



Moody/Underwood

RESOLUTION NO. 6712

WHEREAS, the Board of Directors has determined it is in the best interest of the District, its employees, and its customer-owners to establish written policies that describe and document OPPD's corporate governance principles and procedures; and

WHEREAS, each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process; and

WHEREAS, the Board's Finance Committee (the "Committee") is responsible for evaluating Board Policy SD-2: Rates on an annual basis. The Committee has reviewed the SD-2: Rates Monitoring Report and finds OPPD to be sufficiently in compliance with the policy as stated.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Omaha Public Power District accepts the SD-2: Rates Monitoring Report, attached hereto and made a part hereof, and finds OPPD to be sufficiently in compliance with the policy as stated.

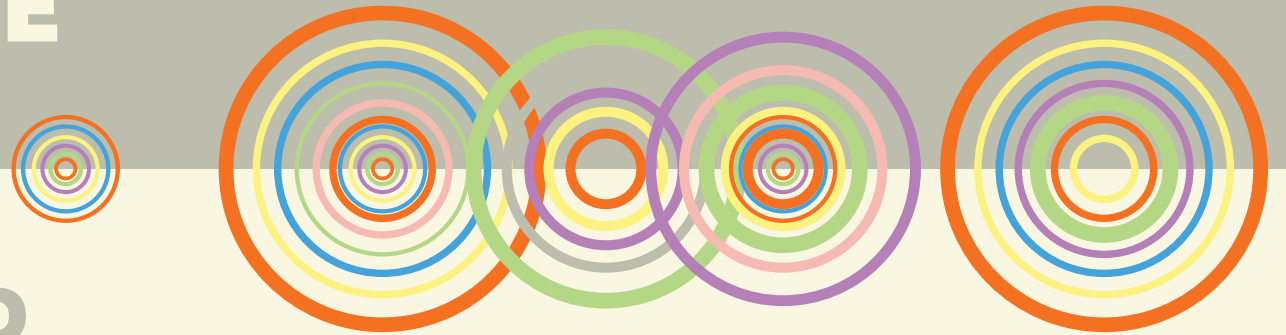
Exhibit A

MONITORING REPORT

SD-2: RATES

FINANCE COMMITTEE

➤ 06.17.25 ➤



BRADLEY R. UNDERWOOD
VICE PRESIDENT AND CHIEF FINANCIAL OFFICER



SD-2: RATES

Strategic Directive

In implementing this directive, OPPD shall:

- Maintain fair, reasonable, and non-discriminatory rates as stated in Nebraska Revised Statute 70-655;
- Equitably assign costs across and within all customer classes;
- Monitor affordability indicators;
- Pursue rate process and structure changes to reflect the cost of energy when it is used;
- Offer flexibility and options;
- Be simple and easy to understand;
- And pursue a directional rate target of 10% below average published rates of seven states in the North Central Region on a system average basis.

SD-2: RATES

Directional Rate Target

COMPARISON

Comparison against the North Central Region:

- North Central Region, as defined by OPPD, is the region made up of the following seven states: Illinois, Iowa, Indiana, Kansas, Missouri, Nebraska and South Dakota
- Comparison is done on a System Average Basis: Total revenue billed to retail customers divided by total kWh sold to retail customers. The result is measured in cents per kWh
- OPPD obtains data from the Energy Information Administration's (EIA)



DIRECTION

Directional goal of 10% below the North Central Region average rates:

- OPPD experienced a relatively modest 2.9% increase via an FPPA adjustment in 2023
- OPPD met this directional goal and remained below the regional average in 2023
 - Some states saw a significant increase in 2022 followed by a significant decrease in 2023
 - States included Illinois, Indiana, Iowa, Kansas, and Missouri
 - Other states saw a small increase in 2022 followed by another small increase in 2023
 - States included Nebraska and South Dakota



SD-2: RATES

Data Reporting Changes

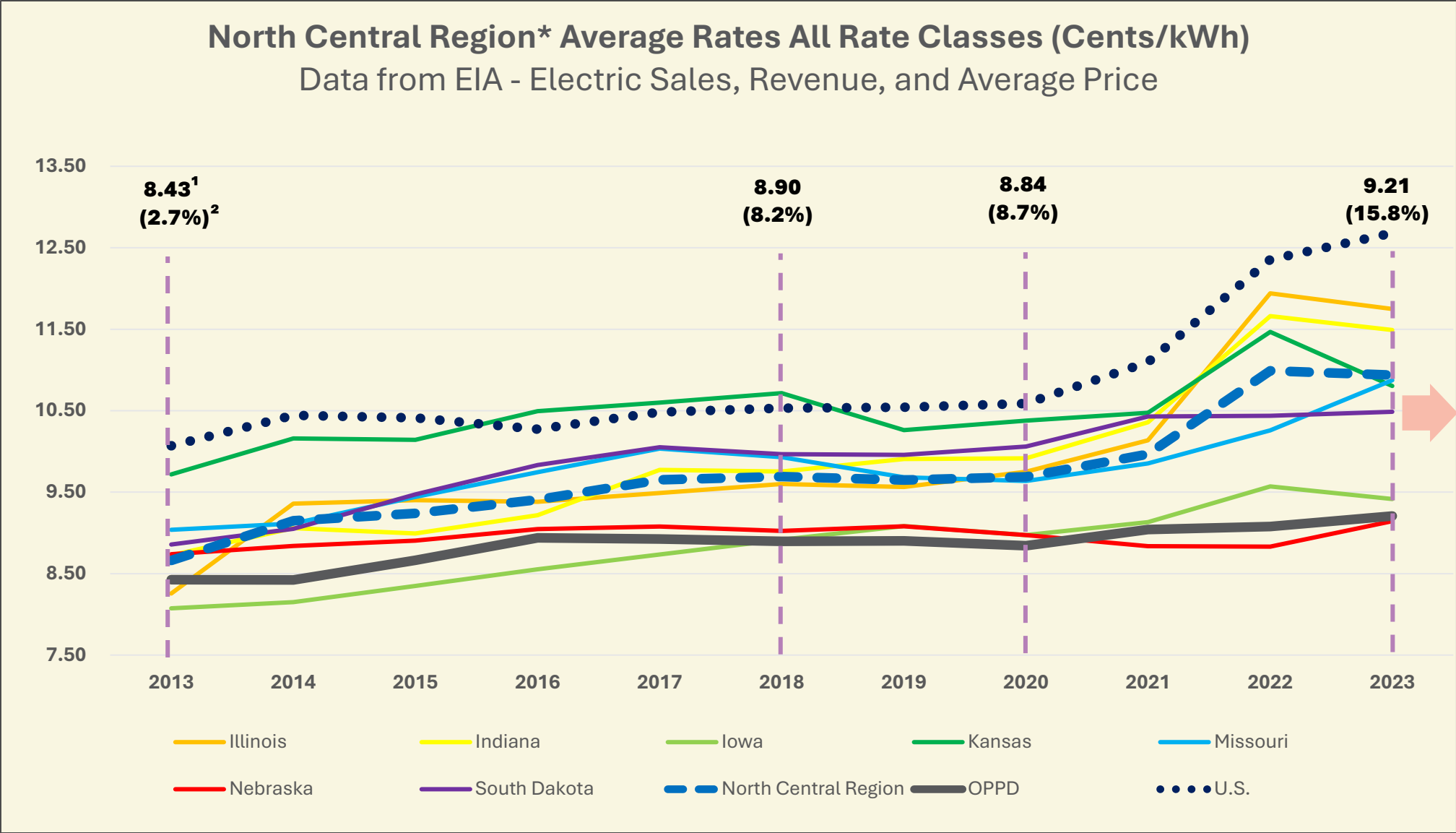
PRIOR TO 2023

- EIA had no reporting requirements for Data Centers and Crypto Customers
- OPPD reported Data Center and Crypto Customers as part of their respective rate classes
 - Data Centers were included in Industrial under Rate 261M

STARTING IN 2023

- EIA created a requirement for Data Centers and Crypto Customers to be reported in Commercial Rates
- OPPD has followed EIA reporting for this SD-2 Report
- For the purposes of OPPD's own internal and other external reporting, data centers and crypto customers will remain in their respective rate classes

SD-2: RETAIL RATES

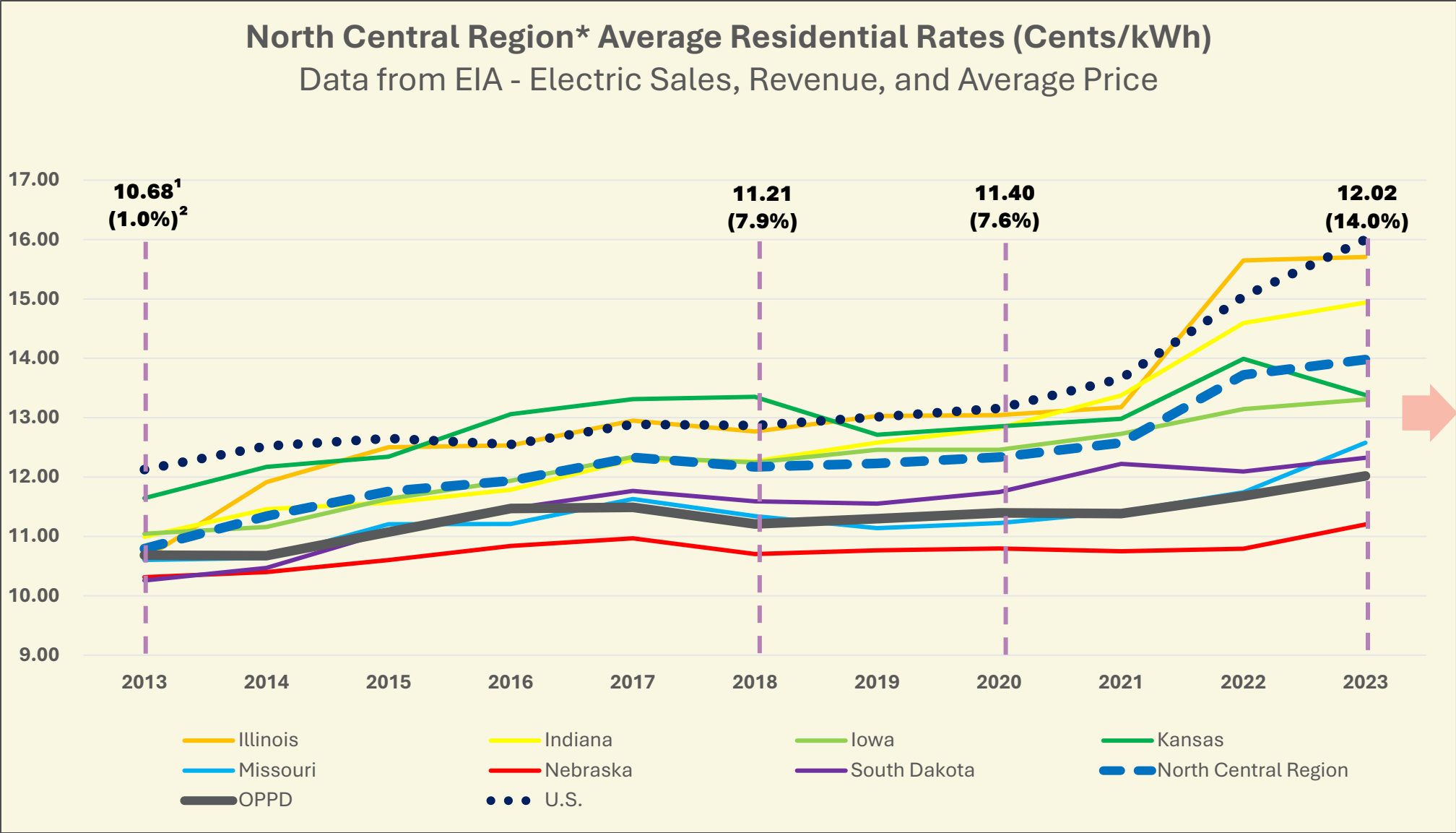


*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: RESIDENTIAL RATES

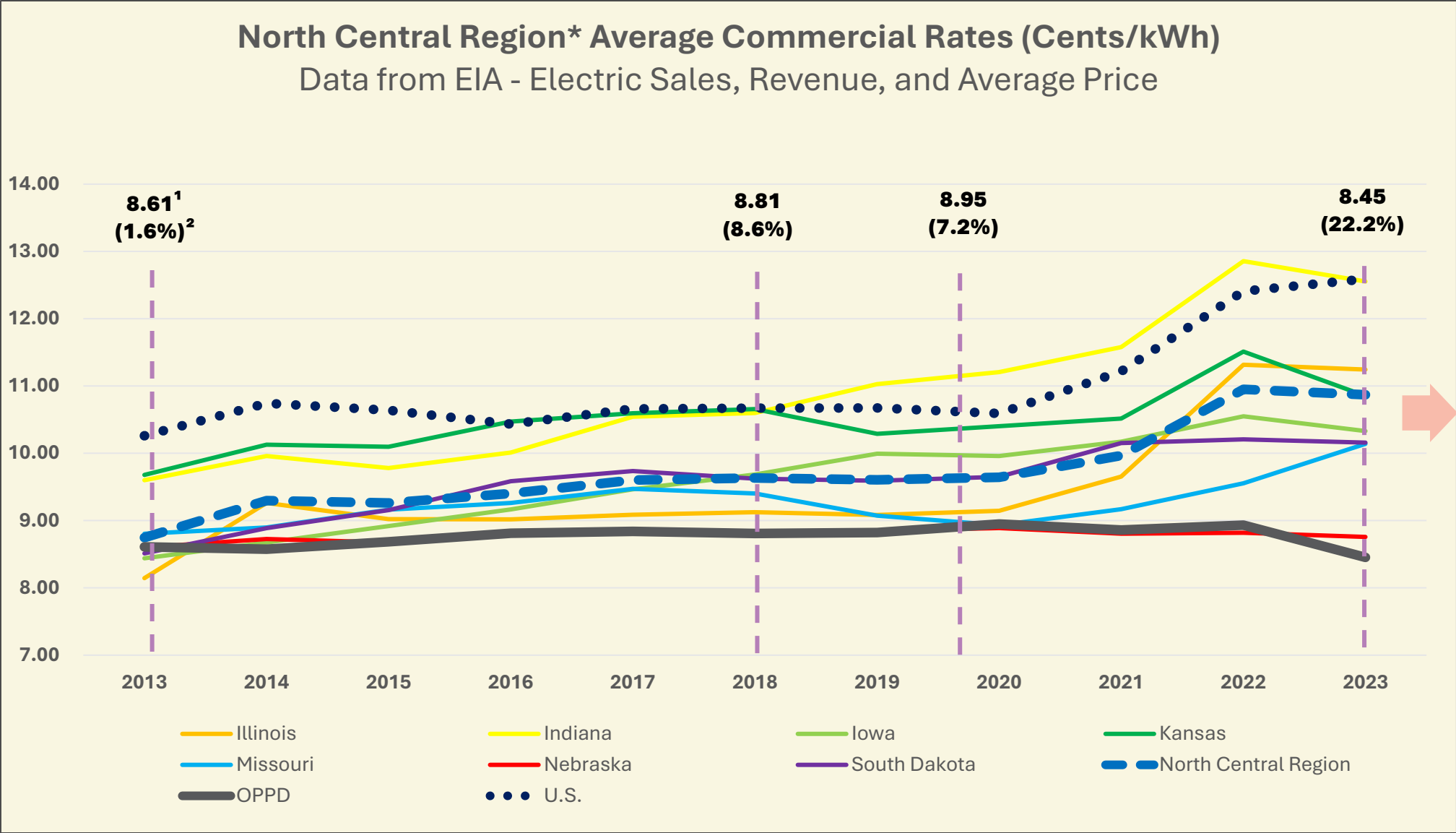


*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: COMMERCIAL RATES



*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

**In 2023, EIA shifted Data Centers and Crypto (261M) from Industrial to Commercial

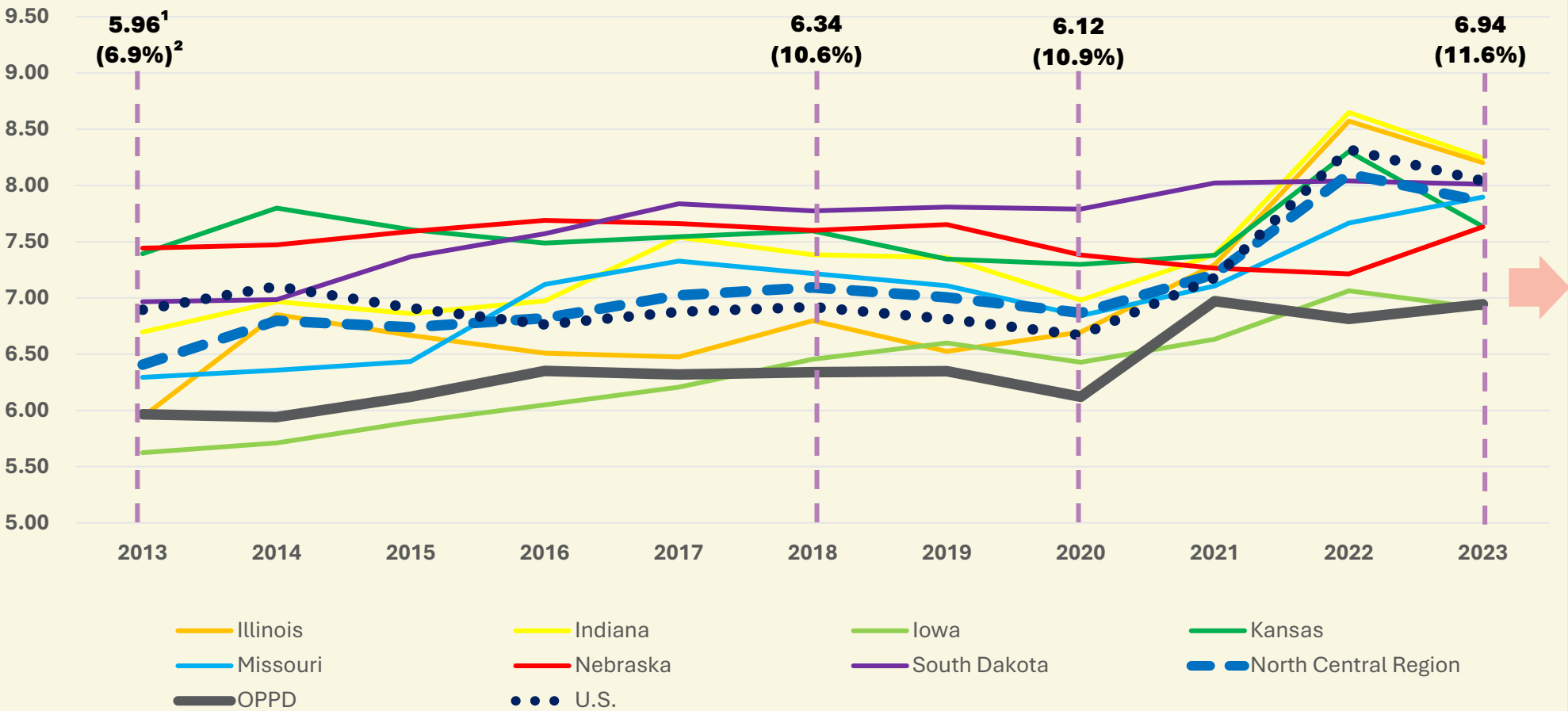
¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: INDUSTRIAL RATES



North Central Region* Average Industrial Rates (Cents/kWh)
Data from EIA - Electric Sales, Revenue, and Average Price



**OPPD
13.6%
below
national
average**

*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

**In 2023, EIA shifted Data Centers and Crypto (261M) from Industrial to Commercial

***From 2018 – 2022, OPPD included Data Centers and Crypto (261M) in Industrial

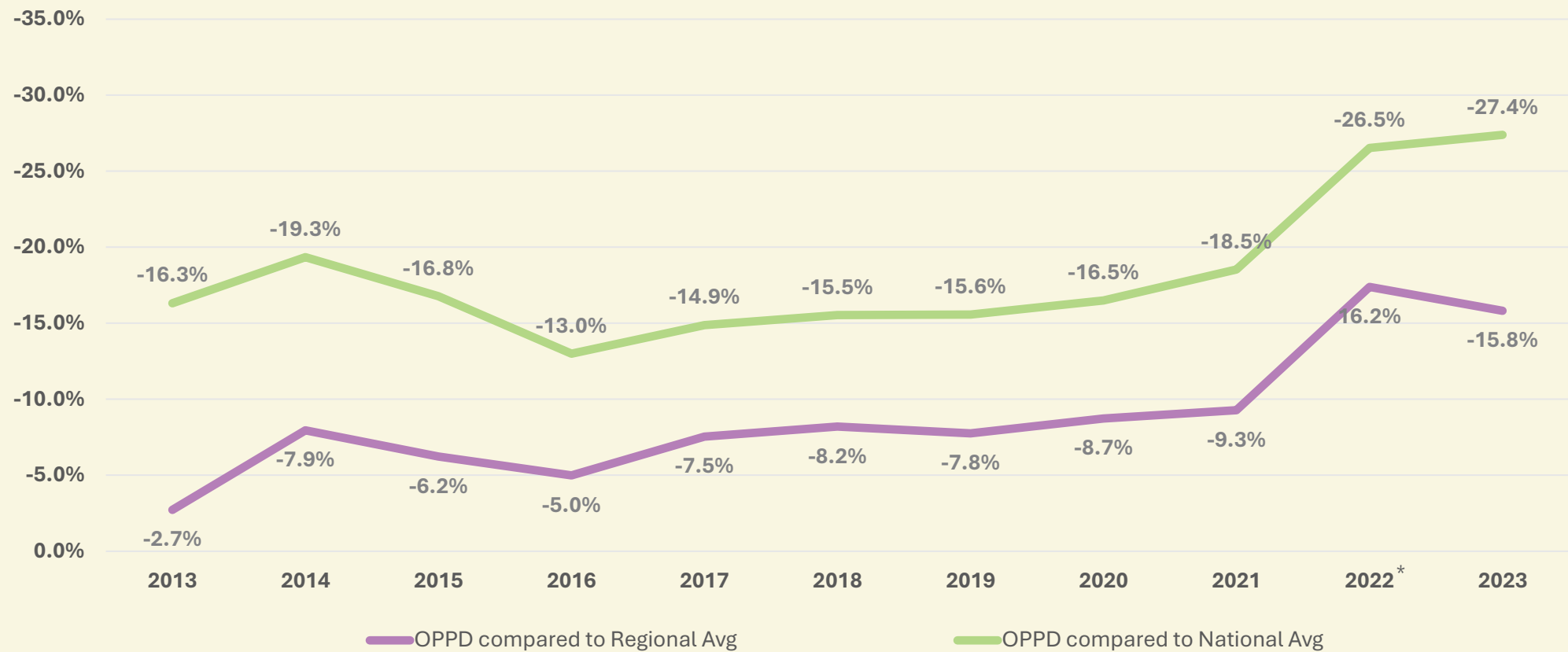
¹ OPPD Cents/kWh

² OPPD Percentage below Regional Average

SD-2: RETAIL RATES



OPPD Percentage Below Regional Average & National Average 10 Year
Data from EIA - Electric Sales, Revenue, and Average Price



*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota was changed from EIA-defined region (West North Central) which was approved in 2022

SD-2: RATES

Fair, Reasonable, and Non-Discriminatory

MAINTAIN

Maintain fair, reasonable and non-discriminatory rates as stated in Nebraska Revised Statute 70-655

- Cost of Service Study (COSS) is completed to align rates with cost drivers
- Continually evaluating allocations based on changes within the organization and industry
- Costs are allocated across classes according to their unique usage characteristics
- The rate setting process is reviewed by an outside consultant (The Brattle Group)

IMPLEMENT

Implement recommendations from Brattle's Assessment of OPPD's Existing Rate Designs (presented to Finance Committee September 2024)

- Evaluate eligibility criteria across all rates
- Currently evaluating rates related to Avoided Cost Study

PLAN

Plan for a Time Varying Rates (TVR) Pilot

- Drive alignment around the purpose of TVR's at OPPD
- Select the TVR's that best achieve the stated purpose
- Monitor evolving SPP regional balancing strategy and implications for price signal strategy

SD-2: RATES

Cost Assignment Across & Within Classes

Equitably assign costs across and within all customer classes.

- Equitable assignment of costs within rate classes is dependent on rate structure, metering technology, and customer homogeneity.
- 2023 Rate Action aligned cost recovery to the COSS in support of fair, reasonable, and non-discriminatory rate recovery principles.

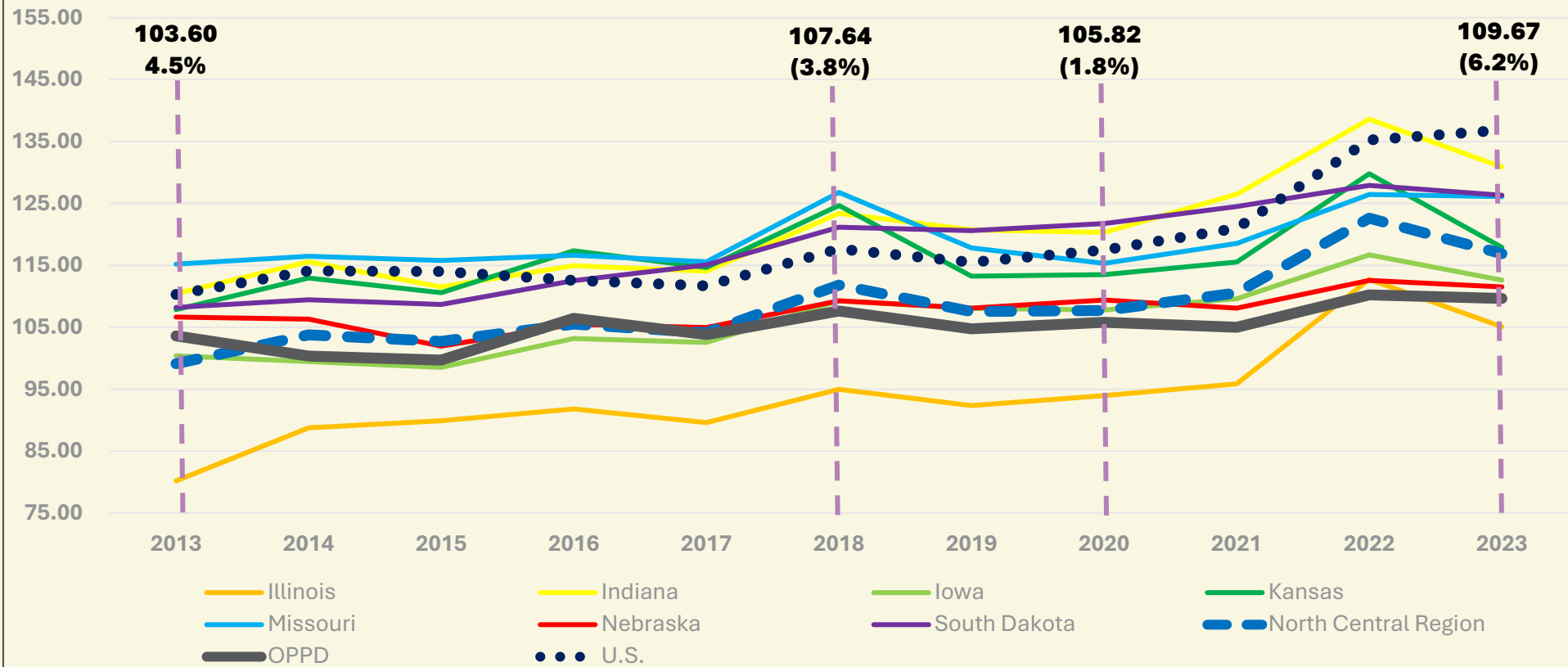
	Industrial	Commercial	Residential
Customer Costs*	●	●	●
Energy Costs	●	●	●
Demand Costs*	●	Partial	Partial

*Service charge recovers a portion of the customer and distribution related costs for small commercial and residential rate classes

SD-2: AFFORDABILITY INDICATORS



North Central Region* Average Residential Bill (\$/Month)
Data from EIA - Electric Sales, Revenue, and Average Price

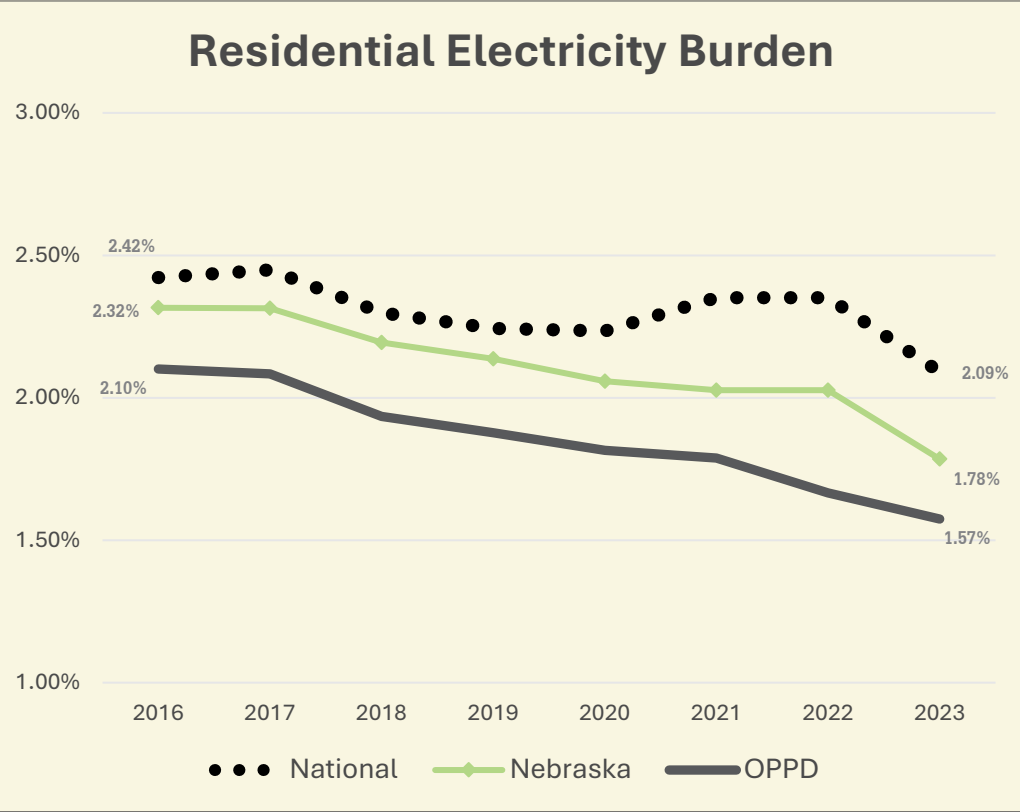


OPPD
19.9%
below
national
average

*OPPD-defined region (North Central Region) composed of: Illinois, Indiana, Iowa, Kansas, Missouri, Nebraska, and South Dakota

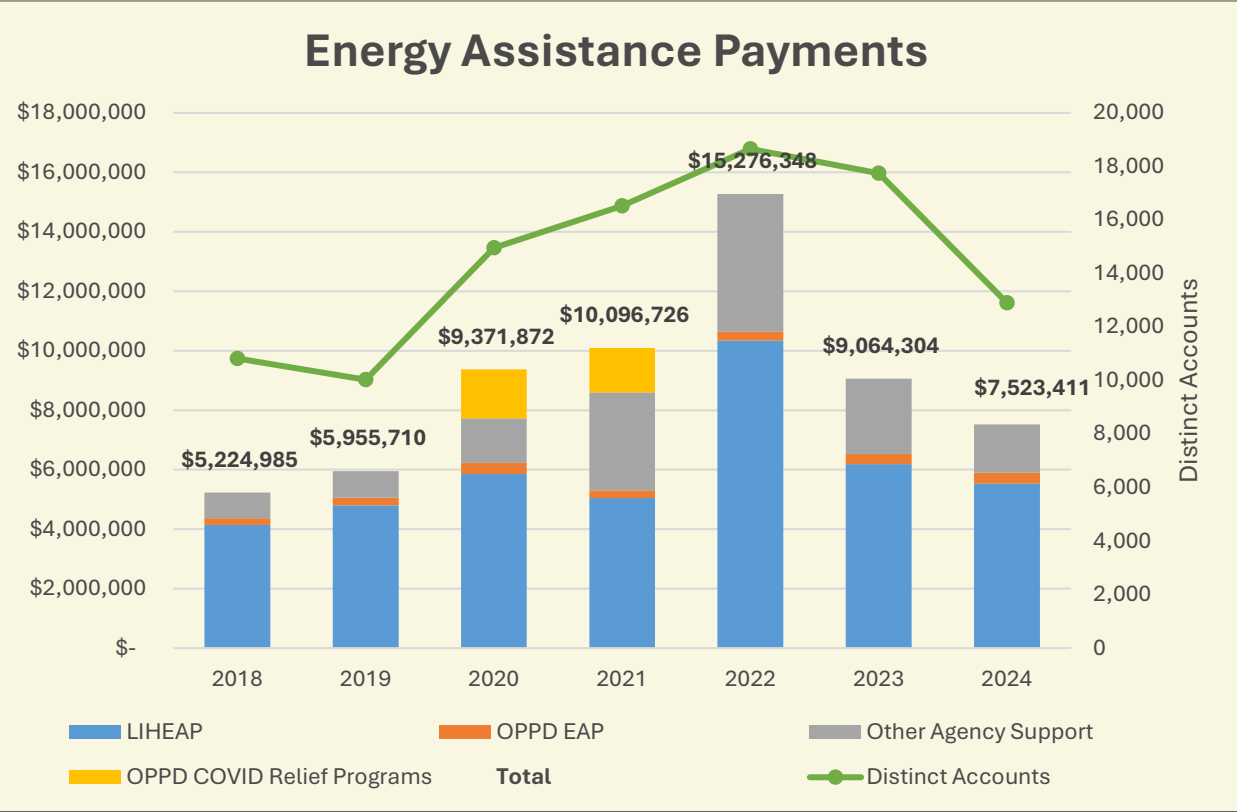
SD-2: RATES

Affordability Indicators



Median Household Income Data from US Census, ACS-5Y,
Electricity Data from EIA Annual Electric Utility Data

$$\text{Electricity Burden} = \frac{\text{Average Annual Electric Bill}}{\text{Annual Income}}$$



- 17% decrease in assistance funding from 2023
- Energy assistance funding has returned to pre-pandemic levels
- Increase in assistance funding during pandemic helped mitigate the impact on arrears and affordability for income constrained customers

SD-2: RATES

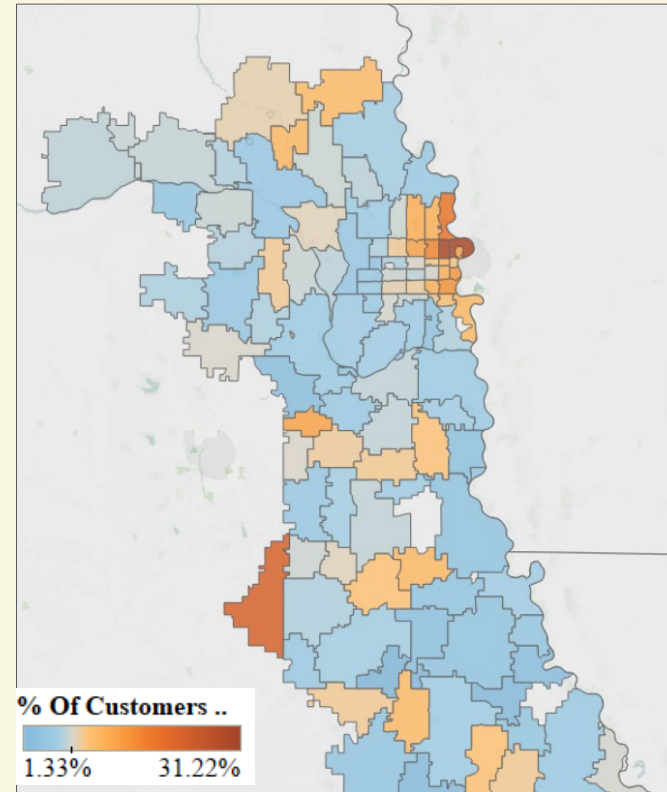
Monitor Affordability Indicators

Electricity burden is impacted by income, heating sources, efficiency of the premise, behavioral and other factors.

- Individual customer energy burdens can be above or below the zip code average
- A household with 6% or greater energy burden is considered to be a high energy burden household*
- Customer with 3+ disconnect notices is an indicator of high electricity burden

*<https://www.aceee.org/sites/default/files/pdfs/u2006.pdf>

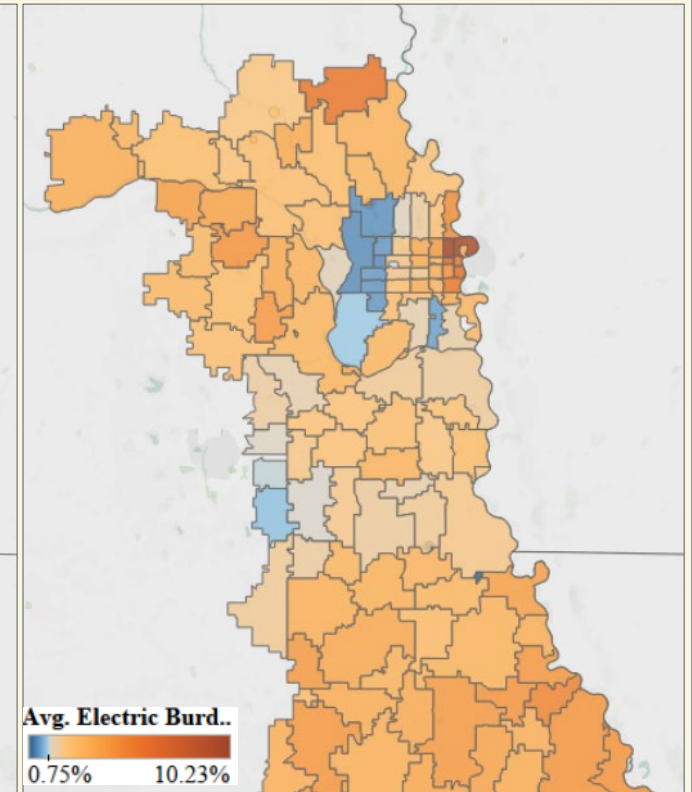
Percentage of Customers with
3+ Disconnect Notices



3+ Disconnect Notices

- 34,249 customers had 3+ disconnect notices
- The average electricity burden of customers with 3+ disconnect notices was 4.99%

Electric Burden by Zip Code



Electricity Burden:

- For customers with at least 12 month of billing history
- Does not include taxes or adjustments
- Average 1.57%

SD-2: RATES

Flexibility and Options

Offer flexibility and options

- The following options exist to increase flexibility and options for interested and eligible customers
- OPPD is continuously working toward future rate, product, and service offerings to meet customer needs

Residential	General Service	
Heat Pump	261M	Standby Service*
Private Outdoor Lighting	Streetlights	Curtable*
Cogeneration and Small Power*	Cogeneration and Small Power*	Time of Use*
Net Metering*	Net Metering*	Supplemental Capacity*
Community Solar*	Community Solar*	Primary Service Discount*
	Green Sponsorship*	

*Denotes Rider

SD-2: RATES



Cost of Energy When Used

PROCESS & STRUCTURE: Changes reflect the cost of energy when it is used - Residential and Small Commercial Rates include a seasonal energy charge:

- Summer being June through September
- Non-Summer being October through May

FUEL & PURCHASE POWER ADJUSTMENT: Calculated using seasonal energy prices reflecting the cost of the energy when it is expected to be used

LARGE POWER: High-voltage Transmission Level – Market Energy (261M Rate) energy is priced hourly at the SPP market nodal price

ADVANCED RATE STRUCTURE: OPPD will continue to evaluate more advanced rate structures as AMI and other technologies are monitored and implemented

SD-2: RATES

Simple and Easy to Understand

ESTABLISH

- Establish effective and engaging broad communication with customers
 - OPPD Rates remain lower than regional and national averages

ENSURE

- Ensure targeted and specific messaging for individual rate classes and customers using direct messaging and/or conversations about specific rate increase impacts
 - Provided customers more detailed explanations of the drivers of the rate increase
 - Provided customers an opportunity to have conversations with OPPD
 - Explored options through programs and offerings to better serve our customers

GUIDE

- The Rate Fundamentals Report was published on OPPD.com in Fall 2023
 - Provides foundational guidance to stakeholders regarding the rate setting process

SD-2: RATES

Recommendation

The Finance Committee has reviewed and accepted this Monitoring Report for SD-2 and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-2.



Omaha Public Power District
BOARD OF DIRECTORS

Action Item

June 17, 2025

ITEM

SD-2: Rates Monitoring Report

PURPOSE

To ensure full Board review, discussion and acceptance of SD-2: Rates Monitoring Report.

FACTS

- a. The Board confirmed the Corporate Governance Initiative Charter in December 2014, in order to assess and refine OPPD's corporate governance infrastructure.
- b. The first set of Board policies was approved by the Board on July 16, 2015. A second set of Board policies was approved by the Board on October 15, 2015.
- c. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.
- d. The Finance Committee is responsible for evaluating Board Policy SD-2: Rates on an annual basis.
- e. Board Policy SD-2: Rates was revised and approved by the Board on December 15, 2022.
- f. The Finance Committee has reviewed the SD-2: Rates Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.

ACTION

The Finance Committee recommends Board approval of the SD-2: Rates Monitoring Report.

RECOMMENDED:

DocuSigned by:

Bradley Underwood

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Bradley R. Underwood

Vice President and Chief Financial Officer

APPROVED FOR REPORTING TO BOARD:

Signed by:

L. Javier Fernandez

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L. Javier Fernandez

President and Chief Executive Officer

Attachment: SD-2: Rates Monitoring Report
Resolution