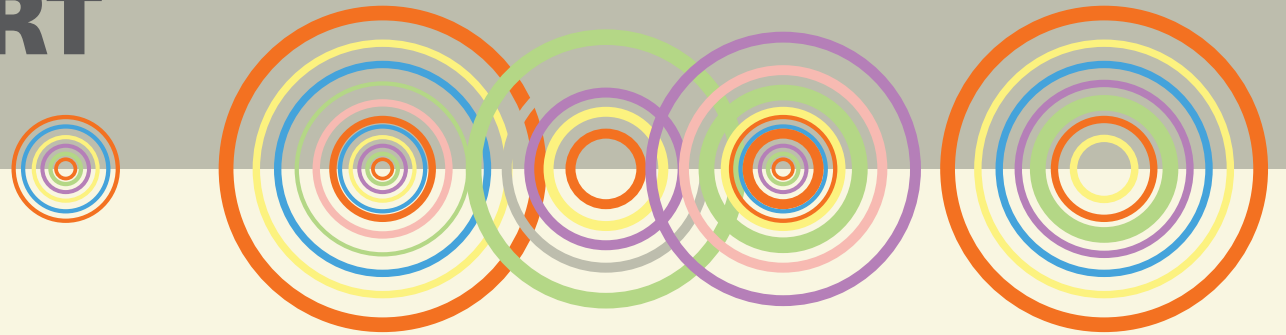


SD-15: ENTERPRISE RISK MANAGEMENT MONITORING REPORT

▶ 06.16.26 ▶



Scott Focht
Vice President Corporate Strategy & Governance



SD-15: ENTERPRISE RISK MANAGEMENT

OPPD shall maintain an enterprise risk management (ERM) program to perform an independent oversight function of the District's risk management activities to ensure significant risks are identified, assessed, managed, and reported through organizational policies, procedures, and processes to maintain risk exposures within agreed upon risk tolerance levels.

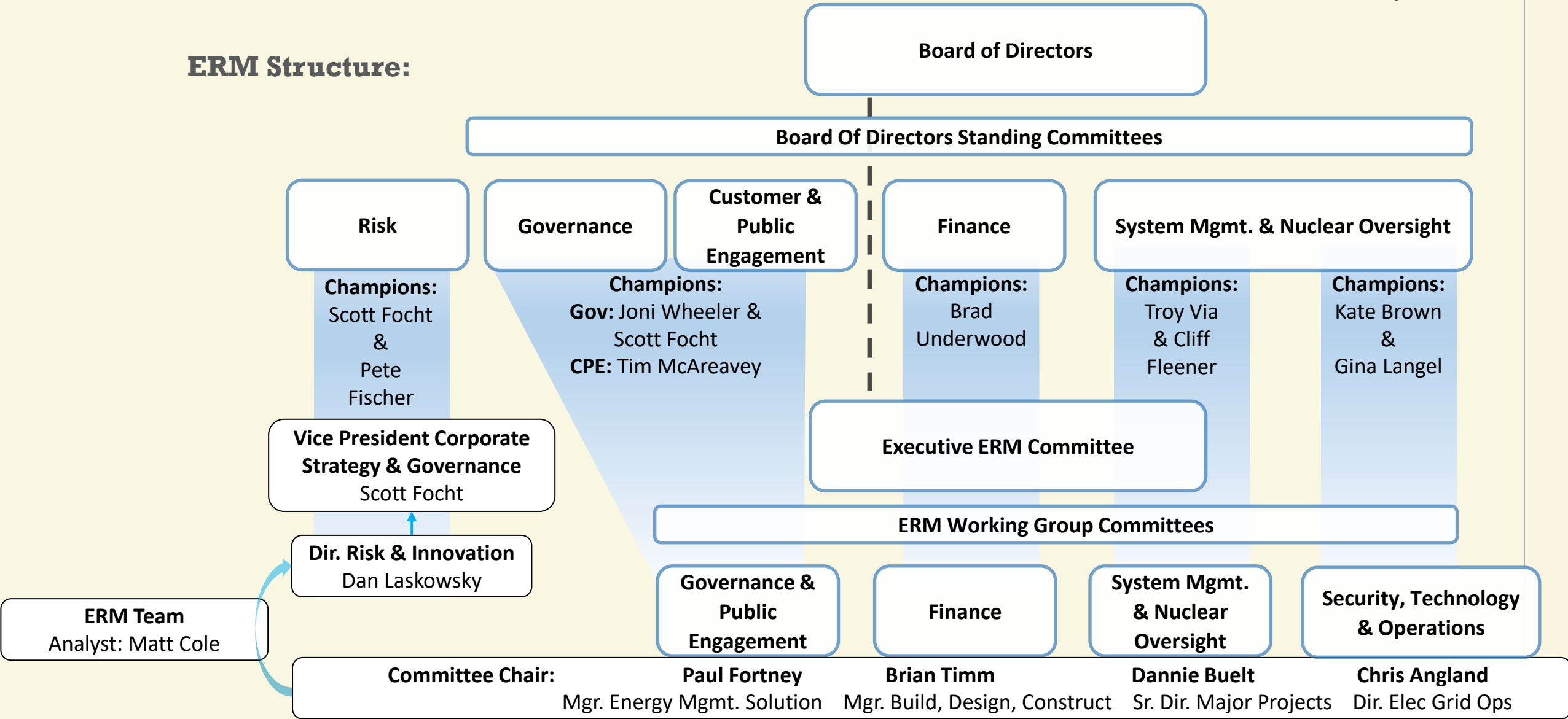
The Board of Directors shall:

- Ensure the District is maintaining an ERM program that fulfills this policy.
- Review the District's most significant risks on a quarterly basis to validate assumptions and assess the impacts of changes since initial risk review.
- When necessary, request additional explanation of the risk from the corresponding member of OPPD's executive leadership team responsible for the risk or request additional expertise to supplement the review.
- Review additional ERM information, related risk activities, and strategies on an as-needed basis.

ENSURE THE DISTRICT IS MAINTAINING AN ERM PROGRAM THAT FULFILLS THIS POLICY;



ERM Structure:



ENSURE THE DISTRICT IS MAINTAINING AN ERM PROGRAM THAT FULFILLS THIS POLICY;

- Board Policy SD-15 & ERM Policy guide responsibilities and procedures for managing risks
- Risk Identification & Oversight:
 - **Monthly:** All four ERM Working Group Committees meet to identify and assess risks and have at least one member from each Business Unit.
 - **Quarterly:** Reports on the District's significant risks are provided to Executive ERM Committee and the Board Risk Committee. Executive Leadership affirms the following items:
 - Enterprise risks, including potential emerging risks, are identified, to a reasonable extent.
 - Significant enterprise risks are understood.
 - Mitigation strategies are understood, appropriate, and sufficient.

REVIEW THE DISTRICT'S MOST SIGNIFICANT RISKS ON A QUARTERLY BASIS TO VALIDATE ASSUMPTIONS AND ASSESS THE IMPACTS OF CHANGES SINCE INITIAL RISK REVIEW;

- 3rd Quarter 2025 Report (Board Risk Committee) - September 9, 2025
- 4th Quarter 2025 Report (Board Risk Committee) – January 20, 2026
 - Cyber & Physical Grid Security and Infrastructure Resilience & Aging Assets
- 1st Quarter 2026 Report (Board Risk Committee) - March 19, 2026
 - Impacts from the Iran Conflict
- 2nd Quarter 2026 Report (Board Risk Committee) – June 10, 2026
 - Strategic Implications of Industry Transformation for Public Power

Category	Cyber & Physical Grid Security	Technology & Digital Operations	Infrastructure Resilience & Aging Assets	Resource Adequacy & Reliability	Financial & Market Stability	Health, Safety & Environmental	Regulatory & Policy Compliance	Stakeholder & Public Trust	Climate & ESG Initiatives	Future Ready Workforce
Operational Risk	Operational Cyber Security	IT Infrastructure Management	Physical Asset Risk	Resource Reliability	Financial Market Volatility	Supply Chain Risk	Regulatory Compliance	Stakeholder Engagement & Reputation	Climate Resilience	Workforce Development
	Cyber Security for ICS	Technology Management	Infrastructure Resilience	Resource Reliability	Financial Market Volatility	Supply Chain Risk	Regulatory Compliance	Stakeholder Engagement & Reputation	Climate Resilience	Workforce Development
	Energy Production & Cyber Security	Customer Facing System Operations	Infrastructure Resilience	Resource Reliability	Financial Market Volatility	Supply Chain Risk	Regulatory Compliance	Stakeholder Engagement & Reputation	Climate Resilience	Workforce Development
	Water Security	Asset Risk for Pipelines	Infrastructure Resilience	Resource Reliability	Financial Market Volatility	Supply Chain Risk	Regulatory Compliance	Stakeholder Engagement & Reputation	Climate Resilience	Workforce Development
Strategic Risk	Identity & Access Management Control	Cloud Usage	Quality Assurance	Resource Reliability	Financial Market Volatility	Supply Chain Risk	Regulatory Compliance	Stakeholder Engagement & Reputation	Climate Resilience	Workforce Development
	Security Issue	Asset Protection Use Case	Quality Assurance	Resource Reliability	Financial Market Volatility	Supply Chain Risk	Regulatory Compliance	Stakeholder Engagement & Reputation	Climate Resilience	Workforce Development

WHEN NECESSARY, REQUEST ADDITIONAL EXPLANATION OF THE RISK FROM THE CORRESPONDING MEMBER OF OPPD'S EXECUTIVE LEADERSHIP TEAM RESPONSIBLE FOR THE RISK OR REQUEST ADDITIONAL EXPERTISE TO SUPPLEMENT THE REVIEW;

- Three levels of risk ownership:

Responsible for:
- Directors are able to request additional information from the corresponding Executive Leadership owner responsible for any significant risk.
- Directors can also request that Executive Leadership arrange for additional expertise to supplement the review of a specific significant risk.

REVIEW ADDITIONAL ERM INFORMATION, RELATED RISK ACTIVITIES, AND STRATEGIES ON AN AS-NEEDED BASIS.

- Developed a new Strategic Risk Dashboard to better categorize and visualize all the risks managed by OPPD's ERM program
- Leverage ERM during Strategic Planning, Resource Planning, and Capital Project Prioritization
- Supported the redesign of project work categories to improve the focus on the risk benefit of doing a potential project or the risk the District would need to accept if a potential project was not funded
- Recent Board recommendations have included risk-related information as part of the discussion. Some examples include:
 - Resolution No. 6743 – 2026 Final Corporate Operating Plan (December 18, 2025)
 - Resolution No. 6744 – Modification of Resolution No. 6518 Regarding North Omaha Station Operations (December 18, 2025)

RECOMMENDATION:

The Risk Committee has reviewed and accepted this Monitoring Report for SD-15 and **recommends that the Board finds OPPD sufficiently in compliance** with Board Policy SD-15.

SD-15 Performance

- ➔ Reviewed all identified enterprise risks in 2025 and on schedule to do so in 2026
- ➔ Reviewed significant enterprise risks with ELT and Board Risk Committee quarterly
- ➔ Trained new risk owners and new leaders on risk program fundamentals timely
- ➔ Continually improving risk integration into other critical planning processes.
- ➔ OPPD is an ERM public power industry leader

Any reflections on

- what has been accomplished, challenges and/or strategic implications?

