NEBRASKA POWER REVIEW BOARD

Minutes of the 863rd Meeting

June 20, 2025

  The 863rd meeting of the Nebraska Power Review Board (Board or PRB) was held in the First Floor Hearing Room, Nebraska State Office Building, 301 Centennial Mall South, Lincoln, Nebraska.  The roll was called and present were Chairman Hutchison, Vice Chairwoman Gottschalk, Mr. Austin, Mr. Grennan, and Mr. Liegl. Executive Director Texel stated that public notice for the meeting had been published in the *Lincoln Journal Star* newspaper on June 10, 2025.  The Board made the meeting available to the public through Webex. The Webex login information was available on the Board’s website. The agenda on the Board’s website provided links to the agenda items with associated documents the Board will consider, as well as a link to the Nebraska Open Meetings Act. Executive Director Texel explained that if any member of the public watching the meeting on Webex wanted to speak, they can click on the “raise your hand” icon.  They would be unmuted and could announce who is speaking, provide an address, and disclose if they represent an organization. Anyone wishing to comment on an item or ask a question could also type the comment or question in the “chat” function and the Board’s staff would read the question or comment to the Board. All background materials for the agenda items to be acted on were provided to all Board members prior to the meeting and a copy of the materials was in each Board member’s meeting notebook.  The executive director announced that a copy of the Nebraska Open Meetings Act was on display on the south wall of the room, and another copy was available in a black three-ring binder on the table in the back of the room.  A copy of all materials that the Board would consider was available for public inspection on a file cabinet, as well as extra copies of the agenda.

 The Board first considered the draft minutes from its May 16, 2025, public meeting.  The minutes had been sent electronically to the Board members. The staff did not have any changes to the minutes and no one had contacted the Board to suggest any corrections. Mr. Austin moved to approve the draft minutes for the May 16 meeting. Vice Chairwoman Gottschalk seconded the motion. Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Grennan – yes, and Mr. Liegl – abstain.  The motion carried 4-0 with one abstain. Mr. Liegl explained that he abstained because he was absent from the May meeting.

The next agenda item was acceptance of the expense report for the month of May.  In May there was $29,873.20 in personal services, $4,583.14 in operating expenses, and $1,224.03 in travel expenses. The total May expenses were $35,680.37. Mr. Texel stated that the Board is eleven months into the fiscal year, so 91.6% of the fiscal year has gone by. The Board has used 95.34% of the agency’s cash fund. The agency is approximately four percent over budget for its cash fund. Chairman Hutchison discussed the status of the cash fund. Rebecca Hallgren confirmed that the Board began operating on its cash reserves as of June 18. Ms. Hallgren had created a spreadsheet showing the past ten years of budget information. There was discussion about the Board spending approximately $600,000 annually on its operations, but it is collecting less than what the Board historically spends. If that continues the Board will run out of cash funds and reserves before the end of a fiscal year. The Board decided it will discuss this issue in more detail when it came time to address the assessment figure, which is later on in the agenda. Vice Chairwoman Gottschalk moved to accept the May expense report. Mr. Grennan seconded the motion. Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Moen – yes, and Mr. Liegl – yes.  The motion carried 5-0.

The next item on the agenda was to consider SAA 43-25-A. This is a joint application submitted by the Nebraska Public Power District, the City of McCook, and the McCook Public Power District. The application was filed on May 12, 2025. NPPD serves the City of McCook at retail and holds the service area rights to the City and some surrounding area. For purposes of this application NPPD is operating as the municipal power supplier. McCook is obviously an interested party, so the Board considers McCook to effectively be an intervenor, but the Board does not require a municipality in this situation to file a formal Petition in Intervention. The City participating in the joint application is considered to be sufficient. The City annexed a tract of territory on the northwest edge of the City. McCook would like NPPD to add this territory into the service area agreement between NPPD and McCook PPD. Exhibit A is a map showing the territory to be transferred. The territory is dark red with cross-hatching over it. Some of the area annexed was already part of NPPD’s service area. Exhibit B is a metes and bounds description of the total annexed territory. Exhibit C is a copy of Ordinance No. 2024-3039, which accomplished the annexation. Exhibit D is Resolution 2025-01, authorizing the City to join NPPD as a co-applicant in the PRB service area application. Exhibits E, F and G are maps. Exhibit E shows the City’s corporate limits prior to the annexation. Exhibit F shows the entire annexed area, and Exhibit G shows the new corporate limits with newly annexed area. The Board asked if there are customers in the area to be transferred. Grant Flamig, NPPD retail account manager, told the Board there are no customers in the area being transferred. Mr. Liegl moved to approve SAA 43-25-A.  Vice Chairwoman Gottschalk seconded the motion.  Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Grennan – yes, and Mr. Liegl – yes.  The motion carried 5-0.

 The next item on the agenda was to consider amendments to Guidance Document 14. Guidance Document 14 (GD 14) deals with how the Board addresses Energy Storage Resources, also referred to as battery storage facilities. At the April meeting the Board approved the executive director’s draft of changes to address a loophole that was discovered when legislative bill LB 349 was closely examined. The day before the April 18 PRB meeting OPPD provided some additional requested substantive changes. The Board members had the OPPD draft language, but due to the short time frame the language had not been shared with the Nebraska Power Association or any private developers. To allow more time to review the proposed changes, and to allow dissemination to the NPA and private developers, the Board members tabled the issue to its May meeting. Eolian Energy then submitted proposed edits to GD 14. Both OPPD’s and Eolian’s proposals were distributed to the NPA and the PRB’s list of private developers, and were made available PRB’s website. At the May meeting the Board designated two members as a committee to review the proposed changes and together with the executive director draft a third proposal that merges the changes submitted by OPPD and Eolian. The Board members asked if the executive director had received any feedback regarding the proposals. Executive Director Texel said the only feedback he received was from Tri-State Generation and Transmission Association, which said it had no issues with the PRB’s proposed amendments. Both OPPD and Eolian had a representative in the audience that confirmed the PRB committee’s draft proposal is acceptable. Mr. Austin moved to approve the draft amendments to Guidance Document 14 prepared by the PRB committee. Vice Chairwoman Gottschalk seconded the motion. Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Grennan – yes, and Mr. Liegl – yes.  The motion carried 5-0.

The next item on the agenda was to consider travel expenses for Board members to attend National Association of Regulatory Utility Commissioners Summer Policy Summit. The meeting will be held in Boston, Massachusetts on July 26 to 30, 2025. The registration cost for the meeting is $750 per Board member. Additional costs would include the air fare, hotel at $309 per night, and meal expenses. Vice Chairwoman Gottschalk explained that the meeting had lots of topics applicable to the PRB and the electric industry. Chairman Hutchison also told the Board that members of the Southwest Power Pool’s Regional State Committee attend these NARUC meetings. The other RSC members often ask why Nebraska does not have any Board members at NARUC meetings. Mr. Grennan also confirmed that when he was on the SPP RSC he was asked by RSC commissioners why he never attended NARUC meetings. Mr. Liegl moved to approve paying the travel expenses for Board members to attend the NARUC Summer Policy Summit. At the executive director’s suggestion his motion was amended to approve the travel expenses for Chairman Hutchison and Vice Chairwoman Gottschalk to attend the NRUC Summer Policy Summit. Mr. Austin seconded the motion: Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Grennan – yes, and Mr. Liegl – yes.  The motion carried 5-0.

The next item on the agenda was approval of the PRB’s assessment figure for fiscal year 2025-2026. The executive director reviewed the electric utilities’ gross revenue for the past few years. The 2024 gross revenue increased by $242 million over the 2023 gross revenue. The 2023 gross revenue decreased from the 2022 gross revenue by approximately $156 million. The analyst at the Governor’s Budget Office informed the staff he wants the PRB to use an assessment figure of 12.4354485, which would allow the PRB to collect $588,034.76 for the Board’s cash fund. Last year the PRB collected $575,000. The reserve fund is kept separate from the cash fund and is intended to be used in emergencies or during the process of approving the assessment figure and prior to obtaining the next year’s funds. The budget office set our reserve fund for the upcoming year at approximately $137,000. Last year the reserve fund was $139,000. The amount in the reserve fund is being reduced. Last year’s assessment figure was 12.82005229. As stated, for the 2025-2026 fiscal year the Budget Office wants the assessment figure to be 12.4354485 cents per $1,000 gross revenue. The executive director told the Board last year the agency used about $27,000 of the reserve fund. Rebecca Hallgren, the Board’s business manager, estimates the Board will need to use around $15,000 of the reserve fund this year. The Board discussed the different reasons why the Budget Office might not be allowing the Board to collect the full amount needed. The executive director told the Board the amount the Board can collect is expected to run out before the end of the 2025-2026 fiscal year, as the PRB is not collecting enough to cover what the agency spends in a normal fiscal year. This means the “reserve fund” is actually part of the money that will be needed to operate the agency, which is not really a reserve fund. The Budget Office is only allowing the Board to collect its expenses based on an average of the Board’s historical spending over the past few years. The agency will be all right next fiscal year, but eventually the PRB will run out of both cash and reserve funds prior to the end of a fiscal year. Chairman Hutchison commented that the Board needs to be concerned that we are using reserve funds, but they are not being replenished, and what the Board needs to do to correct this situation. He stated that based on the expense numbers in the historical spreadsheet, the Board will be operating on its reserve fund before the fiscal year ends next year. If we are already operating on the reserve fund this year, the agency will be operating on its reserve fund even earlier than June 18 next year. He expressed concern that if funding were to run out in future years the Board may need to delay action on applications filed by the utilities due to insufficient operating funds. By the July meeting the end of year figures should be in, and he would like to review the actual numbers and determine a plan to address the issue of not collecting sufficient funds to cover what the Board spends in a normal year. Mr. Austin moved to approve the assessment figure of 12.4354485 cents per $1,000 gross revenue for Fiscal Year 2025-2026.  Mr. Liegl seconded the motion. Voting on the motion: Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Grennan – yes, and Mr. Liegl – yes.  The motion carried 5-0.

The first item on the executive director’s report was the Southwest Power Pool (SPP) update. The Board had a copy of JK Energy’s monthly activities report. Chairman Hutchison spoke briefly about a recent RSC educational meeting where an SPP Board member spoke briefly at the end of the meeting. He spoke about an unusual comment that appeared to make some RSC board members push back. The comment was rephrased by Chairman Hutchison as the need for SPP to be more nimble. The board member spoke about the changing industry demand with large loads and how SPP needs to look at this priority. Chairman Hutchison explained that the process for reviewing and approving items at an RSC meeting should not be overlooked or abbreviated. Mr. Grennan talked about the stakeholder feedback process taking time, while the pressure to build new facilities and interconnect large loads can create opposing pressure. Chairman Hutchison talked about the peak demand response policy and how the demand response was being accredited. He asked that if any utilities had input about the demand response engagement they should reach out to him.

The executive director stated that the legislative session ended June 2. Any bill that did not have an emergency clause will become law on September 2. The bills affecting the PRB or the electric industry were reviewed in previous months, so he did not go over them again. The Board did not have any questions about the bills. The PRB’s “blue book” with the chapter 70, article 10 and chapter 70, article 6 will be prepared once the Revisor’s office finalizes how to codify them.

Executive Director Texel told the Board he had notified both the CREPC 1920 Ad Hoc Committee and the SPP Markets+ Initiative that the PRB was withdrawing from their organizations, per the Board’s direction given at last month’s meeting.

Executive Director Texel stated that the next three PRB meetings are scheduled for July 18, August 15, and September 19, 2025.

Vice Chairwoman Gottschalk moved to adjourn the meeting.  Mr. Liegl seconded the motion. Voting on the motion:  Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – yes, Mr. Grennan – yes, and Mr. Liegl – yes.  The motion carried 5 – 0.  The meeting adjourned at 10:48 a.m.

 Timothy J. Texel

 Executive Director and General Counsel