Welcome to your CDP Climate Change Questionnaire 2021

C0. Introduction

C0.1

(C0.1) Give a general description and introduction to your organization.

OGE Energy Corp. (NYSE: OGE), with headquarters in Oklahoma City is an energy and energy services provider and is the parent company of Oklahoma Gas and Electric Company (“OG&E”), a regulated electric utility (together referenced as the “Company”). The Company has approximately 2,360 employees. OG&E serves approximately 875,000 retail electricity customers in Oklahoma and western Arkansas. OG&E, with approximately 7,120 megawatts of generation capacity under financial control and 7,823 megawatts of capacity under operational control, generates electricity from a diverse energy mix, including, natural gas, low-sulfur coal, wind, and solar. Its electric transmission and distribution systems cover an area of 30,000 square miles.

The Company is committed to protecting and responsibly managing the natural resources essential for a cleaner environment, complying with established environmental standards and preserving the quality of life in the communities we serve. The Company is focused on ensuring the necessary mix of generation resources to meet the long-term capacity needs of our customers, with a progressively cleaner generation portfolio. The Company continually monitors, assesses, and strives to improve its environmental performance, and seeks to foster strong working relationships with stakeholders such as customers, investors, communities and the local, state and federal agencies that are impacted by, and monitor, our environmental stewardship. The Company believes it has a dual responsibility to protect our natural resources and to provide safe, reliable and reasonably priced power and will, therefore, bring to any emerging environmental policy discussion the need for a sensible balancing of those responsibilities.

In 2018, the Company set out CO2 emission reduction expectations for OG&E. Our actions to date reinforce our commitment to reducing our environmental footprint. Sulfur dioxide (SO2) emissions have decreased by approximately 90%, nitrogen oxide (NOx) by approximately 75% and carbon dioxide (CO2) by over 40%, below 2005 levels. As part of our commitment to reducing our environmental footprint, we expect to reduce our CO2 emissions to 50% below 2005 levels by

2030; and we expect, by 2050, to retire 95% of current fossil-fueled generation, cost-effectively meeting our capacity requirements by replacing retiring generation with newer technology including high efficiency natural gas or zero-emitting technology such as renewables or batteries. In September 2020, OG&E announced its goal to reduce greenhouse gas emissions from vehicle fleets an estimated 60% by 2030.

In October 2020, OG&E completed two 5-megawatt (MW) solar energy farms in southeast Oklahoma to help meet the renewable energy needs of the Chickasaw Nation and the Choctaw Nation. During 2021, OG&E is expanding its Choctaw Nation/OG&E Solar Energy Center by an additional 5 MW, bringing the total solar capacity to 10 MW at that facility. The new farms, along with the Company's existing Oklahoma solar farms in Mustang and Covington are expected to bring total solar capacity to approximately 32 MW since beginning development of solar power installations in 2015.

Except for the historical statements contained herein, the matters discussed in this Questionnaire, including estimated emission reductions, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words "anticipate," "believe," "estimate," "expect," "intend," "objective," "plan," "possible," "potential," "project," "target," “goal” and similar expressions. Actual emission reductions and environmental or climate impacts may vary materially from those expressed in such forward-looking statements and are subject to a number of factors, including federal or state legislation and regulatory decisions and initiatives; environmental laws, safety laws or other regulations; and the impact on demand for services resulting from cost-competitive advances in technology, such as distributed electricity generation and customer energy efficiency programs and other technological developments.

For more information about the Company, please visit our websites at www.oge.com, and https://www.ogeenergy.com/stewardship/.

C0.2

(C0.2) State the start and end date of the year for which you are reporting data.

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	January 1, 2020	December 31, 2020	Yes	1 year

C0.3

(C0.3) Select the countries/areas for which you will be supplying data.

United States of America

C0.4

(C0.4) Select the currency used for all financial information disclosed throughout your response.

USD

C0.5

(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.

Operational control

C-EU0.7

(C-EU0.7) Which part of the electric utilities value chain does your organization operate in? Select all that apply.

Row 1

Electric utilities value chain

Electricity generation
Transmission
Distribution

Other divisions

Smart grids / demand response

C1. Governance

C1.1

(C1.1) Is there board-level oversight of climate-related issues within your organization?

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain

Board Chair	The Chairman, CEO and President along with the management team, has the responsibility to provide the leadership and vision to execute the Company's strategy and operations in areas where climate-related issues might arise. For the Company, those areas would be operational, environmental transition and compliance, investment, assessing and managing risks and considering opportunities.
Board-level committee	Working with the Nominating and Corporate Governance Committee (NCGC), the full Board of Directors routinely reviews and considers business matters that would include weather (climate – related) issues and how they affect operations, strategy and risk profile. The NCGC, appointed by the Board of Directors and comprised of independent directors, has the responsibility to review and report to the Board regarding the Company's (1) environmental matters including the Company's environmental initiatives and compliance strategies, which would include physical risks and hazards such as severe weather events (climate-related): and; (2) contingent plans to address various material events that could affect the Company including natural disasters (climate-related). The NCGC also oversees the Company's corporate governance, including the Company's disclosures regarding areas of oversight, shareholder proposals and the Company's response, including any action the Company takes in response to shareholder proposals related to climate-related issues. The Audit Committee, also comprised of independent directors, oversees the Company's enterprise risk management program, which includes assessment of key risks as well as processes, guidelines and policies for identifying, monitoring and mitigating such risks, which include severe weather events (climate-related). As noted, the oversight of these of these operational, strategic and emerging policy areas is frequently accomplished at the Board of Directors level, supported by reports from the NCGC, the Audit Committee and the management team.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Please explain
Scheduled – some meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Reviewing and guiding risk management policies	The Company's Board of Directors oversees all aspects of the Company's businesses, including the strategy as well as the regulatory and operating aspects. • Environmental updates, reports and/or presentations are routinely reviewed with the Board of Directors. For example in 2020, the board reviewed a presentation related to the Company's emission reductions

	Reviewing and guiding annual budgets Reviewing and guiding business plans Setting performance objectives Monitoring implementation and performance of objectives Overseeing major capital expenditures, acquisitions and divestitures Monitoring and overseeing progress against goals and targets for addressing climate-related issues	consistent with the recommendations of the IPCC's 1.5 degrees Celsius goals and carbon intensity improvements. • The Board reviews and approves the Company's annual budget and other major capital expenditure as they arise. • The Board reviews the Company's strategy annually including composition of our generation facilities and transmission assets to address overall generating capacity and carbon reduction efforts, as well as Integrated Resource Plan filed with state regulators. • Management reviews with the Board the identification, monitoring and management of proposed or enacted legislation or regulation pertaining to climate-related issues • The Board's Nominating and Corporate Governance Committee reports to the Board its review and oversight regarding the Company's environmental initiatives and compliance strategies and planning for material events that could affect the Company.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO)	Both assessing and managing climate-related risks and opportunities	More frequently than quarterly
Other, please specify Vice President - Utility Operations	Both assessing and managing climate-related risks and opportunities	Quarterly
Chief Financial Officer (CFO)	Both assessing and managing climate-related risks and opportunities	As important matters arise
Other, please specify Vice President, Regulatory and Legislative Affairs	Both assessing and managing climate-related risks and opportunities	Half-yearly

Risk committee	Both assessing and managing climate-related risks and opportunities	Quarterly
Other, please specify Vice President of Corporate Responsibility and Stewardship	Assessing climate-related risks and opportunities	As important matters arise
Other, please specify General Counsel and Chief Compliance Officer	Both assessing and managing climate-related risks and opportunities	As important matters arise

C1.2a

(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).

The CEO is the top-level executive authority in the Company and a group of senior executive members report to this position. The CEO directs the leadership to execute the Company's strategy and vision. The CEO has the responsibility for managing risks affecting the Company, including risks related to environmental (weather and climate-related), operations and regulatory.

The CEO, along with the executive leadership positions, review and discuss the strategies and principal risks related to or arising out of the generation and delivery of energy, including opportunities and policies that support the Company's long-term strategy. The Vice President, Utility Operations has the responsibility for operational issues and reports directly to the CEO. The Chief Financial Officer reports to the CEO and responsibilities include investments, capital expenditures and managing the enterprise risk program. The Vice President of Regulatory and Legislative Affairs reports to the CEO and provides overall leadership for the Company with respect to the monitoring of climate-related issues at federal, regional, and state levels via participation in regulatory development (e.g., notice and comment rulemaking processes) and through industry activities. The General Counsel and Chief Compliance Officer reports to the CEO and manages the legal and compliance functions of the Company. The Vice President of Corporate Responsibility and Stewardship oversees ongoing strategy development and implementation across all environmental, social, and governance areas, including climate-related matters. The Company's Risk Oversight Committee consists primarily of corporate officers (e.g., CFO, VP Utility Operations) and is responsible for the overall development, implementation and enforcement of strategies and policies for all market-risk management activities of the Company. The Risk Oversight Committee's responsibilities include review and assessment of the existing risk exposure and performance of the Company's business units, including climate-related issues. Members of management are participants on the Risk Oversight Committee.

An example of the multifaceted approach taken by the Company's leadership regarding a physical risk in Oklahoma that is climate-related pertains to severe or unusual weather events. Operations

address these items in a pro-active, multi-faceted approach that includes storm or severe weather event planning and execution and activities such as grid enhancement and hardening of the system to mitigate the effects of such physical/weather events. These events may also have capital investment, regulatory recovery and environmental implications.

C1.3

(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	

C1.3a

(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).

Entitled to incentive	Type of incentive	Activity inventivized	Comment
All employees	Monetary reward	Other (please specify) Performance targets for incentive compensation includes excellence in operation of power plants as measured by the Equivalent Forced Outage Rate (EFOR) metric.	EFOR is a measure of power plant performance and reliability. Power plants that perform well tend to be more efficient resulting in lower CO2 emission rates. EFOR is among the OG&E key results on which annual performance incentives are based for all employees.
All employees	Monetary reward	Other (please specify) Performance targets for incentive compensation includes the System Average Interruption Duration Index	Grid Modernization and the hardening of the Company's system, which is intended to permit the system to operate during severe weather (climate-related) events to prevent outages, improves SAIDI numbers which allow for incentives to be earned/paid in annual short term incentive measures.

C2. Risks and opportunities

C2.1

(C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

C2.1a

(C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	1	5	
Medium-term	5	10	
Long-term	10	30	

C2.1b

(C2.1b) How does your organization define substantive financial or strategic impact on your business?

From a financial perspective, the Company identifies issues that are material in required financial filings to the Securities and Exchange Commission (SEC) and utilizes SEC guidance on reporting material issues such as SEC Staff Accounting Bulletin No. 99 which suggests that a mix of quantitative and qualitative information is necessary to evaluate materiality. The definition of materiality extends to any financial impact that an investor would deem substantive. From an operational or strategic perspective, the Company defines substantive impact based on whether an observed effect is large enough to be meaningful within the context of financial, operational, reputational or safety assessments. To determine whether a risk will result in substantive impact, the Enterprise Risk Management (ERM) team has a formal process where business units identify and assess risks, including climate-related risks, consistent with our overall enterprise risk framework.

OG&E's Enterprise Risk Management (ERM) process identifies substantive strategic and financial risks that could have a significant impact on the financial strength of the Company including climate-related risks. The ERM process focuses on risks and opportunities that have the potential to significantly impact the Company's value and pursuit of its objectives, including risks related to regulatory outcomes, litigation, climate, weather, reputation or brand value and are outlined in the Company's 10-K Annual Report. These risks and opportunities are evaluated to determine both the potential impact to strategic and financial objectives of the organization. This process evaluates short-, medium- and long-term risks. Further information related to the ERM process is included in C2.2 below.

The OGE Energy Board of Directors has oversight over the Company's risk management processes, including environmental policy and the potential impact of climate change on the Company's strategy. OGE Energy Corp. monitors risk using a risk committee structure. The Company's Corporate Risk Oversight Committee, which consists primarily of corporate officers, has overall authority over development, implementation, and enforcement of strategies and policies for all risk management activities of OGE Energy Corp. and its subsidiaries including OG&E. This committee's emphasis is a holistic perspective of risk measurement and policies focused on

matters that could have a significant impact on the financial strength of the Company. The Risk Oversight Committee reports to the Audit Committee of OGE Energy's Board of Directors on the Company's risk profile affecting anticipated financial results and condition, including risk mitigation strategies. OGE Energy also has a Corporate Risk Management function which, in conjunction with the aforementioned committees, is responsible for establishing and implementing the Company's risk policies.

C2.2

(C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

OGE Energy performs an annual comprehensive Enterprise Risk Management Assessment (ERMA) to identify substantive strategic risks, which are potential major risks to corporate profitability and value, including climate-related risks. The ERMA focuses on risks and opportunities that have the potential to significantly impact the Company's value and pursuit of its objectives, including risks related to regulatory outcomes, litigation, climate, weather, reputation or brand value. The Corporate Risk Oversight Committee evaluates short-, medium- and long-term time horizons across upstream suppliers, downstream suppliers, direct operations, and downstream customers for all corporate-level risks including those that are climate-related risks and opportunities. Once specific environmental-related risks and opportunities are identified under strategic, operational, financial, compliance, and regulatory categories, the impacts and likelihood of each risk and opportunity are evaluated. Material risks are captured via a survey and a heat map of material risks is reviewed with management and the board.

OG&E's annual ERMA process, which is managed by the Corporate Risk Management

function, is initiated with an assessment by the Company's officers scoring and evaluating the Company's risks based on probability, likelihood, and impact. The assessment provides quantitative data points that provide the opportunity to compare year-over-year changes. The ERMA is also provided to Senior Management to score and evaluate the Company's risks. All risks and opportunities are assessed using a consistent risk framework and methodology. Financial impacts can be quantified and related to capital and O&M expenditures. Qualitative impacts are scored using consistent criteria and can be related to the degree of impact, the likelihood of occurrence and the velocity with which the risk might develop. Risks and opportunities are then prioritized by their financial impact to the Company or qualitative impact scores. Those with the highest impact are prioritized based on the scoring criteria. A review is performed, noting the highest exposed values in each category/profile type. The review includes a discussion of the risk/opportunity tolerance, residual mitigation plans, and cost to mitigate. After the assessment process is complete, the risks and opportunities are reviewed via interactive discussions with the Company's Officers and Senior Management and the risk owners.

Each identified risk has an internal risk owner who is required to periodically review that risk and update it along with the current risk mitigation plan. Subject matter experts evaluate potential risks/opportunities that could have substantial financial or strategic impacts on the Company. This evaluation is robust and helps the Company identify risks/opportunities, mitigation strategies and potential financial implications. Recommendations are communicated to the appropriate risk owner and Senior Executives, as necessary. Risk owners provide updates to their risk areas and specific concerns, along with detailed plans on how the risk is being managed, on at least a quarterly basis to the Risk Oversight Committee. Coordination with Internal Audit is then conducted to ensure alignment with the Annual Audit Plan.

The OGE Energy Board of Directors has oversight responsibility over the Company's risk management processes, including environmental policy and the potential impact of climate change on the Company's strategy.

Please see next row for case study examples related to transition risks and physical risks.

Value chain stage(s) covered

Direct operations

Risk management process

Integrated into multi-disciplinary company-wide risk management process

Frequency of assessment

More than once a year

Time horizon(s) covered

Short-term
Medium-term
Long-term

Description of process

The following case studies are provided with respect to the annual comprehensive OGE Energy ERMA detailed in the previous row.

Case Study example for transition risk
• Situation:
o A case study example of the assessment and management of transition risks is the risk of increased regulation related to carbon emissions in our emerging regulations/regulatory risks. The Senior Executive team has identified a risk of increased regulation related to carbon emissions, and scored this as “High” for probability, likelihood, and impact. The utility industry is highly regulated, and given the high focus on carbon emissions nationwide, the Senior Executives have noted additional regulation as a key area of attention for the Company.
• Task/Action
o We took several risk mitigation steps in 2020, which included setting a goal and creating an action plan intended to decrease emissions from the Company’s fleet vehicles by 60% by 2030. In addition, we began planning our triennial Integrated Resource Plan (IRP) in 2020 (draft IRP issued in August 2021), within which, we ran multiple scenarios to evaluate carbon pricing and its impact on our generation options. We also have set an expectation to reduce our overall carbon emissions 50% from 2005 levels by 2030.
• Result
o OGE has taken multiple actions regarding emissions thus far and have reduced our carbon emissions since 2005 baseline by over 40%. Our draft IRP developed starting in 2020 and filed in August 2021 recommends the addition of significant investments in zero-emitting solar generation and hydrogen capable combustion turbines that are also key to serving our customers in an environment of solar and wind energy intermittency. The implementation of recommendations in the final IRP is subject to regulatory processes and OG&E’s ability to take final actions is subject to regulatory approval.
o The executive team regularly reviews our IRP and our emissions reducing investments with our Board of Directors. Additionally, the functional risk “owner”, always an executive, develops plans that are reviewed with the Board. This review includes an annual progress report of the mitigation of each risk as part of our annual ERM review with the Board and regular quarterly updates to the Board. The risk management process is an ongoing process and each risk is reviewed on a regular basis throughout the year – at least quarterly.

Case Study example for physical risk
• Situation:

o A case study example of the assessment and management of physical risks is the risk associated with grid resilience. Given the Company's geographic location, grid resilience was a risk identified by the Senior Executives, who scored this as "High" for probability, likelihood, and impact. The Company's service territory has always had extreme weather and the Senior Executives have always noted weather as a key company risk. Through our enterprise risk process for climate change physical risks (both chronic and acute) – causing more significant weather impacts and impacting our customers as well as our ability to serve them (and generate revenues and profits)– we have been actively developing plans for a modernization of our grid, focused on resilience.
• Task/Action:
o Our plan to create greater resilience includes risk mitigation through technology options, vegetation management and other grid resilience enhancements. This includes the submission of our 2020 Oklahoma Grid Enhancement Plan to the Oklahoma Corporation Commission, which calls for total capital expenditures on grid enhancement projects of $810.2 million between 2020 and 2024, as well as ongoing grid enhancement work in our Arkansas service areas.
• Result:
o Key elements of our grid modernization investment include: grid automation investments of more than $270 million, grid resiliency investments surpassing $380 million, and the technology and communications infrastructure to support modernization of grid resilience to meet climate change disruptions of over $150 million, all anticipated to be spent between 2020 and 2024. This plan was approved by the Oklahoma Corporation Commission on Oct. 5, 2020. In 2020 the Company spent almost $90 million on this grid resilience and modernization effort.
o This investment to mitigate risk and improve resilience is reviewed annually in the formal ERM process plus at every board update given the size and criticality of the investment.

C2.2a

(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Current regulation is considered in the Company's assessments of climate-related risk because it sets standards to which the Company must adhere and non-compliance can lead to operational costs or reputational impacts. The Company tracks the development and implementation of climate-related regulation closely. Clean Air Act Sections 111(b) and 111(d) respectively, have initiated climate regulation relevant to OG&E. The Clean Power Plan rule finalized by the Obama Administration and the Affordable Clean Energy rule finalized by the Trump Administration have both been either replaced or struck down. Further steps and a timeline from the

		Biden Administration to regulate greenhouse gas emissions from power plants are not currently clear.
Emerging regulation	Relevant, always included	Emerging federal or state climate regulation is a risk type considered by OG&E on a continual basis. A dedicated department follows developments in the U.S. congress, state legislatures and various agencies which could seek to control carbon emissions or drive a change in market policy and the resources we use to generate electricity. The forms of such legislation or regulation are various and have evolved over time from those aimed at reducing CO2 emissions directly including cap and trade and tax or fee programs, to renewable portfolio standards (RPS) which incentivize the greater deployment of renewable resources and most recently clean energy standards (CES) which incentivize greater utilization of zero-emissions resources. The federal agencies engaged in these initiatives have expanded beyond the U.S. EPA to now include FERC, DOE and the SEC among others. Fundamentally, the two main components in assessing potential risk are the magnitude and timing of any program's requirements. OG&E is a member of a 14-state regional transmission organization (RTO) and integrated market. As such, RTO economics also have an impact and as a regulated utility, incurred operational costs are generally passed on to customers. Currently, 92% of OG&E's owned and operated generation portfolio is fossil fueled and 58% of the power that OG&E purchases from the Southwest Power Pool's (SPP) integrated market (IM), is also fossil-fuel based. In the IM, SPP dispatches generation across its 14-state area generally based on economic merit. Any program that directly disadvantages fossil fuel through a tax or fee on emissions or indirectly through market incentives for non-fossil fueled resources, could adversely impact the economics of both the RTO and the Company's generation resources. The Company's 2021 IRP includes multiple sensitivities and scenarios as part of its risk analysis. Sensitivities include a CO2 tax sensitivity and various natural gas price forecasts. The IRP also includes an "Energy Evolution" scenario modeling coal capacity reduction through accelerated coal unit conversions and retirements within the SPP. Emerging regulations as described above not only have the potential to impact the Company's operations but future investment decisions as well. As such,

		the Company's ERM process, its IRP process and its federal policy groups among others, work together to help manage risks.
Technology	Relevant, always included	Technology is a risk type regularly considered in the Company's assessments of climate-related risk. The company faces a variety of technology-related risks that could impact our operations, including costs of operations, as well as our ability to meet future targets or mandates related to renewable energy and carbon reduction. The Company is highly invested in operational technologies that are critical to the efficient operation of our grid, from fully deployed smart meters and system automation to investments in solar and wind technologies. These operating technologies are highly interdependent and reliant on communications networks and cyber security. An existing and future technology-related risk is the ongoing security of the technology of our grid, as well as the operation of the network and data technologies that support our grid technologies. Investments in intelligent grid devices, smart meters, and automated control systems are enabling a "self-healing" grid that speeds the restoration process by quickly identifying and isolating outages and are a key part of our strategy. Thus, these technologies must remain well integrated, secure and functioning effectively as we become increasingly technology-enabled in our operating technologies. With respect to generation technologies, as the company adopts renewables and storage technologies on our grid, as well as integrating consumer distributed energy resources (such as residential solar), the ability to integrate those technologies into our operations and ensure reliability, resilience and security is key. The Company's Grid Integration and Innovation Department helps identify and test new energy and grid technologies and assess the risks of integration of new technologies. In the recently released IRP draft, the base case and several sensitivities and scenarios included the expansion of new technologies including solar, hydrogen capable combustion turbines and battery technologies. The adoption and expansion of these technologies could create operational risks and additional operating costs if they do not operate as expected.
Legal	Relevant, always included	Legal considerations are a risk type regularly considered in the Company's assessments of climate-related risk. Enactment of national or state-level climate-related legislation may create legal requirements for the Company. The potential risks resulting from such requirements are evaluated on an ongoing basis. On April 22, 2021, President Biden announced a target for the U.S. in association with the United Nations' "Paris Agreement" on climate change. The target consists of a 50 to 52 percent reduction from

		2005 levels in economy-wide net greenhouse gas emissions in 2030. President Biden also has stated that a goal of his administration is to see the electric power industry fully decarbonized by 2035. The details of these announcements and a precise characterization of risk are not available, however, the "Paris Agreement" or other legal requirements that result in enforceable greenhouse gas emission reduction requirements could lead to increased compliance costs for OGE Energy. In addition, the Company may be subject to financial risks from private party litigation relating to greenhouse gas emissions. Defense costs associated with such litigation can be significant and an adverse outcome could require substantial capital expenditures and could possibly require payment of substantial penalties or damages. Such payments or expenditures could affect results of operations, financial condition or cash flows if such costs are not recovered through regulated rates.
Market	Relevant, always included	Market impacts are a risk type regularly considered in the Company's assessments of climate-related risk. Market impacts may result from newly enacted climate legislation or from changes in fuel prices and solar capital costs, among other things. Risk types might include rendering the Company's assets less competitive in the wholesale power market. If legislation or regulations are passed at the federal or state levels in the future requiring mandatory reductions of CO2 and other greenhouse gases at OG&E's facilities or that affect the pricing of fuels, this could result in significant additional compliance costs or direct operational costs that would affect OG&E's future financial position, results of operations and cash flows if such costs are not recovered through regulated rates.
Reputation	Relevant, always included	Reputation is a risk type considered in the Company's assessments of climate-related risk. There are increasing risks for energy companies from shareholders currently invested in fossil-fuel energy companies concerned about the potential effects of climate change who may elect in the future to shift some or all of their investments into entities that emit lower levels of greenhouse gases or into non-energy related sectors. Institutional investors and lenders who provide financing to fossil-fuel energy companies also have become more attentive to sustainable investing and lending practices and some of them may elect not to provide funding for fossil fuel energy companies. To the extent financial markets view climate change and emissions of greenhouse gases as a financial risk, this could negatively affect our ability to access capital markets or cause us to receive less than ideal terms and conditions.

Acute physical	Relevant, always included	Acute physical risks are a risk type considered in the Company's assessments of climate-related risk through our enterprise risk management process and our ongoing operations management. To the extent that any climate change adversely affects the national or regional economic health through physical impacts, OG&E may experience adverse financial impacts including reduced revenues or additional operating costs. The Company has long established risk management processes related to acute physical risks. OG&E's service area is considered to be one of the top 5 locations in the US for extreme weather events. Examples of acute physical risks that have occurred in OG&E's service area in just the last 5 years include: tornadoes, polar vortex/extreme cold, severe thunderstorms, ice storms, flooding, drought and wildfires. These acute physical risks have impacts on our transmission and distribution grid as well as on our generation facilities. An example of an acute physical event in 2020 was the October ice storm. The ice storm was one of the Company's most severe, with approximately 475,000 unique customer outages, representing 60% of the Company's Oklahoma customers and 54% of circuits. Because the storm arrived earlier in the year than normal, trees had not yet lost their leaves causing the ice to add weight to the branches, creating a much larger event and making it difficult to restore service because of the increased vegetation management required. During the restoration process, which included more than 4,400 personnel from OG&E and companies from 18 other states and Canada representing over 700,000 restoration hours. Crews encountered at least 40% more damage to service lines in customer back yards than what is typically the case in a normal season ice storm. Crews trimmed or removed more than 40,000 trees, repaired or replaced more than 2,400 poles and crossarms, nearly 500 transformers repaired or replaced and over 170 transmission structures.
Chronic physical	Relevant, always included	Chronic physical risks are considered in the Company's climate-related risk analysis. OGE's risk management process has identified long-term weather impacts (chronic physical risks) as a key risk – especially given the location of our service territory and the prevalence and frequency of extreme weather events in our area. OG&E's operations will be adversely affected from frequent changes in precipitation patterns and increased mean temperatures. Unpredictable variations in temperatures and precipitation will make it difficult to predict the energy demand and create difficulty in making long-term planning and operating decisions. This risk will also impact our investment decisions. Changes in weather patterns in our area could have significant impacts on our ability to serve our load and adversely impact the cost of providing service to our customers, as well as the investments required to maintain grid resilience. For example, weather

		pattern changes could lead to increased frequency of ice storms, tornadoes, and extreme variations in weather such as the Company has experienced in the last few years (e.g., the Oct. 2020 ice storm was the worst ice event in the Company's history). Additionally, increased flooding and/or drought could have a direct impact on the operations of our generation plants that are located near bodies of water and substations critical to our grid operations. Higher precipitation could potentially impact our vegetation management requirements and increase costs to our customers. The October 2020 ice storm demonstrated the impact of changes in weather patterns, with ice accumulating on foliage that had not yet dropped their leaves (abscission) – leading to severe outages and delays in restoration. An example of how the Company has been evaluating options to mitigate these risks for years can be seen in the Company's 2020 filing of its Oklahoma Grid Enhancement plan. The plan focuses on resiliency and reliability of the distribution system by making investments in hardening the physical infrastructure as well as the automation and communications needed to allow the grid to respond to outages automatically. These projects have been deployed in Arkansas over the last 3 years and are providing positive customer value and improved performance in severe weather events. Investments in Grid Enhancement projects in Oklahoma are estimated at over $810MM through 2024 and may include additional investments beyond that timeframe.

C2.3

(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.3a

(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Risk 1

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Technology

Transitioning to lower emissions technology

Primary potential financial impact

Increased direct costs

Company-specific description

Technology is a risk type regularly considered in the Company's assessments of climate-related risk.

With respect to generation technologies, as the Company adopts zero emitting generation technologies, the ability to integrate those technologies into our operations and ensure reliability and affordability is key. In the recently released IRP draft (August 2021), the base case and several sensitivities and scenarios included the expansion of new technologies including solar, hydrogen capable combustion turbines and battery technologies. The adoption and expansion of these technologies could create operating risks and additional operating costs if they do not operate as expected. The IRP states that OG&E evaluated more than one million portfolios that meet the capacity needs utilizing a combination of potential future resources of various technology types, sizes and availability.

The current draft IRP analysis shows the lowest reasonable cost plan is a balanced portfolio of solar resources and combustion turbines. This plan helps maintain system resiliency, advances fuel and technology diversity of the generation fleet, improves operational flexibility and expands OG&E’s renewable generation portfolio. The current proposal for the IRP draft demonstrates that other technology portfolios could lead to higher costs (as calculated in Net Present Value of Customer Costs (NPVCC)) as the various scenarios and sensitivities for an adoption of options such as batteries, additional wind or increased solar were more expensive to deploy and would lead to higher costs for OGE’s customers, if the costs are recovered in rates. The NPVCC is calculated as a net present value of the sum of return on rate base plus expenses plus net production costs. More specifically, the current base case portfolio option in the draft IRP reflects a 18-22% lower NPVCC (Solar and CT versus more expensive solar only or Solar then reciprocating engines portfolios respectively on the base gas pricing scenario). The Company expects to issue Requests for Proposal to further refine its estimates.

Time horizon

Short-term

Likelihood

Very likely

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The potential financial impact has not been calculated at this time.

Cost of response to risk

0

Description of response and explanation of cost calculation

The cost to respond to this risk cannot be quantified at this time given the status of the IRP process.

OG&E continually evaluates the risks associated with the adoption and expansion of new generating technologies by assessing its portfolio mix across the short-, medium- and long-term time horizon .

As stated in the draft IRP the next step expected in the IRP process is that OGE expects to issue requests for proposals to meet the capacity requirements and other IRP objectives for the Company for future generation designed to advance cleaner generation and maintain affordability and increase efficiency.

Comment

Identifier

Risk 2

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Chronic physical

Changes in precipitation patterns and extreme variability in weather patterns

Primary potential financial impact

Other, please specify

Increased operational cost, Increased capital cost, Reduced demand for goods/services, Reduction/disruption in production capacity, Reduction in capital availability

Company-specific description

OGE's risk management process has identified long-term weather impacts as a key risk – especially given the location of our service territory and the prevalence and frequency of extreme weather events in our area. OG&E's operations will be adversely affected from frequent changes in precipitation patterns and increased mean temperatures. Unpredictable variations in temperatures and precipitation will make it difficult to predict the energy demand and create difficulty in making long-term planning and operating decisions. Changes in weather patterns in our area could have significant impacts on our ability to serve our load and adversely impact the cost of providing service to our customers, as well as the investments required to maintain grid resilience. For example, weather pattern changes could lead to increased frequency of ice storms, tornados, and extreme variations in weather such as the Company has experienced in the last few years. An example is the Oct. 2020 ice storm in our service area was the worst ice event in the Company's history. The October 2020 ice storm demonstrated the significant potential impact of changes in weather patterns, with ice accumulating on foliage that had not yet dropped their leaves (abscission) – leading to severe outages and delays in restoration. The storm impacted over 54% of the grid circuits and 60% of the Company's customer base. The storm required over 700,000 hours from over 4,400 restoration personnel to restore power. Crews trimmed or removed more than 40,000 trees, and crews repaired or replaced more than 2,400 poles and crossarms, 500 transformers and over 170 transmission structures.

Additionally, increased flooding and/or drought could have a direct impact on the operations of our generation plants that are located near bodies of water and require sufficient water for their operations and substations critical to our grid operations. Higher precipitation could potentially impact our vegetation management requirements and increase costs to our customers. Extremes of temperature, which are already prevalent in OG&E's service area, were they to increase in frequency or intensity, could also have a significant impact on the Company's costs (and customer bills) as the Company would have to produce additional electricity to meet demands in summer and potentially in winter beyond regular increases typically of the region.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact figure for how chronic physical risks will increase operational cost, increase capital investment costs, reduce demand for goods/services or reduce capital availability cannot be quantified at this time.

Cost of response to risk

810,000,000

Description of response and explanation of cost calculation

The Company's investments in the Grid, addressing the impacts of chronic physical risk, are evidenced in its 2020 its Oklahoma Grid Enhancement plan filing. The plan focuses on resiliency and reliability of the distribution system by making investments in hardening the physical infrastructure as well as the automation and communications needed to allow the grid to respond to outages automatically. These projects have been deployed in Arkansas since 2018 focusing on 14 circuits and 6 substations in the Ft. Smith area originally and an additional 18 substations and 37 circuits thereafter. In the first year of implementation, the enhanced circuits demonstrated a 60% improvement in reliability over their performance during the previous 3-year average. Investments in Grid Enhancement projects in Oklahoma were filed as $810 million between 2020 and 2024 The breakdown of investment estimated in the Oklahoma Grid Enhancement plan reflected resiliency investments estimated at $382.4 million; grid automation investments estimated at $272.8 million and communications systems plus technology platforms and application to support the enhancements which are estimated at about $155 million. This plan estimate is likely to grow as OG&E continues to invest in grid resilience beyond 2024.

Comment

Identifier

Risk 3

Where in the value chain does the risk driver occur?

Direct operations

Risk type & Primary climate-related risk driver

Acute physical

Increased severity and frequency of extreme weather events such as cyclones and floods

Primary potential financial impact

Increased direct costs

Company-specific description

Acute physical risks are a risk type considered in the Company's assessments of climate-related risk through our enterprise risk management process and our ongoing operations management. To the extent that any climate change adversely affects the national or regional economic health through physical impacts, OG&E may experience adverse financial impacts including reduced revenues or additional operating costs. The Company has long established risk management processes related to acute physical risks. OG&E's service area is considered to be one of the top 5 locations in the US for extreme weather events. Examples of acute physical risks that have occurred in OGE's service area in just the last 5 years include: tornadoes, polar vortex/extreme cold, severe thunderstorms, ice storms, flooding, drought and wildfires. These acute physical risks have impacts on our transmission and distribution grid as well as on our generation facilities. An example of an acute physical event in 2020 was the October ice storm. The ice storm was one of the Company's most severe with over 475,000 unique outages, or approximately 60% of the Company's Oklahoma customers. Because the storm arrived earlier in the year than normal, trees had not yet lost their leaves causing the ice to add weight to the branches, creating a much larger event and making it difficult to restore service because of the increased vegetation management required. During the restoration process, which included more than 4,400 personnel from OG&E and 18 other states and Canada, crews encountered at least 40% more damage to service lines in customer back yards than what is typically the case in a normal season ice storm. In OGE's service territory crews replaced nearly 65 miles of service lines and trimmed or removed more than 40,000 trees, repaired or replaced more than 2,400 poles and crossarms, nearly 500 transformers and over 170 transmission structures; 265 substations and 697 circuits representing 54% of all circuits were impacted.

Time horizon

Long-term

Likelihood

About as likely as not

Magnitude of impact

High

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The costs of this event have not yet been calculated fully and will be included in rate proceedings with the Oklahoma Corporation Commission. Additionally, this is an illustrative example of acute storm event risks.

Cost of response to risk

0

Description of response and explanation of cost calculation

The cost to respond to this risk cannot be quantified at this time. As part of the overall risk management process, a detailed review of acute physical risks is part of the annual risk evaluation and functional management plans. The Company has had an active FEMA developed Incident Command System ICS that is initiated before any major event. The ICS structure was implemented in 2009 as a result of previous ice storm and a desire to improve restoration planning, coordination and restoration. The Company initiated the ICS in advance of this storm. A key component of ICS is management of damage assessment and restoration. The ICS also prioritized assessment and restoration to critical services and then focused on systematic restoration of power to the greatest number in the least amount of time.

As an example of how the Company has responded to an immediate acute physical risk during the October 2020 storm, crews replaced nearly 65 miles of service lines and trimmed or removed more than 40,000 trees and repaired or replaced more than 2400 poles and crossarms, nearly 500 transformers and 170 transmission structures.

The investments in the Oklahoma Grid Modernization Plan of $810 million should help mitigate impacts of future events and provide data and information on the status of circuits in outage. Additionally, reviewing and implementing risk mitigation options including increased vegetation management, replacement of aging poles and other enhancements to mitigate future impacts. The Company continues to review processes and data that can expedite restoration with any acute physical event. Also, the Company is implementing an enhancement of outage information pages on its website to assist customers in receiving timely and clear information regarding outages.

In the Company's 10-K for the year ended December 31, 2020, the Company noted that on November 17, 2020, the Public Utility Division of the Oklahoma Corporation Commission initiated an examination and review of all distribution utilities and cooperatives affected by the storm into the mitigation efforts, restoration processes and proposed improvements for future related or similar events.

Comment

C2.4

(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?

Yes

C2.4a

(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.

Identifier

Opp1

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

OG&E's existing portfolio of electric generating facilities consists of owned thermal generation, owned renewable resources and four PPAs; however, six of OG&E's owned generation resources are planned to retire over the next 10 years. As OG&E plans its future resources and generation portfolio, the company believes there is financial opportunity in replacing older units with newer technology that uses lower-emission sources. Redeveloping existing facilities such as Horseshoe Lake provide benefits such as land,

water rights, emission permits and are already strategically connected to the existing electric transmission infrastructure. In addition, their locations near OG&E's largest load center offer opportunities to maintain the locational reliability these sites have provided to OG&E's system for many years. Projects to implement more solar and combustion turbines within our operations will contribute to OG&E's technology diversity by replacing legacy steam gas resources with modern quick-start combustion turbines. Today, combustion turbines have the flexibility to utilize a hydrogen blend as a fuel, but the rapid manufacturers are designing 100% hydrogen capable combustion turbines that will be available to the market in the next few years and align well with OG&E's goal to reduce CO2 emissions to 50 percent below 2005 levels by 2030.

Time horizon

Long-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

The financial impact will become available as resource requests for proposal are completed.

Cost to realize opportunity

400,000,000

Strategy to realize opportunity and explanation of cost calculation

OG&E's strategy has been to continue supporting regional energy grid reliability and resiliency while ensuring that Oklahoma customers receive the benefit of the lowest reasonable cost. In 2018, OG&E completed construction of Mustang Energy Center. which replaced the 1950s-era power generating units with seven modern natural gas-fired quick-start combustion turbines. With the inclusion of these new natural gas-fired units, the Mustang Energy Center has the ability to start and supply electricity to the grid in less than ten minutes supporting renewables in the SPP system. . As the home to modern, natural

gas-fired units and Oklahoma's first universal solar farm, the Center will continue to play an important role in the future of balancing grid reliability and renewable energy sources. The cost of response, $400 million, was the investment the company made in the Mustang Energy Center modernization project and illustrates one example of the cost that is required to leverage these energy source opportunities.

Comment

Identifier

Opp2

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Other, please specify

Development and/or expansion of low emission energy sources associated with policy changes

Primary potential financial impact

Returns on investment in low-emission technology

Company-specific description

OG&E developed an Energy Evolution scenario to analyze the potential impact that could be caused by federal policy leading to increased electrification and a region-wide accelerated coal-fired generation retirement schedule. Increased electrification could involve changes in the residential, commercial, industrial, and transportation sectors resulting in increased load on the power grid. According to this scenario, OG&E determined that the load demand to the Southwest Power Pool (SPP) could increase by 14% by 2031 compared to the base case, which estimates the increase to be around 6% by the same year. Additionally, this scenario projected a reduced SPP coal capacity by more than 40% compared to the base case which projected a reduction by approximately 10%. The base case utilizes EIA AEO 2021 Fuel Reference Case and existing laws and regulations. The increase of electrification within the OG&E service territory could accelerate the need for new, cleaner generation to meet system demands. Additionally, under this scenario, the accelerated retirement of coal assets within the OG&E service territory could also encourage the replacement or conversion of coal assets with cleaner energy solutions.

Time horizon

Medium-term

Likelihood

About as likely as not

Magnitude of impact

Medium

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

Not yet calculated.

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

In the draft IRP scenarios to evaluate the best potential portfolio that will enable OG&E to meet its capacity requirements in 2023, the Company determined that the 100 least cost portfolios consistently contain combinations of solar and combustion turbines. The Company also determined that a combination of solar generation and combustion turbines are the most cost-effective option for OG&E's post-2023 needs. OG&E then assessed each portfolio under the various sensitivities and scenarios to determine how each portfolio performed when a particular assumption was adjusted. The sensitivity analysis evaluated the impact of changes in a single input assumption; sensitivities evaluated for risk were future fuel prices, SPP load, a potential CO2 tax and solar project capital costs. The Sensitivity and Scenario analysis identified the preferred plan would likely be the Solar/CT portfolio because it balances customer costs with projected outcomes. Under an Energy Evolution (Increased electrification, accelerated coal retirements) scenario, we determined that a solar/CT portfolio would impact NPVCC by $745 million over a 30-year time horizon compared to the Solar/CT portfolio of $1182 million. Although the Company has not yet made a final decision on future resource portfolios, and any decisions are subject to approval by the applicable regulatory agencies.

Comment

Identifier

Opp3

Where in the value chain does the opportunity occur?

Direct operations

Opportunity type

Energy source

Primary climate-related opportunity driver

Use of lower-emission sources of energy

Primary potential financial impact

Reduced direct costs

Company-specific description

OG&E has identified potential opportunities in its existing and future portfolio through evaluation of future incremental capacity needs. The company analyzed more than one million portfolios to identify ways to meet capacity needs over the next 10 years and determined that the 100 least cost portfolios consistently contain combinations of solar and combustion turbines. In the assessment, OG&E first analyzed the technologies available by 2023, which included solar, battery, hybrid and wind resources; after determining that solar was the lowest reasonable cost resource option in 2023, OG&E then assessed the resource options for its needs in 2025 and beyond. Each portfolio was assessed under various sensitivities and scenarios including future fuel prices, SPP load, a potential CO2 tax and solar project capital costs. We determined that a combination of solar generation and combustion turbines were the most cost-effective option for OG&E's post-2023 needs under the Base Case. Solar in 2023 will expand the Company's renewable resources and enhance Fuel & Technology Diversity while also being the lowest cost option when compared to batteries, solar/battery hybrids and wind.

Time horizon

Short-term

Likelihood

Likely

Magnitude of impact

Medium-low

Are you able to provide a potential financial impact figure?

No, we do not have this figure

Potential financial impact figure (currency)

Potential financial impact figure – minimum (currency)

Potential financial impact figure – maximum (currency)

Explanation of financial impact figure

When holding the rest of the portfolio constant, the Solar resource in 2023 results in the lowest net present value of customer costs for the portfolio

Cost to realize opportunity

0

Strategy to realize opportunity and explanation of cost calculation

OG&E will have capacity needs beginning in 2023. Although the Company has not yet made a final decision on future resource portfolios, it has completed analysis of potential resource portfolios and has determined that the lowest Expected Cost to Customers in the Base Case scenario is a combination of solar and combustion turbine resources. The solar resources in the preferred plan will expand OG&E's renewable generation fleet, and combustion turbines will have the ability to respond quickly in the SPP to enable and support the growth of renewable generation resources into the region. This plan will allow the Company to cost-effectively meet capacity needs going forward with newer technology including hydrogen-capable combustion turbines and zero-emitting resources, consistent with OG&E's Environmental Stewardship objective and lowering OG&E's carbon intensity. We have developed a five-year action plan to outline the steps OG&E will take to address its capacity needs from 2022-2026. As part of the plan, OG&E expects to retire several existing thermal sources by 2025 and issue an RFP for the resources that were identified in the preferred plan.

Comment

C3. Business Strategy

C3.1

(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?

Yes, and we have developed a low-carbon transition plan

C3.1a

(C3.1a) Is your organization's low-carbon transition plan a scheduled resolution item at Annual General Meetings (AGMs)?

	Is your low-carbon transition plan a scheduled resolution item at AGMs?	Comment
Row 1	No, and we do not intend it to become a scheduled resolution item within the next two years	

C3.2

(C3.2) Does your organization use climate-related scenario analysis to inform its strategy?

Yes, quantitative

C3.2a

(C3.2a) Provide details of your organization's use of climate-related scenario analysis.

Climate-related scenarios and models applied	Details
Other, please specify Periodic Integrated Resource Plan (IRP)	Triennial integrated resource planning is designed to evaluate potential future OG&E resource scenarios with various technology types, including zero emitting sources such as batteries and renewables. The following discussion is related to our 2021 IRP. Inputs and analysis: OG&E evaluated more than one million portfolios that meet the capacity needs utilizing a combination of potential future resources of various technology types, sizes and availability. The objective was to develop a resource plan that will allow the Company to most reasonably and affordably meet its capacity obligations over the 5 and 10 year planning horizons with due consideration of uncertainties attributable to planning assumptions and other items of value to OG&E customers. The following objectives were used to identify the best future portfolio: Capacity Obligation, Expected Cost to Customers, Exposure to Risks, Fuel & Technology Diversity, Operational Flexibility, Adaptability, Portfolio Age, Resiliency Benefits and Environmental Stewardship. OG&E utilized fuel price projections provided in the EIA 2021 Annual Energy Outlook to assist in developing a base case scenario; additionally, various assumptions were developed to assess a range of hypothetical future conditions. In total, 6 sensitivities (adjustment of a single assumption to measure impact to a specific variable), and 3 scenarios (designed by modifying more than one assumption) were analyzed.

	Time horizons: Up to 2026 and 2031. These are relevant to OG&E as they are in line with our medium-term time horizon as well as our 2030 expected carbon emission reduction from the OG&E electric generating fleet, which is consistent with the Paris Agreement and looks to reduce overall CO2 emissions to 50% below 2005 levels by 2030. Results: The analysis demonstrated that a blend of solar and combustion turbine resources mitigates exposure to risks across the range of sensitivities and scenarios. This balanced approach can fulfill the objective of Fuel & Technology Diversity and improve Operational Flexibility, Resiliency and the Portfolio Age of OG&E's generation fleet while also being Adaptable to changing assumptions in the future. How the results have informed strategy: OG&E plans to retire 3 natural gas-fired steam generating units over the next several years, beginning in 2023 which contributes to the capacity needs of 514 MW by 2026. To replace this need, we analyzed a variety of potential resource portfolios to determine the best portfolio that will satisfy OG&E's future capacity obligations. The portfolio analysis shows the lowest Expected Cost to Customers in the Base Case is a combination of solar and combustion turbine resources. The risk analysis demonstrates this approach mitigates Exposure to Risks across the range of sensitivities and scenarios analyzed. Although final decisions have not been made, and any decisions are subject to approval by the applicable state and federal regulatory commissions, OG&E's strategy is expected to actively explore the Solar/CT plan; the Company will issue an RFP(s) for resources identified in the preferred plan. Case study: As previously noted, comparing the Net Present Value of Customer Cost (NPVCC) of the Base Case to the NPVCC of each sensitivity and scenario showed how each portfolio performed under a range of assumptions. In addition to the base case scenario, OG&E evaluated the Low and High Fuel Supply scenarios and the Energy Evolution scenario in the draft IRP to determine the 30-year NPVCC of each and found that the Solar/CT portfolio was preferred because it has the lowest reasonable customer cost and it mitigates a variety of potential risks. Based on this finding, subsequent to the completion of the final IRP, OG&E expects to issue an RFP(s) for resources identified in the Solar/CT plan to meet the capacity requirements for 2022-2026 for future generation and increase efficiency, advance cleaner generation and maintain affordability.

C3.3

(C3.3) Describe where and how climate-related risks and opportunities have influenced your strategy.

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	OG&E leveraged its location in one of the nation's best wind resource areas by incorporating renewable (wind/solar) resources and advanced transmission technology, including phase-shifting transformers, to deliver the renewable energy and mitigate congestion on the power grid. This is expected to cover short (1-5 years), medium (5-10 years), and long (10-30 years) term time horizons as we increase the proportion of our renewable generation. In 2020 OG&E owned and contracted for 844 MW of electrical generation capacity from wind technologies. In October 2020, OG&E completed two 5-megawatt (MW) solar energy farms in southeast Oklahoma to help meet the renewable energy needs of the Chickasaw Nation and the Choctaw Nation respectively. During 2021, OG&E is expanding its Choctaw Nation/OG&E Solar Energy Center by an additional 5 MW, bringing the total solar capacity to 10 MW at that facility. Also, during 2021, OG&E anticipates initiating operation of its first solar farm in Arkansas, a 5 MW solar farm near Branch, Arkansas. The new farms, along with the Company's existing solar farms in Mustang, Oklahoma, and in Covington, Oklahoma are expected to bring total solar capacity to approximately 32 MW since beginning development of solar power installations in 2015. The Company is committed to the growth and prosperity of our communities and customers and remains connected to the places we serve, live and work. We have installed smart meters for virtually every customer in OG&E's service territory. With this technology, OG&E has developed customer use programs such as SmartHours, part of OG&E's Positive Energy Smart Grid Program, named the world's highest ranked smart grid project by VassaETT. SmartHours offers a Real Time Pricing option that communicates hourly prices to consumers, allowing them to shift their energy use to non-peak periods. Although the program does not register a direct and measurable reduction in emissions, it is intended to educate customers about how energy usage compares with pricing which is expected to have a behavioral impact resulting in

		energy use and emission reductions. OG&E promotes customer energy efficiency by providing demand-side management programs related to home and commercial energy efficiency, weatherization, and commercial lighting, saving more than 110,000 tons of CO2 in 2020.
Supply chain and/or value chain	Yes	Our River Valley plant became OG&E's third power plant to enter an agreement to have its fly ash reused. This agreement is expected to cover a medium (5-10 years) time horizon, but OG&E will continually evaluate its value chain strategy across short (1-5 years), medium (5-10 years), and long (10-30 years) terms. Our ash has been used in many state and county road constructions projects, including the construction of the I-40 Crosstown Expressway, a major artery through Oklahoma City. Using ash in this way also helps cement manufacturers minimize their impact on the environment by avoiding the need to extract and process other natural resources. Based on estimates from the American Coal Ash Association, OG&E fly ash recovered from the Sooner and Muskogee facilities and sold to the concrete and cement industries helped avoid over 3 million tons of CO2 emissions from cement manufacturing in the last 13 years.
Investment in R&D	Yes	OG&E budgeted nearly $500,000 in 2019 and 2020 for research at our OG&E Advanced Technologies Lab (ATL) into charging infrastructure for electric vehicles ("EV"). This strategy covers short (1-5 years), medium (5-10 years), and long (10-30 years) term time horizons because electrification overall will become a key part of our growth strategy. For example, we have set an operational target to reduce GHG emissions from light-duty vehicle fleets by 60% by 2030. As one part of its research efforts, the ATL is developing a cost-effective means to integrate EV charging stations into the grid with recycled, locally sourced EV batteries specially designed for this purpose.
Operations	Yes	The Company is a strong advocate for electric vehicle (EV) technology and its deployment. In 2016, OG&E was a founding member of the Oklahoma Electric Vehicle Coalition, a diverse group of stakeholders working toward the development and expansion of the electric vehicle market in Oklahoma. Coalition members are working to increase EV adoption in Oklahoma through efforts such as increasing availability of EV charging locations, targeted marketing to commuters and early

		adopters, ride and drive events, promotional incentives and fleet investments. Additionally, members are identifying and investigating policy, legislative and regulatory opportunities to support EV adoption. OG&E plans to electrify its transportation and service vehicle fleets and expand its electric vehicle ("EV") charging infrastructure. In September 2020, OG&E announced it would reduce greenhouse gas emissions from vehicle fleets an estimated 60% by 2030. To achieve the goal, we will replace 50 percent of our light-duty vehicles with electric vehicles (EVs) by 2025 and 100 percent by 2030. We also will purchase more fuel-efficient medium- and heavy-duty trucks and, where possible, reduce engine idling emissions by using Electric Power Take Off (ePTO) systems. ePTO systems power aerial buckets, cranes, hoists, augurs, and other large vehicle-mounted equipment with electricity instead of a diesel fueled engine. These actions will reduce GHG emissions by reducing the consumption of energy from non-renewable sources such as gasoline and diesel fuel. The time horizon covered is expected to be medium-term (5-10 years) and long-term (10-30 years) as we continually work toward achieving our targets and evaluate new projects to advance EV charging infrastructures.

C3.4

(C3.4) Describe where and how climate-related risks and opportunities have influenced your financial planning.

	Financial planning elements that have been influenced	Description of influence
Row 1	Capital allocation	Changing energy demands and technological drive is expected to influence our capital allocation across short (1-5 years), medium (5-10 years) and long (10-30 years) term time horizons. As a case study of how our capital allocation has been influenced, for the recently filed IRP OG&E utilized a CO2 price through one of several sensitivity analyses to understand the impact to generating portfolios with the addition of a cost on CO2. The portfolio analysis shows that the lowest Expected Cost to Customers in the

		Base Case is a combination of solar and combustion turbine resources. The risk analysis demonstrates that this blend of resources mitigates Exposure to Risks across the range of sensitivities and scenarios analyzed. The balanced approach of solar and combustion turbines fulfills the objective of Fuel & Technology Diversity and improves Operational Flexibility, Resiliency and the Portfolio Age of OG&E's generation fleet while also being adaptable to changing assumptions in the future. The scenario analysis evaluates the impact of changes to multiple assumptions at the same time. We analyzed each portfolio using the base case scenario, along with the Low and High Fuel Supply scenarios to determine the 30-year NPVCC and found that the Solar/Combustion Turbine option was preferred because it has the lowest customer cost in the Draft IRP Base Case and it mitigates a variety of potential risks. As a result, OG&E expects to issue an RFP(s) for resources identified in the Solar/CT plan to meet the capacity requirements and other IRP objectives of the Company for future generations designed to increase efficiency, advance cleaner generation and maintain affordability.

C3.4a

(C3.4a) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).

C4. Targets and performance

C4.1

(C4.1) Did you have an emissions target that was active in the reporting year?

Absolute target

C4.1a

(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.

Target reference number

Abs 1

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Base year

2005

Covered emissions in base year (metric tons CO2e)

21,445,571

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

99

Target year

2019

Targeted reduction from base year (%)

40

Covered emissions in target year (metric tons CO2e) [auto-calculated]

12,867,342.6

Covered emissions in reporting year (metric tons CO2e)

12,333,768

% of target achieved [auto-calculated]

106.2201025097

Target status in reporting year

Achieved

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

At the end of 2018, the Company set CO2 emission reduction expectations for OG&E. Our actions to date reinforce our commitment to reducing our environmental footprint. our CO2 emissions have decreased by over 40% below 2005 levels. The Company has not officially aligned with the Science-Based Targets Initiative at this time, however based upon the Company's current reductions versus 2005 baseline and the expected reductions in carbon

of 50% by 2030, the Company believes it is in alignment with the goals put forth by the Paris Climate Agreement and the International Panel on Climate Change (IPCC) goals of limiting global temperature increase to 1.5 degrees Celsius through 2030. Referencing the attachment under C12.4, the chart superimposes the relative magnitude of OGE future emissions expectations onto a set of IPCC pathways limiting global warming to 1.5 degrees C. Note that OGE emissions through at least 2030 have superior performance to or fall within the range of IPCC pathways.

Target reference number

Abs 2

Year target was set

2018

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Base year

2005

Covered emissions in base year (metric tons CO2e)

21,445,571

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

99

Target year

2030

Targeted reduction from base year (%)

50

Covered emissions in target year (metric tons CO2e) [auto-calculated]

10,722,785.5

Covered emissions in reporting year (metric tons CO2e)

12,333,768

% of target achieved [auto-calculated]

84.9760820078

Target status in reporting year

Underway

Is this a science-based target?

Yes, we consider this a science-based target, but it has not been approved by the Science-Based Targets initiative

Target ambition

1.5°C aligned

Please explain (including target coverage)

At the end of 2018, the Company set CO2 emission reduction expectations for OG&E. Our actions to date reinforce our commitment to reducing our environmental footprint. our CO2 emissions have decreased by over 40% below 2005 levels. The Company has not officially aligned with the Science-Based Targets Initiative at this time, however based upon the Company's current reductions versus 2005 baseline and the expected reductions in carbon of 50% by 2030, the Company believes it is in alignment with the goals put forth by the Paris Climate Agreement and the International Panel on Climate Change (IPCC) goals of limiting global temperature increase to 1.5 degrees Celsius through 2030. Referencing the attachment under C12.4, the chart superimposes the relative magnitude of OGE future emissions expectations onto a set of IPCC pathways limiting global warming to 1.5 degrees C. Note that OGE emissions through at least 2030 have superior performance to or fall within the range of IPCC pathways.

Target reference number

Abs 3

Year target was set

2020

Target coverage

Company-wide

Scope(s) (or Scope 3 category)

Scope 1

Base year

2019

Covered emissions in base year (metric tons CO2e)

780

Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)

0.01

Target year

2030

Targeted reduction from base year (%)

60

Covered emissions in target year (metric tons CO2e) [auto-calculated]

312

Covered emissions in reporting year (metric tons CO2e)

513

% of target achieved [auto-calculated]

57.0512820513

Target status in reporting year

Underway

Is this a science-based target?

No, but we are reporting another target that is science-based

Target ambition

Please explain (including target coverage)

OG&E is electrifying its transportation and service vehicle fleets and expanding its electric vehicle ("EV") charging infrastructure. The Company plans to incrementally replace its light-duty vehicle fleet until 100 percent are EVs. In September 2020, OG&E announced it would reduce greenhouse gas emissions from vehicle fleets an estimated 60% by 2030. To achieve the goal, we will replace 50 percent of our light-duty vehicles with electric vehicles (EVs) by 2025 and 100 percent by 2030. We also plan to purchase more fuel-efficient medium- and heavy-duty trucks and, where possible, reduce engine idling emissions by using Electric Power Take Off (ePTO) systems. ePTO systems power aerial buckets, cranes, hoists, augurs, and other large vehicle-mounted equipment with electricity instead of a diesel fueled engine. These actions will reduce GHG emissions by reducing the consumption of energy from non-renewable sources such as gasoline and diesel fuel. Only the light duty fleet emission reductions are characterized in the response.

C4.2

(C4.2) Did you have any other climate-related targets that were active in the reporting year?

No other climate-related targets

C4.3

(C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

C4.3a

(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	0
To be implemented*	0	0
Implementation commenced*	2	120,000
Implemented*	5	5,020,000
Not to be implemented	0	0

C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

Initiative category & Initiative type

Low-carbon energy generation

Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

20,000

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

15,000,000

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

Emissions reduction initiatives that were active within the reporting year include solar generation for the grid from existing OG&E solar powerplants. There is no monetary savings because this initiative does not provide solar electricity consumed by OG&E, but generated for consumption by customers. Estimated emissions displaced are based on estimated generation multiplied by an emission factor for OG&E owned and operated generation. Investment required is forecast for solar installations in 2021 as provided in SEC Form 10-K and assumed similar to 2020 development; for competitive reasons, OG&E does not provide actual expenditure.

Initiative category & Initiative type

Low-carbon energy generation

Other, please specify

Electricity generation at facilities where natural gas fuel replaced coal fuel.

Estimated annual CO2e savings (metric tonnes CO2e)

5,000,000

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

57,000,000

Payback period

21-25 years

Estimated lifetime of the initiative

21-30 years

Comment

Emissions reduction initiatives that were active within the reporting year also include electricity generation with natural gas fuel which replaced coal fuel. There is no monetary savings because this initiative does not provide electricity consumed by OG&E, but generated for consumption by customers.

Initiative category & Initiative type

Low-carbon energy generation
Solar PV

Estimated annual CO2e savings (metric tonnes CO2e)

120,000

Scope(s)

Scope 1

Voluntary/Mandatory

Voluntary

Annual monetary savings (unit currency – as specified in C0.4)

0

Investment required (unit currency – as specified in C0.4)

95,000,000

Payback period

>25 years

Estimated lifetime of the initiative

21-30 years

Comment

Emissions reduction initiatives that were active within the reporting year also include planned solar generation for the grid from new OG&E solar powerplants to be developed and existing solar plants with upgraded capacity. There is no monetary savings because this initiative does not provide solar electricity consumed by OG&E, but generated for consumption by customers. Estimated emissions displaced are based on an approximately 6-fold increase in solar generation which is proportional to previous investment, multiplied by an emission factor for OG&E owned and operated generation. Investment required is forecast for solar installations anticipated in 2021-2025 as provided in SEC Form 10-K.

C4.3c

(C4.3c) What methods do you use to drive investment in emissions reduction activities?

Method	Comment
Dedicated budget for energy efficiency	OG&E provides customer incentives for various types of energy efficiency, including, for example, home energy audits which inform homeowners of opportunities to reduce electricity consumption.

C4.5

(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?

Yes

C4.5a

(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.

Level of aggregation

Product

Description of product/Group of products

OG&E offers all customers the option to purchase power generated by renewable sources, from both wind and solar power plants.

Are these low-carbon product(s) or do they enable avoided emissions?

Low-carbon product and avoided emissions

Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions

Other, please specify

Renewable wind and solar power are inherently low-carbon.

% revenue from low carbon product(s) in the reporting year

Comment

C-EU4.6

(C-EU4.6) Describe your organization's efforts to reduce methane emissions from your activities.

Methane comprises a fraction of a percent of emissions from the Company's activities and consists of fugitive emissions from natural gas fuel supply infrastructure and the methane fraction of direct emissions from power plants (approximately 0.1 % of scope 1 CO2e). Nevertheless, routine facility-wide inspections are conducted at power generation facilities to ensure natural gas fuel supply equipment is maintained and operated in accordance with good air pollution control practices for minimizing emissions (which includes fugitive methane emissions). As a specific example of our fugitive methane reduction efforts, all eight power generation facilities that consume gas undergo routine maintenance which acts to minimize the amount of fugitive methane emissions and leakages. The facility-wide inspections vary, depending on the facility, but may include piping components such as valves and flanges that supply natural gas to burners, and equipment condition and function. In addition, OG&E has increased deployment and enablement of renewable generation. As a case study of our methane emission reduction efforts, in 2020 OG&E owned and contracted for 844 MW of electrical generation capacity from wind technologies. In October 2020, OG&E completed two 5-megawatt (MW) solar energy farms in southeast Oklahoma, one in Davis, Oklahoma, and one in Durant, Oklahoma, to help meet the renewable energy needs of the Chickasaw Nation and the Choctaw Nation respectively. During 2021, OG&E is expanding its Choctaw Nation/OG&E Solar Energy Center by an additional 5 MW, bringing the total solar capacity to 10 MW at that facility. Also during 2021, OG&E anticipates initiating operation of it's first solar farm in Arkansas, a 5 MW solar farm near Branch, Arkansas. The new farms, along with the Company's existing solar farms in Mustang, Oklahoma, and in Covington, Oklahoma are expected to bring total solar capacity to approximately 32 MW since beginning development of solar power installations in 2015.

C5. Emissions methodology

C5.1

(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).

Scope 1

Base year start

January 1, 2005

Base year end

December 31, 2005

Base year emissions (metric tons CO2e)

21,445,571

Comment

Scope 2 (location-based)

Base year start
January 1, 2014

Base year end
December 31, 2014

Base year emissions (metric tons CO2e)
259,254

Comment

Scope 2 (market-based)

Base year start

Base year end

Base year emissions (metric tons CO2e)

Comment
Not applicable

C5.2

(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.
US EPA Mandatory Greenhouse Gas Reporting Rule

C6. Emissions data

C6.1

(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?

Reporting year

Gross global Scope 1 emissions (metric tons CO2e)
12,407,823

Start date

January 1, 2020

End date

December 31, 2020

Comment

Past year 1

Gross global Scope 1 emissions (metric tons CO2e)

12,590,293

Start date

January 1, 2019

End date

December 31, 2019

Comment

C6.2

(C6.2) Describe your organization's approach to reporting Scope 2 emissions.

Row 1

Scope 2, location-based

We are reporting a Scope 2, location-based figure

Scope 2, market-based

We have no operations where we are able to access electricity supplier emission factors or residual emissions factors and are unable to report a Scope 2, market-based figure

Comment

C6.3

(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

Scope 2, location-based

150,134

Start date

January 1, 2020

End date

December 31, 2020

Comment

Past year 1

Scope 2, location-based

152,342

Start date

January 1, 2019

End date

December 31, 2019

Comment

C6.4

(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?

No

C6.5

(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

Evaluation status

Relevant, not yet calculated

Please explain

Capital goods

Evaluation status

Relevant, not yet calculated

Please explain

Fuel-and-energy-related activities (not included in Scope 1 or 2)

Evaluation status

Relevant, calculated

Metric tonnes CO2e

5,890,553

Emissions calculation methodology

Emissions are derived as: purchased power as reported in SEC 10-K multiplied by US EPA emission factor for the SPP south region in which OG&E generating facilities are located. 12,900,000 MWh * (1006.7 pounds per MWh / 2204.62 pounds per metric tonne) = 5,890,553 metric tonnes

Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

Please explain

Scope 3 category 3 emissions provided here are emissions associated with power purchased by OG&E from the Regional Transmissions Operator, the Southwest Power Pool Integrated Market, for sale and delivery to OG&E customers.

Upstream transportation and distribution

Evaluation status

Relevant, not yet calculated

Please explain

Waste generated in operations

Evaluation status

Relevant, not yet calculated

Please explain

Business travel

Evaluation status

Relevant, not yet calculated

Please explain

Employee commuting

Evaluation status

Relevant, not yet calculated

Please explain

Upstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

With respect to upstream leased assets, OG&E has leases covering 780 rotary gondola railcars to transport coal. There are no emissions from railcars, thus there are no scope 3 emissions from these leased assets. Note that, while train locomotive engines may have emissions when in operation, our lease does not include train locomotives.

Downstream transportation and distribution

Evaluation status

Not relevant, explanation provided

Please explain

Downstream transportation and distribution of our product to our customers is via electric transmission and distribution wires. Thus there are no Scope 3 emissions.

Processing of sold products

Evaluation status

Not relevant, explanation provided

Please explain

Electricity, OGE Energy's sold product, does not require "processing " it is simply consumed. Thus, there are no Scope 3 emissions.

Use of sold products

Evaluation status

Not relevant, explanation provided

Please explain

OGE Energy's sold product, electricity, is simply consumed. Thus, there are no Scope 3 emissions from the use use of sold products.

End of life treatment of sold products

Evaluation status

Not relevant, explanation provided

Please explain

There is no special end of life treatment for electricity, our sold product - it essentially disappears upon use. Thus there are no Scope 3 emissions.

Downstream leased assets

Evaluation status

Not relevant, explanation provided

Please explain

OGE Energy has no downstream leased assets with Scope 3 emissions.

Franchises

Evaluation status

Not relevant, explanation provided

Please explain

OGE Energy has no franchises with Scope 3 emissions.

Investments

Evaluation status

Relevant, not yet calculated

Please explain

Other (upstream)

Evaluation status

Relevant, not yet calculated

Please explain

Other (downstream)

Evaluation status

Relevant, not yet calculated

Please explain

C6.7

(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

No

C6.10

(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Intensity figure

0.006

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

12,557,958

Metric denominator

unit total revenue

Metric denominator: Unit total

2,122,300,000

Scope 2 figure used

Location-based

% change from previous year

3.6

Direction of change

Increased

Reason for change

The numerator (i.e., emissions) decreased by 1.5 percent in 2020, however the denominator (total operating revenue) in 2020 decreased due to decreased demand for electricity, in part due to the COVID pandemic.

Intensity figure

0.57

Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

12,557,958

Metric denominator

megawatt hour generated (MWh)

Metric denominator: Unit total

22,106,992

Scope 2 figure used

Location-based

% change from previous year

2

Direction of change

Decreased

Reason for change

The numerator (i.e., emissions) and the denominator (megawatt-hours generated) decreased in 2020 due to decreased demand for electricity, in part due to the COVID pandemic.

C7. Emissions breakdowns

C7.1

(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Yes

C7.1a

(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	12,327,594	IPCC Third Assessment Report (TAR - 50 year)

CH4	15,263	IPCC Third Assessment Report (TAR - 100 year)
N2O	31,071	IPCC Third Assessment Report (TAR - 100 year)
SF6	32,903	IPCC Third Assessment Report (TAR - 100 year)

C-EU7.1b

(C-EU7.1b) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

	Gross Scope 1 CO2 emissions (metric tons CO2)	Gross Scope 1 methane emissions (metric tons CH4)	Gross Scope 1 SF6 emissions (metric tons SF6)	Total gross Scope 1 emissions (metric tons CO2e)	Comment
Fugitives	0	0	1.4	32,903	CO2e metric tons converted SF6 metric tons using GWPs referenced above. OGE Energy does not operate a natural gas utility - such an entity could have fugitive methane emissions.
Combustion (Electric utilities)	12,333,768	727	100	12,364,491	Total CO2e emissions applies the GWP for CH4 and N2O and sums it with CO2.
Combustion (Gas utilities)	0	0	0	0	Note that OGE Energy does not operate a natural gas utility - such an entity could have combustion and fugitive methane emissions.
Combustion (Other)	30,692	1	0	30,723	These emissions are associated with small ancillary equipment such as emergency fire pump engines and are not

					directly related to power production.
Emissions not elsewhere classified	9,230	0	0	9,437	Total CO2e emissions applies the GWP for SF6 and CH4, adds CO2e for N2O, and sums them with CO2.

C7.2

(C7.2) Break down your total gross global Scope 1 emissions by country/region.

Country/Region	Scope 1 emissions (metric tons CO2e)
United States of America	12,407,823

C7.3

(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

By business division

C7.3a

(C7.3a) Break down your total gross global Scope 1 emissions by business division.

Business division	Scope 1 emissions (metric ton CO2e)
OGE Energy's electric utility operations are conducted through OG&E, which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas. There no other business divisions.	12,407,823

C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4

(C-CE7.4/C-CH7.4/C-CO7.4/C-EU7.4/C-MM7.4/C-OG7.4/C-ST7.4/C-TO7.4/C-TS7.4) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment

Electric utility activities	12,407,823	OGE Energy's electric utility operations are conducted through the Oklahoma Gas and Electric Company (OG&E), which generates, transmits, distributes and sells electric energy in Oklahoma and western Arkansas.

C7.9

(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Decreased

C7.9a

(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	5,789	Decreased	0.045	OGE Energy consumes electricity that is produced within the Southwest Power Pool (SPP), a wholesale power market in the central United States on behalf of a diverse group of utilities and transmission companies in 17 states. The share of power produced by renewables in the SPP during 2020 increased from 27.4% to 31.2%, a 3.8-point increase over 2019. Therefore, the quantity of zero-emission renewable energy consumed at OGE Energy facilities also increased by 3.8%, equivalent to an emissions decrease of 3.8% from 2019 Scope 2 emissions; the decrease from 152,342 metric tonnes in 2019 is 5,789 metric tonnes. Therefore, the percentage reduction from Scope 1 and 2 combined is 0.05%. ((12,743,625-5789) / 12,743,625)) * 100 = 0.045%
Other emissions	88	Decreased	0.8	Vehicle fleet emissions were reduced, in part due to the deployment of electric

reduction activities				vehicles in the OG&E fleet. OG&E encourages the use of electric vehicles (EVs) and is expanding its EV charging infrastructure, electrifying its fleet of electric vehicles, and, at its Advanced Technologies Lab, is testing advanced technologies to cost effectively integrate EV charging infrastructure into the OG&E territory. In September 2020, OG&E announced its goal to reduce greenhouse gas emissions from vehicle fleets an estimated 60% by 2030. To achieve the goal, we will replace 50 percent of our light-duty vehicles with electric vehicles (EVs) by 2025 and 100 percent by 2030. We also will purchase more fuel-efficient medium- and heavy-duty trucks and, where possible, reduce engine idling emissions by using Electric Power Take Off (ePTO) systems. ePTO systems power aerial buckets, cranes, hoists, augurs, and other large vehicle-mounted equipment with electricity instead of a diesel fueled engine. These actions will reduce GHG emissions by reducing or eliminating the consumption of energy from non-renewable sources such as gasoline and diesel fuel. Fleet emissions in 2019 were 10,490 metric tonnes and 10,402 metric tonnes in 2020. ((10,490 -10,402) / 10,490) * 100 = 0.8%
Divestment	0	No change	0	No divestment activities occurred for OGE Energy during 2020, therefore this question is not applicable.
Acquisitions	0	No change	0	No acquisition activities occurred for OGE Energy during 2020, therefore this question is not applicable.
Mergers	0	No change	0	No merger activities occurred for OGE Energy during 2020, therefore this question is not applicable.

Change in output	184,678	Decreased	1.5	Emissions decreased by 1.5 percent in 2020 due to decreased demand for electricity, in part due to the COVID pandemic. Combined Scopes 1 and 2 emissions for 2019 and 2020, respectively were 12,742,635 metric tonnes and 12,557,957 metric tonnes. ((12,742,635-12,557,957) / 12,742,635) * 100 = 1.5%
Change in methodology	0	No change	0	Methodology was unchanged.
Change in boundary	0	No change	0	Boundary was unchanged.
Change in physical operating conditions	0	No change	0	Physical operating conditions were unchanged.
Unidentified	0	No change	0	All emission change activities are identified here.
Other	0	No change	0	All emission change activities are identified here.

C7.9b

(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Location-based

C8. Energy

C8.1

(C8.1) What percentage of your total operational spend in the reporting year was on energy?

More than 20% but less than or equal to 25%

C8.2

(C8.2) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	No
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

C8.2a

(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.

	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of purchased or acquired electricity	2,371	5,131	7,502
Consumption of self-generated non-fuel renewable energy	0		0
Total energy consumption	2,371	5,131	7,502

C-EU8.2d

(C-EU8.2d) For your electric utility activities, provide a breakdown of your total power plant capacity, generation, and related emissions during the reporting year by source.

Coal – hard

Nameplate capacity (MW)

1,854

Gross electricity generation (GWh)

5,033

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

5,149,544

Scope 1 emissions intensity (metric tons CO2e per GWh)

1,023

Comment

Lignite

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no lignite generation owned or operated.

Oil

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no 100% oil generation owned or operated

Gas

Nameplate capacity (MW)

5,498

Gross electricity generation (GWh)

15,707

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

7,184,225

Scope 1 emissions intensity (metric tons CO2e per GWh)

457

Comment

Includes plants within the OGE operational reporting boundary, including 100% of the highly efficient Redbud and McClain natural gas-fired combined cycle facilities which OG&E operates on behalf of itself and its co-owners. Note that the combined intensity rate for Redbud and McClain natural gas-fired combined cycle facilities alone is 382 metric tons CO2e per GWh.

Biomass

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no biomass generation owned or operated.

Waste (non-biomass)

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no waste-fueled generation owned or operated.

Nuclear

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no nuclear generation owned or operated.

Fossil-fuel plants fitted with CCS

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no fossil plants fitted with CCS owned or operated.

Geothermal

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no geothermal generation owned or operated.

Hydropower

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no hydropower generation owned or operated.

Wind

Nameplate capacity (MW)

449

Gross electricity generation (GWh)

1,332,014

Net electricity generation (GWh)

1,332,014

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Solar

Nameplate capacity (MW)

22

Gross electricity generation (GWh)

35,477

Net electricity generation (GWh)

35,477

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Marine

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no marine generation owned or operated.

Other renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no other renewable generation owned or operated.

Other non-renewable

Nameplate capacity (MW)

0

Gross electricity generation (GWh)

0

Net electricity generation (GWh)

0

Absolute scope 1 emissions (metric tons CO2e)

0

Scope 1 emissions intensity (metric tons CO2e per GWh)

0

Comment

Not applicable, no other non-renewable generation types owned or operated.

Total

Nameplate capacity (MW)

7,823

Gross electricity generation (GWh)

22,107

Net electricity generation (GWh)

Absolute scope 1 emissions (metric tons CO2e)

12,333,768

Scope 1 emissions intensity (metric tons CO2e per GWh)

558

Comment

Plants within the OGE operational reporting boundary, including 100% of the Redbud and McClain facilities which OG&E operates on behalf of itself and its co-owners.

C-EU8.4

(C-EU8.4) Does your electric utility organization have a transmission and distribution business?

Yes

C-EU8.4a

(C-EU8.4a) Disclose the following information about your transmission and distribution business.

Country/Region

United States of America

Voltage level

Transmission (high voltage)

Annual load (GWh)

30,427

Annual energy losses (% of annual load)

4

Scope where emissions from energy losses are accounted for

Scope 1

Emissions from energy losses (metric tons CO2e)

507,273

Length of network (km)

8,690

Number of connections

438

Area covered (km2)

77,700

Comment

Energy and emissions losses are combined for the transmission and distribution systems; therefore note that total emission loss is provided in this portion of the response with the transmission value. OG&E service territory is 30,000 square miles. Annual load is total disposition of energy from US FERC Form 1. Number of connections are substations in Oklahoma and Arkansas from annual SEC 10-K.

Country/Region

United States of America

Voltage level

Distribution (low voltage)

Annual load (GWh)

30,427

Annual energy losses (% of annual load)

4

Scope where emissions from energy losses are accounted for

Scope 1

Emissions from energy losses (metric tons CO2e)

0

Length of network (km)

76,410

Number of connections

378

Area covered (km2)

77,700

Comment

Energy and emissions losses are combined for the transmission and distribution systems; therefore note that total emission loss is provided with the transmission value. OG&E service territory is 30,000 square miles. Annual load is total disposition of energy from US FERC Form 1. Number of connections are substations in Oklahoma and Arkansas from annual SEC 10-K.

C9. Additional metrics

C9.1

(C9.1) Provide any additional climate-related metrics relevant to your business.

C-EU9.5a

(C-EU9.5a) Break down, by source, your total planned CAPEX in your current CAPEX plan for power generation.

Primary power generation source	CAPEX planned for power generation from this source	Percentage of total CAPEX planned for power generation	End year of CAPEX plan	Comment
Other, please specify All generation sources	100	100	2025	OGE does not disclose CAPEX that is disaggregated according to separate generation sources. Current generation sources include wind, solar, natural gas, and coal.

C-EU9.5b

(C-EU9.5b) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Products and services	Description of product/service	CAPEX planned for product/service	Percentage of total CAPEX planned products and services	End of year CAPEX plan
Other, please specify Reliability and resiliency technology and other	OG&E has recently optimized transmission investments with advanced phase-shifting transformer technology in order to relieve congestion hampering the delivery of renewable energy and to significantly increase overall system reliability. OG&E has continued its investment in grid modernization in Arkansas, having begun Series 3. Previous projects encompassed 14 total circuits, 220 miles of distribution circuits and the replacement of 250 distribution transformers, the completed circuits continue to exceed our performance expectations for the more than 22,000 customers benefiting from this investment and significantly improving system reliability and resilience. Annual value for 2021 from CAPEX plan.	575,000,000	100	2025
Other, please specify Subscription solar plan	OG&E anticipates increased interest in its popular customer-driven solar power development. Historically, new OGE solar power plants have been fully subscribed before construction is complete. Annual value for 2021 from CAPEX plan.	10,000,000	100	2025
Electric vehicles	Annual CAPEX in 2020 for research and development activities related to electric vehicle charging infrastructure. For example, re-use of EV batteries	860,000	100	2020

	which are beyond their useful life, to attenuate instantaneous voltage spikes on the local electric distribution system that occurs when EVs are first plugged in to charging equipment. Also includes the purchase of EVs.			

C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6

(C-CE9.6/C-CG9.6/C-CH9.6/C-CN9.6/C-CO9.6/C-EU9.6/C-MM9.6/C-OG9.6/C-RE9.6/C-ST9.6/C-TO9.6/C-TS9.6) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D	Comment
Row 1	Yes	The Company has a continuing focus on innovation, intellectual curiosity and executing with excellence.

C-CO9.6a/C-EU9.6a/C-OG9.6a

(C-CO9.6a/C-EU9.6a/C-OG9.6a) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Technology area	Stage of development in the reporting year	Average % of total R&D investment over the last 3 years	R&D investment figure in the reporting year (optional)	Comment
Other, please specify Multiple services, products and technologies	Applied research and development	41-60%	50,000,000	OGE Energy Corp. has joined with other energy companies in investing in Energy Impact Partners LP (EIP), a private equity firm that strategically invests in innovative technologies, services and products from electric generation to the end user. EIP seeks to bring the best companies, buying power and vision in the industry to bear on the emerging energy landscape by identifying and investing in

				innovative products, technologies, and business models for potential use within the utility industry. Examples of EIP investments include such areas as distributed energy resources, energy efficiency, and advanced energy storage. The percentage provided is the level of commitment to EIP from 2017 through 2020.
Other, please specify EEI CFTI	Full/commercial-scale demonstration	0%	0	OGE is a participant in the Edison Electric Institute's Carbon-Free Technology Initiative (CFTI). This important initiative commenced in recognition that a significant amount of research, development, demonstration and commercial-scale deployment of next generation technologies is urgently needed to reach the industry's GHG reduction expectations. The goal of the Initiative is to develop a set of policy recommendations that will help ensure electric companies have the affordable, dispatchable, 24/7 zero-carbon power technologies that they need to meet their long-term climate goals. The CFTI requires commitments of OGE staff time but does not require a monetary commitment from participants.

C10. Verification

C10.1

(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status

Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	No third-party verification or assurance
Scope 3	No third-party verification or assurance

C10.1a

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Verification or assurance cycle in place

Annual process

Status in the current reporting year

Complete

Type of verification or assurance

High assurance

Attach the statement

EM_Feedback_Report_6095_2_20204_20210122.pdf

Page/ section reference

OGE Energy considers its Scope 1 CO2 emissions from electricity generation to be verified to a high degree of accuracy because OGE Energy's Continuous Emission Monitoring systems (CEMs) are, as required by law and regulation, officially certified by the U.S. Environmental Protection Agency for use in the required measuring and reporting of CO2 and other emissions. The attached statement from EPA demonstrates the quality and accuracy of emissions data monitored at a representative OG&E facility.

Relevant standard

Other, please specify

US Clean Air Act Title IV requires the accuracy of OGE Energy's Continuous Emission Monitoring Systems (CEMS) be certified by the U.S. Environmental Protection Agency.

Proportion of reported emissions verified (%)

98

C10.2

(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?

Yes

C10.2a

(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?

OGE AR PY2020 EE Portfolio Evaluation.pdf

OGE 2020 Annual Report Evaluation (002).pdf

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Energy consumption	1) The Arkansas Technical Reference Manual version 8.1: http://www.apscservices.info/EEInfo/TRMv8.1.pdf. 2) International Performance Measurement and Verification Protocol (IPMVP): https://evo-world.org/en/products-services-mainmenu-en/protocols/ipmvp	This is related to C4.3c, funding of emission reduction activities from customer energy efficiency programs in Oklahoma and Arkansas. EM&V services were provided by ADM Associates for Program Year 2020. At the Portfolio level, OG&E's energy efficiency results in Oklahoma were a net savings of 26.7 MW and 168,539 MWh. For the Arkansas territory, the net savings were 4.9 MW and 28,050 MWh. Both states were successful with combined results of 196,589 MWh of energy efficiency savings in PY2020.

C11. Carbon pricing

C11.1

(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

No, and we do not anticipate being regulated in the next three years

C11.2

(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?

No

C11.3

(C11.3) Does your organization use an internal price on carbon?

Yes

C11.3a

(C11.3a) Provide details of how your organization uses an internal price on carbon.

Objective for implementing an internal carbon price

Stress test investments

GHG Scope

Scope 1

Application

During Integrated Resource Planning, a carbon price is applied to existing and potential OG&E generating plants.

Actual price(s) used (Currency /metric ton)

20

Variance of price(s) used

The $20 cost is added in 2025 and escalated 2% annually thereafter.

Type of internal carbon price

Shadow price

Impact & implication

OG&E utilizes a carbon price during resource planning through one of several sensitivity analyses to understand the impact to generating portfolios with the addition of a cost on carbon dioxide (CO2). In our 2021 Integrated Resource Plan, we utilized a $/ton CO2 price. This CO2 sensitivity analysis added a cost of $20 per ton of CO2 to electric generation plants starting in 2025 and escalates by 2.0% each year afterward.

In the CO2 Tax sensitivity, the addition of zero-emitting resources results in the lowest projected Net Present Value of Customer Cost. The overall portfolio analysis showed that the most likely new resources providing the lowest cost would be a balanced approach of zero-emitting solar resources and hydrogen-capable combustion turbine resources – these two options in combination result in the lowest customer cost under the base case assumptions. The IRP risk analysis indicated that certain future market conditions related to future fuel prices, SPP load, a potential CO2 price and solar project capital costs have the potential to impact customer costs. As such we look to address OG&E's future requirements in the lowest reasonable cost manner and leverage the opportunity to mitigate customer risks by further diversifying OG&E's portfolio.

C12. Engagement

C12.1

(C12.1) Do you engage with your value chain on climate-related issues?

Yes, our suppliers

Yes, our customers

C12.1a

(C12.1a) Provide details of your climate-related supplier engagement strategy.

Type of engagement

Compliance & onboarding

Details of engagement

Climate change is integrated into supplier evaluation processes

Other, please specify

Climate change is integrated into supplier evaluation processes and we also collect climate change and carbon information annually from key suppliers through a survey.

% of suppliers by number

38

% total procurement spend (direct and indirect)

78

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

Thirty-eight percent of our suppliers have reviewed and acknowledged our OG&E Supplier Code of Conduct and/or OG&E Code of Ethics. The 38% of our suppliers covers more than 75% of our spend. As described in the OG&E Energy Supplier Code of Conduct, our commitment to environmental stewardship begins with our belief that we are only as strong as the communities we serve, and therefore the responsibility of compliance with applicable environmental rules and regulations extends to our Suppliers; we actively seek Suppliers that share our commitment to respect and honor environmental stewardship. We expect Suppliers to know and understand the environmental issues related to their operations and to abide by the letter and spirit of all the associated laws, rules, and regulations for those operations. Through ongoing review and evaluation, suppliers may be required to provide documentation to demonstrate shared commitment to environmental sustainability and stewardship.

Impact of engagement, including measures of success

The OG&E Supplier Code of Conduct demonstrates to our supply base the importance sustainability has within our organization. Suppliers understand that in order to continue to do business with OG&E, they must share a similar commitment to environmental stewardship. We measure success by obtaining acknowledgements from enough suppliers to cover at least 75% of our spend. In 2020 we received acknowledgments for 78% of spend, exceeding our goal.

Comment

As described in the OGE Energy Supplier Code of Conduct, our commitment to environmental stewardship begins with our belief that we are only as strong as the communities we serve, and therefore the responsibility of compliance with applicable environmental rules and regulations extends to our Suppliers. It is a balance of delivering reliable and affordable electricity to our customers and maintaining a culture of innovation and environmental stewardship that helps to serve the needs of our communities now and in the future. We continuously evaluate the needs of our stakeholders to meet the ever dynamic and growing needs of our communities and to honor our commitment to minimize our environmental footprint. At OGE Energy Corp. we actively seek Suppliers that share our commitment to respect and honor environmental stewardship. We expect Suppliers to know and understand the environmental issues related to their operations and to abide by the letter and spirit of all the associated laws, rules, and regulations for those operations. Through the ongoing review and evaluation of our Suppliers, you may be required to provide documentation to demonstrate your shared commitment to environmental sustainability and stewardship. Our Supplier Code of Conduct can be accessed here:

https://www.ogeenergy.com/wp-content/uploads/2021/04/OGE-ENERGY-ESG-Supplier-Code-of-Conduct-v11a.pdf

Type of engagement

Information collection (understanding supplier behavior)

Details of engagement

Collect climate change and carbon information at least annually from suppliers

Other, please specify

OG&E asked suppliers to complete the EUISSCA survey (see Rationale below for details on the survey); engaged with 1% by number and 13.5% by total procurement spend.

% of suppliers by number

1

% total procurement spend (direct and indirect)

13.5

% of supplier-related Scope 3 emissions as reported in C6.5

0

Rationale for the coverage of your engagement

OG&E is a member of the Electric Utility Industry Sustainable Supply Chain Alliance (EUISSCA) which collaborates with other utilities and suppliers to advance sustainable best practices in supply chain. EUISSCA created a survey for suppliers to share information regarding sustainability, and to indicate actions they are willing to take to improve. In 2020, OG&E asked enough suppliers to complete the survey to cover 13.5% of annual spend. This allows OG&E to cover 50% of our spend over a four-year period but also allows us to have more meaningful conversations with the suppliers selected. Suppliers are selected based on (1) top annual spend due to top suppliers having a large impact within our supply chain and (2) those having a unique position in our supply chain. While voluntary, suppliers are incentivized to participate because the assessment offers industry specific benchmarking information and the quantified value (e.g., financial, environmental etc.) of taking certain actions, which provides suppliers a value-creating, cost-free, best-practice road map.

Impact of engagement, including measures of success

OG&E continues to advance our value chain engagement through best practice sharing, industry benchmarking, and approaching suppliers with environmental impact reduction opportunities identified through the survey. Success is measured by obtaining an 80% response rate from the suppliers surveyed and by seeing our supply base implement environmental improvement plans based on survey responses and OG&E expectations. In

2020 OG&E received responses from 100% of the suppliers that were surveyed exceeding our goal.

Comment

At OG&E, suppliers may be awarded business based on numerous criteria including the supplier's environmental performance. OG&E Supply Chain continues to develop strategy to evaluate environmental performance in supplier scorecards. Through its membership in the Electric Utility Industry Sustainable Supply Chain Alliance, OG&E has access to Life Cycle Analysis reports for major materials such as wood poles, transformers, and cable. The reports have identified environmental impact reduction opportunities to approach suppliers about adopting.

C12.1b

(C12.1b) Give details of your climate-related engagement strategy with your customers.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

OG&E engages with its customers by offering a variety of energy efficient services and by providing information around these offerings via our website. OG&E's Energy Efficiency programs in Oklahoma and Arkansas include, but are not limited to, efforts to improve weatherization, lighting, heating, ventilation and air conditioning systems. The percentage of engaged customers is 100% because all customers are eligible to opt into these programs. Additionally, information around each of these programs is publicly communicated and available through our website and in customer bills, and an outside contractor uses social media, direct mail and emails to engage OG&E's customers for these program offerings. As one example of these offerings, the SmartHours Program integrates technology and pricing to help customers reduce energy usage at peak times. Customers respond to price signals between the non-holiday weekday hours of 2:00 p.m. and 7:00 p.m. over the summer months to help reduce the peak demand on the system by more than 100

MW. Another example is the Residential Weatherization Program, which is a form of customer energy efficiency to reduce electricity consumption from home heating and cooling. OGE is currently adopting a new strategy and electronic platform to provide a hyper-personalized experience for customers through data analysis that customizes potential energy recommendations, product offerings, and program promotions to the specific individual energy behaviors and interactions. This digital-first approach maximizes cost-effectiveness and equitable customer access. The company will be providing dynamic home energy reports, energy insights, and a marketplace to source energy efficiency products.

Impact of engagement, including measures of success

Historically, OG&E's Energy Efficiency programs in Oklahoma and Arkansas have achieved between 30 MW and 40 MW of incremental demand reduction each year; OG&E's Energy Efficiency programs are projected to add nearly 40 MW of demand reduction each year. Our Load Reduction Rider offers rate incentives to commercial and industrial customers that can reduce their electrical load when notified by OG&E.

OG&E spent over $40 million for energy efficiency initiatives in 2020 primarily on 3 programs entitled: Low Income Weatherization, Home Energy Efficiency and Commercial Energy Efficiency programs. In 2020, over 168,000 projects were completed across these programs and our service territory. OG&E measures the success of our EE efforts through annual energy savings goals and in 2020 exceeded the 158 million kWh goal by 3% achieving 169 million kWh in Oklahoma. In Arkansas the savings goal of 25 million kWh was exceeded by 12% achieving 28 million kWh saved and are considered successful at achieving objectives of both savings and customer satisfaction. An example of the programs, the OG&E Weatherization program targets low-income customers and helps them improve the efficiency of their homes, and thereby, helps them reduce their electricity bills. In 2020, the goal of weatherizing 3,400 homes was exceeded by 10% in Oklahoma and was considered a success, especially in light of the COVID pandemic challenges.

These programs are evaluated based on savings achieved as well as customer satisfaction survey results. A representative sample of customers is surveyed by program channel annually and outside evaluators consider the programs successful both from a savings achieved and customer satisfaction standpoint. Survey responses for each program are reported in annual evaluation reports by state filed with the respective commissions. For example, for the weatherization program, 95% of respondents in Arkansas stated that they would recommend OG&E's weatherization program and services to others and over 96% of respondents in Oklahoma were satisfied with OG&Es weatherization program. OGE considers the EE programs and demand response program successful from an engagement standpoint as well as from an energy savings perspective in 2020.

Type of engagement

Collaboration & innovation

Details of engagement

Other, please specify

Sponsor events to encourage our communities to drive electric vehicles (EV) and to develop EV charging infrastructure in Oklahoma.

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

OG&E supports the roll-out of EVs in our communities. Throughout the year, OG&E sponsors 'Ride and Drive' events at public venues and makes EVs from our fleet available for test drives. OG&E offers extensive information and education on our website related to owning an EV, including: rate options to fit the needs of EV owners, savings calculators for EV ownership in terms of gasoline and maintenance costs, available federal and state incentives, performance benefits of EVs, emissions benefits from EV as well as EV ownership facts. The company also provides information on EV charging and the availability of public charging stations and how to connect with EV clubs in our service area. The Company uses the website as well as social media to engage with 100% of our customers – all of whom are eligible for EV ownership benefits we support. The Company is a founding member of the Oklahoma Electric Vehicle Coalition and a member of the Midwest Charging EV Corridor, promoting a seamless network of charging stations across the country designed to make charging easier and address customer concerns about EV vehicle battery range. At the Company's Advanced Technologies Laboratory, OG&E is pilot testing a range of fast charging EV options including the use of batteries.

When the State of Oklahoma received VW settlement money for the lawsuit against VW's misrepresentation of diesel emissions, OG&E and others in the Oklahoma Electric Vehicle Coalition submitted testimony and recommendations to use some of the funds to build a robust highway corridor network of fast EV chargers throughout the state. The result of that effort was that Oklahoma now ranks #1 in the nation for the highest share of DC fast chargers, accounting for 64% of the 1,044 non-residential chargers in the state.

Impact of engagement, including measures of success

The Company measures success through attendance at EV "Ride and Drive" events which were severely constrained due to COVID. The Company also measures success by monthly tracking of EV sales in our service territory.

Type of engagement

Collaboration & innovation

Details of engagement

Run a campaign to encourage innovation to reduce climate change impacts

% of customers by number

2

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

In 2020, OG&E commissioned two new five-megawatt solar farms in Davis and Durant, Okla. About half of the energy from these farms will be used to help the native American Chickasaw and Choctaw Nations meet their renewable energy needs. During 2021, OG&E is expanding its Choctaw Nation/OG&E Solar Energy Center by an additional 5 MW, bringing the total solar capacity to 10 MW at that facility.

Impact of engagement, including measures of success

The capacity of the Solar Energy Center in Durant will be doubled in 2021, expanding our collaboration with the Choctaw Nation.

Type of engagement

Education/information sharing

Details of engagement

Run an engagement campaign to educate customers about the climate change impacts of (using) your products, goods, and/or services

% of customers by number

100

% of customer - related Scope 3 emissions as reported in C6.5

0

Please explain the rationale for selecting this group of customers and scope of engagement

To encourage customers to reduce emissions, OG&E has developed and promotes a customer electrification strategy. OG&E works with customers in the oil and gas customer segment to promote efficient electrification to help them reduce their scope 1 emissions.

This is accomplished when customers convert fossil-fuel burning equipment at their facilities to electric.

Impact of engagement, including measures of success

OG&E engages 100% of oil and gas midstream customers about the opportunity for electrification of fossil fuel equipment. Many customers find it cost effective to convert fossil-fuel burning equipment, including drill rigs and compressor stations at their facilities, to electric.

C12.3

(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?

Trade associations

C12.3b

(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?

Yes

C12.3c

(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.

Trade association

Edison Electric Institute

Is your position on climate change consistent with theirs?

Consistent

Please explain the trade association's position

The position of the Edison Electric Institute (EEI) is that global climate change presents one of the biggest energy and environmental policy challenges this country has ever faced. EEI member companies are committed to addressing the challenge of climate change and have undertaken a wide range of initiatives over the last 30 years to reduce, avoid or sequester GHG emissions. Policies to address climate change should seek to minimize impacts on consumers and avoid harm to U.S. industry and the economy. As of the end of 2019, electric power sector CO2 emissions had declined 33 percent from 2005 levels, driven in

part by low natural gas prices, increased deployment of renewable generation and customer demands. http://www.eei.org/issuesandpolicy/environment/climate/Pages/default.aspx

How have you influenced, or are you attempting to influence their position?

No, the Company has not, nor is attempting to, influence EEI's position.

C12.3f

(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?

The Company ensures consistency across its direct and indirect engagements with our overall climate strategy through our CEO and Vice President of Regulatory and Legislative Affairs (VP Reg/Leg). The VP Reg/Leg and team are responsible for monitoring climate-related issues at federal, regional, and state levels. When pursuing a new public policy engagement, these positions will meet with the relevant business unit managers and receive input from other internal subject matter experts as well as other external stakeholders. The VP of Regulatory and Legislative Affairs coordinates with the Company's Officers (including the CFO, General Counsel, VP of Operations, VP of Corporate Responsibility and VP Corporate Communications, Brand and Marketing) to ensure a consistent approach to climate related strategy activities.

C12.4

(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).

Publication

In voluntary communications

Status

Complete

Attach the document

OGE-Paris emissions.pdf

Page/Section reference

A one-page chart is attached.

Content elements

Emission targets

Comment

The attached chart superimposes the relative magnitude of OGE future emissions expectations onto a set of IPCC pathways limiting global warming to 1.5 degrees C. Note that OGE emissions through at least 2030 fall within or have superior performance to the IPCC pathways.

Publication

In voluntary communications

Status

Complete

Attach the document

OGE Energy 2021-EEI-ESG-Template.pdf

Page/Section reference

A two-page chart is attached.

Content elements

Emissions figures
Emission targets
Other metrics

Comment

The EEI ESG/Sustainability template was developed under the guidance of the joint EEI-AGA member company ESG/Sustainability Steering Committee and an ESG/Sustainability Investor Group. The Steering Committee consists of a diverse group of member company representatives from various disciplines (e.g., Accounting, Environment, ESG/Sustainability, Finance/Treasury, Investor Relations, and Legal), and the Investor Group consists of a diverse group of institutional investors from various disciplines (e.g., Asset Management, ESG/Sustainability, Investment Banking and Research Analysis). The template has been developed in response to the desire of investors and other stakeholders for ESG/Sustainability information that is consistent across the sector in terms of accessibility, content, timing, and presentation. Portfolio, emissions, and resources are included on the 'EEI Metrics' tab for electric company disclosure. The Portfolio area comprises metrics related to an electric company portfolio such as power generation data by resource type; the Emissions area comprises metrics on electric company GHG emissions and criteria emissions; the Resources area comprises metrics on electric company human resources and natural resources. Note that a new OGE.com launches later this year with more robust ESG information as well as reporting against other templates.

C15. Signoff

C-FI

(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

C15.1

(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Vice President of Corporate Responsibility and Stewardship	Other, please specify Vice President of Corporate Responsibility and Stewardship

Submit your response

In which language are you submitting your response?

English

Please confirm how your response should be handled by CDP

	I am submitting to	Public or Non-Public Submission
I am submitting my response	Investors	Public

Please confirm below

I have read and accept the applicable Terms