) | 352 | 120 | 64.56 |
| Annual CO emission rate (in lbs/MWh) | 0.10 | 0.04 | 0.02 |
| VOC emissions (in short tons) | 14 | 58 | 31.42 |
| Annual VOC emission rate (in lbs/MWh) | 0.004 | 0.020 | 0.01 |
| Cooling water usage, AFEC (net, in million gallons) | 467 | 782 | 571 |
| Cooling water usage, AMP share of PSE (in million gallons) | 1,308 | 1,175 | 629 |
| Community | | | |
| Number of scholarships awarded | 8 | 9 | 10 |
| Value of scholarships awarded | \$16,000 | \$27,000 | \$30,000 |
| AMP employee charitable giving (payroll deduction in \$) | \$14,213 | \$17,352 | \$17,557 |

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AMP's Sustainability Programs Participation 2022

| | | | |
|-------------------|------------------------------------|-------------------------------|------------------------------|
| EcoSmart Choice® | Number of current participants: 13 | Total 2022 RECs: 126,855 MWh | Since inception: 685,307 MWh |
| Efficiency Smart® | Number of current participants: 27 | 2022 energy saved: 21,700 MWh | Since inception: 300,415 MWh |

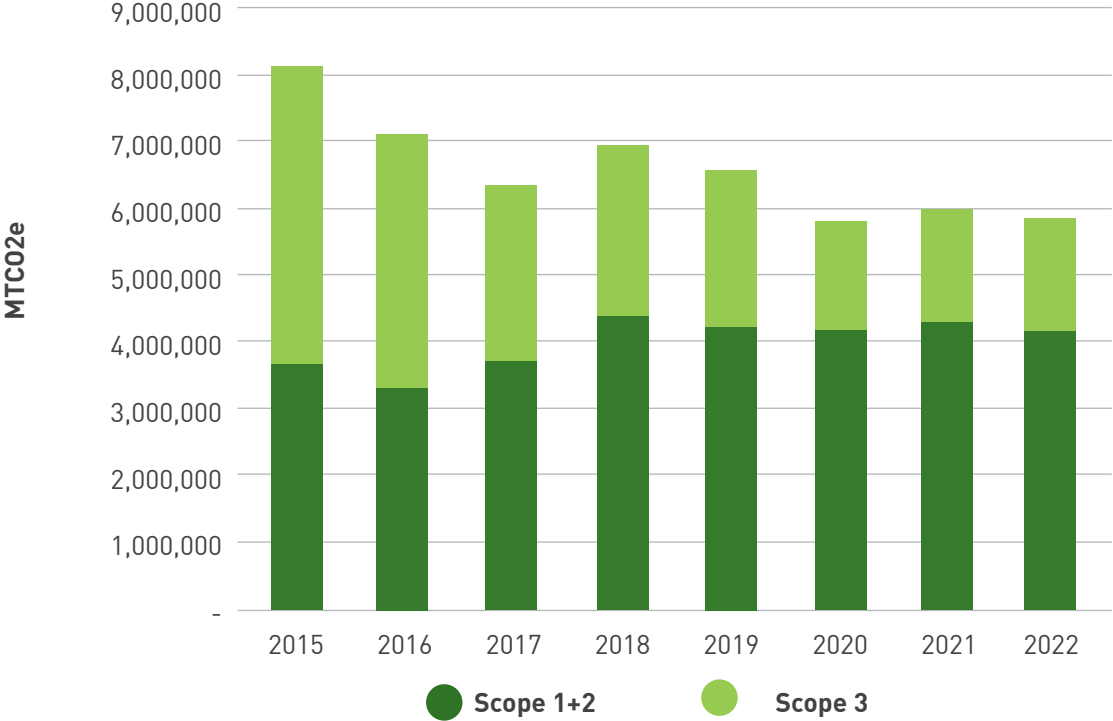
AMP's Green Bond Financed Projects 2022

| | Meldahl | Combined Hydro (Cannelton, Willow Island, Smithland) | Solar Phase II |
|--------------------------------|---------|---|-------------------|
| Net renewable capacity (MW) | 108.8 | 208 | 58.3 |
| Net renewable generation (MWh) | 557,561 | 1,064,356 | 103,430 |
| Capacity factor (%) | 58.5% | 58.4% | 17.7% |

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AMP Greenhouse Gas Emissions All Scopes 2015-2022



-30%
AMP emissions
rate between
2015-2022

Scope 1: GHG emissions from sources that are owned or controlled by an organization; at AMP that includes AMP-owned generating facilities and fleet vehicles.

Scope 2: GHG emissions that result from the generation of purchased or acquired electricity, heating, cooling and steam consumed by an organization; at AMP that includes energy use at building facilities.

Scope 3: Indirect GHG emissions not included in Scope 2; emissions that occur outside of the organization; at AMP that includes power purchases (from non AMP-owned facilities) made on behalf of AMP Members.

AMP 2022 Financial Highlights

Year Ended Dec. 31, 2022

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| FINANCIAL RESULTS (\$000's) | | | | | | |
| Operating revenues | \$1,228,959 | \$1,279,866 | \$1,170,034 | \$1,091,395 | \$1,137,287 | \$1,229,537 |
| Operating expenses | \$982,458 | \$1,045,580 | \$957,096 | \$878,308 | \$926,94 | \$1,048,451 |
| Non-operating expenses (net) | (\$242,971) | (\$231,499) | (\$207,667) | (\$210,586) | (\$198,908) | (\$183,039) |
| Net margin | \$3,531 | \$2,787 | \$5,271 | \$2,501 | \$14,438 | (\$1,954) |
| SIGNIFICANT FINANCIAL METRICS | | | | | | |
| Consolidated fixed obligation coverage ratio | 1.1 | 1.1 | 1.2 | 1.2 | 1 | 1.1 |
| Days cash on hand | 280 | 272 | 238 | 210 | 184 | 266 |
| Gross utility plant (\$000's) | \$4,970,639 | \$4,944,200 | \$4,888,632 | \$4,878,808 | \$4,870,764 | \$4,989,916 |
| Long term debt outstanding (\$000's) | \$5,624,610 | \$5,391,059 | \$5,914,272 | \$5,464,947 | \$6,136,159 | \$4,911,285 |
| Bond debt service coverage ratio ¹ | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 | 1.1 |

¹ Budgeted rates include 110% of debt service requirements for AMP projects in accordance with the bond indentures.



American Municipal Power, Inc.
1111 Schrock Road, Suite 100
Columbus, Ohio 43229
614.540.1111
www.amppartners.org

For more information contact:
Holly Karg
Assistant Vice President of
Communications and Public Relations
hkarg@amppartners.org

