



Power to Grow

2021 CLIMATE ANALYSIS

A TCFD REPORT

OG+E[®]

OGE Energy Corp.



Message From Our CEO

OGE Energy Corp. is a company that has a history of doing what we say we will do. Our proven track record is built on our high ethical standards, strong governance, and a commitment to environmental and community stewardship.

Every day, we energize life for our customers — providing life-sustaining and life-enhancing products and services. For 120 years, our Company has delivered on its noble purpose to energize life as we balance the needs of our stakeholders. We constantly challenge ourselves to grow, develop, and stay true to the commitments we make to our customers: to provide reliable and affordable electricity, to maintain a resilient grid, and to grow the communities in which we serve. Each of these commitments is equally important. We don't sacrifice one for the other — a balanced approach is required for ongoing success.

Through thoughtful planning, deep expertise, and hard work, we strive to achieve this balance for the benefit of all of our stakeholders.

OG&E, our wholly owned electric utility subsidiary, is consistently ranked as one of the highest performing utilities in the U.S., and maintains some of the lowest electricity rates in the nation. OG&E continues to be a leader in the industry because of the strong reliability of our system, high customer satisfaction, and our commitment to environmental stewardship. In pursuit of continuous improvement and operational excellence, we plan to sustainably grow our business as we minimize our environmental impact. Through our environmental initiatives, we are making progress related to efficient water use, waste reduction, and biodiversity conservation, and we aren't stopping there. Specific to the focus of this report, we are continuing to

implement cleaner energy across our system and manage climate risk impacts. Advancing lower carbon solutions is an extension of our stewardship commitment, and we continue to identify opportunities to create value for our stakeholders. Additionally, focusing on grid resiliency and maintaining a reliable energy supply during the transition to a cleaner generation portfolio are critical in order to best serve our customers and effectively manage our business.

The physical risks of climate change, specifically extreme weather, are among the most significant for our industry. Mitigating physical risks is familiar territory for OG&E, as we have experienced risks of historical proportions. Our service areas of Oklahoma and western Arkansas experience some of the most extreme weather in the U.S., yet we continue to provide reliable electric service at low rates. For example, during Winter Storm Uri (February 2021), all available generation performed well, despite unprecedented arctic temperatures across the region. Even during challenging weather, our customers and communities know they can count on us to generate and deliver the electricity that powers, sustains, and even saves lives.

Navigating the transition to cleaner energy while prioritizing our customers' needs is a complex challenge, and one we will meet head on without losing sight of our commitments to our stakeholders. True to our culture, we are tackling this challenge

successfully. We have made significant investments to enhance the grid, improve service reliability, and increase our access to and development of renewables technology, while maintaining our commitment to affordability and long-term profitability. This is in addition to continuing to reduce carbon emissions (down more than 40% since 2005) on a path to a 50% reduction by 2030. And, as noted in our 2021 Integrated Resource Plan (IRP), we continue to replace generation assets as they retire with solar and quick start, hydrogen-capable combustion turbines for further carbon emissions reduction progress.

We believe a cleaner energy future will support a healthy economy and recognize that any significant shift in our industry will impact our communities. For this reason, we are deliberate in our planning, thoughtful in our actions, and balanced in how we develop, grow, and evolve our business. This inaugural report, following the framework of the Task Force on Climate-related Financial Disclosures (TCFD), offers insight into our path forward, specifically how climate-related risks and opportunities impact our business. This report also demonstrates our commitment to transparency around issues of importance to our stakeholders, including governance practices, environmental and safety issues, and climate change.

OGE Energy's plans for a more sustainable future include pursuing the growth of our business and supporting our employees

and communities without compromising our commitment to a lower carbon future. While we may not have all of the answers today to address the impacts of climate change on our industry, we believe that future innovation and investment are critical elements of the solutions in our industry. We will continue to support the development and deployment of cost-effective carbon free technologies that can reliably meet the energy needs of our customers. We will also continue to report our progress, upholding our reputation as a Company that does what we say we will do.

I am confident in our future because our commitments are backed by a stellar workforce, thorough analysis, strong policies and practices that reflect our culture of stewardship, and a larger purpose to energize life for our customers. After reading this report, I believe you will share in this confidence, recognizing that OGE Energy Corp. is strong, focused on what matters most, and ready to address the challenges and take advantage of the opportunities that lie ahead. We look forward to our future **TOGETHER**®.



Sean Trauschke
Chairman, President, and
Chief Executive Officer



Table of Contents

5	Executive Summary
7	Who We Are
10	About This Report
11	Governance
16	Risk Management
30	Scenario Analysis
36	Metrics

Executive Summary

OVERVIEW

For 120 years, our Company has provided life-sustaining and life-enhancing products and services that energize life for our customers. Serving our customers drives our business decisions as we prepare for the future.

A deep-rooted dedication to our customers guides OGE Energy's balanced and thoughtful approach to planning for our future — maintaining reliability and affordability for our customers while managing climate-related risks as they evolve.

By 2030, we expect to reduce overall CO₂ emissions by 50%, compared to 2005 levels, as we continue to prioritize cleaner energy as part of our balanced generation mix. We also expect to reduce our Scope 1 and 2 emissions by 50% from the 2005 baseline. Equipping our customers with the resources and tools necessary to make smart energy choices, electrifying our fleet, and promoting electric vehicles (EVs) are additional action steps to support a lower carbon future.



MANAGING RISKS, ACTING ON OPPORTUNITIES

The importance of managing climate-related risk is recognized throughout the decision-making process of the Company. Climate risk oversight begins at the Board of Directors level, with support from senior leadership and our enterprise risk management (ERM) process.

We identify and evaluate our climate-related risks, including acute (single event) and chronic (long-term) physical risks and transition risks. Many of our physical risks are related to extreme weather prevalent in our region, which has been, and continues to be, an ongoing focus of our risk management and climate risk approach. Specific to the transition to a lower carbon economy, our primary risks include policy and technology changes.

While climate change poses risks, it also presents opportunities to create positive change for our business and the customers we serve. Through a nimble operating structure and a commitment to innovation, we are well positioned to take advantage of these opportunities while affordably and resiliently growing our Company and communities.

From leveraging our geographic location to partnering for technology development, we are facilitating cleaner energy delivery throughout our service areas. By promoting EV use, converting our light-duty vehicle fleet to electric, and offering energy efficiency programs, we are further reducing our carbon impact.



MODELING LOWER CARBON FUTURE

As part of our enterprise risk management approach, we analyze climate-related scenarios to determine how resilient our strategies are to possible future outcomes. We partner with third-party experts, such as the Electric Power Research Institute (EPRI), which provide extensive research and climate science expertise to model lower carbon futures.

EPRI's climate modeling outlines a broad range of carbon emissions pathways, as well as carbon emissions reductions levels, which are consistent with limiting global average temperature rise to 1.5°C. EPRI states that companies can reach the same climate goals in many ways. Specific to OGE Energy, we identified future scenarios for generation capacity that align with global climate aspirations.



DOING WHAT WE SAY WE WILL DO

The Company set an expectation to reduce carbon emissions from generation from our 2005 baseline by 40%, and we achieved that. We expect to continue to reduce our carbon emissions from generation as well as Scope 1 and 2 GHG emissions by 50% by 2030. We expect to continue to update our reduction goals beyond 2030 aligned with asset life cycles, technology development, and in concert with our regulatory process. Additionally, we have reduced the carbon intensity of the electricity we deliver to our customers by 45% since 2005, while lowering our overall inflation adjusted rates to customers by 20%. We prioritize the needs of our stakeholders, while being responsible stewards of our environment — increasing access to clean and reliable energy options while keeping our rates among the lowest in the nation.

We will continue to maintain grid reliability and customer affordability, while balancing a thoughtful approach to managing climate-related risk, to serve the needs of our communities now and in a lower carbon future.

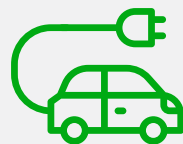
Since 2005:

40+%



Reduction in carbon emissions and carbon intensity

2025:



Replace **50%** of our light-duty vehicles with EVs

2030:

50%



Reduce Scope 1 and 2 GHG emissions by 50% (compared to 2005 baseline)

Full conversion of our light-duty vehicle fleet to electric; reduce fleet vehicle emissions by 60%

2050:

Retire 95%

of our current fossil-fueled generation

Remaining 5% are the Mustang quick-start combustion turbines supporting renewable energy expansion and are hydrogen capable

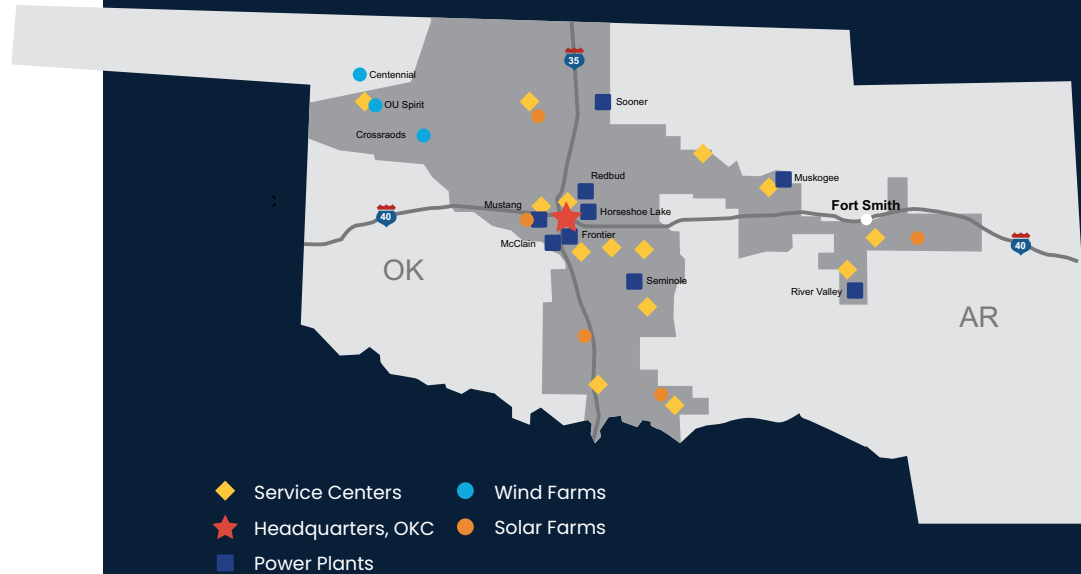
Who We Are

ABOUT OGE ENERGY CORP.

OGE Energy Corp. (NYSE:OGE), incorporated in the state of Oklahoma, is a holding Company with investments in energy and energy services providers offering physical delivery and related services for electricity in Oklahoma and western Arkansas.

OGE Energy's electric utility operations are conducted through Oklahoma Gas and Electric Company (OG&E), which generates, transmits, distributes, and sells electric energy in Oklahoma and western Arkansas. OG&E was incorporated in 1902 and is a wholly-owned subsidiary of OGE Energy. OG&E is the largest electric utility in Oklahoma, and its franchised service area includes Fort Smith, Arkansas and the surrounding communities.

For 120 years, our Company has provided customers with safe, reliable energy to power their businesses and homes at some of the most affordable rates in the nation. Our life-sustaining and life-enhancing products and services energize life and are built on our foundation of strong system reliability, a diverse portfolio of fuel types, and high customer satisfaction.



Regulated electric utility: **879,400 customers**



2,185 full-time employees



Service area: **30,000 square miles** in Oklahoma and western Arkansas



Generating capacity: **7,207 megawatts**, 9 power plants, 3 wind farms, 5 solar farms



Sustained economic growth by attracting new customers through reliable and low-cost energy



DEFINED BY DEDICATION

Our values, beliefs, and Code of Ethics drive every decision and action we take. Unbreakable and unshakable, our success is assured when we live each day by the values and beliefs that define the very core of who we are.



Our Values:

- Individual safety and well-being
- Transparency
- Teamwork
- Respect
- Integrity
- Public service



Our Beliefs:

- Live safely
- Achieve together
- Shared trust
- Value diversity and inclusion
- Take charge
- Unleash potential
- Values matter



Our Code of Ethics:

- We act with integrity
- We show respect by speaking up
- We show respect to ourselves and each other
- We show respect to our Company and its shareholders
- We show respect in the marketplace

A CULTURE OF STEWARDSHIP

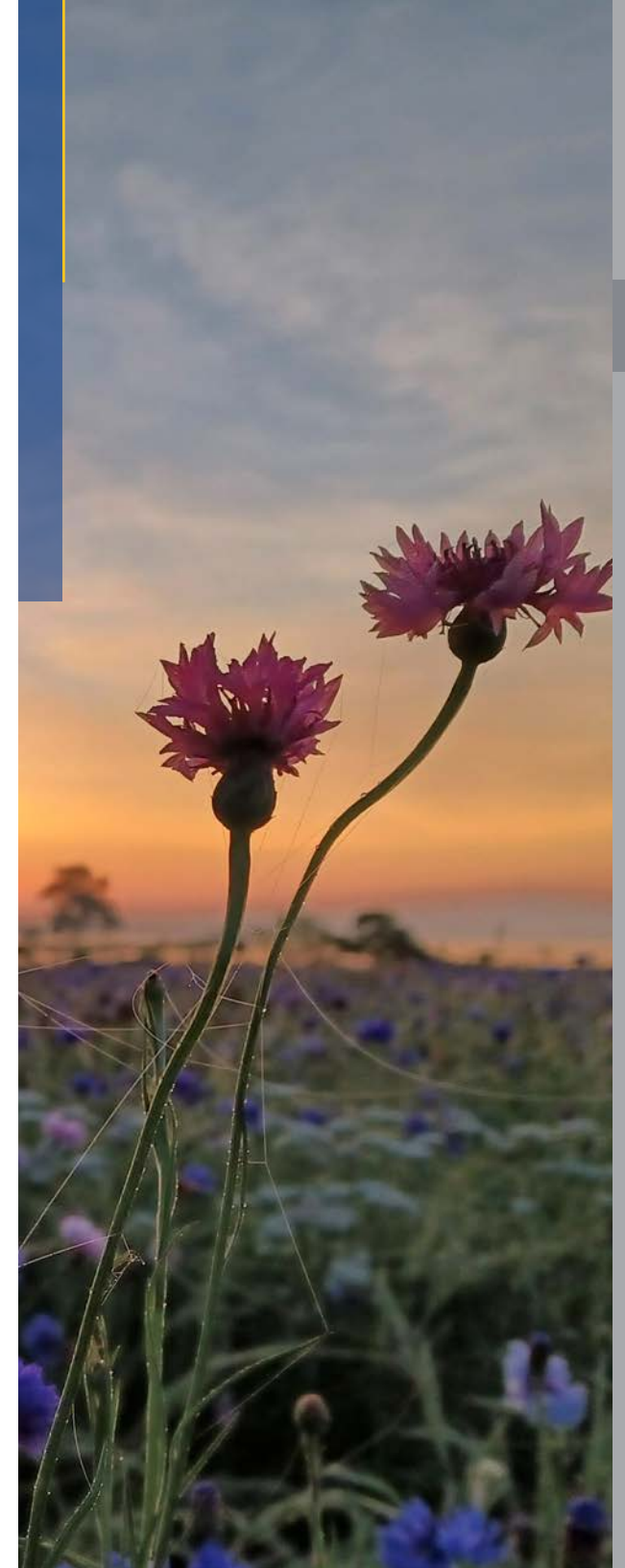
Energizing life is the purpose that drives everything we do. Our life-sustaining and life-enhancing products and services enrich our communities, encouraging growth, and a higher quality of life. With this purpose comes a balanced approach to multifaceted stewardship — keeping our employees safe, reducing our environmental impact, strengthening our diverse communities, and ensuring effective corporate governance.

Our vision for a more sustainable future includes protecting the environment through innovative solutions. We're serving the needs of our customers by adopting cleaner energy, minimizing our reliance on freshwater resources, and preserving the biodiversity of our region to reduce our environmental footprint.

We recognize our responsibility in advancing lower carbon solutions, aligning with global climate recommendations. By 2030, we expect to reduce overall CO₂ emissions from our generation resources by 50%, compared to

2005 levels, as we continue to prioritize cleaner energy. Equipping our customers to make smart energy choices, electrifying our fleet, and promoting EVs are additional actions to support a lower carbon future.

OG&E customers also benefit from our Southwest Power Pool (SPP) membership, which promotes lower cost and cleaner energy for the region. SPP, an organization overseeing the bulk electric grid and wholesale power market in the central U.S., delivers nearly 40% carbon-free energy to OG&E and other customers across integrated markets, and nearly 85% of SPP's new generation, through 2022, are renewable resources. Our transmission lines carry wind energy to population centers while our quick start combustion turbines help to ensure our grid stability as the SPP adds increased renewable, but intermittent, wind and solar resources.



[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

[Governance](#)

[Risk Management](#)

[Scenario Analysis](#)

[Metrics](#)

About This Report

Transparency is a core value for OGE Energy. Consistent with our values, we disclose our climate risk analysis to meet stakeholder interest in understanding how we manage climate risk. In this inaugural report, we used the Task Force for Climate-Related Financial Disclosures (TCFD) framework.

OGE Energy has a history of climate-related reporting. We disclose a variety of climate-related reports and performance metrics on a voluntary basis. These reports include the annual CDP, formerly Carbon Disclosure Project's Climate Change Questionnaire

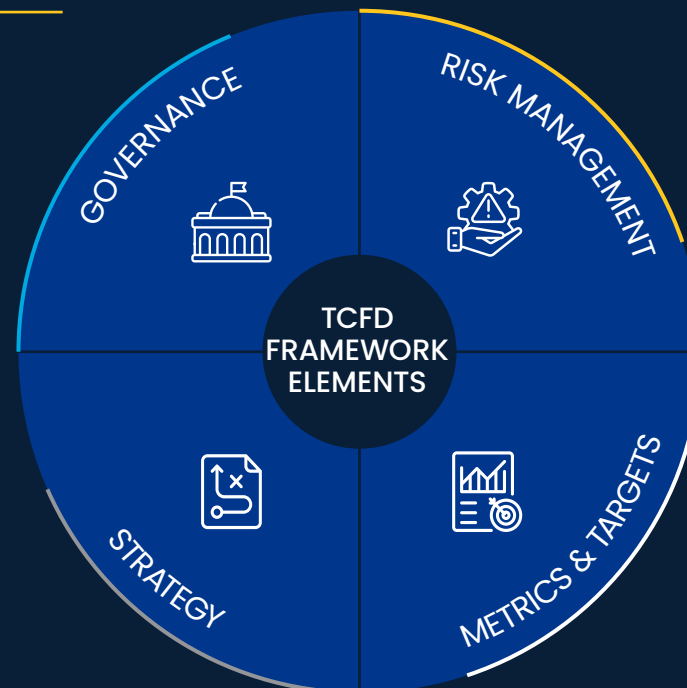
(reporting since 2008), our yearly reporting using Edison Electric Institute (EEI)'s Environmental, Social, and Governance (ESG) template, and most recently, our Sustainability Accounting Standards Board (SASB) report. Featuring recognized standards, these reports offer consistent frameworks for engagement around the most important sustainability matters facing the electric power industry.

Published in the first quarter of 2022, this report highlights our balanced approach to a more sustainable future, specifically how we will promote a reliable and affordable energy

supply while transitioning to cleaner energy. Our disclosures and analysis were reviewed and approved by an internal team of subject matter experts, including our Vice President of Corporate Responsibility and Stewardship, executive leadership team (including our General Counsel, Chief Financial Officer, and CEO). Our Board of Directors, in its oversight role, provided input and guidance. Data is reflective of year-end 2021 unless otherwise noted. This report is not intended to satisfy, address, or align with rules relating to climate-related disclosures that may be adopted by the SEC subsequent to the date of this report.

ABOUT TCFD

The Financial Stability Board created TCFD to guide the disclosure of climate-related financial information. First released in 2017, TCFD's climate-related financial disclosure recommendations focus on four thematic areas: Governance, Strategy, Risk Management, and Metrics and Targets. These areas are meant to overlap and inform each other, while representing core elements of how organizations manage climate risk.





Governance

[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

[Governance](#)

[Risk Management](#)

[Scenario Analysis](#)

[Metrics](#)

Governance Guides Our Business

At OGE Energy, we understand the importance of climate-related issues and their significance to our employees, customers, shareholders, and other stakeholders. Appropriately governing and overseeing climate-related risks and issues are priorities in decision-making processes for the Company.

Governance related to our business and risk oversight, specifically pertaining to climate-related matters, begins with our Board of Directors. Our Board reviews and oversees the long-term strategic plans and principal issues facing the Company, which includes oversight of our major risk exposures and risk management activities.

Various Board committees oversee and report to the Board on the risks and opportunities facing the Company. These risks currently include matters related to climate, disruptions to fuel supply and the electric grid, operational outages and accidents, increased costs, industry technology, legislative and regulatory policy, economic conditions, cybersecurity, regulatory risk (recoverability), terrorism, health epidemics, and human capital management.

BOARD CLIMATE OVERSIGHT

The Board's oversight role related to climate risk and opportunity works in conjunction with the review and monitoring functions delegated to applicable standing committees of the Board in specified areas. Specifically, the Nominating, Corporate Governance, and Stewardship Committee reviews and reports to the Board on the Company's corporate stewardship and corporate responsibility programs, policies, and initiatives, including climate, diversity, sustainability, and other ESG matters. This Committee also reviews and makes recommendations to the Board regarding the Company's environmental initiatives and compliance strategies, as well as its plans to address various contingent events that could significantly affect the Company, including extreme weather events and natural disasters.

The Audit Committee oversees the Company's overall risk management practices and major financial risk exposures. The Audit Committee updates the Board regarding the Company's risk management practices and the steps management has taken to monitor and control applicable risk.



BOARD AT-A-GLANCE

- 10 directors, 9 independent
- Lead director, independent
- Directors with diverse skill sets and expertise to assist in strategy planning and risk oversight, including climate-related risks and opportunities

OVERSIGHT ROLES, DUTIES, AND RESPONSIBILITIES OF OGE ENERGY BOARD AND BOARD COMMITTEES RELATED TO ESG



Board of Directors

- Strategy, including long-term plans
- Risk, including major risk exposures, steps taken to monitor and manage exposures
- Operations, including environmental and safety matters
- Public policy, political activities, and stakeholder engagement
- Committee and management reports on areas of climate-related impacts and opportunities
- Shareholder engagement, receiving updates on shareholder feedback



Nominating, Corporate Governance, and Stewardship Committee

- Corporate responsibility and stewardship programs and initiatives, including climate matters, diversity, sustainability, and all other ESG matters
- Environmental initiatives and compliance strategies
- Plans related to matters that could significantly affect the Company, including extreme weather events and natural disasters
- Corporate governance, including composition of the Board



Audit Committee

- Risk management practices and discussions with management regarding the Company's major financial risk exposures and the steps taken to monitor and control the exposures, including the Company's risk assessment and risk management policies and guidelines
- Compliance with legal and regulatory requirements
- Monitors integrity of Company's financial statements and its financial reporting process



Compensation Committee

- Establishes and administers the Company's policies, programs, and procedures for executive compensation
- Reviews and evaluates the impact of the Company's compensation policies and practices on its risk profile and risk management



MANAGEMENT OVERSIGHT

One of the risks overseen by the Company is climate-related risk. The Company's Risk Oversight Committee (ROC), consisting of corporate officers and relevant internal subject matter experts, leads the overall development, implementation, and enforcement of strategies and policies related to risks, including climate risk. This committee also identifies and assesses enterprise-wide risk utilizing multiple approaches, including leveraging industry trade groups, risk management consultants, and peer comparisons, as well as a formal process where business units identify and assess risks, including climate-related risk. The ROC frequently consults with, and reports to, the CEO and other members of senior management on matters of significant

impact to the Company, including climate-related matters. The Chief Financial Officer, acting in his role as the principal financial officer and as a member of the ROC, reports periodically to the Audit Committee of OGE Energy's Board of Directors on the Company's risk profile affecting anticipated financial results, including any significant risk issues.

OGE Energy's executive leadership team, led by our CEO, has day-to-day responsibility for the operation of the Company, including the direct management of climate-related and other environmental matters. The CEO and executive leadership team review and discuss the strategies and principal risks related to or arising out of the generation and delivery of energy. These strategies and risks include opportunities and policies that support the Company's long-term strategy, taking into

account opportunities presented by climate, sustainability, and other environmental issues.

In addition to the work of the leadership team, individual officers, reporting to the CEO, address relevant climate-related matters. These leaders establish teams throughout the Company who plan and execute our business strategy, including risk management, relating to climate-related matters.

For example, the Vice President of Utility Operations is responsible for operational issues, which include assessing and managing physical risks, such as climate-related risks and opportunities. Through different operations teams established by this Vice President, depending on the type of asset, the Company has long taken a pro-active, multifaceted approach to monitoring physical risks. These

risks include severe weather event planning and grid enhancement to mitigate the effects of weather and climate events.

The Company's environmental operations group reports to the Vice President of Operations, while the operational compliance group reports to the General Counsel and Chief Compliance Officer. These groups focus on addressing climate-related matters in a way that minimizes impacts and supports environmental protection through integrating compliance, accountability, and operational excellence.

Our Vice President of Corporate Responsibility and Stewardship oversees ongoing strategy development and implementation across all ESG areas, including climate-related matters. In this role, she evaluates evolving industry data and practices, policies, and trends relating to climate-related risks and opportunities, raises issues relevant to the Company, and coordinates the disclosure of Company information to reflect its actions and position

in the ESG landscape. She also engages with industry groups and outside experts to ensure the Company is accessing relevant external expertise for climate and ESG-related assessments, disclosures, and strategies.

The Vice President of Regulatory and Legislative Affairs 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 and legislative development, as well as engages with stakeholders to shape climate strategy. This regulatory and legislative department also coordinates with our enterprise risk management process — in conjunction with environmental, regulatory, engineering, and transmission and distribution teams — monitors and develops the Company's position and response to federal and state initiatives addressing climate-related and CO₂ emissions requirements.

CLIMATE-RELATED TOPICS DISCUSSED AT THE BOARD AND MANAGEMENT LEVEL

Our Directors and leadership regularly review and discuss climate-related issues when overseeing strategy and business plans. These matters may be presented by internal expertise or outside experts who inform the Board and Company leadership of specific issues. The topics include, but are not limited to:

- Extreme weather events and restoration planning
- Planning for future capital investments, including renewables and alternative technology
- Continued updates on enhancements to our electric grid
- Short- and long-term generation planning for efficiency and emission-reduction goals
- Review of our emission reductions
- Public policy and legislation
- Research and development related to new technology for electricity production or storage, as part of the transition to cleaner energy



Risk Management

[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

[Governance](#)

[Risk Management](#)

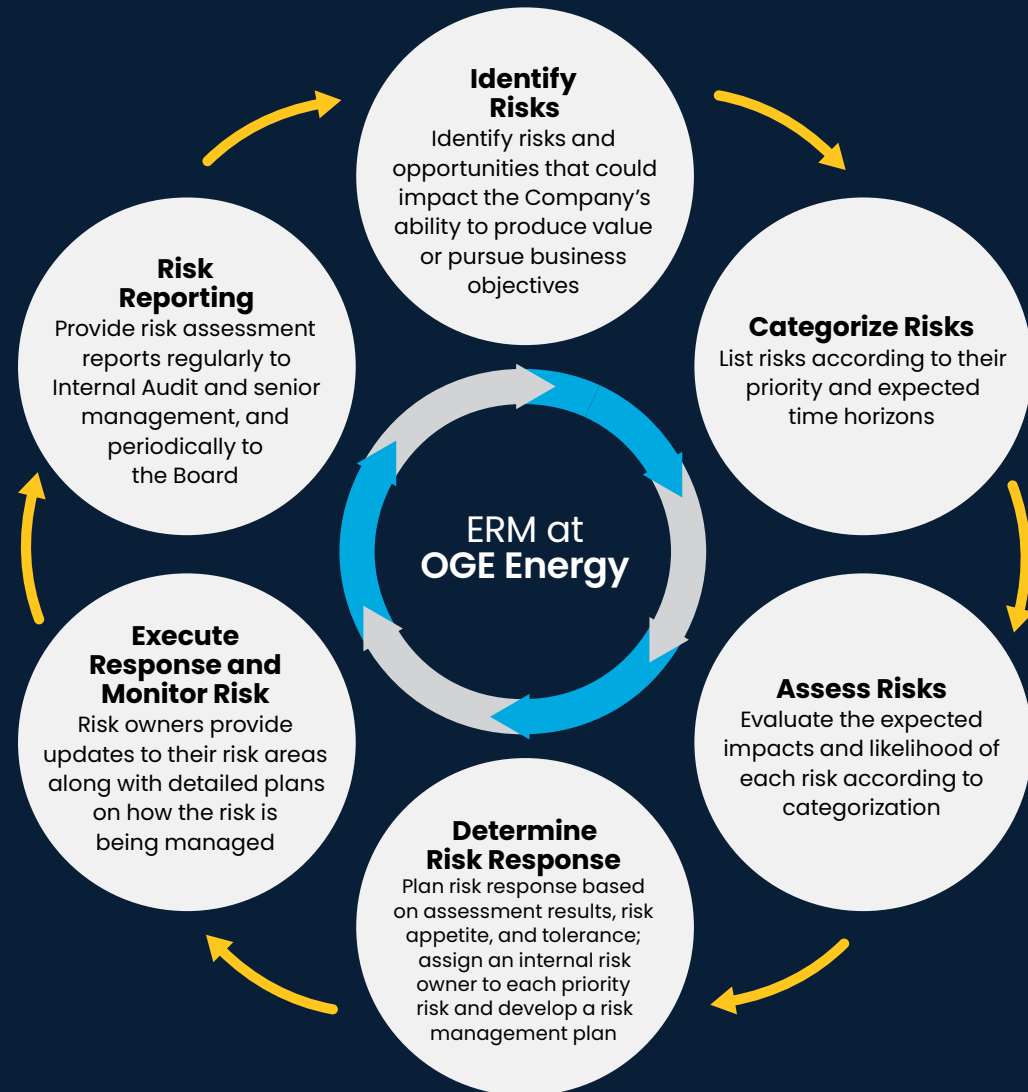
[Scenario Analysis](#)

[Metrics](#)

Understanding and Managing Climate-Related Risk

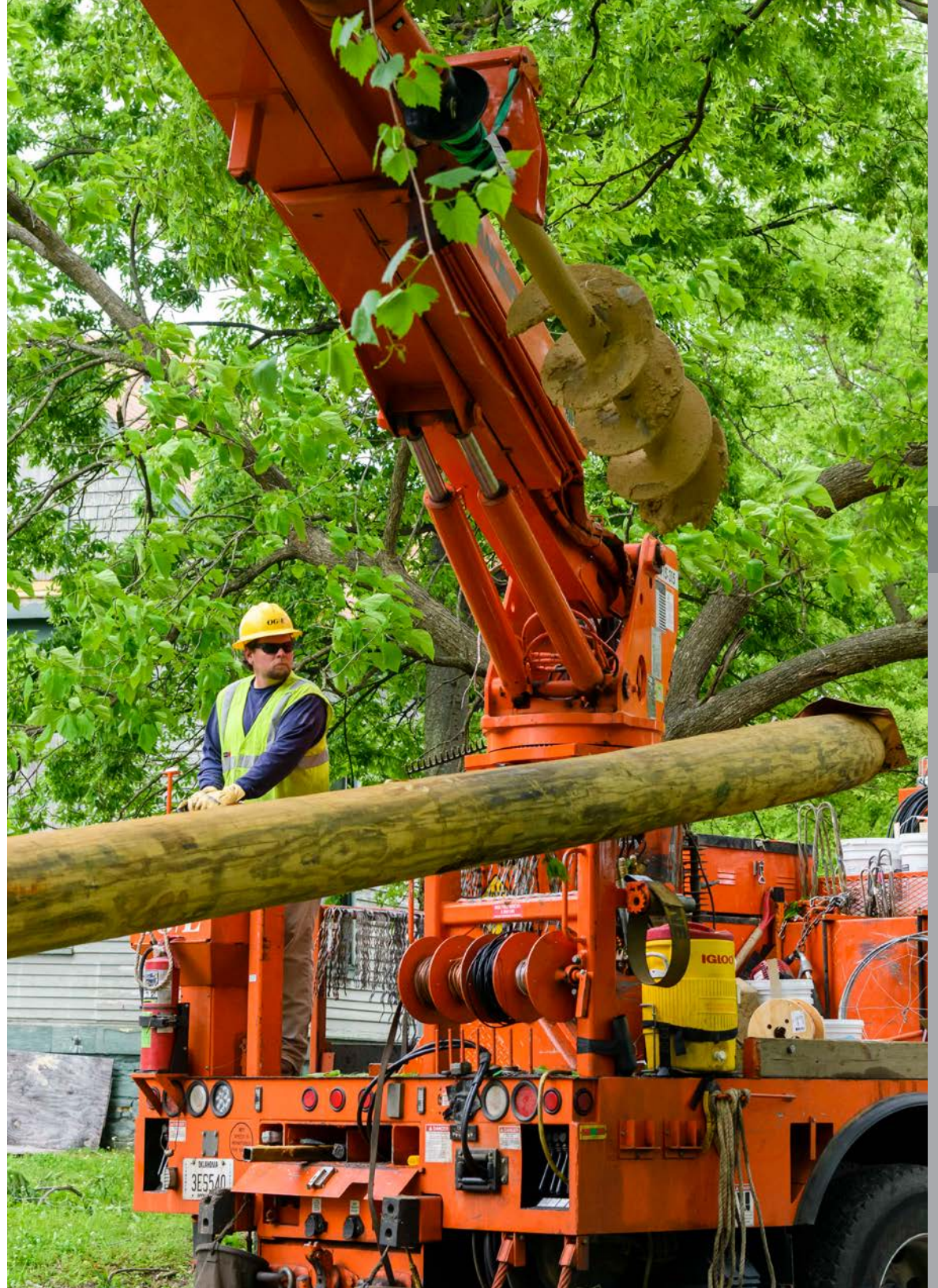
At OGE Energy, managing risk and risk oversight have been critical to our business for more than 120 years. As a utility that provides a vital infrastructure service, it is essential that the Company continuously identify and manage risks.

Using our Enterprise Risk Management (ERM) process, we start by identifying key internal and external business risks – those that pose potential material financial and operational risk to the Company. After identification, we evaluate these risks through a framework, providing consistent assessment. Our ERM process engages key internal stakeholders to help provide accurate identification, prioritization, and management of current and future risks for long-term success.



As part of the broader ERM process, key risks are assessed using a methodology that includes a quantification of potential financial and operational impacts. Such identified risks are validated through third-party consultants to help confirm the comprehensiveness of our risk review. Priority risks are assigned to internal risk owners, typically senior leadership, who are responsible for developing and updating risk management plans. Risk management planning is also coordinated with our Internal Audit group for alignment with the Company's annual audit plan.

Risk identification, assessment, and management planning are reviewed with senior leadership, the Risk Oversight Committee, and the Board's Audit Committee. Additional discussion of the Company's risk management and oversight is included in the Governance section of this report and additional discussion of the Company's risk factors can be found in our most recent Annual Report on Form 10-K.



Evaluating Climate-Related Risk

Physical climate risks can be considered in both acute (event-driven) and chronic (longer-term shifts in climate patterns) terms, and often have financial implications for organizations, including costs associated with damage to operations and equipment. Many of our physical risks are related to extreme weather, which has been an ongoing focus of our climate risk management.

Climate transition risks, or those risks related to the transition to a lower carbon economy, are also assessed through our ERM process. Because transition risks can vary significantly based on their nature, speed, and focus, they can have varying degrees of impact on an organization and its stakeholders. OGE Energy's transition risks primarily relate to possible changes in policy, technology evolution, and potential impacts to customers and communities.

In alignment with TCFD, we outline our primary physical and transition climate-related risks.



Physical Risks

The physical risks of climate change, including weather impacts, are risks managed through our ERM process and an area of operational focus given the prevalence and frequency of extreme weather events in our service areas. Working with various partners, we recently completed a regional climate change assessment to identify and prioritize potential climate change impacts on our business.

As part of the assessment, we reviewed long-term climate trends that could impact our service areas. The following chart currently reflects general observations based on available data and projected trends. This information helps us plan for the evolution of physical risks so that we can manage those risks and plan for operational impacts.

It is important to note that these observations and projected trends were based on data, conditions, and other information that was generally applicable as of the date of this assessment. Any evaluation of future climate change scenarios involves inherent uncertainties and assumptions. The scenario trend projections included in this report are not meant to be guarantees of future outcomes.

PHYSICAL RISK CLIMATE TREND PROJECTIONS FOR OG&E SERVICE AREAS

	Climate Variable	Observed Trends	Projected Trends	Trend Findings
Chronic	Temperature	▲	▲	Increasing average annual temperatures (4-8 °F/ 2.2-4.4 ° C by end of century)
	Precipitation	▬	▬	Snowfall days have declined in both regions, with more precipitation falling as rain; OK is projected to have an overall decrease in annual precipitation, while AR is projected to have an overall increase
	Wind Speed	●	▲	No change in observed average wind speed but a projected increase for future wind speed
	Extreme Heat	▬	▲	Observed trends show decreased extreme heat days (AR) or inconsistent trends (OK), but projected future increases in both states
Acute	Days Below Freezing	▼	▼	Declining freezing days historically but projected warmer winters and fewer days below 0°C
	Polar Vortex Events	●	▬	Uncertainty around projected frequency due to regional and atmospheric variability; however, increased severity projected when events occur
	Extreme Precipitation	▲	▲	Projected to experience increased frequency and intensity of extreme precipitation events
	Winter/Ice Storms	▲	▬	Uncertain projections due to regional and atmospheric variability, but occurrences are likely to be more severe
	Thunderstorms	●	▬	Significant variability in projections due to small geographic scale, short time duration and insufficient data
	Tornadoes	▬	▬	Observed decrease in frequency of days with tornadoes but increase in frequency of days with a large number of tornadoes for the region; significant variability in projections due to small geographic scale, short time duration and insufficient data
	Drought	▲	▲	Common occurrence with projected increase in frequency and duration
	Wildfire	▬	▲	Risk and number of wildfires have increased in OK but not AR; wildfire potential days projected to increase in both states due to increasing temperatures and drought periods

▲ = increasing trend; ▼ = decreasing trend; ▬ = uncertain or low confidence models or regional/seasonal/model variability; ● = no trend detected or static conditions

TEMPERATURE VARIATIONS

OG&E’s service areas are expected to experience an increase in daily average temperatures and a decrease in annual frost days by mid-century as compared to recorded historical data. These projected changes in temperature present a number of potential risks, ranging from efficiency and capacity issues to equipment damage.

Energy demand is likely to shift as temperatures change with warmer summers and fewer cold days in winter, and the potential for fluctuating extreme temperatures. These temperature changes could impact infrastructure, as well as pose health and safety issues for both customers and employees.

Both increased average and extreme temperatures may impact the availability of water required for the operation of our power plants, as well as combustion and steam turbine efficiency. Additionally, temperature

increases may cause transmission and distribution disruptions as substations and electric lines could experience decreased efficiency and capacity.

Higher temperatures have the potential to also impact our renewable energy generation systems as extreme fluctuations can damage the cells and other module materials on solar panels, leading to shorter operating lifetimes.

Specific to extreme cold weather events, we may experience an increased risk to the safety of our personnel as they work outdoors. Also, polar vortex-type events typically cover a broad region, potentially putting significant strain on our grid operations during this type of extreme weather. Our generation could also be impacted by freeze-related risks, including frozen water sources, frozen pipes, and fuel source disruptions, such as those experienced in February 2021 during Winter Storm Uri.



A Message From Our CEO

Executive Summary

Who We Are

About This Report

Governance

Risk Management

Scenario Analysis

Metrics

PRECIPITATION RISKS

OG&E's service areas are expected to experience a slight increase in extreme precipitation events by mid-century as compared to historical data. Extreme precipitation projections are defined as annual changes in the number of days with rainfall above two inches.

Changes in precipitation may expose our assets and operations to a variety of potential risks, most notably flooding. Flooding can potentially damage facilities, equipment, and infrastructure, as well as disrupt facility and supply chain operations, and create safety risks to employees. Additionally, our power generation facilities are often located near bodies of water. Power plant proximity can lead to increased risk of inland flooding. If flooding is severe, it can make infrastructure temporarily inaccessible or unusable and generation and substations may have to move offline. This could lead to longer outages and significant restoration costs.

In our service areas, precipitation often occurs with lightning and high winds. Employee safety concerns may impact how quickly service can be restored as employees cannot work during lightning storms or in significantly flooded locations. Flooding can take time to recede, potentially for weeks.

DROUGHT

Drought, or the prolonged period of abnormally low rainfall, can decrease the availability of water necessary for our power generation and impact components of our supply chain used for fuel extraction and processing. Our service areas are projected to experience an increase in frequency and duration of drought events.

Currently, OG&E operations and facilities source our water from regions classified as low to medium

water stress according to the World Resources Institute. By integrating new technologies and focusing on water conservation, we have reduced the amount of water our power plants consume by 50% since 2008. Also, 98% of the water we use to generate electricity is circulated through our pipes and returned to its original sources for reuse by our communities. The Company will continue to focus on water stewardship and integration of technologies to help us manage our water usage.



Water is a necessary resource for the reliable and efficient operation of power plants and much of our water withdrawals are from fresh surface water sources.



Increases in drought events, combined with competition for water for the energy sector and population growth, may increase water availability risks.



Specific to Oklahoma where our generation facilities are located, water demand is projected to increase from 1.9 million acre-feet per year (AFY) in 2010 to 2.5 million AFY in 2060.

WILDFIRE

The number of wildfire potential days are projected to increase in our service areas, primarily driven by increasing temperatures and increased drought conditions. Wildfire has the potential to damage operational equipment, disrupt supply chains, and put public and employee health and safety at risk. Aside from the damage or destruction of transmission and distribution infrastructure, the capacity of transmission lines can also be impacted by heat, smoke, and particulate matter from wildfire.

In the event of an uncontrolled wildfire, we may be required to initiate "public safety power shutoffs" to manage the risk of equipment-related ignitions and reduce the likelihood of further wildfire spread. These power outages, even if planned and announced, could prevent customers from receiving essential resources and expose them to increased health and safety risks.

EXTREME WEATHER

Extreme weather has the potential to present the most direct climate-related physical risks to OG&E's assets and operations and continues to be the leading cause of electric power outage events in the U.S. OG&E's service areas are subject to some of the most extreme weather risk in the nation as defined by FEMA's National Weather Risk Index for Natural Hazards. In fact, over a 16-year period (2005–2020), OG&E reported 22 major weather-related power outages in Oklahoma and Arkansas. These extreme weather events included:

- An extremely damaging F5 tornado in the Oklahoma City area, along with other severe spring thunderstorms and tornadoes.
- A major ice storm, which occurred in October 2020, before full tree leaf abscission had taken place, leading to extensive damage within dense population centers on the transmission and distribution system.
- Two polar vortex events in February 2019 and Winter Storm Uri in February 2021.

We manage extreme weather, specifically the frequency and severity of these events, as priority risks from a climate perspective because of their high potential impact. It is typically more difficult to project trends for acute physical risks, such as extreme weather events, because they occur over shorter time frames and smaller geographic areas.

Extreme weather can interrupt energy generation, damage energy resources and infrastructure, and interfere with fuel production and delivery systems. These impacts could potentially cascade to widespread energy disruption and require lengthy and costly recovery efforts. For example, ice storms often result in accumulation of ice on power lines and other transmission and distribution infrastructure, making it more susceptible to high winds. Ice can also add substantial weight to trees and power lines, leading to damage that can cause power outages that require significant restoration effort and extended time to address. As such, ice storms have been known to cause damage on a scale comparable to major hurricanes.

High winds are another example of extreme weather that threatens our assets, specifically transmission and distribution infrastructure. These winds are often associated with severe storms and tornadoes, which are prevalent in our service areas. Transmission tower damage and failures during these weather events can lead to extended service disruptions and widespread power outages, requiring emergency repairs.



[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

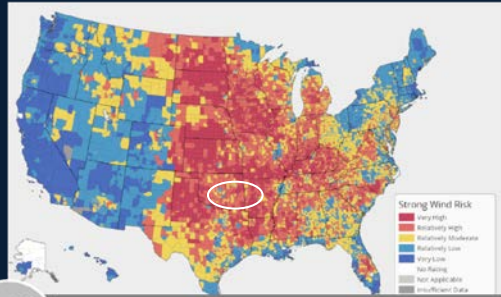
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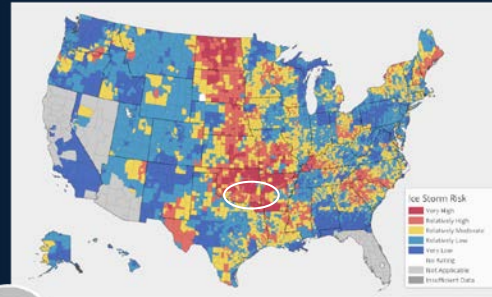
[Scenario Analysis](#)

[Metrics](#)

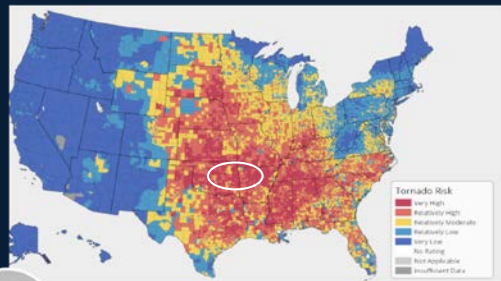
OKLAHOMA: WHERE THE WIND (AND EXTREME WEATHER) COMES SWEEPING DOWN THE PLAINS



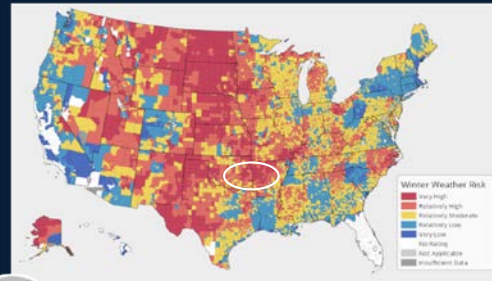
Strong Wind Exposure



Ice Storm Exposure



Tornado Exposure



Winter Weather Exposure

OGE Energy’s service area in Oklahoma and western Arkansas has long been subject to the impact of extreme weather variables. Operating in this area for over 120 years, our regional historical weather extremes have required a resilient grid, responsive and reliable generation, and storm preparedness.

Across the U.S., when comparing states for wind, lightning, ice, tornadoes, and hurricane frequency and impacts, **Oklahoma ranks second and Arkansas third according to FEMA’s National Risk Index. Oklahoma is also in the top three states for heat ranking and Arkansas ranks fifth for heat and first for cold waves** – a rapid fall in temperatures within 24 hours and extreme low temperatures for an extended period.

Climate-related risks are not new to our Company, and we have made substantial investments to maintain and enhance our grid, demonstrating our commitment to address the risks and minimize impacts to our customers.

Source: Federal Emergency Management Agency National Risk Index

Physical Risk Summary

CLIMATE VARIABLE AND POTENTIAL CHANGES	ASSETS	PHYSICAL RISKS	OPERATIONAL IMPACTS
TEMPERATURE • Increased temperatures • More frequent and/or longer heat waves • Increased severity of extreme cold/polar vortex events • Decreased cold/frost days	All	Seasonal changes in demand for cooling vs. heating; infrastructure may not be prepared for longer cooling seasons and shorter heating seasons	<ul style="list-style-type: none"> • Changes in demand patterns affecting seasonal load schedules • Resilience impacts - potential power outages and service disruptions • Increased operational costs • Increased capital investment costs • Changes in revenue patterns • Components may be overworked and fail
		Unpredictable volatility in demand	<ul style="list-style-type: none"> • Unpredictable changes in demand • Affects liquidity of energy utilities
	Power Generation Facilities	Reduced efficiency and generation capacity of natural gas-fired, coal-fired, and other thermoelectric power plants; reduced cooling capacity with warmer influent; increased wear on generation systems (including renewables); increased need to shut down or stop to allow systems to cool, can impact renewables performance	<ul style="list-style-type: none"> • Components may be overworked and fail • Increased need for maintenance and repairs • Inability to meet demand • Reduced output • Resilience impacts - potential power outages and service disruptions
		Potential to exceed thermal water discharge limits (heat only)	<ul style="list-style-type: none"> • Regulatory consequences (e.g., fines)
	Transmission and Distribution	Reduced efficiency and transmission capacity that may cause components to be overworked and fail	<ul style="list-style-type: none"> • Resilience impacts - potential power outages and service disruptions • Increased need for maintenance and repairs
		Thermal expansion of transmission line materials and sagging lines; freezing of transmission lines and other infrastructure	<ul style="list-style-type: none"> • Resilience impacts - potential power outages and service disruptions • Increased need for maintenance and repairs
		Longer growing seasons could increase vegetation along transmission lines	<ul style="list-style-type: none"> • Impacted accessibility to transmission and distribution assets • Potential damage from treefall • Increased need for maintenance and repairs
		Equipment failure due to insulation breakage on transformers from higher temperatures	<ul style="list-style-type: none"> • Resilience impacts - potential power outages and service disruptions • Increased need for maintenance and repairs
	Fuel Supply	Disruption of fuel transport due to damage of regional transportation infrastructure; increased risk of power outages from grid overload may disrupt fuel extraction, processing, and transportation	<ul style="list-style-type: none"> • Supply chain interruptions • Inability to meet demands • Increased fuel costs • Inconsistent fuel delivery • Resilience impacts - potential power outages and service disruptions
	Employees/Contractors	Increased heat-related morbidity and mortality; increased vector borne illness due to lengthened growing season and less frost days; heightened concern for vulnerable employees	<ul style="list-style-type: none"> • Schedule delays • Reduced productivity • Increased insurance claims • Impacts to health and safety (H&S) metrics
Customers	Increased risk of power outages from grid overload may lead to public health impacts and reputational risk	<ul style="list-style-type: none"> • Reduced revenue and shareholder investments • Negative customer/public perception 	

CLIMATE VARIABLE AND POTENTIAL CHANGES	ASSETS	PHYSICAL RISKS	OPERATIONAL IMPACTS
Precipitation • Increased average annual precipitation • Increased extreme precipitation (frequency and severity)	All	Infrastructure in low-lying areas or near water bodies may be vulnerable to more frequent flooding and associated damage	<ul style="list-style-type: none"> Resilience impacts - potential power outages and service disruptions Longer time for repairs while waters recede Increased need for maintenance and repairs Increased operational costs Increased capital investment costs Electronic equipment may be damaged or destroyed if exposed to floodwaters
	Power Generation Facilities	Limited access to and increased prices on water for power plant cooling and oil and gas operations; potential for flooding and subsequent pollution of local waterways	<ul style="list-style-type: none"> Inability to meet demand Increased operational costs Reduced output and revenue Reduced efficiency Potential for service disruptions Negative public perception Potential fines and payouts for cleanup efforts Potential litigation
	Employees/Contractors	Health and safety risk from flooding and exposure to floodwaters	<ul style="list-style-type: none"> Schedule delays Reduced productivity Increased insurance claims Impacts to H&S metrics
Wind Speed • Increased average wind speed	Power Generation Facilities; Transmission and Distribution	Increased average wind speeds causing stress and damage to operations and equipment	<ul style="list-style-type: none"> Increased need for maintenance and repairs Reduced efficiency
Extreme Weather: Winter Storms, Thunderstorms, Tornadoes, High Winds • Unpredictable winter storm activity • More favorable conditions for severe thunderstorms and tornadoes • Increased high winds	All	Unpredictable severe weather events with projected increased severity	<ul style="list-style-type: none"> Increased potential for damage to all assets Uncertainty around planning for severe events
	Power Generation Facilities	Damage to facilities and generation infrastructure	<ul style="list-style-type: none"> Resilience impacts - potential power outages and service disruptions Increased need for maintenance and repairs Reduced output and revenue
	Transmission and Distribution	Damage to Transmission and Distribution infrastructure	<ul style="list-style-type: none"> Resilience impacts - potential power outages and service disruptions Increased need for maintenance and repairs Reduced output and revenue
	Supply Chain	Damage to supply chain components and infrastructure	<ul style="list-style-type: none"> Supply chain interruptions Inability to meet demand Increased fuel costs Reduced output and revenue
	Employees/Contractors	Damage to assets and local infrastructure	<ul style="list-style-type: none"> Increased need for maintenance and repairs Heightened safety risks Overworking employees Inability to access facilities Decreased production
	Customers	Damage to assets and local infrastructure leading to unreliable service	<ul style="list-style-type: none"> Inability to meet demand Negative customer/public perception
Drought • More frequent and severe drought events	Power Generation Facilities	Limited access to water for power plant cooling	<ul style="list-style-type: none"> Inability to meet demand Reduced output and revenue Reduced efficiency Potential for service disruptions
Wildfire • Increased wildfire risk	All	Increased need for "public safety power shutoffs" (PSPSS)	<ul style="list-style-type: none"> Resilience impacts - potential power outages and service disruptions Reduced revenue
	Transmission and Distribution	Reduced efficiency and transmission capacity that may cause components to be overworked and fail	<ul style="list-style-type: none"> Resilience impacts - potential power outages and service disruptions Increased need for maintenance and repairs
	Employees/Contractors	Poor air quality	<ul style="list-style-type: none"> Reduced productivity Increased insurance claims Impacts to H&S metrics

Transition Risks

Transition risks represent those risks related to the social and economic changes resulting from the shift toward a lower carbon future. These risks are often interconnected, representing policy and regulatory changes, technology and market risks, and risks to our reputation and financial performance.

OGE Energy is committed to a thoughtful and responsible energy transition and remains committed to balancing a lower carbon future with affordability and reliability, as well as support for our employees and the local economies in which we operate.



POLICY AND REGULATORY

Potential regulation associated with climate change legislation could pose financial risks to OGE Energy. The U.S. is a party to the United Nations' Paris Agreement on climate change, and the Agreement, along with other potential legislation and regulation, could result in GHG emission reduction requirements. These added regulations could lead to increased compliance costs.

In addition, climate change physical impacts or increased rates caused by additional regulatory costs, carbon taxes, or imposed costs could also have financial impact for OGE Energy.

Also, should financial markets view climate change and carbon emissions 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. We could also be subject to financial risks from climate-related private party litigation. Defense costs, penalties, or damage

payments could require substantial capital expenditures, affecting our financial condition or cash flows if such costs are not recovered through regulated rates.

See our Annual Report on Form 10-K for additional discussion regarding the financial risks associated with climate change.



TECHNOLOGY

In past decades, the electric power industry has undergone a significant technology evolution. We expect this evolution to continue producing cost-effective and reliable energy technology to meet customer needs and support global climate objectives.

As we expand our cleaner energy generation asset mix, the ability to integrate renewable technologies into our operations and maintain reliability and affordability is key. In the future, an affordable and reliable portfolio of zero carbon generation resources, including renewables, hydrogen capable generation and long-term storage technologies, will be required.

Other technology risks include the need for significant upfront financial investments, lengthy development timelines, and the uncertainty of integration and scalability across a utility's entire service area.



CUSTOMER AND COMMUNITY IMPACT

We believe our future is based on the strength of our customers and communities. Since 1902, we have worked to improve our communities by investing in and partnering with local organizations that make a difference.

Certain climate-related policies, regulations, or management activities may require significant investments, which could increase rates for our customers. We are mindful of the impacts on our communities, as well as our most vulnerable customers, and remain committed to customer affordability and proactively addressing impacts to grid reliability.

Leveraging Climate-Related Opportunities

While changing climate conditions may pose several challenges and risks to our industry, they also present us with opportunities to create positive change for our business and the customers we serve. Through a nimble operating structure and a commitment to innovation, OGE

Energy believes we are well-positioned to take advantage of these opportunities – responsibly and resiliently growing our Company and communities.



Leveraging Our Geographic Location in the Transition to Renewable Energy

- Located in one of the nation’s primary wind and solar resource areas
- Pioneered wind energy in Oklahoma
- First utility in Oklahoma to offer community solar power
- The 2021 IRP recommends significant investments in solar resources



Increasing Customer Access to Cleaner Energy Through SPP

- Providing customers with access to a full suite of cleaner energy resources
- Our high voltage lines help share our wind generating capacity with our SPP partners
- Wind is now a leading source of power for the SPP
- In 2020 and 2021, over 40% of the electricity generated across the SPP was carbon free, including wind, solar, nuclear, and hydroelectric



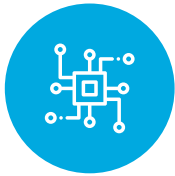
What is the Southwest Power Pool (SPP)?

SPP is a regional transmission organization and nonprofit corporation mandated by the Federal Energy Regulatory Commission to maintain the reliable supply of power, adequate transmission infrastructure, and competitive wholesale electricity prices on behalf of its members. SPP oversees the bulk electric grid and wholesale power market in the central U.S. on behalf of utilities and transmission companies in 17 states.



Enhancing and Strengthening the Grid for Continued Resilience

- OG&E’s Oklahoma Grid Enhancement Plan will enhance grid reliability through a planned investment of over \$800 million, including new technology, equipment, and communications systems that promote a self-healing grid
- Grid resilience investments directly address increased climate-related physical risks, while providing customers with improved service and reliability



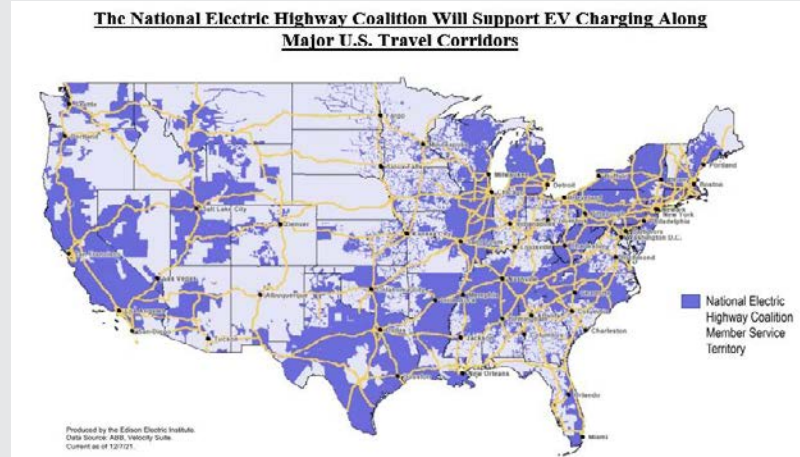
Partnering for Innovation, Advancing Technology Solutions

- Partnering with other utilities and third-party organizations to understand technology trends, pilot new solutions, and invest in technology development, including:
 - » Investing in Energy Impact Partners (EIP)'s including its Deep Decarbonization Frontier Fund
 - » Oklahoma's Hydrogen Production, Infrastructure, and Production Task Force
 - » Potential energy storage partnerships
- Supporting collaborative research development through partnerships with industry groups, including EPRI's Energy Systems and Climate Analysis program



Helping to Make Electric Vehicles Mainstream

- By 2030, we expect 100% of our light-duty vehicles will be EVs and company vehicle fleet emissions to be reduced by 60%
- Helped launch the National Electric Highway Coalition
- Founding member of the Oklahoma Electric Vehicle Coalition



Encouraging Customer Energy Efficiency

- Promoting customer energy efficiency through programs related to home and commercial energy efficiency, weatherization, and commercial lighting
- Our SmartHours program integrates technology and pricing to help customers reduce energy usage at peak times
- Improved the homes of more than 50,000 low-income customers through our Weatherization Program
- Innovative demand response programs have delivered 100MW of annual avoided generation



Advocating for Sound Policy on Climate-Related Issues

- Participating in public policy discussions through our trade associations and other coalitions
- Working collaboratively with our regulators and communities
- Our Regulatory and Legislative Affairs department manages external policy relationships, as well as our voluntary, non-partisan political action committee (PAC)
- Member of EEI's ESG and Sustainability Community and the EEI Environmental and Climate Policy Committee
- Founding participant in EEI's Carbon-Free Technology Initiative (CFTI)

While our Company is involved with various trade organizations that advocate on behalf of our customers and the industry, we may not support the initiatives or positions of every organization with which we partner.



Scenario Analysis

[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

[Governance](#)

[Risk Management](#)

[Scenario Analysis](#)

[Metrics](#)

Climate-related scenario analysis considerations

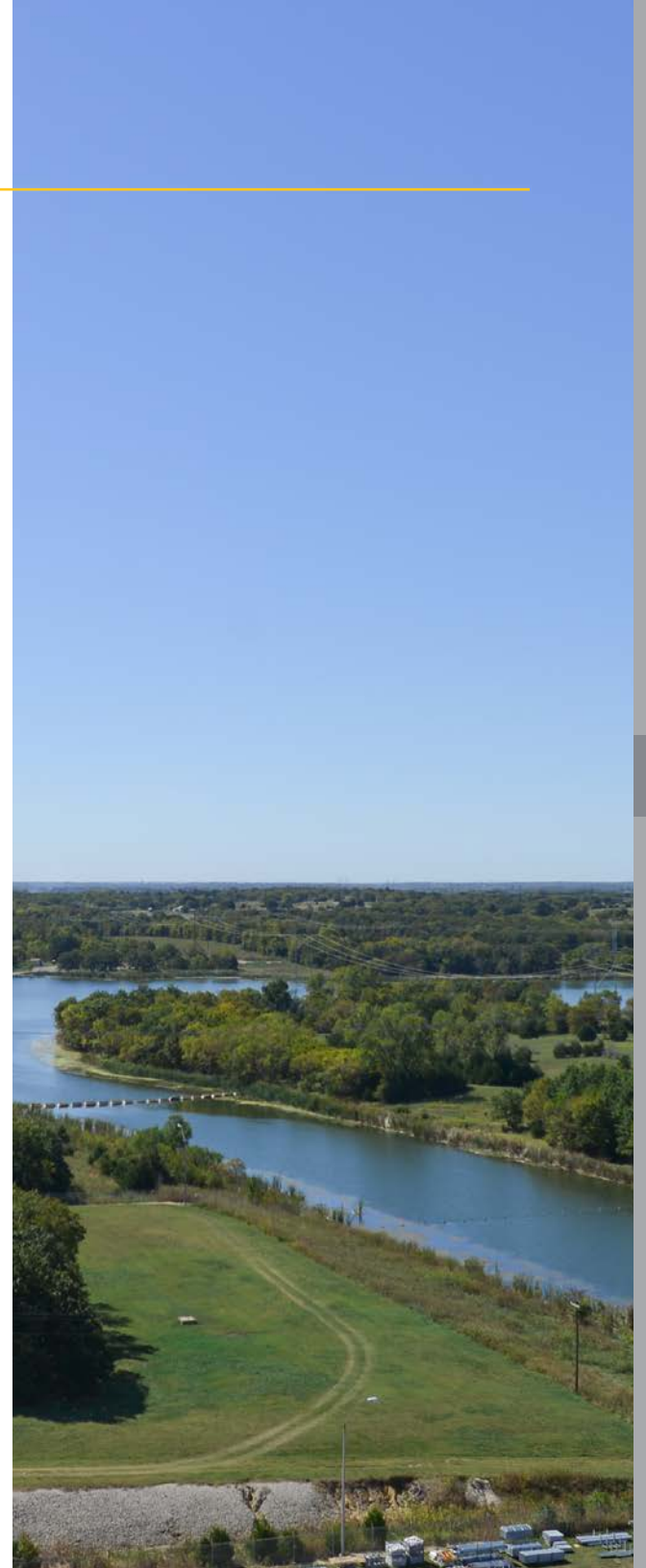
Climate-related modeling is a more recent expansion of traditional scenario analysis. As noted by TCFD, climate-related scenario analysis encourages review of the business implications of climate change, exploring how combinations of climate-related risks and opportunities may impact planning and performance over extended periods of time. OGE Energy specifically utilizes climate scenario analysis to stress test our corporate business planning and risk management process as we consider the impacts of climate-related risks and the transition to cleaner energy.

Key to our climate-related scenario analysis is achieving a future in alignment with global climate goals. We partner with third-party organizations, such as the Electric Power

Research Institute (EPRI), an independent, nonprofit scientific research organization, to provide the necessary research and climate science expertise to model against a lower carbon future. For example, through our partnership with EPRI's Energy Systems and Climate Analysis program, we support the development of modeling tools that provide insights regarding the cost and performance of policy alternatives related to future climate related regulations.

EPRI's research found broad ranges of emissions pathways, as well as carbon emissions reductions levels and carbon budgets, which are consistent with limiting average global temperature increases to between 2 C and 1.5 C.

We reference two EPRI reports: "Grounding Decisions: A Scientific Foundation for Companies Considering Global Climate Scenarios and Greenhouse Gas Goals" (2018) and its 2020 update: "Review of 1.5C and Other Newer Global Emissions Scenarios: Insights for Company and Financial Climate Low-Carbon Transition Risk Assessment and Greenhouse Gas Goal Setting," both authored by Rose and Scott, to provide the scientific foundation for identifying emissions reduction pathways for our industry.

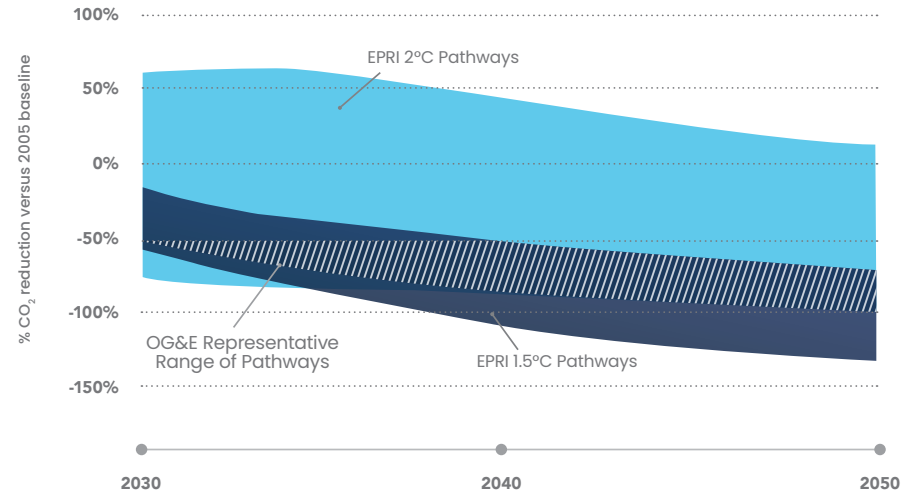


OG&E CO₂ EMISSIONS PATHWAYS ALIGNED WITH GLOBAL ASPIRATIONS

OGE Energy engaged EPRI analysts to provide additional insights into the climate scenario analysis methodology and provide representative CO₂ emissions pathways. This research noted that because each electric utility is unique (in assets, systems, markets, and local policy environments), each will have different opportunities, constraints, and carbon emissions reduction strategies.

We considered multiple scenarios for our climate-related analysis. Inherent in any future-based scenario analysis is the recognition that inputs have a high level of unpredictability and are subject to change. The scenarios highlighted in our analysis focused on various possible future environments, including the possibility of carbon taxes as proxies for regulatory or market mechanisms that might shape future energy decisions. In all scenarios, we assume similar evolution of cleaner energy technology and capacity requirements.

OG&E Representative Pathways Consistent with Global Aspirations



Global net CO₂ pathways consistent with limiting global average warming to 1.5°C and 2°C (% change relative to 2005). Source: Developed from Rose and Scott (2018, 2020) analyses of IPCC and IEA global emissions pathways

Through each scenario we were able to identify CO₂ emissions pathways that align with the reduction goals needed to meet the Paris Agreement’s aspirations.

Our evaluated scenarios included:

Capacity replacement similar to the 2021 IRP retirement dates with no changes to existing laws and regulations

Carbon tax sensitivity of \$20/ton starting in 2025

Carbon tax sensitivity of \$40/ton starting in 2025

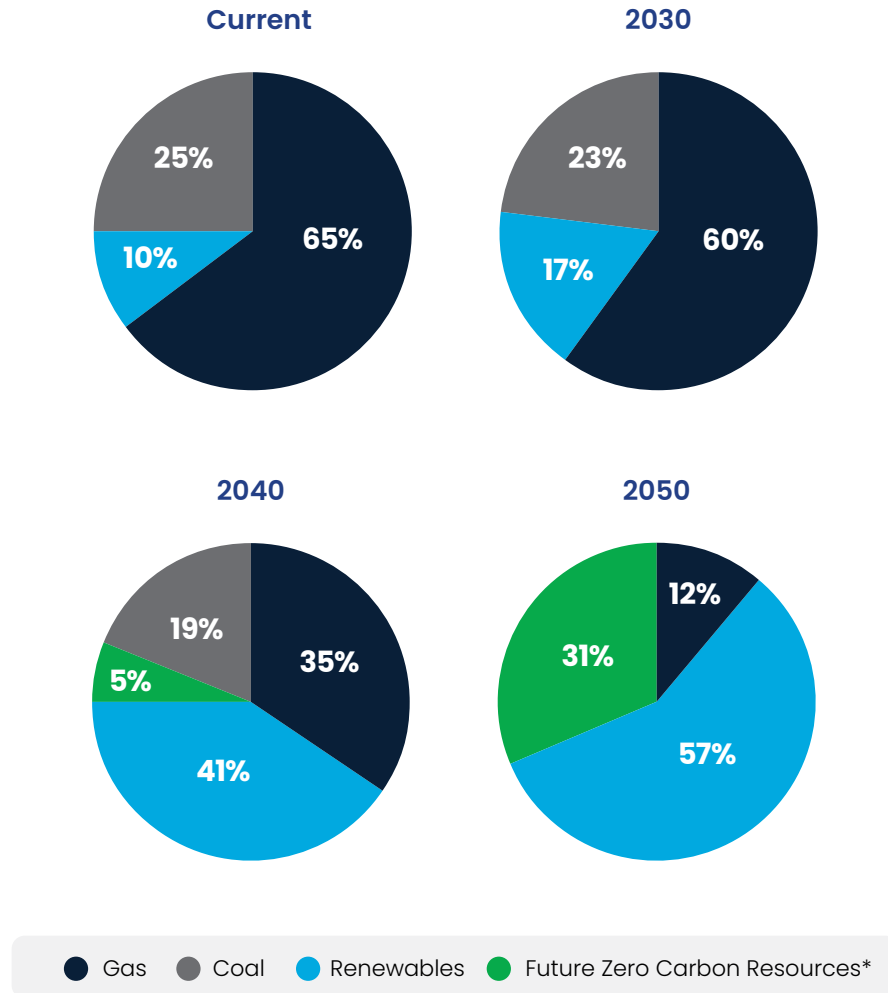
OG&E SCENARIOS GENERATION CAPACITY OPTIONS

All of our scenarios rely on the cost effective and reliable evolution of future zero carbon generation technology. As we continue to evolve our generation asset portfolio, it is important to note that all replacements and retirements require regulatory approval as part of our IRP process and commitment to provide reliable and affordable energy.

We continue to be encouraged by the results of our scenario analysis and the progress of our carbon emissions reduction initiatives. Most notably, we have achieved current progress using existing generation technology. We anticipate new technology developments will offer more cost-effective and cleaner solutions to further advance our future carbon emissions reduction efforts.

As we note elsewhere in the report, we are prepared to take advantage of climate related opportunities while balancing our commitments to stewardship, customer affordability, reliability, and grid resilience. In partnership and communication with our stakeholders and regulators, we will continue to identify the best options to balance meeting the needs of customers and achieving a lower carbon future. Our intent is to update our scenario analysis on a regular basis aligned with our IRP process, major technology evolution and adoption, and any significant policy or regulatory changes.

Targeted OG&E Generation Capacity Mix



Reflects unit capability for all coal and gas units and station capability for renewable generation units
 * Future zero carbon resources represent economically feasible, dispatchable, long duration generation resources



UTILIZING SCENARIO ANALYSIS FOR CLIMATE RISKS

Climate related scenario planning has a certain number of uncertainties. Recognizing these limitations is important when considering analysis results.

- Scenarios typically only model stylized markets and do not capture individual companies and their respective markets
- Applying global modeling results to all companies within an industry or sector ignores company differences or assumes a uniform approach that may not be effective or feasible
- Carbon emissions reduction strategies can vary in terms of emissions goals, how such goals will be met, and how such goals support the electric system and economy-wide decarbonization

- Scenarios represent a limited number of possible futures based on assumptions that could change as circumstances evolve

OGE Energy's analysis raised additional considerations with respect to CO₂ emissions pathway scenario modeling. Our scenario analysis is intended only to provide a directional illustration of the impact of changes in our generation facility portfolio. The results presented are indicative of potential options to meet our current expectations and do not represent specific generation resource plans. Our business plans are influenced by and dependent on decisions of our state regulatory authorities and are informed by IRP processes overseen by those regulators. Among other things, the

evolution of our generation portfolio must support our ability to continue to serve our customers with reliable power at the lowest reasonable cost.

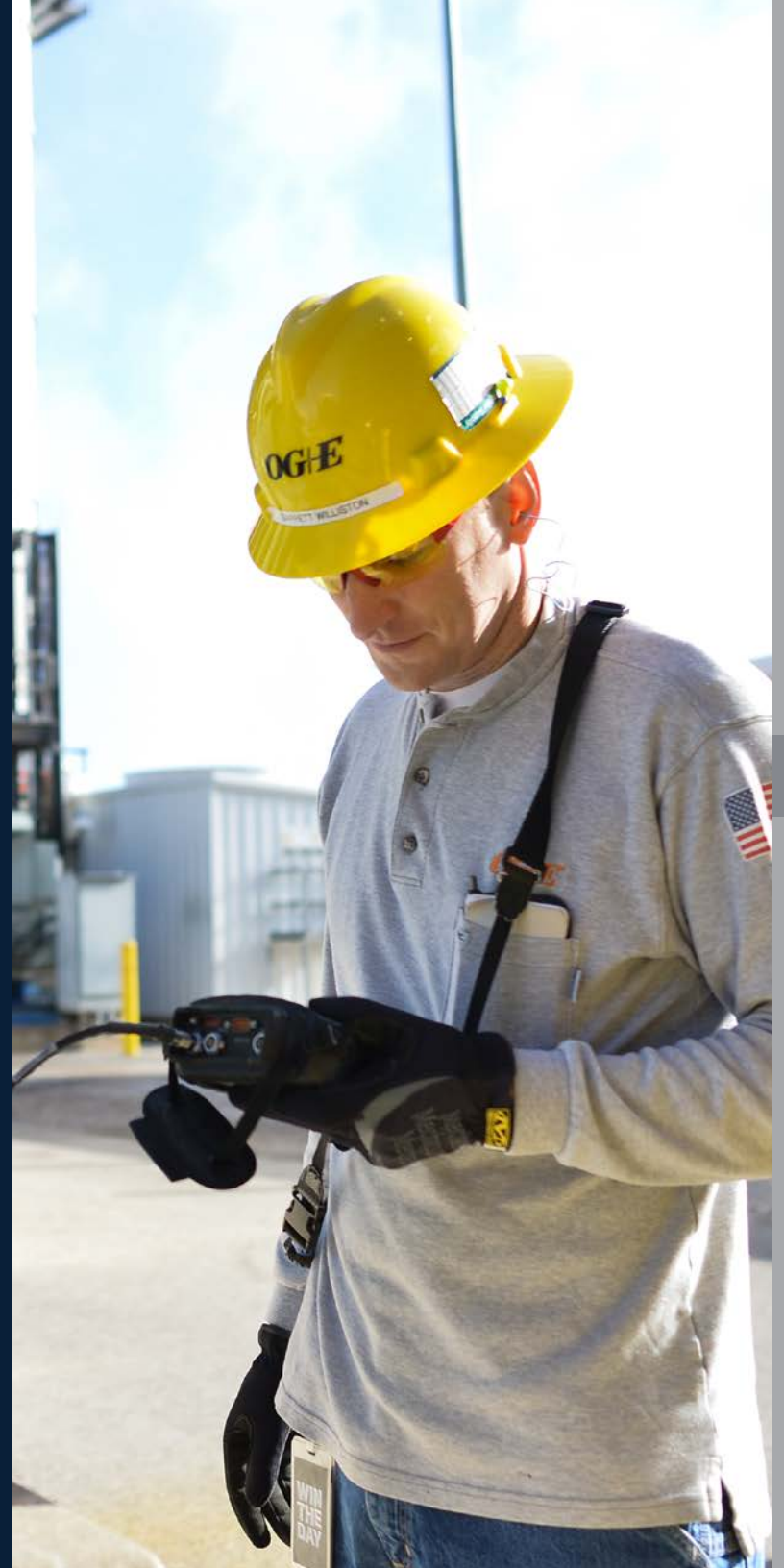
Our scenario analysis also relies on estimates as to future market direction and other events, many of which are outside of our control, such as fuel prices, energy demand, and new technologies, among others. These factors are expected to change over time and could impact generation unit operations in the future. For example, changes in the dispatch of units may potentially lower carbon emissions for the region, but potentially increase our absolute emissions.

CLIMATE SCENARIO ANALYSIS DIFFERS FROM INTEGRATED RESOURCE PLANNING

Through our IRP process, OGE Energy strives to develop a resource plan that allows us to most reasonably and affordably meet capacity obligations over the planning horizon with consideration for the uncertainties of future planning and changing customer needs. To identify the best future portfolio, we rely on nine primary objectives:

- Generation capacity obligation
- Expected cost to customers
- Exposure to risks
- Fuel and technology diversity
- Operational flexibility
- Adaptability
- Portfolio age
- Resiliency benefits
- Environmental stewardship

Our climate-related scenario analysis builds upon IRP modeling by expanding into specific considerations of future CO₂ emissions pathways. While IRP inputs are based on the current state of capacity needs and generation resources, climate scenarios make broad assumptions about long-term capacity needs, technology evolution, fuel prices, and future policy and regulatory environments.



[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

[Governance](#)

[Risk Management](#)

[Scenario Analysis](#)

[Metrics](#)



Metrics

[A Message From Our CEO](#)

[Executive Summary](#)

[Who We Are](#)

[About This Report](#)

[Governance](#)

[Risk Management](#)

[Scenario Analysis](#)

[Metrics](#)

Measuring Our Impact, Reporting Our Progress

We set a 2020 goal to reduce carbon emissions from generation by 40% from 2005 and achieved that objective. We now expect to lower emissions by 50% by 2030. We also expect to reduce our Scope 1 and 2 GHG emissions by 50% by 2030. Additionally, OG&E plans to replace 50% of our light-duty vehicles with EVs by 2025 and 100% by 2030, which will allow us to meet our goal of reducing our fleet vehicle emissions by 60% by 2030.

By 2050, we also expect to retire 95% of our current fossil-fueled generation, cost-effectively meeting our capacity requirements by replacing the retiring generation with newer technologies. We will continue to reduce emissions and to set new goals as technologies develop and mature, and in concert with our regulatory agencies.



	2005	2020	2030 Goal
Carbon Emissions <i>(metric tons CO₂)</i>			
Direct carbon emissions from OGE Energy-owned and operated power plants (including 100% share of McClain & Redbud)	23,992,763	12,287,671	11,996,382

OG&E monitors and reports to the Environmental Protection Agency (EPA) 100% of CO₂ emissions from OG&E-owned power plants. And, as the operating partner for the jointly owned McClain and Redbud power plants, OG&E also monitors and reports these power plant CO₂ emissions to the EPA. The OG&E-owned portions of the jointly owned McClain and Redbud power plants are 77% and 51%, respectively. Emissions from OG&E's power plants are available on EPA's Clean Air Markets website. Although not owned by OG&E in 2005, emissions from the Redbud, River Valley, and Frontier power plants are included in the 2005 baseline in order to make for a complete comparison with today's fleet.

We base our targets on carbon emissions from our power plants, as they account for the vast majority of our direct emissions and are reflective of our resource planning. We have provided below the methods we use to calculate our Scope 1, 2, and 3 emissions. We believe that those methods, and the emissions that we include in Scope 1, 2, and 3, are consistent with the general definitions provided in the GHG Protocols, but we may further refine our methods over time. The Company is engaged with EEI in an effort to standardize definitions of Scopes 1, 2, and 3 specific to the electric utility industry.

The company expects to reduce Scope 1 and Scope 2 emissions by 50% by 2030.

2020

Scope 1 Emissions

(metric tons CO₂e)

Scope 1 emissions are generally defined in the GHG Protocols to include direct GHG emissions that occur from sources that are controlled or owned by an organization; the vast majority of our Scope 1 emissions consist of CO₂ emissions from our power plants as shown in the previous table; as noted there, CO₂ emissions are from all owned and operated power plants, including 100% of McClain and Redbud.

We also include in our Scope 1 emissions those emissions from smaller ancillary combustion sources that operate infrequently, such as emergency firefighting equipment and fugitive sulfur hexafluoride (SF₆) emissions as reported to EPA, as well as emissions from vehicles and a small amount of fugitive refrigerant emissions estimated from internal consumption records and standard carbon emission factors for such sources.

Scope 2 Emissions

(metric tons CO₂e)

Scope 2 emissions are generally defined in the GHG protocols to include indirect GHG emissions associated with the purchase and acquisition of electricity for use by the organization.

For purposes of our calculation of Scope 2 emissions, we use an estimate of approximately 1% of Scope 1 emissions based on a multi-year average of electricity usage.

Scope 3 Emissions

(metric tons CO₂e)

Scope 3 emissions are generally defined in the GHG Protocols to include emissions resulting from activities or assets not owned or controlled by the reporting organization but that are produced indirectly through its value chain.

For OG&E, our reported Scope 3 emissions include only those indirect emissions associated with power purchased from the SPP Integrated Market for sale and delivery to our customers as reported on the OGE Energy Corp SEC form 10-K. The associated carbon intensity is EPA's eGRID 2020 emissions factor for the SPP south region. Our reported number does not include any additional Scope 3 emission sources noted under the GHG protocol definitions.

12,407,823

150,134

5,475,692

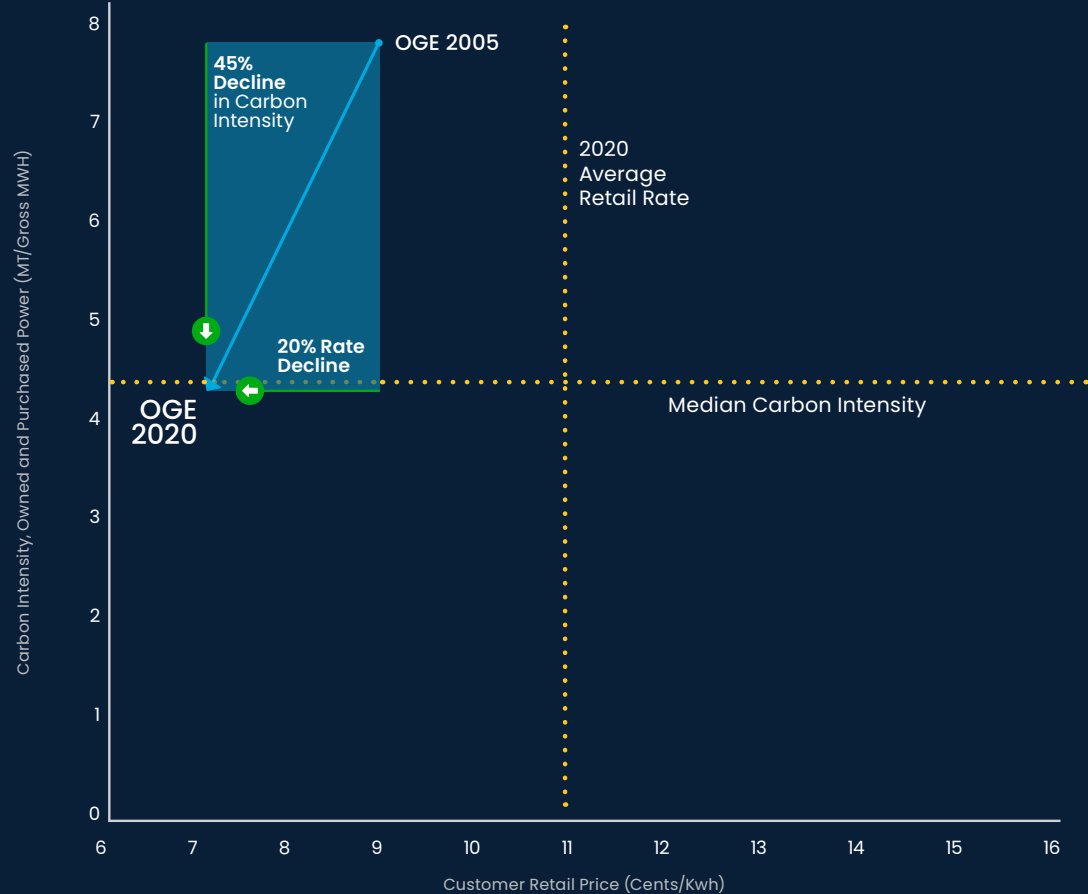
We have made progress in reducing carbon emissions, and strive to continue to do so, while maintaining grid resilience, reliability, and customer affordability. This proven performance reflects our balanced and thoughtful approach to environmental stewardship and a lower carbon future.

Since 2005, the carbon intensity of power delivered to our customers in our region through fleet turnover and our participation in the SPP integrated market¹ has declined approximately 45% and our delivered electricity rates have declined over 20% (adjusted for inflation). OG&E rates continue to be among the lowest in the nation, helping to drive economic development and growth in our communities.

For additional climate-related metrics, please visit our publications in the [ESG Reporting Center](#).

¹ Carbon intensity is the rate of carbon emitted per unit of energy generated and/or sold and delivered. For 2005, OG&E carbon intensity is derived with emissions and energy generation from current OG&E power plants and our purchased wind power agreements, as this is reflective of sold and delivered energy at that time. In 2020, carbon intensity is the 2020 eGRID emission factor for the SPP south region as reported by the EPA, as it is a reflective proxy for the energy that OG&E now acquires from the SPP Integrated Market for sale and delivery to customers. This metric for 2020, using SPP south, is reflective of the overall delivered energy emissions in our region of the SPP and is an estimate separate and distinct from reported Scope 1 emissions. For more information, please see our [EEI ESG/Sustainability Template](#)

DEMONSTRATED ABILITY TO DELIVER AFFORDABLE RATES WHILE RESPONSIBLY REDUCING CARBON INTENSITY



Source: S&P 2020 'ultimate' retail rates at parent company including residential, commercial and industrial. Median carbon intensity and 2020 average retail rates are based on an average of 22 EEI investor owned electric utilities. Carbon intensity median calculated using EEI ESG templates with most recent year disclosure for 'Owned + Purchased Carbon Intensity' in MT/kWh

FORWARD-LOOKING STATEMENTS

Some of the matters discussed in this report may contain 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,” and similar expressions. Actual results may vary materially. Factors that could cause actual results to differ materially include, but are not limited to: prices and availability of electricity, coal and natural gas; competitive factors, including the extent and timing of the entry of additional competition in the markets served by the Company; the impact on demand for services resulting from cost-competitive advances in technology, such as distributed electricity generation and customer energy efficiency programs; technological developments, changing markets and other factors that result in competitive disadvantages and create the potential for impairment of existing assets; unanticipated changes to fossil fuel, natural gas, or coal supply costs or availability due to higher demand, shortages, transportation problems or other developments; electric transmission or gas pipeline system constraints; availability and prices of raw materials and equipment for current and future construction projects; federal or state legislation and regulatory decisions and initiatives that affect cost and investment recovery, have an impact on rate structures, or affect the speed and degree to which competition enters the Company’s markets; environmental laws, safety laws, or other regulations that may impact the cost of operations or restrict or change the way the Company’s facilities are operated; and other risk factors listed in the reports filed by the Company with the Securities and Exchange Commission including those listed in Risk Factors in the Company’s Annual Report on Form 10-K.

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