



OPPD BOARD OF DIRECTORS

BOARD MEETING MINUTES

June 11, 2020

The regular meeting of the Board of Directors of the Omaha Public Power District ("OPPD" or "District") was held via Webex audio and video conference on Thursday, June 11, 2020 at 4:00 p.m.

Present via Webex conferencing were Directors A. E. Bogner, M. J. Cavanaugh, T. W. Gay, A. L. McGuire, J. M. Mollhoff, C. C. Moody, E. H. Williams and R. M. Yoder. Also present via Webex were T. J. Burke, President and Chief Executive Officer, and Mr. S. M. Bruckner, General Counsel for the District. Chair C. C. Moody presided and M. F. Hinners, Senior Corporate Governance Specialist, recorded the minutes. Other members of management present via Webex were: K. W. Brown, J. A. Comstock, L. J. Fernandez, M. J. Fisher, S. M. Focht, K. S. McCormick, L. A. Olson, M. L. Sedky and T. R. Via. Additionally, a number of OPPD employees and customer-owners were present via Webex conferencing.

Board Agenda Item 1: Chair Opening Statement

Chair Moody gave a brief opening statement, including reminders for using the Webex audio and video conferencing platform.

Board Agenda Item 2: Safety Briefing

Mr. Burke provided the safety briefing, including a reminder from the Nebraska Department of Health and Human Services entitled "10 Actions for Every Nebraskan to be Taking Now to Slow Spread of COVID-19."

Board Agenda Item 3: Guidelines for Participation

Chair Moody then presented the guidelines for the conduct of the meeting and instructions on the public comment process using Webex audio and video conferencing features.

Board Agenda Item 4: Roll Call

Ms. Hinners took roll call of the Board. All members were present.

Board Agenda Item 5: Announcement regarding public notice of meeting

Ms. Hinners read the following:

"Notice of the time and place of this meeting was publicized by notifying the area news media; by publicizing same in the Outlets newsletter and on OPPD.com; by displaying such notice on the Arcade Level of Energy Plaza since June 5, 2020; and by e-mailing such notice to each of the District's Directors on that same date."

A copy of the proposed agenda for this meeting has been maintained, on a current basis, and is readily available for public inspection in the office of the District's Corporate Secretary.

Additionally, a copy of the Open Meetings Act is available for inspection on oppd.com."

Board Consent Action Items:

- Item 6. Ratification of the Decision to Conduct the June Board Meetings Virtually Due to the COVID-19 Public Health Situation
- Item 7. Approval of the April 2020 Comprehensive Financial and Operating Report, May 2020 Meeting Minutes and the June 11, 2020 Agenda
- Item 8. Rate & Service Regulation Manual Modernization – Resolution No. 6376
- Item 9. Nebraska City 2 Cooling Tower Fire Protection Pipe Replacement Contract Award – Resolution No. 6378
- Item 10. SD-15: Enterprise Risk Management Monitoring Report – Resolution No. 6379

It was moved and seconded that the Board approve the consent agenda items.

Chair Moody noted the Board discussed the consent agenda items at the All Committees meeting held on Tuesday, June 9, 2020.

Chair Moody then asked if any members of the public had any comments on the consent agenda items. There was no comment from the public.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (8-0).

Board Agenda Item 11: SD-2: Rates Monitoring Report – Resolution No. 6380

Ms. Hinners read the following:

"NOW, THEREFORE, BE IT RESOLVED that the Board of Directors accepts the Strategic Directive SD-2: Rates Monitoring Report, in the form as set forth on Exhibit A, attached hereto and made a part hereof, and finds OPPD to be sufficiently in compliance with the policy as stated."

It was moved and seconded that the Board approve this action item.

Director Bogner began the Board's discussion by noting that the District has an aspirational rate target of 20% below the West North Central Regional average. She is pleased that the District is headed in that direction. She then asked the Board for comments.

Director Williams expressed appreciation for the rate manual modernization and the work that has been done to make rates easier to understand. He looks forward to continuing to improve other aspects of rates, including affordability and revising the residential rate structure so that it is more supportive of conservation and efficiency.

Director Yoder expressed appreciation for the continuous improvement of the SD-2 monitoring report over the years, especially with respect to monitoring affordability.

Chair Moody expressed appreciation for the work and progress made in the SD-2 monitoring report. He asked for any additional Board comments. There were no additional comments from Board members.

Chair Moody then asked for public comments.

Mr. David Corbin, 1002 North 49th Street, Vice Chair of the Nebraska Sierra Club, expressed appreciation for the Board's discussion on rates and consideration of how rates may need to be changed. He expressed disapproval of the \$30 service fee.

Mr. Ryan Wishart, a member of Creighton University faculty, commented upon affordability as a larger problem than may be indicated in the SD-2 monitoring report. He provided the Board with written comments and links to data sources (attached). He expressed support for rate structure reform, such as a tiered demand charge.

Mr. John Pollack, 1412 North 35th Street, echoed the comments of the previous speakers and commented that the declining block rate and the high monthly fee are impediments to affordability, especially with respect to low income, low energy use customers.

President Burke noted that OPPD would present an update on income qualified programs later in the meeting.

There was no further comment from the public in attendance at the meeting.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (8-0).

Board Agenda Item 12: Rider Schedule No. 464 – Standby Service – Resolution No. 6377

Ms. Hinnners read the following:

“NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that the revised Rider Schedule 464 – Standby Service, attached hereto, is hereby approved, and Management is authorized and directed to implement the revised Rider Schedule 464.”

It was moved and seconded that the Board approve this action item.

Director Bogner began the Board discussion by commenting that OPPD is positioning itself as a trusted energy partner. The revised rider schedule 464 supports customer owned renewable

generation, such as photovoltaic solar and wind. She expressed appreciation to the OPPD staff and asked for comments from Board members.

Director Mollhoff commented that revising rider schedule 464 is an economic development issue and expressed appreciation for the revision.

Director Williams expressed appreciation for the revision to rider schedule 464, which will empower businesses to meet their own energy needs.

Director Yoder expressed appreciation for OPPD's responsiveness to the community and removal of an unintended barrier to economic development and business utilization of new energy technologies.

Director Williams inquired if the Brattle letter was included in the materials available to the public. OPPD staff confirmed the Brattle letter was included in the resolution package on oppd.com.

There was no further comment from Board members.

Chair Moody asked for comments from the public.

Mr. Edison McDonald, representing GC Revolt, expressed appreciation to the Board and OPPD staff for revising Rider Schedule No. 464. He stated this revision is important for private business entities to continue to grow and develop projects.

There was no further comment from the public in attendance at the meeting.

Chair Moody reminded the Board and the public of his potential conflict of interest and stated he has recused himself from all discussions regarding changes to rider schedule 464. He stated he would abstain from voting.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Yes; Mollhoff – Yes; Moody – Abstain; Williams – Yes; Yoder – Yes. The motion carried (7-0).

Board Agenda Item 13: Assessment of Late Payment Charges – Resolution No. 6381

Ms. Hinnners read the following:

“NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Omaha Public Power District that the District's temporary suspension of late payment charges is rescinded; the District shall resume the assessment of late payment charges commencing with July billing statements, in accordance with regular District policy; and Resolution No. 6370 is hereby repealed.”

It was moved and seconded that the Board approve this action item.

Director Bogner began the Board discussion by commenting that OPPD is a trusted energy partner. As customers are still dealing with the financial impacts of the COVID-19 pandemic, OPPD is helping customers where possible.

Director Yoder commented it is too soon to reinstate the assessment of late payment charges. He expressed appreciation for the many customer assistance measures that are in place, but believes that late payment fees may not serve the intended purpose. He proposed the action be postponed until more is known about the impacts of the COVID-19 pandemic.

Director Mollhoff commented that she had concerns about the resolution, but believes OPPD is taking care and is willing to work with customers who are having financial difficulties. She hopes that customers will contact OPPD.

Director McGuire emphasized that customers should contact OPPD if they are having financial difficulties and encouraged the public to watch the All Committee meeting presentation and discussion about the reinstatement of the late payment fee.

Director Williams expressed his concerns about the uncertainty from the public health crisis and the unknown economic impact. He noted that the customer service agents have been empowered to waive up to 3 late payment charges. He also noted that late payments would appear in late July and August, which allows OPPD some time to review more current information and potentially make changes. He also questioned the late payment charge policy.

Director Yoder stated his belief that the emergency is not over. He hopes OPPD can examine the efficacy of late fees.

Chief Financial Officer L. J. Fernandez commented upon the carrying cost of late payments that is borne by the entire District if the costs are not recovered.

Chair Moody expressed his concerns about customers who are struggling to pay utility bills. He believes OPPD is doing everything possible to assist customers and hopes the customer assistance policies will be interpreted liberally. He noted during the All Committee meeting that the Board requested monthly reports from management so that customer policies and programs can be adjusted in a timely manner.

Director Williams inquired about the underlying policies regarding the late payment fees.

Chair Moody asked for additional comments from the Board. There were no additional comments.

Vice President of Customer Service J. A. Comstock encouraged customers to contact OPPD for assistance.

Chair Moody then asked for comments from the public in attendance at the meeting.

Mr. David Corbin, 1002 North 49th Street, Vice Chair of the Nebraska Sierra Club, inquired about the CARES Act. He stated the Missouri Valley Sierra Club has sent a letter to Douglas County expressing support for the CARES Act funding for utility bills. He hopes that OPPD is at the negotiating table with respect to the distribution of the funds.

Mr. Alan Vovolka, 3719 Hamilton, commented upon the crawl line on the OPPD website that states OPPD is not assessing late fees until after 30 days after the expiration of Directed Health Measures. He requested the crawl line be changed at least 30 days before the policy changes.

Chair Moody noted that this action requires Board approval, and the Board has not yet voted.

Vice President of Customer Service J. A. Comstock commented that the Directed Health Measures that were in effect in April have been superseded by the current measures. She stated the late fee would appear on bills in August.

Mr. John Pollack, 1412 North 35th Street, echoed comments from Mr. Vovolka and suggested the District clearly indicate on the website that the late fee grace period is ending and the District make a concerted effort to contact customers who are using the grace period.

There was no further comment from the public in attendance at the meeting.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Yes; Gay – Yes; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – No. The motion carried (7-1).

Director Cavanaugh departed from the meeting at 4:56 p.m.

Board Agenda Item 14: Statement of Unity Against Racism – Resolution No. 6382

Ms. Hinnners read the following:

“WHEREAS, the death of George Floyd on May 25, 2020, reaffirms long-standing inequities and division that exist both nationally and locally in our society; and

WHEREAS, a history of racism is painfully present in the everyday experience of Black Americans and many people of color in our criminal justice, education, healthcare, and housing systems, among others; and

WHEREAS, the Board of Directors of the Omaha Public Power District wish to stand together with our customers, our employees, and the communities we serve to achieve meaningful change to eliminate systemic racism; and

WHEREAS, the Board of Directors acknowledges that the Omaha Public Power District does not tolerate racism in any form in the workplace or in the conduct of its work; and

WHEREAS, the Omaha Public Power District will continue to accomplish a robust Diversity and Inclusion Strategy that includes support of Employee Resource Groups; employment programs such as Legacy I3; courageous dialogue to educate and drive empathy and understanding through programs such as The Gatherings for People of Color, The Gatherings for Women, and White Men as Full Diversity Partners; sponsorship of LeadDIVERSITY; and sponsorship and board-level participation in many organizations within our community committed to diversity, equity, inclusion, and social justice; and

WHEREAS, the Board of Directors has directed that, "OPPD shall develop and maintain a diverse and inclusive workplace reflective of OPPD's core values . . ."

NOW, THEREFORE BE IT RESOLVED, that the Board of Directors of the Omaha Public Power District, at a meeting duly convened on the 11th day of June 2020, hereby publicly condemns systemic racism and reaffirms that the Omaha Public Power District will continue to take a leadership role in the pursuit of diversity, equity, inclusion, and social justice."

It was moved and seconded that the Board approve this action item.

Chair Moody began the Board discussion by providing background on the creation of this resolution and asked President Burke to provide more information about OPPD's diversity and inclusion initiatives.

President Burke highlighted communications that the senior management team has sent to employees and other activities that employees are engaging in to address racism. President Burke expressed appreciation for the Board's commitment against racism. He also discussed the Omaha Chamber of Commerce's initiatives with respect to diversity, equity and inclusion.

Director Bogner commented upon being in a leadership position and challenging ourselves to do more, noting that this Board resolution is just one small step.

Director Gay commented that OPPD has been a leader in the community with respect to diversity and inclusion. He believes this resolution reaffirms OPPD's commitment and is glad OPPD will continue to be a leader.

Director Yoder echoed the comments of other Board members and expressed his support for the resolution. He recalled the race riots of the 1960's and lamented a lack of progress over 50 years.

Director McGuire echoed previous comments and noted the need to develop a more diverse and inclusive workplace at OPPD, as the majority of the workforce is Caucasian. She encouraged people of color to run for political office.

Director Mollhoff expressed support for this resolution. She stated passing the resolution is the easy part; the hard part is ensuring our words and actions every day do not cause inequity.

Director Williams expressed sympathy for James Scurlock, who was killed during the protests in Omaha. He expressed his belief that everyone has a responsibility to address systemic racism.

Chair Moody expressed his belief that OPPD is a leader in the community with respect to diversity, equity and inclusion, and challenged everyone to do more.

Chair Moody asked for comments from the public.

Mr. Alan Vovolka, 3719 Hamilton, commented that he is happy to hear about OPPD's involvement in diversity and inclusion initiatives and suggested that monthly reports be provided.

Mr. Ryan Wishart, member of Creighton University's faculty, expressed appreciation for the resolution of unity against racism. He commented upon how institutions and social structures create and reproduce racial inequalities beyond individual actors.

There was no further comments from the public in attendance at the meeting.

Thereafter, the vote was recorded as follows: Bogner – Yes; Cavanaugh – Absent; Gay – Yes; McGuire – Yes; Mollhoff – Yes; Moody – Yes; Williams – Yes; Yoder – Yes. The motion carried (7-0).

The Board took a break at 5:38 p.m. and reconvened at 5:45 p.m.

Director Bogner departed at 5:46 p.m.

Board Agenda Item 15: Income Qualified Programs Update, Juli A. Comstock, Vice President – Customer Service, and Britton J. Gabel, Senior Product Specialist

Ms. Comstock introduced Mr. B. J. Gabel, Senior Product Specialist, who presented the following information about OPPD's income qualified customer programs:

- Program Overview
 - OPPD programs to assist customers experiencing financial challenges
 - Energy Assistance Program (EAP)
 - Low Income Home Energy Assistance Program (LIHEAP)
 - Income Qualified Energy Efficiency Pilot Program
 - Low Use, Low Income Credit (LULI)
 - EAP Safe Neighbor
 - OPPD programs to assist with budgeting
 - Level Payment Plan
 - Payment Plan Arrangements
- Program Update
 - Focus of current programs to find efficiencies and expand relationships and growth
- Energy Assistance Program (EAP) Update
 - Mission
 - Program Opportunities and Enhancements
 - Program Overview
 - EAP Access Locations
 - Dollar Energy Fund (new program administrator, effective May 1, 2020)
 - EAP Marketing Materials
 - Future with EAP
- Income Qualified Energy Efficiency Pilot
 - Eligibility Requirements
 - Program Details
 - Program Contractors
 - OPPD awarded \$50,000 APPA DEED Grant for 2020
 - Income Qualified Energy Efficiency Pilot Update metrics
 - Next Steps

The Board and management team discussed all aspects of the income qualified program.

Director Gay departed at 6:08 p.m.

Board Agenda Item 16: President's Report

Mr. Burke presented the following information:

- May Baseload Generation
- May Peaking Generation
- May Renewables
- New Product Announcement
 - Gift of Energy allows anyone to make a payment toward another person's OPPD account
- Powering Through the Pandemic Update
- Energy Efficiency Education and TikTok Video Challenge
- Customer-Owned Generation
 - New and improved customer-owned generation application process and consumer resources
 - Quick start guide on oppd.com
- Honor Our Community and Passion to Serve activities and events

Board Agenda Item 17: Opportunity for comment on other items of District Business

Chair Moody asked for comments from the public.

Mr. John Pollack, 1412 N. 35th Street, provided the Board with a weather update.

Mr. Ryan Wishart, expressed appreciation for the customer programs.

There was no additional comment from the public in attendance at the meeting.

There being no further business, the meeting adjourned at 6:54 p.m.

/s/ M. L. Sedky

M. L. Sedky
Assistant Secretary

/s/ M. F. Hinnners

M. F. Hinnners
Assistant Secretary of the Meeting

Ryan Wishart – Public Comments (June 11, 2020 OPPD Board meeting)

11. SD2

Affordability is a larger problem than OPPD's slides on SD2 indicate:

There was a comment in the meeting Tuesday that "affordability is in the eye of the beholder" which is true in the colloquial sense, but in energy policy a common measure is 6% of household income.

<https://www.aceee.org/sites/default/files/energy-affordability.pdf>

Affordability can only be meaningfully conceptualized in relation to ability to pay.

The Tuesday presentation estimates the average energy burden in the OPPD district is 1.7% based on average residential bill and average household income. Such average comparisons tell us about the extent to which citizen-owners are challenged by affordability. [Looking at the Low-income Energy Affordability Data tool from the Department of Energy](#) we can see clearly that this figure obscures major geographical and demographic inequalities. While this tool aggregates all energy costs, there is reason to believe the factors of income, housing stock age, etc. may produce relatively similar patterns of disparity in electrical cost burdens. This data is also for 2016, before the negative impacts on affordability of the rate restructure and fixed fee manifested.

The highly skewed distribution of income distorts comparison of average bill and income.

For the half of households at or below median income the average energy burden in Douglas County is 5%, for those households making up to 80% of median income average burden rises to 6% of income, right at the US HHS limit of affordability. If the average is at the limit of affordability then many customer owner households are facing unaffordable energy bills in that income range. The average energy burden for those above median income is only 1%.

I was glad to hear management commit Tuesday to making better use of OPPD and public data to understand variance of energy burden by household income. If OPPD can made anonymized or aggregated data available at the census tract or zipcode level academic researchers could assist them with electrical bill specific analysis rather than total energy costs.

Rate reform is essential to addressing affordability.

I do not believe OPPD has rates based on a Cost of Service that supports affordable rates for everyone. The Regulatory Assistance Project "[Electric Cost Allocation for a New Era](#)" manual offers a number of practices for cost allocation which could help OPPD make rates more equitable and affordable. There is currently too much taken for granted in which costs are and should be calculated and which are or should be ignored, particularly externalized costs on public health and the environment. Likewise, benefits of processes like distributed consumer generation are underestimated or ignored.

I am disappointed that the declining block rate structure has yet to be corrected despite years of commentary on the campaign trail and in office by board members. The rate structure must be revised in order to internalize externalized environmental costs and incentivize conservation among higher income households.

If the smaller Lincoln Electrical System can implement a tiered demand charge with no better metering systems than OPPD then there seems to be no reason we can't do so. This would help address the problems of affordability by reducing bills for low-income, low-use households, and fairly allocating those demand costs to households likely with more ability to respond through conservation to reduce those costs.

14.

I am pleased to see OPPD's responding to the current protests over police brutality and racial inequality. As a Creighton faculty member, I teach about how sociologists understand the way institutions and social structures racial create inequalities, beyond individual actors. So rather than internal personnel policy, I'm going to focus on other policies. As Dir. Williams has said, addressing structural racism means reexamining what appear to be neutral actions or non-decisions as in fact being choices that could be otherwise and in practice reproduce or expand racial inequality, regardless of intent. I hope board and staff will take this moment to think about how OPPD may have played a role in the racial inequalities present today, regardless of the role conscious racial prejudice played or didn't play in those decisions: from the health impacts of the North Omaha coal plant to the shifting of costs onto low income disproportionately non-white households via the 2015 rate restructure (which, if I recall correctly, I heard members of the public raise before the final vote) and consider what the District can do to make restitution and reparations for its role in perpetuating and expanding those health and income inequalities.

For example, the externalized costs of cheap coal power were disproportionately felt in non-white parts of our city, but we can expect from what sociology and economics research tells us about the gains from economic growth that any economic benefits of business recruitment etc. brought were disproportionately lower among those impacted communities and higher among whites.

I'll save some comments I have on income eligible programs related to the goal of affordability for after the income-based program presentation, but as sociologist Keeyanga Yamata Taylor has recently written in the NYT and New Yorker Magazine, addressing racial inequality at the root of these protests **requires**, but is not limited to, addressing economic inequality. Programs to lower bills through efficiency that *effectively* reach low income households will disproportionately benefit areas like North and South Omaha. But even when *eligibility* is based on income, OPPD can prioritize outreach and promotion in communities impacted by structural racism beyond income levels. Beyond income-related programs, for one example, incentives for electrical lawn equipment might help to improve summer air quality in communities currently and historically impacted by pollution (regardless of a household's income) from electrical generation as a way of beginning to make restitution for those past inequalities while meeting other related strategic directive goals.

17.

Rates are not the only ways to address affordability and while debate about the statutory limits of rate setting continue the District should proceed with expansion of the existing programs aimed at lowering bills through efficiency related improvements. Existing incentives for efficient electrical appliances can be expanded, for example, to include electric hot water heaters.

These programs need to be both accessible and effectively targeted and promoted to customers struggling with affordability. For example, comparing LIHEAP eligibility based on the number of households in associated income levels with the district with the number of households enrolled indicates a huge gap of perhaps 50% or greater. [In the [Census Public Use Micro Data Areas](#) within OPPD territory 12.4% of households meet LIHEAP income eligibility, but as I understand roughly 4% of residential customers participate. Of LIHEAP income eligible households only 4% have above mean electrical bills, although the PUMD electric bill data is self-reported and for the last month the distribution patterns of energy burdens within income brackets are fairly distinct comparing lower and middle to high income households.] OPPD needs to set goals of maximizing utilization of programs to improve affordability by those eligible and measure progress toward those goals.

OPPD needs to look to innovation across the country in making efficiency upgrades and distributed generation available to those who are renters because we know from the data that renters are at higher risk of high energy burdens. [On-bill financing of efficiency improvements or solar is one way that has been successful in many parts of the country.](#)