



Williams/Via

**RESOLUTION NO. 6522**

**WHEREAS**, on September 5, 2022, Nebraska City Station Unit 2 (NC2) was taken offline to address excessive generator exciter brush wear and, upon further investigation, it was determined that one of the exciter collector rings exhibited excessive wear and requires repair or replacement, extending the unplanned outage period; and

**WHEREAS**, the District's Engineer has certified that the exciter collector rings are not readily available replacement parts and multiple repair methodologies are being reviewed to restore NC2 to operation in a safe and efficient manner to support grid reliability; and

**WHEREAS**, for these reasons, the District's Engineer has certified that the use of sealed bidding would be impractical and not in the public interest; and

**WHEREAS**, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer's Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to procurement of materials and services for the repair of the Nebraska City Station Unit 2 exciter and related components without sealed bidding.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that:

1. The Engineer's Certification requesting that the Board waive the sealed bid requirements, in accordance with Nebraska Revised Statutes Sections 70-637 through 70-641, is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts to procure materials and services for the repair of the Nebraska City Station Unit 2 exciter and related components, subject to review and approval of the final contract(s) by the District's General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



# Board Action

## BOARD OF DIRECTORS

September 20, 2022

### ITEM

Nebraska City Station Unit 2 Exciter Repair Materials and Services

### PURPOSE

Provide materials and services to repair the Nebraska City Station Unit 2 exciter and related components

### FACTS

- a. Nebraska City Station Unit 2 (NC2) was recently taken offline to address excessive generator exciter brush wear. Upon further inspection, it was determined that the exciter collector rings require significant repair or replacement.
- b. The exciter collector rings are not readily available replacement materials. Multiple repair or replacement solutions are being reviewed to restore the unit to operation efficiently.
- c. It is optimal for the District to expedite the return of NC2 to service due to the financial and reliability impacts of an extended outage.
- d. The District's engineer has certified the use of the sealed bid process is impractical and not in the public interest due to the variability in optimal material procurement, associated installation services, or repair solution(s) that are in review.

### ACTION

Approval of the Engineer's Certification and authorization by management to negotiate and enter into a contract or contracts for the supply of materials and services for the repair of the Nebraska City Station Unit 2 exciter and related components.

#### RECOMMENDED:

DocuSigned by:  
  
 181167221FA24AE...  
 Troy R. Via  
 Vice President – Utility Operations  
 and Chief Operating Officer

#### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
 AC399FDCE56247E...  
 L. Javier Fernandez  
 President and Chief Executive Officer

TRV:sae

Attachments: Letter of Recommendation  
Engineer's Certification  
Legal Opinion  
Resolution



## MEMORANDUM

**DATE:** September 17, 2022

UO-2022-009

**FROM:** S. A. Eidem

**TO:** T. R. Via

**SUBJECT:** Nebraska City Station Unit 2 Exciter and related components repair materials and services

### 1.00 GENERAL

On September 5th, 2022, Nebraska City Station Unit 2 (NC2) was shut down for a short duration outage to perform repairs to the generator exciter collector rings which were causing excessive brush wear while in operation. On September 9th, it was determined that excessive wear on one of the collector rings will require significant repair or replacement, extending the outage period considerably.

Several options are being reviewed to restore NC2 to operation, but the schedule to make these repairs or replacements are not fully known at this time. Based upon initial information, the worst case repair could take six months to complete due to specialized new part availability and supply chain issues. Refurbished collector rings from a similarly designed generation unit are also being reviewed for suitable use.

Additionally, the specialized tooling and training required during installation services of these replacement collector rings may be limited to the original equipment manufacturer (OEM), Toshiba.

Regardless of restoration option, this extended forced outage was not expected or included in the corporate planning process; as such, this outage period can cause a considerable budgetary impact to the District. Additionally, NC2 supports grid reliability, so restoring the unit efficiently ensures that vital function is available as grid conditions warrant. Since the optimal repair or replacement solution(s) is not known, additional time to finalize that solution and then proceed with the sealed bid process will exacerbate the restoration schedule and this adverse budgetary and degraded grid support impact.

Firm quotes for all of these potential replacement materials or services have not been received to date, but in combination are expected to exceed \$500,000.

Therefore, it is impractical and not in the public interest to utilize the sealed bid process. Direct negotiations with the OEM and other potential suitable suppliers for these specialized materials and services allows District staff to efficiently determine the optimal repair solution balancing technical requirements, value and schedule.

## 2.00 RECOMMENDATION

An Engineer's Certificate of the above has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate and enter into a contract or contracts for repair materials and services for Nebraska City Station Unit 2 Exciter and related components.

*Scott A. Eidem*

S.A. Eidem, P.E.  
Director, Engineering Services  
Utility Operations

## ENGINEER'S CERTIFICATION

The Omaha Public Power District's (OPPD) Nebraska City Station Unit 2 (NC2) was recently taken offline to address excessive generator exciter brush wear. Upon further inspection, it was determined that the exciter collector ring exhibited excessive wear and requires significant repair or replacement.

The exciter collector rings are not readily available replacement parts. Multiple repair methodologies are being reviewed to restore the unit to operation in a safe and efficient manner, but clarity on the optimal method(s) is not known at this time. Regardless of repair or replacement method(s), an extended outage is expected based upon preliminary information received.

The undersigned, a Nebraska professional engineer employed by OPPD, certifies that following the sealed bid process for a replacement or repair solution(s) is impractical and not in the public interest. The following statements support this certification:

- NC2 is a base load unit within the OPPD generation portfolio. The potential duration of the extended outage can cause considerable budgetary impact to the District while the repair method(s) are further evaluated and implemented. Additionally, NC2 supports grid reliability, so restoring the unit efficiently ensures that vital function is available as grid conditions warrant.
- Toshiba, the original equipment manufacturer, is the likely best source of supply for new replacement materials and installation services because of the proprietary and technologically complex nature of the associated materials, equipment and specialized tooling required for the replacement. Review of suitable refurbished equipment from similarly designed generation units is also being pursued with currently unknown feasibility. A negotiated contract provides the proper mechanism to develop optimal pricing, schedule, and contract terms and conditions with acceptable risk mitigation in this emergent case.

Pursuant to Section 70-637 of the Revised Statutes of Nebraska, the Board of Directors is requested to approve this Engineer's Certificate and authorize Management to negotiate and enter into a contract or contracts for the supply of material and services for repair of the NC2 generator exciter and related components without compliance with the sealed bidding requirements of Sections 70-637 to 70-641 of the Revised Statutes of Nebraska.

I, Scott A. Eidem (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.

  
Scott A. Eidem, P.E.



9/19/22  
Date



## FRASER STRYKER

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September 19, 2022

Omaha Public Power District  
444 South 16th Street  
Omaha, NE 68102

RE: Nebraska City Station Unit 2("NC2") - Engineer's Certification for Generator  
Exciter Project

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Scott A. Eidem, P.E., a registered professional engineer in the State of Nebraska employed by the District. Mr. Eidem's Engineer's Certification states that NC2 recently was taken offline to address excessive generator exciter brush wear. Upon further inspection, it was determined that the exciter collector ring exhibited excessive wear and requires repair or replacement. The District is exploring the most expedient options to repair the generator exciter equipment and return NC2 to service. Mr. Eidem certifies that it is impractical and not in the public interest to utilize sealed bidding for this project, and that a negotiated contract provides the proper mechanism to develop optimal pricing, schedule, and contract terms and conditions with acceptable risk mitigation in this emergent case.

Section 70-637 of the Nebraska Revised Statutes authorizes the District's Board of Directors, by a two-third vote, to approve an Engineer's Certification that it is impractical or not in the public interest to use the statutory sealed bid process for a project, and to authorize the District to enter into contracts to complete the project. The District is required to advertise its intention to enter into any such contract in three (3) newspapers of general circulation within the District's service area, with not less than seven (7) days between issues. The contract cannot be entered into sooner than twenty (20) days after the last advertisement.

It is our opinion that Mr. Eidem's Engineer's Certification complies with Section 70-637 and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contract(s) for the supply of material and services to repair the NC2 generator exciter and related components. We recommend that any such contract(s) be subject to review and approval by the District's General Counsel.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen M. Bruckner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2653579

# Nebraska City Station Unit 2 Generator Exciter Collector Rings

