NEBRASKA POWER REVIEW BOARD

Minutes of the 858th Meeting

November 15, 2024

  The 858th 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. Liegl, and Mr. Moen. Mr. Austin had informed the Board he would not be able to attend this meeting due to a travel conflict. Executive Director Texel stated that public notice for the meeting had been published in the *Lincoln Journal Star* newspaper on November 5, 2024.  The Board made the meeting available to the public through Webex.  The Webex login information was available on the Board’s website and was published in the *Lincoln Journal Star* notice.  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.  At that time they would be unmuted, they 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. 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 on the south wall near the back of the room, as well as extra copies of the agenda.

The Board first considered the draft minutes from its October 18, 2024, public meeting.  The minutes had been sent electronically to the Board members. No one had contacted the board with recommended corrections and the staff did not have any suggested changes. Mr. Liegl moved to approve the draft minutes. Vice Chairwoman Gottschalk seconded the motion. Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – absent, Mr. Liegl – yes, and Mr. Moen – yes.  The motion carried 4-0 with one absent.

The next agenda item was acceptance of the expense report for the month of October.  In October there was $39,372.93 in personal services, $19,854.56 in operating expenses, and $3,785.54 in travel expenses. The total October expenses were $62,978.03. The personal services expenses were much higher than usual because there were three pay periods in October. The travel expenses were higher than usual due to Mr. Austin, Mr. Liegl and the executive director attending the American Public Power Association’s legal seminar in Tennessee. Executive Director Texel said that the Board is four months into the fiscal year, so 33% of the fiscal year has gone by. The Board has used 35.46% of the agency’s cash fund. Mr. Liegl moved to accept the October expense report. Vice Chairwoman Gottschalk seconded the motion. Voting on the motion: Voting on the motion: Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – absent, Mr. Liegl – yes, and Mr. Moen – yes.  The motion carried 4-0 with one absent.

The next item on the agenda was a presentation by the Nebraska Public Power District regarding new information affecting the NPPD’s ability to construct or install new generation facilities. This information became available subsequent to the preparation of the 2024 Annual Load and Capability Report. John McClure, general counsel for NPPD, introduced himself and Mr. Weise, vice president for non-nuclear generation, and Mr. Rosenkrantz, in charge of resource planning for NPPD. Mr. McClure stated that this presentation will give some insight regarding some recent information that has been obtained concerning the expected dates given in the report for installation of new generation. Mr. Weise went through some slides that outlined the dynamics of the planning and scheduling of resource additions. In his discussion he spoke about NPPD obtaining two combustion turbines for a capacity of approximately 420 megawatts. The estimated date for commercial operation of the proposed generation is now 2029. This will create gaps, which will be filled with purchase contracts. NPPD has developed a new load queue process to manage load growth. This is described on the NPPD website. Mr. Weise talked about the security deposit that anticipated loads must provide when they enter the load queue. The deposit will be given back once the load interconnects with the grid. Some of the larger loads have moved the target date out for installation from 2027 to 2028. Chairman Hutchison asked several questions about load and what the role the Power Review Board has with regard to this report. He stated that the PRB has concerns about the ability to meet the new generation dates demands and what the PRB should do with this. He spoke about the transmittal letter that the PRB will send to accompany the report so that a member of the public could understand that utilities are working to meet the needs caused by the load growth. There was reference to the load growth being similar to 1970’s when there was large load growth. Vice Chairwoman Gottschalk stated that some of the smaller capacity generation being built is like putting a band aid on what Nebraska really needs to meet its load growth. She stated that we need to look at our baseload, not just the units that are intended to chase increased loads. Mr. Weise stated that along with demand for renewables, the units that are being proposed are what utilities are looking at n order to meet the demands when the wind does not blow or the sun is not shining. There was discussion about the type load growth being at least partially caused by crypto-related loads and data mining. Mr. Rosenkrantz spoke about the different types of new loads—crypto, aviation fuel, or even ethanol or hydrogen producers. The manufactures are interested in exploring demand response options to address different types of benefits. Chairman Hutchison talked about the Southwest Power Pool discussing a policy to address demand response and asked the utilities for any input to help guide that process. Chairman Hutchison also spoke about the utilities meeting their load requirements and the need for collaboration among the utilities. Mr. McClure spoke about the utilities who have worked together to build large baseload facilities such as Nebraska City 2. This is one of the last large coal facilities that was built. OPPD reached out to other utilities when it built the plant to offer arrangements to purchase output. The Whelan Energy Center facility was handled in a similar manner. Mr. McClure told the Board about the potential of nuclear and that no utility would build a nuclear unit independently. If one is built it will be a collaborative effort among several utilities. There was a discussion about purchase participation contracts. This is where other utilities purchase a percentage of the output and pay for the costs required to generate that portion of the output. Mr. McClure stated that the resource mix that NPPD is adding is complimentary to the baseload that operates. Chairman Hutchison said that the PRB was created in the 1960’s to have oversight for generation and to avoid duplication. He spoke about the ITP (integrated transmission plan) at the Southwest Power Pool. He discussed how this will affect Nebraska with regard to cost allocation. Most of the transmission projects involved are not in Nebraska. Some of the transmission being built is affected by the policies of the state in which the project will be built. States that have a net zero emissions policy will need to build more transmission to have access to more renewable generation. This is one concern that will be on his agenda in 2026 when he is expected to be president of the Regional State Committee (RSC). The Board thanked NPPD for its presentation.

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 stated that there was one other item he wanted to share about SPP. The new officers were elected for the RSC. He was elected Vice President. Typically, the following year the vice president becomes president. He spoke about the HITT team’s recommendation to implement cost allocation. Nebraska was originally placed in a zone with the Dakotas. The new plan has five regions and Nebraska is in its own pricing zone. The vote was 8-4 so there is some contentiousness. He said the SPP’s ITP has a lot of projects in the Texas-Oklahoma area and the Dakotas area.

Executive Director Texel reminded the Board it will need to address the additional cost for the SPP consultant when Chairman Hutchison becomes RSC President. It is traditional for the CAWG member from the RSC President’s state to serve as CAWG chair. When this happened previously, the consultant had additional duties that were not covered under the existing contract. The Board will discuss this when it comes time to do the budget and to renew JK Energy’s contract.

The executive director talked about his coordination with the military to determine if Nebraska has any qualifying installations other than Offut Air Force Base and the Minuteman missile silos for purposes of Neb. Rev. Stat section 70-1012(2)(a). The military provided maps showing where the missile silos are located, but they have not provided any information about whether or where there are additional installations in Nebraska. He is still working on addressing this, but obviously it is a slow process.

The next item on the agenda was discussion of the Attorney General’s opinion concerning the definition of the term “construction” as it related to Neb. Rev. Stat. sections 70-1012(2)(a) and 70-1014.02(2)(a)(vi)(A). The executive director had provided a copy of the opinion to the Nebraska Power Association for dissemination among its members, and to attorneys and lobbyists for the private developers. He also provided a copy to Senator Bostelman’s office. The opinion determined the meaning was clear that the term construction refers to when something is first built. If the legislature wants to include subsequent modifications, replacements, etc. to a facility, then that will need to be addressed through legislation.

Executive Director Texel gave an update on what was presented at the American Public Power Association’s legal seminar. He spoke about data mining and cryptocurrency loads, which are driving load growth across the country. The technology loads are now equal to 2 to 3 percent of all U.S. electric load. Entergy in Arkansas incurred stranded assets when a large load left unexpectantly, after upgrades to infrastructure had been made. The Arkansas Public Service Commission approved creation of a new rate to protect against this. A public utilities district (PUD) in Washington had a crypto center install a facility almost overnight. Due to the infrastructure problems, the PUD had to implement a “high density load” moratorium. Another session was on new nuclear facilities. Ontario, Canada is installing a 300 megawatt nuclear reactor that is expected to begin commercial operation around 2032.

Executive Director Texel stated that the next three PRB meetings are scheduled for December 20, 2024, January 17, 2024, and February 21, 2025. The Board has again scheduled its 2025 public meetings for the third Friday of each month.

Vice Chairwoman Gottschalk moved to adjourn the meeting.  Mr. Moen seconded the motion. Voting on the motion:  Chairman Hutchison – yes, Vice Chairwoman Gottschalk – yes, Mr. Austin – absent, Mr. Liegl – yes, and Mr. Moen – yes.  The motion carried 4 –0 with one absent.  The meeting was adjourned at 10:18 a.m.

Timothy J. Texel

Executive Director and General Counsel