



OPPD BOARD OF DIRECTORS

BOARD MEETING MINUTES

December 16, 2021

The regular meeting of the Board of Directors of the Omaha Public Power District ("OPPD" or "District") was held at the Omaha Douglas Civic Center, Legislative Chamber, 1819 Farnam Street, Omaha, Nebraska, and via Webex audio and video conference, on Thursday, December 16, 2021 at 6:00 p.m.

Present in person at the Omaha Douglas Civic Center were Directors A. E. Bogner, M. J. Cavanaugh, S. E. Howard, J. M. Mollhoff, C. C. Moody, M. G. Spurgeon, E. H. Williams and R. M. Yoder. Also present in person were L. J. Fernandez, President and Chief Executive Officer, S. M. Bruckner and T. F. Meyerson of the Fraser Stryker law firm, General Counsel for the District, M. F. Hinnners, Senior Corporate Governance Specialist, and other members of the OPPD Board meeting logistics support staff. Chair A. E. Bogner presided and M. F. Hinnners recorded the minutes. Members of the executive leadership team present in person or via Webex conferencing were: J. M. Bishop, K. W. Brown, J. A. Comstock, S. M. Focht, K. S. McCormick, L. A. Olson, M. V. Pinder, J. W. Thurber, B. R. Underwood and T. R. Via. Additionally, approximately 50 attendees, consisting of OPPD employees and members of the public, were in attendance via Webex. Approximately 20 members of the public and several OPPD employees were present in person.

Board Agenda Item 1: Chair Opening Statement

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

Board Agenda Item 2: Safety Briefing

T. J. Duncan, Manager Physical Security, provided the safety briefing, including emergency evacuation procedures for the Omaha Douglas Civic Center. President Fernandez provided physical and psychological safety reminders, including current safety focus reminders about slips and falls in ice and snow, winter driving, and falls and fires at home.

Board Agenda Item 3: Guidelines for Participation

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

Board Agenda Item 4: Roll Call

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

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Board Agenda Item 5: Announcement regarding public notice of meeting

Ms. Hinnners read the following:

“Notice of the time and place of this meeting was publicized by notifying the area news media¹; by publicizing same in the Outlets newsletter and on OPPD.com; by displaying such notice on the Arcade Level of Energy Plaza since December 10, 2021; 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 and in this meeting room.”

Board Consent Action Items:

- Item 6. Approval of the October 2021 Comprehensive Financial and Operating Report, November 2021 Meeting Minutes, and the December 16, 2021 Agenda
- Item 7. 2022 Board Meeting Schedule – Resolution No. 6475
- Item 8. 2021 Expenditure Approval Increase – Resolution No. 6476
- Item 9. Declaration of Anticipated 2022 Capital Expenditures Reimbursement – Resolution No. 6477
- Item 10. RFP 5925 – 161kV Substation Electrical Equipment Installation – Resolution No. 6478
- Item 11. RFP 5926 – Manhole/Duct Line Associated with Sarpy County 180th St. Road Construction – Resolution No. 6479
- Item 12. Sarpy County Station Unit 5B Engine Repair – Engineer's Certificate to Negotiate – Resolution No. 6480

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

Chair Bogner noted the Board discussed the action items during the All Committees meeting held on Tuesday, December 14, 2021.

¹ News outlets that received OPPD Board meeting notification emails included: 1. KETV; 2. WOWT; 3. KMTV; 4. KPTM; 5. Telemundo Nebraska; 6. Nebraska Public Media (NET-TV); 7. NewsChannel Nebraska; 8. KFAB; 9. KOIL 1290 AM; 10. KIOS 91.5 FM – Nebraska Public Radio (Omaha); 11. Radio Lobo – 97.7 FM (Omaha); 12. Boomer Blair 97.3 FM (Blair); 13. KHUB 1340 AM/KFMT 101.5 FM (Fremont); 14. Sunny 101.3 FM (Falls City); 15. Omaha World Herald; 16. Washington County Enterprise & Blair Pilot Tribune; 17. Lincoln Journal Star; 18. Omaha Daily Record; 19. Omaha Star; 20. Douglas County Post-Gazette; 21. Papillion Times; 22. Bellevue Leader; 23. Midlands Business Journal; 24. Ralston Recorder; 25. Sarpy Guide and News; 26. Pawnee Republican; 27. Tecumseh Chieftain; 28. Ashland Gazette; 29. Wahoo Newspaper; 30. Nebraska City News Press; 31. Cassgram (Cass County online news publication); and 32. Associated Press.

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Chair Bogner then asked if any members of the public attending via Webex conferencing or in person had any comments on the consent agenda items. There was no comment from the public in attendance at the meeting.

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

Board Agenda Item 13: 2022 Final Corporate Operating Plan and Rate Action – Resolution No. 6481

Ms. Hinnners read the following:

“NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Omaha Public Power District as follows:

1. The 2022 Corporate Operating Plan is hereby approved.
2. The rate changes described in Exhibit A and as set forth in the Rate Schedules attached at Exhibit B are hereby approved, effective January 1, 2022.
3. As described in Exhibit B, the following District Rate Schedules are repealed, effective January 1, 2022: Rate Schedules 119 (Multifamily Service), 240 (General Service-Large).
4. As described in Exhibit B, Rate Schedule Riders 463A (Green Power-Residential) and 463B (Green Power-Commercial) are repealed, effective March 31, 2022, and Rate Schedule Rider 469W (Time-of-Use Rider Waiver Option) is repealed, effective June 1, 2022.
5. As described in Exhibit B, the revisions to the following Rate Schedules and Riders are hereby approved: Rate Schedules 115 (Heat Pump Rate), 350 (Municipal Service Street Lighting), Rate Schedule Rider 461 (Fuel and Purchase Power Adjustment), Rate Schedule Riders 467, 467H and 467L (Curtable Riders), Rate Schedule Riders 467E&V (Curtable Riders: Emergency and Volunteer), Rate Schedule Riders 469 and 469S (General Service: Time of Use), Rate Schedule Rider 470F (Line Extension (Residential) Charges), Rate Schedule Rider 470H (Line Extension (Commercial) Charges), Rate Schedule 470I (Tenant Attachment Fee), Rate Schedule Rider 481 (Commercial Surge Guard), Rate Schedule Rider 484 (Supplemental Distribution Capacity), Rate Schedule 499 (Green Sponsorship), and Rate Schedule Rider 500 (Community Solar).
6. The revisions to District Service Regulations set forth on Exhibit B, are hereby approved.”

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

Director Yoder explained the process the Finance Committee and Board have taken to review the Corporate Operating Plan (COP), including reviewing the preliminary COP in November and

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meeting with staff to address questions and comments from the public. Director Yoder noted that it has been 5 years since the District has raised rates and that the Board does not make this decision lightly.

J. M. Bishop, Vice President and Chief Financial Officer, provided highlights of the 2022 COP, which totals \$1.8 billion. Mr. Bishop noted the COP advances the District's mission of providing affordable, reliable and environmentally sensitive energy services to customer owners. The COP and rate action are an investment in the District's future.

J. W. Thurber, Director of Treasury and Financial Operations, presented the following information:

- 2022 Corporate Operating Plan Budget Summary
- 2022 Strategic Initiative Funding
- 2022 Rate Changes – Percent Increase by Customer Class
- Rate Increase Drivers – Strategic Transformation Increases Operations & Maintenance Expenses
- Independent Reviews of the COP and Rate Action by The Brattle Group
- Corporate Operating Plan Advances OPPD's Mission (Strategic Directive Policy 1)
- Selected Cost Saving Efforts
 - Bond Refunding
 - Continuous Improvement Culture

The Board and management team discussed aspects of the 2022 COP and rate action, including: (i) the challenges of operating under a 5-year rate freeze; (ii) projects to modernize and harden the District's infrastructure; and (iii) customer engagement projects and customer assistance programs.

Director Cavanaugh expressed appreciation to the staff for managing the District effectively throughout the 5-year rate freeze. He acknowledged rate increases are difficult for customers but extending the rate freeze is not practical.

Director Howard commented upon the generation facilities that she has visited and the amount of work that is necessary to maintain and improve the facilities. She expressed support for the 2022 COP and rate action.

Director Mollhoff expressed appreciation for the employees who have been working to restore power after the December 15 wind storm. She acknowledged that rate increases are difficult for customers and that OPPD offers financial assistance programs and energy efficiency programs. She noted OPPD has responded to three significant weather events in 2021, which highlight the importance of investing in generation, transmission and distribution and customer support systems.

Director Moody noted the significance of the District's \$1.8 billion budget and the 800,000 citizens who require electricity every day. He stated the Board and management team do not take this decision lightly and it is time for the District to make investments for the future.

Director Spurgeon echoed the comments of the previous Board members. She encouraged customers who are experiencing financial difficulties to reach out to customer service for assistance. She expressed support for the 2022 COP and rate action.

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Director Williams expressed support for the 2022 COP and rate action as investments in the future. He commented upon the customer assistance pilot program that is included in the 2022 COP and his desire to see changes in rate policies that support equity and conservation.

There was no additional comment from the Board.

Chair Bogner then asked if any members of the public attending via Webex conferencing or in person had any comments. There was no comment from the public in attendance at the meeting.

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

Board Agenda Item 14: President's Report

President Fernandez provided an update on power restoration efforts after the wind storm that occurred on Wednesday, December 15, which had winds exceeding 80 miles per hour. Approximately 24,000 customers across the service area lost power. Six transmission lines and 41 structures were damaged and more than 150 poles were down. President Fernandez reported that over 100 crews were on site to restore power and as of this evening, more than 70% of outages had been restored without any safety incidents.

President Fernandez next presented the following information:

- November Baseload Generation
- November Peaking Generation
- November Renewables
- Pathways to Decarbonization Energy Portfolio Workshop Final Results presented on December 9
- Honor Our Community activities and events, including:
 - Carter Lake Village Winter Festival
 - 15th Annual Heat the Streets Run & Walk for Warmth scheduled for March 5, 2022
 - Empowered Partnerships bilingual event
 - Gift of Energy
 - Smart Thermostat Holiday Promotion
- In Memoriam

Board Agenda Item 12: Opportunity for comment on other items of District Business

Chair Bogner asked for comments from the public on other items of District business.

Mr. David Corbin, 1002 N. 49th Street, representing the Nebraska Sierra Club, expressed appreciation to OPPD employees and mutual aid workers who are restoring power. He inquired about several items, including (i) developments related to Pathways for Decarbonization and the District's integrated resource plan; (ii) rollout of the new green fund rate; and (iii) OPPD's learnings related to ChargePoint electrical vehicle chargers.

Mr. David D. Begley, 4611 S. 96th Street, presented comments on the cost to achieve net zero carbon status and a proposed resolution for the Board to consider, which are attached to these minutes.

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Mr. Ron Kaminski, President of the Omaha, Nebraska & Southwest Iowa Building & Construction Trades Council, expressed concerns about the safety record of Zachry Industrial Co. (In October, OPPD announced it awarded the engineering, procurement and construction contract for the Standing Bear Lake and Turtle Creek natural gas peaking facilities to Zachry.)

President Fernandez responded that safety is one of the main components that OPPD evaluates when selecting contractors and that the safety records of the bidders for this project were acceptable. He emphasized OPPD's safety culture has evolved and continuously improves and OPPD will hold contractors accountable.

Mr. Bob Grothe, 1116 N. 154th Avenue Circle, expressed concerns about Zachry being from out of state and concerns that they will not hire local construction workers.

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

There being no further business, the meeting adjourned at 7:29 p.m.

DocuSigned by:

S. M. Focht

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S. M. Focht
Vice President – Corporate Strategy and
Governance and Assistant Secretary

DocuSigned by:

M. F. Hinners

ECB979C26449478

M. F. Hinners
Assistant Secretary of the Meeting

PLATTEVIEW SOLAR COST EXTRAPOLATED TO NET CARBON ZERO

$$\frac{\$125\text{M}}{80\text{MW}}$$

$$\frac{X}{18,718\text{MW}}$$

$$X = \underline{\underline{\$29\text{B}}}$$

If future solar developments can be built for the reduced price of \$100m/80MW, then OPPD will need to spend only \$23B to generate 18,718MW of solar power.

ESTIMATED COST FOR OPPD TO ACHIEVE NET CARBON ZERO

Solar ¹	\$1,199kw	x	1,000 =	\$1.2m/MW
OPPD ²	18,719MW	x	\$1.2m =	\$22B
Wind ³	\$1,395kw	x	1,000 =	\$1.4m/MW
OPPD ⁴	6,573MW	x	\$1.4m =	\$9.2B
Natgas peaking plants				\$5B
Inflation, cost overruns				\$4.8B
Total				<u>\$41B</u>

OPPD currently has \$1B in revenue and \$5B in assets

For OPPD to service that amount of debt, rates will have to be radically raised. That's the math.

Prepared by customer-owner David D. Begley, 4611 South 96th Street, Omaha, NE.

¹ EIA February 2021 report.

² OPPD "Pathways to Decarbonization" October 27, 2021, slide 79.

³ Supra note 1.

⁴ Supra note 2 at 80.

RESOLUTION 64XX

WHEREAS, Omaha Public Power District (“OPPD”) is a government subdivision of the State of Nebraska governed by a Board of Directors (“the Board”) elected by the public and, as such, has a duty to be responsive to the wishes, desires, demands and opinions of the voting public and ratepayers regarding the major policies and expenditures of OPPD; and

WHEREAS, OPPD has a duty to prudently expend ratepayers’ and investors’ capital regarding major long-life capital improvements; and

WHEREAS, the Board has previously adopted SD-7 calling for OPPD to achieve net zero carbon dioxide emissions by the year 2050; and

WHEREAS, SD-7 was approved by the Board without prior knowledge of the estimated cost; and

WHEREAS, customer-owner David D. Begley has estimated, based upon open-source information from the U.S. Energy Information Agency and OPPD’s Pathways to Decarbonization study, that OPPD could spend up to \$41 billion in order to implement SD-7; and

WHEREAS, SD-7 was approved by the Board without meaningful, broad-based and widespread input by OPPD’s ratepayers and electors; and

NOW, THEREFORE, BE IT RESOLVED,

RESOLVED, L. Javier Fernandez, President and Chief Executive Officer, is hereby directed to issue Requests for Proposals (“RFP”) to international consulting companies such as BCG, Bain and McKinsey, with expertise in electric utilities, to produce a report as to the estimated cost (with inflation adjustments) for the implementation of SD-7;

RESOLVED, that Juli A. Comstock, Vice President of Customer Service, is hereby directed to develop a fair and neutral survey and questionnaire for ratepayers regarding their desire to implement SD-7 in light of the amount of money that OPPD will likely expend on capital improvements in order to achieve net zero carbon dioxide emissions by 2050;

RESOLVED, that ratepayers’ opinions shall be canvassed regarding implementation of SD-7 after the consultant’s report on the costs is received by the Board;

RESOLVED, that ratepayers shall be canvassed by inserting information in their OPPD bill as to how they can complete the on-line survey referenced above; and

FURTHER RESOLVED, that a polling firm shall be hired in order to survey by telephone ratepayers regarding the implementation of SD-7 in light of the cost estimate.

Prepared and submitted by customer-owner and attorney, David D. Begley, 4611 South 96th Street, Omaha, Nebraska.