

Board Chair and CEO Message



President and CEO Timothy J. Burke, left, and Board Chair Anne L. McGuire

Omaha Public Power District gained a lot of momentum in 2018, as we continue to lead the way in an industry undergoing transformational change.

Maintaining strong relationships with our customers and community stakeholders – and reaching out for their input – reinforces our focus on competitive rates, high reliability and a robust renewable energy portfolio. As we set and monitor our operating budgets, we work hard to be good stewards of our customer-owners' resources and stand firm on our commitment to having no general rate increase through 2021.

In support of competitive rates, we continue to safely and economically decommission Fort Calhoun Nuclear Station. We decided in 2018 to move to the DECON method of decommissioning, which could potentially save an estimated \$200 million over the life of that major effort.

We also gain economic advantages by being a member of the Southwest Power Pool. SPP oversees the bulk electric grid and wholesale power market in the central U.S. Among many other benefits of being part of SPP, we are able to share costs with other utilities and transmission companies in SPP's 14-state region.

As part of our ongoing efforts to maintain high reliability, we are wrapping up two big system improvement projects. The Elkhorn River Valley Transmission Project improves reliability on transmission systems for both OPPD and the City of Fremont, who partnered on the new 19.3-mile 161-kilovolt (kV) and 3.5-mile 69-kV connecting lines. The Sarpy Transmission Project will energize in late 2019 and consists of a new 6.5-mile 345/161-kV transmission line to support the rapid commercial, industrial and residential growth in the Papillion area.

We successfully answered a challenge to reliability when an early, wet snow on Oct. 14 last year locked out multiple circuits and caused outages for 52,000 customers. We mobilized nearly 100 crews to assess damage, clear tree limbs from lines and make other repairs. We restored service to about 95 percent of the impacted customers by the next day.

The renewable energy portion of OPPD's portfolio will grow substantially when the 160-megawatt (MW) Sholes Wind Energy Center in northeast Nebraska goes online by the end of 2019. The addition of Sholes will enable about 40 percent of OPPD's retail sales to come from renewables, putting us closer to our goal of more than 50 percent.

OPPD also has contracted with NextEra Energy Resources for a 5-MW community solar facility that is to start operation in the summer of 2019. OPPD customers will be able to buy shares in the solar energy produced by the facility, to be located east of the city of Fort Calhoun.

We are proud of everything our employees accomplished in 2018, including making it the safest year in OPPD's history. OPPD also garnered several awards. *Site Selection* magazine named us one of 2018's Top Utilities in Economic Development. The state of Nebraska honored OPPD as a finalist for its 2018 ServeNebraska Step Forward Award for volunteerism. OPPD also won the Employee Voice Award from Quantum Workplace as one of six companies with the largest improvement in employee engagement from 2017 to 2018.

The Operations Review of this report has more details on our commitment to competitive rates, reliability and renewables. As you will see in the financial sections, OPPD remains in a strong position financially. We will continue to build on our momentum going forward.

Timothy J. Burke
President and CEO

Anne L. McGuire
Chair of the Board