



Wind Power Purchase Agreement

Between
Oklahoma Gas and Electric Company
and
The University of Oklahoma



The University of Oklahoma

The University of Oklahoma

- Coeducational Public Research University Founded in 1890
- Located in Norman, Oklahoma, covering over 3,000 acres (4.7 sq. miles)
- Campus Population: 50,000
- Fifteen Colleges; 152 Majors
- OU ranks No. 1 in the nation among all public universities in the number of National Merit Scholars enrolled (Rhodes, Marshall, Mitchell);
- 29 Rhodes Scholars; 43 Goldwater Scholars

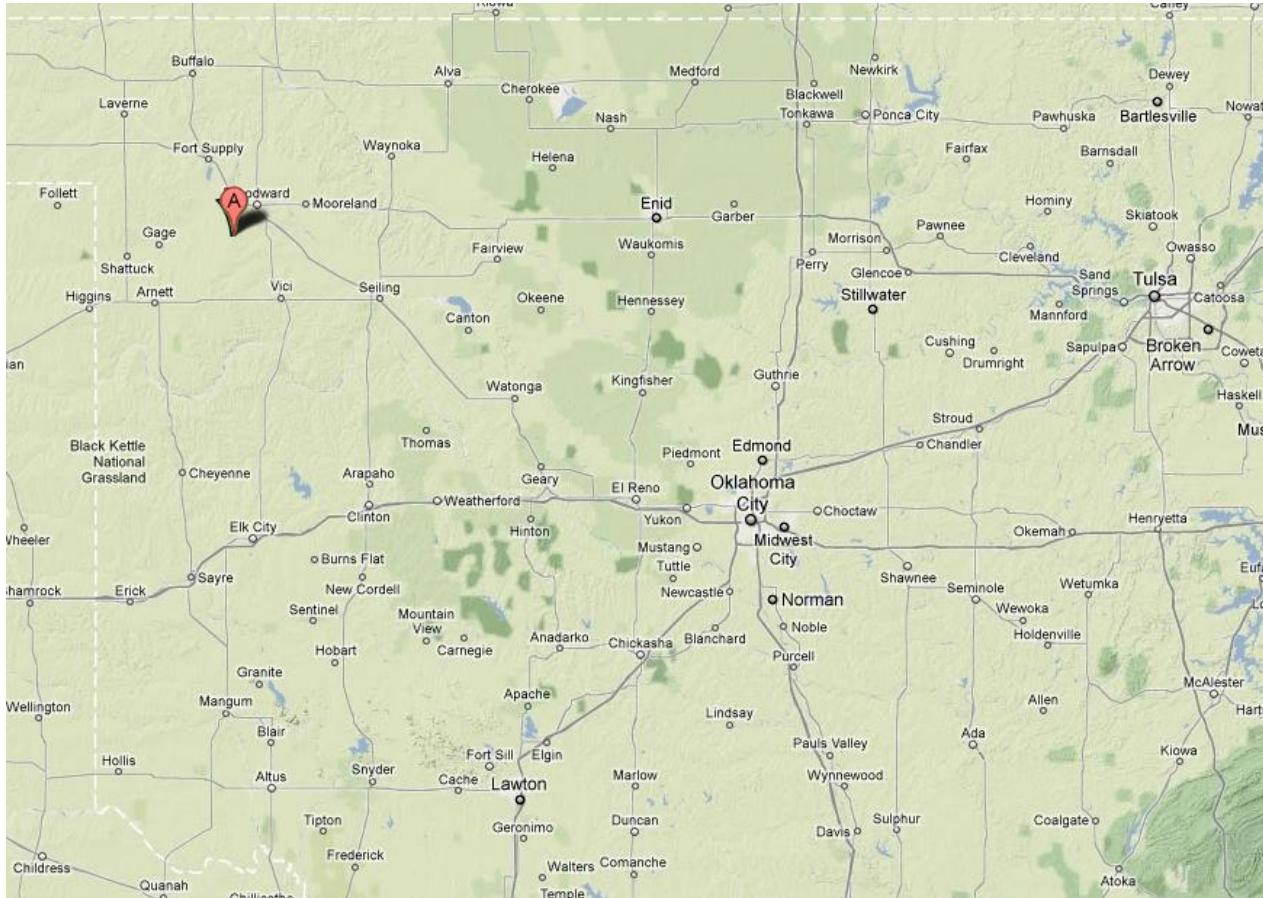


Project Motivation

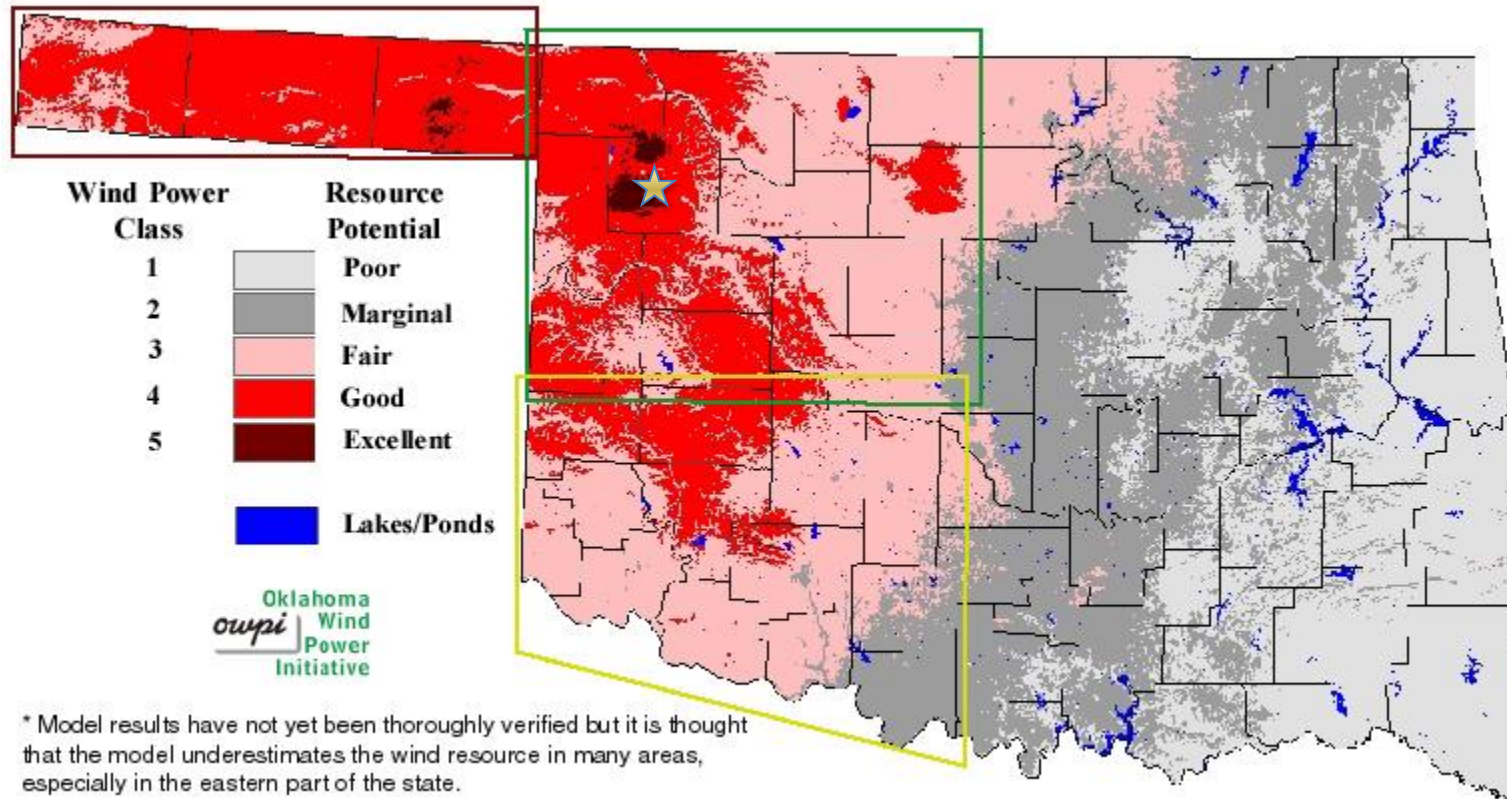
- 2007- University of Oklahoma President David L. Boren sets American College & University Presidents' Climate Commitment goal to make OU a role model and leader in energy independence and become carbon neutral by 2050
- September 10, 2008- OG&E and OU sign an agreement for OG&E to meet all of OU's purchased electricity needs with wind energy for 25 years
 - Renewable Premium (cost): \$0.013 per kWh
- 2008 OG&E begins construction of OU Spirit wind farm
 - 101.2 MW
 - Completed in 2010
 - Cost: \$260 million



OU Spirit Wind Farm



Oklahoma Wind Assessment Map



OU Spirit Wind Farm Construction



Four miles of county road upgrades



Construction of a 138kV substation



Seven miles of transmission lines



44 Siemens 2.3 MW Wind Turbine Generators (WTGs)



REC Purchase Agreement Phase I

- OG&E-OU Renewable Energy Program Agreement executed in two phases:
 - Phase I
 - Sets terms of renewable energy provision based on percentage of OU consumption
 - 15% renewable resources for Norman Campus
 - 10% renewable resources for Health and Science Center
 - Provided a fuel hedging option
 - Provided resources for promotional campaign
 - Established the OG&E Renewable Wind Power Scholarship
 - Developed an OG&E internship program for OU students

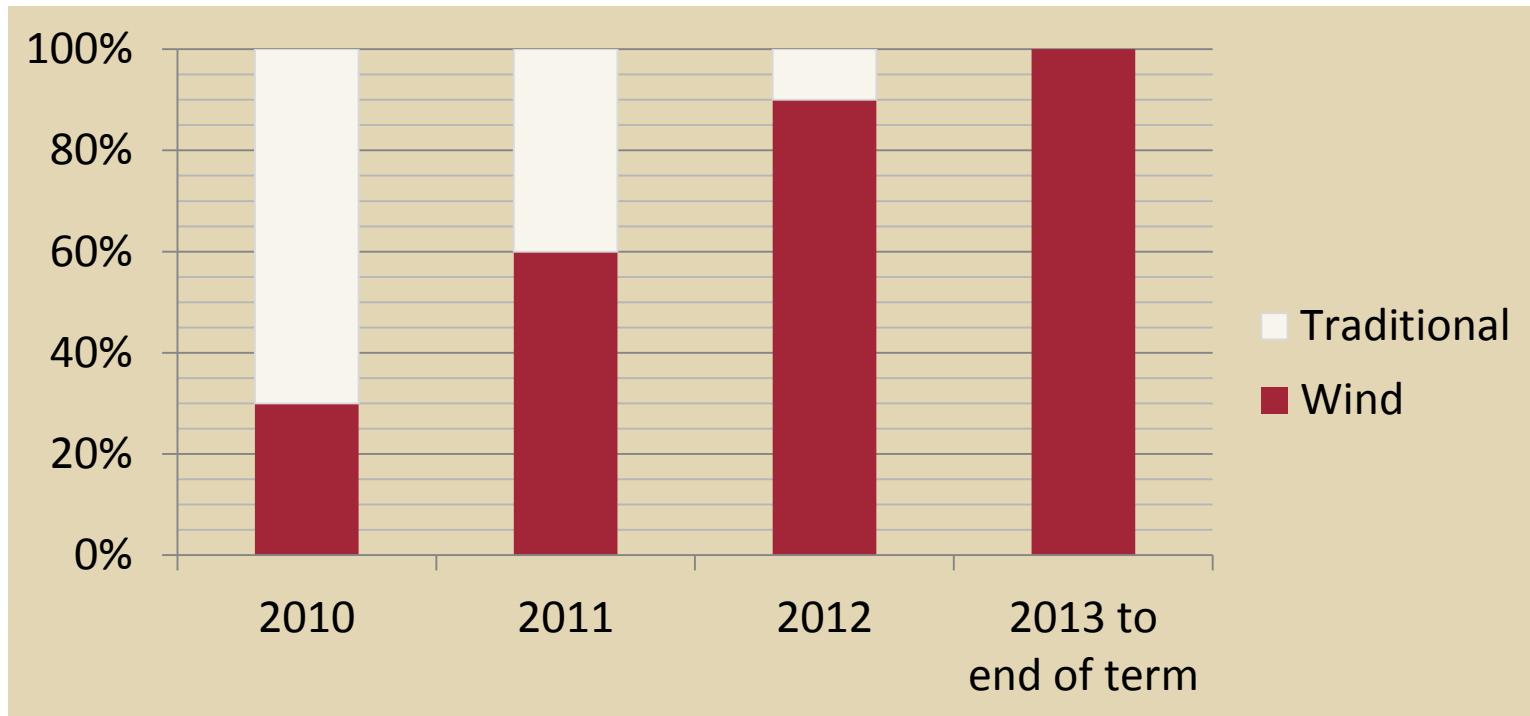


REC Purchase Agreement Phase II

- OG&E-OU Renewable Energy Program Agreement executed in two phases:
 - Phase II
 - Provides the University with ownership of Renewable Energy Certificates (RECs) associated with OU's wind energy purchases
 - Establishes parameters for the sale of Renewable Energy Certificates
 - OG&E granted Right of First Refusal
 - Profits from RECs sold to third party are shared equally between OU and OG&E
 - Establishes a four tiered structure for increasing the percentage of OU's renewable energy purchases on an annual basis



University of Oklahoma Norman Campus Purchased Electricity



EPA Green Power Partnership



- In 2012, the EPA awarded the University of Oklahoma the Green Power Partner of the Year for its regional leadership and for serving as a role model for other large public universities, setting a national example for green power use in states with less experience with renewable energy



EPA Green Power Partnership



- The University of Oklahoma's tiered renewable energy purchase contract will push OU's purchase of wind power even higher over the coming years.
 - REC purchases for 2010 were 67,974,676 kWh
 - REC purchase for 2011 were 97,201,680 kWh
 - REC purchases for 2012 were 153,878,040 kWh
 - REC Purchases for 2013 are estimated at 160,000,000 kWh



Conclusion

- Moving OU to 100% wind energy is an act of stewardship and commitment to a greener planet for future generations;
- Having support from the President from the beginning greatly expedited the process;
- Performing adequate due diligence is essential in any long-term agreement;
- Energy efficiency improvements are a viable resource to offset the typically higher cost of green energy;
- The return on investment on renewable energy is measured in environmental impact rather than in monetary terms.

