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Natural Gas Resiliency

September 14, 2021



Gas Procurement Process

- **Term gas and call option gas are procured via the two seasonal Requests for Proposals (“RFP”) that OG&E issues**
 - Term gas serves as the base amount of gas and comes with must take volume
 - Call option gas serves as the second layer of gas and provides OG&E with the option to take gas but not the obligation
 - Volumes of each are based on a combination of historical and forecasted burn
- **Day Trade Gas and Intra-Day gas all purchased as needed**
 - Day trade gas is utilized as the third layer when the forecasted gas needs are greater than the current term and call gas levels
 - Intra-Day gas is the last layer and is utilized to ensure there is enough gas on the pipeline during the operating day



Current Commodity RFP

- **Issued Commodity RFP on September 3, 2021.**
 - Responses received September 10th and being reviewed this week.
- **OG&E requested term and call option gas as is standard.**
- **Additionally, OG&E requested additional responses on call options with price caps and first of the month (FoM) pricing options.**



Consideration of Additional Storage Options

- **OG&E issued a Request for Information (“RFI”) for Storage Related Products on July 1, 2021.**
- **Intent of RFI was to see what solutions existed that may provide volume and price certainty.**
 - Results varied from physical solutions such as storage and pipeline expansions to varying commodity supply constructs.
- **Issued RFP on September 13, 2021 with expanded scope based on RFI responses.**
 - Responses due by October 1st.



Next Steps in Preparing for Winter 2022

- **Review the RFP responses to evaluate cost-effectiveness of offerings.**
 - OG&E anticipates commodity-based solutions could be implemented for the winter of 2022.
 - OG&E also expects some solutions will have a build out timeline. Depending on that timeline, some of the solutions could extend beyond the winter 2022 timeline.
- **Continue to evaluate cost-effective ways to improve our processes for the benefit of customers.**



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Appendix - OG&E Thermal Generation Capacity

Unit Type	Capacity (MW)
Coal Fired Steam	1,854
Gas Fired Steam	3,130
Combined Cycle	1,113
Combustion Turbine	553