

MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, March 15, 2024, at the Kevin Wailes Operations Center, 9445 Rokeby Road, Lincoln, Nebraska. Public notice of today's meeting was published in the Lincoln Journal Star on March 8, 2024.

Board Members Present: Kate Bolz, Alyssa Martin, Carl Eskridge, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar (arrived late), Karen Griffin, Andrew Hunzeker

Board Members Absent: None

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, David Malcom, Paul Crist, Jason Fortik, Lisa Hale, Trish Owen, Katrinka Dicke, Kelley Porter, Jim Rigg, Wade Leibrandt, Keith Snyder, Mike Murphy, Manny Sanchez, Denise Parrott, Marc Shkolnick, Taylor Bailey, Chad Gebers, Bryce Buresh

Others Present: Two members of the public and numerous virtual participants via Microsoft Teams

News Media Present: None

Chair Andrew Hunzeker declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Chair Hunzeker noted that LES conducts its meetings in compliance with the Nebraska Open Meetings Act and noted that a copy of the Act is located on the wall in the back of the room. **Call to Order & Safety Briefing**

Chair Andrew Hunzeker introduced Alyssa Martin, Managing Director at Nelnet who is filling the unexpired term of Martha Durr who stepped down from the board earlier this year. **Introduction of New Board Member**

Chair Andrew Hunzeker asked for approval of the February 16, 2024, meeting minutes. Eric Schafer moved their approval. Lucas Sabalka seconded the motion. The vote for approval of the minutes was: **Approval of Minutes**

Aye: Kate Bolz, Carl Eskridge, Chelsea Johnson, Lucas Sabalka, Eric Schafer, Kate Griffin, Andrew Hunzeker

Nay: None

Abstain: Alyssa Martin

Absent: David Spinar

Ken Winston, representing Nebraska Interfaith Power and Light, discussed several bills pending before the Nebraska Legislature.

Customer Comments

Trish Owen, Vice President, Corporate Operations, introduced Manny Sanchez, Crew Leader, Building and Maintenance at Kevin Wailes Operations Center, who was recognized by the Board for 20 years of service to LES.

Introduction and Recognition of Staff

David Spinar arrived at this time.

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on March 4, 2024, including: 1) Energy Delivery Project Management Update; 2) Ten Year Transmission & Substation Plan and Asset Management Efforts; and 3) Nebraska State Penitentiary Site Interfaces Update. (Exhibit I)

Operations & Power Supply Committee Report

Chelsea Johnson, Chair of the Communications & Customer Services Committee reported on Committee discussions held on March 11, 2024, including: 1) Customer Portal Project Update; 2) Zoo Lights Powered by LES; 3) Education Plan; and 4) Campaigns. (Exhibit II)

Communications & Customer Services Report

David Spinar, Chair of the Personnel & Organization Committee, reported on Committee discussions that were held on February 27, 2024, which included: 1) Review of Safety and Physical Security Performances in 2023; 2) Review of Employment Metrics for 2023 Efforts; 3) Year-End Review for the 2023 Health & Dental Programs; and 4) Update relating to the amendment to the 457 (b) plan. (Exhibit III)

Personnel & Organization Committee Report

Robbie Seybert, Manager of Human Resources, provided an overview of the amendment to LES 457(b) Deferred Compensation Plan and the Discretionary Employer Contribution Policy. Eric Schafer moved adoption of LES Resolution 2024-1, approving the Adoption of Amendment No. 3 to LES Employees' 457(b) Deferred Compensation Plan, and LES Resolution 2024-2, adopting the Discretionary Employer Contribution Policy (Exhibits IV and V) Kate Bolz seconded the motion. The vote to adopt LES Resolutions 2024-1 and 2024-2 was:

Adoption of Amendment No. 3 to LES Employees' 457(b) Deferred Compensation Plan – LES Resolution 2024-1 and Adoption of 2024 Discretionary Employer Contribution Policy – LES Resolution 2024-2

Aye: Eric Schafer, Alyssa Martin, Lucas Sabalka,

Karen Griffin, Chelsea Johnson, Carl Eskridge, Kate Bolz, Andrew Hunzeker

Nay: None

Abstain: David Spinar

Absent: None

Carl Eskridge, Vice-Chairman of the District Energy Corporation (DEC), reported on the recent DEC Board meeting held on February 22, 2024. Items discussed including: 1) DEC Decarbonization Goal; and 2) Customer Expansion (Exhibit VI)

District Energy Corporation (DEC) Update

Shelley Sahling-Zart, Vice President & General Counsel, provided a report on state legislation activities. She noted that there are sixteen days left in the legislative session with adjournment scheduled for April 18. She provided updates on several bills that have priority designations and may be considered in the final days of the session. (Exhibit VII)

State Legislative Report

LB 399 is Senator Bostelman’s personal priority bill. The public power industry has been in discussion with Senator Bostelman and Senator Brewer regarding LB 399 for the past year. The bill was advanced from committee with an amendment. The committee amendment replaces the original bill and provides that if either a public power supplier or private renewable energy developer proposes to build a new generation facility, they must hold a public meeting in the county where the facility will be located and provide an opportunity for ratepayers or property owners to provide input regarding the project. In addition, at least 50% of the governing body must attend the meeting, though only one is required to be physically present. Others may participate virtually. For private developers, the committee amendment also provides that privately developed renewable energy projects be approved by the Power Review Board (PRB) and meet the same criteria required of public power, specifically that the application will serve the public convenience and necessity, that the applicant can most economically and feasibly supply the electric service resulting from the project, and that the project can be built without unnecessary duplication of facilities or operations. Senator Brewer has filed an amendment to the committee amendment that would strike the requirements requiring PRB approval but would limit private developers to entering into a power purchase

agreement with only Nebraska public power suppliers for the output of the developer's generation facility. Renewable energy developers are opposed to both amendments. LES is neutral on the amendments as neither impedes generation development for LES.

LB 1370, as introduced, provided that if a utility was planning to decommission a dispatchable generation facility, it would be required to replace the facility with another dispatchable generation facility of equal or greater nameplate capacity. Following the hearing and additional discussion with Senator Bostelman, the committee amendment replaces the original language with a requirement that if a utility is considering the decommissioning of a dispatchable generation facility of 100 MW or greater, it must inform the PRB which could choose to hold a closed hearing on the matter. The PRB would then issue an advisor-only recommendation which the utility board must consider as it makes a final decision on decommissioning the facility. LES is neutral on the committee amendment language.

LB 1300 adopts the Pacific Conflict Stress Test Act and Foreign Adversary Contracting Prohibition Act which requires a state risk assessment that includes preparation of risk scenarios and threats, with focus on supply chain, for all state agencies, political subdivisions, and critical infrastructure entities. The report is required to include identified vulnerabilities in critical infrastructure, military installations, cybersecurity, and public health, among others. LES agrees with the premise of protecting our systems and information from foreign adversaries, but LES has identified concerns about releasing critical infrastructure information that would ultimately be published or not securely held. LES and others in public power are in continued discussions with Senator Bostar and the Governor's office regarding amendments that would achieve the overall objective without compromising sensitive information.

Emily Koenig, Vice President, and CFO reviewed LES' Annual Self-Insured Health and Dental Insurance program. (Exhibit VIII) As a plan sponsor, LES is subject to the Political Subdivision Self-Funding Benefits Act. LES must provide an annual report to its governing body, the beginning and ending balance of the Claims Fund and Incurred But Not Presented (IBNP) Reserve Fund, and deposits of monthly accruals.

**Annual Self-Insured
Health & Dental
Insurance Review**

According to Koenig, total health contributions exceeded costs incurred, leading to a positive surplus for participants. Overall, LES' self-funded health insurance plan has benefited participants.

Chelsea Johnson moved approval of LES' annual Self – Funded Health and Dental 2023 Report. David Spinar seconded the motion. The vote to approve the report was:

Aye: Eric Schafer, David Spinar, Alyssa Martin, Lucas Sabalka, Karen Griffin, Chelsea Johnson, Carl Eskridge, Kate Bolz, Andrew Hunzeker

Nay: None

Absent: None

Wade Leibbrandt, Manager, Budgeting and Financial Planning, provided a briefing on Corporate Key Indicators Benchmarking. (Exhibit IX) LES utilizes multiple resources for benchmarking financial and operational performance.

Corporate Key Indicators Benchmarking

LES ranks in the Top 2 Quartiles for 57 percent of the metrics from the Omaha Public Power District (OPPD) and American Public Power Association (APPA) surveys. LES residential customers continue to have some of the lowest bills, ranking in the First Quartile in the OPPD survey.

The System Average Interruption Duration Index (SAIDI) indicates that LES customers experience some of the shortest outage restoration times.

Emeka Anyanwu, CEO, discussed LES Administrative Board Member attendance at the 2024 American Public Power Association (APPA) National Conference in San Diego, California. LES Policy 101 requires board authorization if more than three board members attend a conference where expenses are expected to exceed \$500. It has been the board's practice to approve authorization for any board members who wish to attend the APPA conference.

Authorization of Board Attendance at the 2024 American Public Power Association (APPA) National Conference in San Diego, California, June 7th-12th

Carl Eskridge moved that all members be authorized to attend the 2024 APPA national conference if they so desire. David Spinar seconded the motion. The vote to approve the motion was:

Aye: Kate Bolz, Karen Griffin, Alyssa Martin, Carl Eskridge, Chelsea Johnson, Lucas Sabalka, Eric Schafer, David Spinar, Andrew Hunzeker

Nay: None

Absent: None

Emeka Anyanwu, CEO, noted that the monthly Financial and Power Supply Reports are delayed, pending the results of the 2023 audit. **Monthly Financial and Power Supply Reports**

The next regular meeting of the LES Administrative Board will be Friday, April 19, 2024, at 9:30 a.m. **Next Meeting**

Without further business before the Board, Chair Hunzeker declared the meeting adjourned at approximately 11:06 a.m. **Adjournment**

Lucas Sabalka, Secretary

BY: *Katrinka Dicke*
Katrinka Dicke
Assistant Secretary

Exhibit I



Operations and Power Supply Committee Meeting Summary March 4, 2024 (virtual)

Attendees: K. Griffin, C. Johnson, L. Sabalka (Committee Chair),
E. Anyanwu, P. Crist, J. Dagerman, J. Fortik, F. Rumery, S. Sahling-Zart, N. Wischhof

Energy Delivery Project Management Update (Fredrick Rumery):

- Staff provided an overview of the organizational structure and project management philosophy and tools utilized to manage capital and operational projects.
- A project's anticipated scope, schedule, and budget are used to determine the level of project management oversight assigned to the project.
- Projects currently being managed using this structure range from day-to-day and routine efforts up to multi-year, large investment programs.

Ten Year Transmission & Substation Plan and Asset Management Efforts (Joel Dagerman):

- Staff provided an overview of LES's major transmission and substation assets and the factors influencing their maintenance and upgrade decisions.
- Supply chain issues continue to increase the costs of equipment and extend their delivery times beyond the levels historically experienced.
- Aging assets that receive appropriate maintenance continue to perform well and several programs are in place to monitor and manage overhead and underground distribution assets.
- Ongoing investments in the existing system and the installation of new infrastructure will be required over the next ten years to maintain reliability, system stability, and accommodate customer growth.

Nebraska State Penitentiary Site Interfaces Update (Joel Dagerman):

- Staff briefed the Committee on the ongoing coordination with various stakeholders regarding the potential LES facilities location conflicts at the proposed Nebraska State Penitentiary site.

Exhibit II



Communications and Customer Services Committee Meeting – March 11, 2024 (Virtual)

Attendees: C. Johnson (Committee Chair), A. Hunzeker (Board Chair), L. Sabalka (Board Member), E. Anyanwu, S. Sahling-Zart, L. Hale, D. Malcom, K. Porter, H. Schlautman, T. Kryzsko

Customer Portal Project Update (H. Schlautman, T. Kryzsko)

- This project is a collaboration between the Technology Services and Customer Services Divisions which will result in a highly integrated and centralized customer self-service portal.
- This portal will replace the current payment portal and other web forms that LES customers currently use and will feature other enhancements for all customer segments.
- This project has been challenging due to its complexity, broad scope, and degree of integration with the enterprise system, and also includes a simultaneous transition to a new payment processor.
- Ultimately, LES' customers will have a highly functional, user-friendly tool that will give them access to their information and allow them to conduct most business with LES 24/7/365.
- The go-live date is slated for the second half of 2024 and the board will continue to get updates as that date, as well as the communication plan, are finalized.

Zoo Lights Powered by LES (Kelley Porter)

- This past holiday season was the fifth year LES partnered with the Lincoln Children's Zoo to present Zoo Lights Powered by LES. The event that ran from late November through December is one of the largest holiday light shows in the Midwest, featuring over 250,000 LED lights. This signature community event created positive interactions with more than 72,000 community members. It provided another opportunity to educate the public about energy efficiency, electrical safety, careers in energy and LES programs.
- During the event, LES hosted four Energy Nights. Utility volunteers discussed key messages, including energy-saving tips, LES programs and energy-efficient equipment, using LES' gingerbread house display. LES also provided tickets for Community Action to disperse to families in our community. The team confirmed a contract was completed with the zoo for the next three years.

Education Plan (Kelley Porter)

- We find new ways to engage with the targeted audiences to build awareness of safety, energy efficiency, careers in energy and LES programs.
- Classroom education includes activities like snap circuits, hazard hamlet, and wind turbine kits. LES engages with audiences through many community programs such as NRD Nights and libraries.
- We reviewed LES' Solar Car Challenge with LPS. Sixth grade students enrolled in the Design Thinking Course at all LPS middle schools build and race solar cars, learning about solar power and careers in energy. LES built a racetrack and Lux Middle School served as the first school to host a large race day of all their classes, which included 150 students. The event garnered media attention and will serve as a foundation for future race events.

Campaigns (Kelley Porter)

- Many LES campaigns are underway, including LES Peak Rewards, the Sustainable Energy Program, Virtual Net Metering, careers in energy, outage reporting, energy-saving tips, safety around electricity, renewable energy credits and the upcoming customer portal. In its third year, the LES value campaign will relay that we power life's special moments for only \$2.99 per day. New this

year is a cross-promotion with the city on combo incentives for qualified customers who purchase air-source heat pumps.

- For the third year, LES' Sustainability Series will create meaningful interactions with targeted messaging through a series of smaller events throughout the year. This series includes LES involvement in community activities, such as the Lincoln Earth Day event, NRD Nights, Streets Alive, Lincoln Children's Museum, as well as LES-hosted events like webinars. LES is also pleased to add more activities with the Lincoln City Libraries. LES' Educational Interactive Tiny House will provide a good foundation for these events. Community members can add Sustainability Series events to their calendars through *LES.com/Sustain*.

Exhibit III



LES PERSONNEL AND ORGANIZATION COMMITTEE

Meeting Summary

Tuesday, February 27 – 12:00pm (Virtual)

Attendees: D. Spinar (Chair), E. Schafer, A. Hunzeker (Board Chair), E. Anyanwu, T. Owen, J. Rigg, and R. Seybert

- **Safety and Physical Security provided the committee a review of the safety performance for 2023:**
 - Employee injuries were reduced for the third consecutive year
 - Severity of injuries continue to be reduced, with 3 lost time accidents in 2023 (down from four in 2022 and seven in 2021)
 - Proactive safety measures like hazard reporting increased over 190% with all divisions contributing.
 - All safety related goals were achieved in 2023.
- **Human Resources gave the committee an employment metrics review for 2023. Highlights include:**
 - LES hired 77 new employees in 2023.
 - LES had 102 total job changes. This includes 80 union progressions, 14 promotions, and 8 transfers.
 - LES average turnover improved 6.2% and ended the year at 8.3%.
 - LES resignation rate improved 3.3% and ended the year at 6.6%.
 - LES retirement rate improved 1.0% and ended the year at 1.5%.
- **Human Resources gave the committee a year-end review for the 2023 health and dental programs:**
 - Total costs for the health plan for 2023 were \$7,559,556 (\$6,153,978 in medical claims and \$1,212,698 in fixed costs).
 - Total premiums including stop loss reimbursements were \$8,499,865. The surplus will be used for the claims reserve fund.
 - The Dental plan had total costs of \$434,348 with total premiums equaling \$462,763 for 2023, resulting in a \$28,415 surplus for the year.
- **Human Resources gave the committee an investment committee update relating to the need to amend the 457(b) plan because of the recent CEO transition:**
 - The purpose of the two resolutions is to remove restrictive language in the 457(b) plan and allow the CEO to utilize the 1:1 match in the 401(k) and 457(b) plans up to the annual IRS elective limits.

- Resolution 2024-1 – Adoption of Amendment No. 3 to the LES 457(b) plan.
 - This changes the employer nonelective contribution language allows for utilization up to the IRS elective limits for the 457(b) plan.

- Resolution 2024-2 – Adoption of 2024 Discretionary Employer Contribution Policy
 - This creates the discretionary employer contribution policy and allows for utilization of the 1:1 match up to the IRS elective limits.

Exhibit IV



Lincoln Electric System

LES RESOLUTION 2024- 1

WHEREAS, Lincoln Electric System (“LES”) has provided a deferred compensation benefit to its employees since 1982, which benefit is provided in the Deferred Compensation Plan of Lincoln Electric System, City of Lincoln, Nebraska (the “457(b) Plan”), which has been amended from time to time and was last amended and restated in December 2019; and

WHEREAS, LES reserves the right to amend the 457(b) Plan by action of the LES Administrative Board pursuant to Section 9.1 of the 457(b) Plan; and

WHEREAS, LES desires to amend the 457(b) Plan, effective January 1, 2024, to make the Chief Executive Officer ineligible for the Employer Nonelective Contributions.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts Amendment No. 3 to the 457(b) Plan in substantially the form that presented to the Board at its meeting.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby authorizes and directs the Chief Executive Officer to execute Amendment No. 3 to the 457(b) Plan as attached hereto and fully incorporated by reference.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby authorizes and directs the appropriate officers and staff of LES to take such actions and execute such documents that they deem necessary or appropriate to carry out the intent and purposes of the above preambles and resolutions, and to cause the 457(b) Plan to be administered according to its terms and applicable law.


Chair

Adopted: 3/15/2024

**AMENDMENT NO. 3 TO THE
DEFERRED COMPENSATION PLAN OF
LINCOLN ELECTRIC SYSTEM, CITY OF LINCOLN, NEBRASKA
(CEO ineligible for Employer Nonelective Contributions)**

WHEREAS, Lincoln Electric System, City of Lincoln, Nebraska (the “Employer”) most recently amended and restated the Deferred Compensation Plan of Lincoln Electric System, City of Lincoln, Nebraska (the “Plan”), generally effective as of January 1, 2024; and

WHEREAS, the Employer has determined that the Plan should be amended to exclude the CEO from Employer Nonelective Contributions.

NOW THEREFORE, the Plan is amended in the following respects, effective January 1, 2024:

1. Section 3.6 is amended to read as follows:

3.6 Employer Nonelective Contributions. Subject to the limits of the Plan and the Code, the Employer will make an Employer Nonelective Contribution to the Account of each ENC Participant equal to his or her Missed Employer Contribution for the preceding calendar year. The Employer will make the Employer Nonelective Contribution within a reasonable time after the date on which it makes any true-up Employer Contribution to the Lincoln Electric System Employees’ 401(k) Retirement Plan (the “401(k) Plan”) for the previous year. The first Employer Nonelective Contributions were made in 2015 based on any Missed Employer Contributions for the 2014 calendar year. No Participant shall have the right to elect to receive any amount to be contributed pursuant to this Section as cash in lieu of a contribution.

The following definitions apply for purposes of this Section:

(a) “ENC Participant” means an Employee who is eligible to participate in this Plan and the 401(k) Plan.

(b) “Missed Employer Contribution” means the ENC Participant’s Hypothetical Employer Contribution minus the ENC Participant’s Actual Employer Contribution. If there is a Missed Employer Contribution for an ENC Participant, it shall be adjusted to include all amounts necessary to pay FICA taxes, including the Old Age, Survivors, and Disability Insurance tax and the Hospital Insurance tax, owed by the ENC Participant according to Code Section 3121(v)(2), so that the net Employer Nonelective Contribution received by the ENC Participant’s Account in the Plan is equal to the Missed Employer Contribution.

(c) “Hypothetical Employer Contribution” means the amount of matching contributions an ENC Participant would receive based on the following formula:

(1) For each ENC Participant hired prior to January 1, 2011, a matching contribution of \$2 for each \$1 of Deferral Contributions that do not exceed 5 percent of Compensation; and

(2) For each ENC Participant hired on or after January 1, 2011, a matching contribution of \$1 for each \$1 of Deferral Contributions that do not exceed 10 percent of Compensation.

(d) “Deferral Contributions” mean the sum of the ENC Participant’s Participant Contributions to the 401(k) Plan plus the Elective Deferrals to this Plan.

(e) “Compensation” means Compensation as defined in Section 1.8 of the 401(k) Plan, except that the limit in Section 1.8(d) shall not apply.

(f) “Actual Employer Contribution” means the amount of Employer Contributions that the Employer made to the ENC Participant’s Account in the 401(k) Plan for the calendar year, including any true-up Employer Contribution.


Notwithstanding the foregoing, to the extent the Employer Nonelective Contribution would exceed the limits in Section 3.5, the Employer will pay the Missed Employer Contribution to the ENC Participant according to the Employer’s regular payroll practices.

Notwithstanding the foregoing, the Chief Executive Officer will not be eligible for Employer Nonelective Contributions.

IN WITNESS WHEREOF this Amendment has been executed by the Employer on MARCH 15TH, 2024.

LINCOLN ELECTRIC SYSTEM, CITY OF
LINCOLN, NEBRASKA.

By:



Emeka Anyanwu, CEO

Exhibit V



Lincoln Electric System

LES RESOLUTION 2024-2

WHEREAS, Lincoln Electric System (“LES”) has provided a retirement benefit to its employees since 1972, which benefit is provided in the Lincoln Electric System Employees’ 401(k) Retirement Plan (the “401(k) Plan”), which has been amended from time to time and was last amended and restated in December 2019; and

WHEREAS, Section 3.7 of the 401(k) Plan permits the Employer to make Discretionary Employer Contributions to the plan, and the Board desires to make Discretionary Employer Contributions to the 401(k) Plan as follows, effective for the Plan Year beginning January 1, 2024:

2024 Discretionary Employer Contribution Policy

1. Eligibility. A Participant shall be eligible for Discretionary Employer Contributions to the Lincoln Electric System Employees’ 401(k) Retirement Plan (the “401(k) Plan”) in accordance with this 2024 Discretionary Employer Contribution Policy (the “Policy”) if he or she is not eligible for Employer Nonelective Contributions under the Deferred Compensation Plan of Lincoln Electric System, City of Lincoln, Nebraska (the “457(b) Plan”).
2. Amount. Subject to the limits of the 401(k) Plan and the Code, the Employer will make a Discretionary Employer Contribution to the Account of each DEC Participant equal to his or her Missed Employer Contribution for the preceding calendar year.
3. Timing. The Employer will make the Discretionary Employer Contributions within a reasonable time after the date on which it makes any true-up Employer Contribution to the 401(k) Plan for the previous year. The first Discretionary Employer Contributions will be made in 2025 based on any Missed Employer Contributions for the Plan Year beginning January 1, 2024.
4. Definitions. The following definitions apply for purposes of this Policy:
 - a. “Actual Employer Contribution” means the amount of Employer Contributions that the Employer made to the DEC Participant’s Account in the 401(k) Plan for the calendar year, including any true-up Employer Contribution.
 - b. “Compensation” means Compensation as defined in Section 1.8 of the 401(k) Plan, except that the limit in Section 1.8(d) shall not apply.
 - c. “DEC Participant” means an Employee who is eligible to participate in the

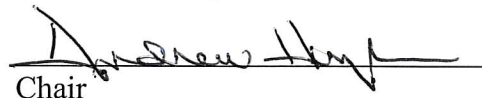
401(k) Plan and the 457(b) Plan, but is not eligible for Employer Nonelective Contributions under the 457(b) Plan.

- d. "Hypothetical Employer Contribution" means the amount of matching contributions a DEC Participant would receive based on the following formula:
 - i. For each DEC Participant hired prior to January 1, 2011, a matching contribution of \$2 for each \$1 of Participant Contributions that do not exceed 5 percent of Compensation; and
 - ii. For each DEC Participant hired on or after January 1, 2011, a matching contribution of \$1 for each \$1 of Participant Contributions that do not exceed 10 percent of Compensation.
- e. "Missed Employer Contribution" means the DEC Participant's Hypothetical Employer Contribution minus the DEC Participant's Actual Employer Contribution.
- f. "Participant Contributions" mean the sum of the DEC Participant's Participant Contributions to the 401(k) Plan plus the Elective Deferrals to the 457(b) Plan.

- 5. Limitation. Notwithstanding the foregoing, the Employer will not make a Discretionary Employer Contribution in an amount that would exceed the limits in the Code or Section 4.6 of the 401(k) Plan.

NOW, THEREFORE, BE IT RESOLVED, that the LES Administrative Board adopts the 2024 Discretionary Employer Contribution Policy as set forth in this Resolution effective January 1, 2024.

BE IT FURTHER RESOLVED, that the LES Administrative Board hereby authorizes and directs the appropriate officers and staff of LES to take such actions and execute such documents that they deem necessary or appropriate to carry out the intent and purposes of this resolution, and to cause the 401(k) Plan to be administered according to its terms and applicable law.


Chair

Adopted: 3/15/2024

Exhibit VI



Summary of DEC Board of Directors Special Meeting held on February 22, 2024

DEC Decarbonization Goal Discussion

- Director Kim Morrow shared details from the Verdis Group report for the City of Lincoln, and the resulting plan adopted by the city to reduce GHG emissions by 80% by 2050.
- This plan focuses on these four main areas: Energy, Transportation, Waste, and Natural Solutions.
- Morrow then shared the results of the study that focused on DEC decarbonization, which shows it would have a minimal impact on overall Lincoln emission rates – just 0.3% by 2050.
- Nick Wischhof, LES Projects Engineering Manager, presented information about each of the current DEC plants, and possible emission reduction options. Two of the six plants are 100% geothermal, so they have minimal opportunities for improved emission plans.
- The group discussed options for replacing equipment as it reaches the end of its useful life. One plan discussed was replacing gas boilers with electric boilers – the pros and cons of that option were reviewed.
- The board asked that staff research and provide more information about replacing equipment as it ages-out and the types of decarbonization goals other district energy systems are adopting.

Customer Expansion Discussion

- Jason Fortik, LES Vice President of Power Supply, stated that staff is closely monitoring activities for the proposed convention center and reviewing the RFPs that have been issued to-date. The potential for the DEC to serve the convention center will be largely driven by the location chosen and its proximity to existing DEC facilities.
- David Levy, Legal Counsel, and Peter Hind, Director of Urban Development for Lincoln, shared information about the process for TIF funding. Peter Hind also shared information about the new supportive housing project. The group discussed that developers often minimize the life-cycle cost benefits of district energy systems. Methods to encourage and support getting more complete information to the appropriate stakeholders was discussed.

Exhibit VII



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 49	Judiciary Committee	(Dungan) Changes provisions relating to solar energy and wind energy, declares certain instruments void and unenforceable, and provides for a civil cause of action. LB 49 permits counties and municipalities to consider a “right to direct sunlight” in its zoning regulations to encourage solar or wind energy. It also proposes to prohibit any deed or ownership document or homeowners’ association covenant from forbidding or restricting the installation of a solar energy system.	Monitor
LB 57	Business & Labor Committee	(M. Cavanaugh) Adopts the Paid Family and Medical Leave Insurance Act. It creates an insurance program to provide partial wage replacement for eligible employees to care for themselves or a family member following a serious illness or to care for a new child through birth, foster care, or adoption. Leave can also be used for military needs. The program is financed through employer contributions to the program, but an employer may also satisfy the requirements through an employer-provided insurance plan.	Monitor/Confer with the City
LB 61	Transportation Committee Sen. Brandt Priority Bill Final Reading	(Brandt) Authorizes the leasing of dark fiber and eliminates certain powers of the Public Service Commission. LB 61 was introduced at the request of OPPD and is intended to facilitate broadband development by amending statutory provisions regarding the lease, sale or license of dark fiber to eliminate provisions that have been a barrier to dark fiber leases. The goal of LB 61 is to promote effective public-private partnerships between communications providers and public power entities that own fiber infrastructure.	Monitor
LB 79	Revenue Committee	(Erdman) Adopt the Nebraska EPIC Option Consumption Tax Act. EPIC stands for the elimination of property, income, and corporate taxes. LB 79 would repeal state income, sales, inheritance, and property taxes and replace them with a consumption tax.	Monitor
LB 120	Natural Resources Committee Amended into LB 1370 General File	(Bostelman) Eliminates obsolete provisions from 2014 requiring a transmission study that was completed by the Nebraska Power Review Board and its consultant, the Brattle Group, in 2014. LES supports repeal of these outdated statutes. 2024 Update: The committee held a hearing in February 2024 on an amendment that would strike the original bill and replace it with an amendment requiring that certain information be provided to the PRB if generation or transmission is constructed within 10 miles of a military installation. The bill was then amended into LB 1370, one of the committee packages. The committee amendment clarifies that military installation does not include National Guard bases so LES would not be covered by the provisions.	Monitor



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 133	Government Committee	(J. Cavanaugh) Provides that entities exercising the power of eminent domain are subject to the Open Meetings Act. As a public entity, LES is already required to comply with the Open Meetings Act, but the bill will be monitored for any other amendments that may impact eminent domain authority.	Monitor
LB 134	Transportation Committee	(J. Cavanaugh) Amends the Small Wireless Facilities Deployment Act to require an authority (e.g., city) to provide reasonable notification to adjacent property owners prior to installation of a small wireless facility or installation of any new or modified pole to accommodate a small wireless facility. This bill appears to be in response to a situation in Omaha where a wireless provider installed a new pole literally in the middle of a public sidewalk restricting pedestrian traffic. LES agrees with the requirement to provide notice but would prefer to see responsibility placed on the wireless providers rather than the authority. We will discuss this matter with Sen. Cavanaugh.	Support/Confer with the City
LB 161	Business & Labor Committee	(McDonnell) Amends the Workplace Privacy Act to prohibit employers from requiring employees to wear a communication device that tracks their physical location, travel patterns, or contacts with other employees, except in a state of emergency declared by the Governor. LES does not require this of its employees, but we will monitor the bill for any other amendments.	Monitor/Confer with the City
LB 164	Urban Affairs Committee Committee Priority Bill Hearing January 16, 2024	(McKinney) Adopts updates to building and energy codes to align with the 2021 edition of the International Building Code, International Residential Code, and International Energy Conservation Code. These changes are on the customer side of the meter, but we will monitor for general awareness.	Monitor/Confer with the City
LB 169	Judiciary Committee	(Hunt) Prohibits discrimination based upon sexual orientation and gender identity. LES policies already prohibit discrimination based upon sexual orientation and gender identity, but the bill will be monitored for any amendments that may exceed LES policies.	Monitor/Confer with the City
LB 172	Urban Affairs Committee	(Bostar) Updates the Nebraska State Electrical Code to align with the minimum standards set forth in the 2023 National Electrical Code. These changes do not impact LES, but we will monitor for general awareness.	Monitor/Confer with the City
LB 205	Government Committee	(von Gillern) Adopts the Government Neutrality in Contracting Act to prohibit political subdivisions from, among other things, issuing RFPs or bid specifications that include language that requires, prohibits, encourages, or discourages bidders for public contracts from entering into or adhering to a collective bargaining agreement.	Monitor/Confer with the City



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 209	Revenue Committee	(Bostar) Provides tax exemption relating to data centers. LB 209 provides personal property tax exemption and a sales and use tax exemption for computers and related equipment used in the operation or maintenance of a data center, including servers, temperature control infrastructure, and electrical power infrastructure. LB 209 also exempts the electricity used by the data center from sales and use taxes. The sales and use tax exemption has no impact to LES, but it would result in less tax revenue for the State and also the City. The Chamber of Commerce supports the bill.	Monitor/Confer with the City
LB 237	Appropriations Committee	(Wayne) Appropriates \$1 million in FY 2023-24 and \$1 million in FY 2024-25 to the Department of Environment and Energy for the Low-Income Weatherization Assistance Program to aid in carrying out energy efficiency audits and weatherization improvements.	Support
LB 255	Natural Resources Committee	(Brewer) LB 255 prohibits LES, NPPD, and OPPD from exercising the power of eminent domain to acquire property to construct or operate a wind or solar generation facility. LES opposes any efforts to erode eminent domain authority. LES's preference is always to work with property owners to negotiate a mutually acceptable purchase, but eminent domain is sometimes a necessary tool to fulfill a public purpose. If LB 255 passes, the result will likely be significant increases in property acquisition as property owners would be free to command a much higher purchase price without the fear of condemnation. The price could be significant depending on the type of facility and the size of the facility (megawatt production), including the geographic footprint of property necessary which could range from tens to hundreds of acres per facility site. LB 255 also amends other provisions related to special generation applications, which would not impact LES. An amendment was offered to expand the scope of the bill to restrict the use of eminent domain by a City of the Primary Class outside of LES' service territory. Additionally, the amendment sought to prohibit an electric utility from applying to the PRB for a generation facility or project, if by the power of eminent domain (1) includes more than 50 acres of real property in fee simple or (2) is located outside of the applicant's own service area. The bill and amendment remain in the Natural Resources Committee.	Oppose



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 297	Government Committee	(Sanders) Adopts the Personal Privacy Protection Act which seems to amend the Administrative Procedure Act. LB 297 prohibits the State or any political subdivision from requesting or disclosing personal information which is defined to mean any list, registry or other information that identifies a person as a member, support, volunteer of, or donor to any nonprofit organization certified as a 501(c) entity under the Internal Revenue Code. An amendment offered by the Government Committee adds a maximum of \$2,500 liquidated damages per violation, and appropriate preliminary, equitable, or declaratory relief.	Monitor
LB 304	Government Committee Select File	(Linehan) Requires each political subdivision to disclose on its website membership dues paid annually to any association or organization, including the amount of dues paid. It also requires disclosure of fees paid to any individual lobbyist or lobbying firm or such association other than those that may be included in the membership dues. It is unclear what problem or concern LB 304 seeks to address. While LES supports transparency and would provide this information upon request, LES does not see a purpose to be served in merely adding more information to its website. LES works to provide information on its website that is of greatest importance or use to LES customers and to make that information easy to locate. That said, LES is happy to make the information available to any member of the public upon request	Oppose/Confer with the City
LB 367	Business & Labor Committee	(Conrad) Adopts the Fair Chance Hiring Act to prohibit employers and employment agencies from asking an applicant to disclose information concerning the applicant's criminal record or history until after the applicant has received a conditional offer of employment from the employer. This provision would not apply if a criminal history is otherwise required by state or federal law. This seems to be consistent with LES hiring practices.	Monitor/Confer with the City
LB 394	Judiciary Committee	(Erdman) Changes provisions relating to eminent domain to require that for agricultural land only the damages shall be two times the fair market value of the condemned property and severance damages shall include the replacement cost of dwellings, garages, sheds, barns, wells, septic systems, fences, and other permanent structures.	Oppose



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 399	Natural Resources Committee Sen. Bostelman Priority Bill General File	<p>(Brewer) Changes provisions relating to privately developed renewable energy generation facilities (PDREGF) to require Nebraska Power Review Board (NPRB) approval of such facilities. Under current law PDREGF are only required to certify to the NPRB that they have complied with the requirements of the statute, such as providing a decommissioning plan and certifying that the applicant has a joint transmission development agreement and has consulted with Game and Parks to address and impacts to species. LB 399 would require a hearing before the NPRB and subsequent approval. The application would be approved if the NPRB finds that the requirements have been met and that the application is “not outweighed by any testimony or evidence in opposition to the application offered by power suppliers, other interested parties, or members of the public.” This language is overly broad and vague. While this provision does not apply to the generation applications made by public power entities, this standard could set a precedent for changes in the public power approval criteria.</p> <p>2024 Update: There has been considerable discussion about LB 399 over the interim and during the 2024 legislative session and multiple drafts of amendments. The committee amendment provides that if either a public power supplier or private renewable energy developer proposes to build a new generation facility, they must hold a public meeting in the county where the facility will be located and provide an opportunity for ratepayers or property owners to provide input regarding the project. In addition, at least 50% of the governing body must attend the meeting, though only one is required to be physically present. Others may participate virtually. In addition, the committee amendment limits private developers to having a power purchase agreement with a Nebraska public power utility.</p>	Oppose as introduced/Neutral on committee amendment
LB 408	Government Committee	<p>(M. Cavanaugh) Changes provisions relating to conflicts of interest under the Nebraska Political Accountability and Disclosure Act. It requires members of nonelective government bodies to file a conflict-of-interest statement if the member is required to take action or make a decision in the discharge of their official duties that may cause financial benefit or detriment to the member or the member’s immediate family or business. This provision is consistent with existing conflict of interest provisions in the Lincoln Municipal Code so there is no impact to LES board members.</p>	Monitor/Confer with the City
LB 450	Natural Resources Committee	<p>(Brewer) Prohibits land disposal of wind turbine blades and their component parts. While LES has power purchase agreements with several wind projects, LES only owns two wind turbines. The matter of disposing of wind turbine blades is a continuing challenge nationwide and there is ongoing research and development regarding new technologies to deal with blade disposal.</p>	Monitor



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 496	Revenue Committee	(Linehan) LB 496 provides a sales and use tax exemption on the gross receipts from the sale, lease, rental, and storage of business inputs. A business input is defined as a product or service purchased by a business entity from a retailer which is used in the regular production of a product or the provision of a service, and the cost of which is passed on to the customer and the customer is the ultimate consumer of such product or service. We will monitor until we learn more about the intent of the legislation.	Monitor/Confer with the City
LB 513	Government Committee	(Brewer) Changes proof of publication requirements for legal notices and requirements for published notice and virtual conferencing under the Open Meetings Act. It allows for alternatives for public posting of meeting agendas if there is no newspaper of general circulation within the public body's jurisdiction. The bill does not impact LES, but will be monitored for amendments.	Monitor
LB 541	Government Committee	(Lowe) Provides for nomination and election of public power district and public power and irrigation district directors on the partisan ballot. The bill does not directly impact LES, but will be monitored as it relates to the public power industry in Nebraska.	Monitor
LB 560	Appropriations Committee	(Blood) States the intent of the Legislature to seek all federal funds available through the Inflation Reduction Act of 2022 for the purposes of energy efficiency in homes and businesses, electric vehicle infrastructure, upgrading utility infrastructure, assisting the transition to cleaner energy, supporting drought-resistant agricultural practices, and creating jobs.	Support
LB 566	Executive Board	(Bostelman) Provides \$30,000 for a study of, among other things, intermittent renewable energy generation including an analysis of the short-term and long-term costs and economic risks of replacing baseload generation with intermittent renewable generation. The study would be conducted by the Natural Resources Committee who could contract with an outside consultant subject to approval by the Executive Board. The study is to be completed by November 15, 2023. LES is opposed to LB 566 as drafted because it frames a study with a bias. It seeks to evaluate the impacts of intermittent generation and the benefits of coal, hydrogen and nuclear. A study of generation should be framed as an objective evaluation of all generation resources.	Oppose



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 567	Natural Resources Committee	<p>(Bostelman) LB 567 has two distinct purposes. First, it eliminates existing statutory language that prohibits high level managers of a public power district from serving on a board of any public power district. This provision does not impact LES, but it will be monitored as it relates to the public power industry.</p> <p>Second, the bill provides a definition of reliability, but it is unclear what purpose is served by adding the definition as it is not substantively used elsewhere in the statutes. The definition is the same definition used by the Southwest Power Pool. While LES does not disagree with the definition, it remains unclear what purpose is served by simply adding a definition into the statutes. Provisions of LB 567 were amended into LB 565, which has been passed.</p>	Monitor
LB 568	Natural Resources Committee	<p>(Bostelman) Adopts the Nuclear and Hydrogen Development Act and creates the Nuclear and Hydrogen Industry Work Group. The work group consists of 11 members, with one representative of a public power district who is appointed by the Governor. The work group will determine the workforce training needs of the nuclear and hydrogen industries in conjunction with the Nebraska Community College System and Nebraska State College system to develop education training course. \$5 million dollars is transferred to the Nuclear and Hydrogen Development Act fund and awarded to community colleges and state colleges that implement education training courses. The fund terminates on July 31, 2028. AM 849 reduces the funding ask from \$5M to \$200k. Provisions of LB 568 were amended into LB 565, which has been passed.</p>	Support
LB 569	Government Committee Final Reading	<p>(Bostelman) LB 569 would prohibit a member of a county board or county planning commission, or a member of his or her immediate family, from having a financial interest in any entity that is involved in the development, construction, management, or operation of an electric generation facility or owns or leases property relating to a electric generation facility.</p>	Monitor/Confer with the City
LB 636	Natural Resources Committee	<p>(Albrecht) Prohibits political subdivisions from enacting ordinances or implementing any resolution, regulation, or policy that restricts or prohibits the sale, use, or supply of natural gas or propane. The bill does not impact LES, but it will be monitored for any amendments that may expand the scope to other types of energy.</p>	Monitor/Confer with the City
LB 637	Government Committee	<p>(Albrecht) Requires members of the public to be allowed to speak at each meeting subject to the Open Meetings Act. Current law does not require public comment at every open meeting. LES currently allows for public comment at each monthly board meeting.</p>	Monitor/Confer with the City



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 644	Banking Committee Final Reading	(McDonnell) Transfers \$80 million to the Site and Building Development Fund to support the identification, evaluation, and development of sites to attract advanced manufacturing, processing, trade, technology, aerospace, automotive, clean energy, life science and other transformational industries to Nebraska.	Support/Confer with the City
LB 650	Government Committee	(McDonnell) Amends the public records statutes to provide that certain cybersecurity records may be lawfully withheld from the public. A few years ago LES successfully secured similar legislation for critical energy infrastructure information. The provisions of LB 650 would also apply to LES and would provide additional protections for cybersecurity records.	Support/Confer with the City
LB 670	Business & Labor Committee	(Hunt) Prohibits discrimination under the Nebraska Fair Employment Practice Act on the basis of gender identity or sexual orientation and prohibit discrimination by employers regardless of size. As stated previously, this bill is consistent with existing LES employment policies.	Monitor/Confer with the City
LB 725	Natural Resources Committee	(Dungan) LB 725 was introduced to prohibit electric companies and electric cooperative corporations from using ratepayer funds for campaign/election purposes. LES does not contribute ratepayer funds to election campaigns as such contributions are already prohibited. However, the bill is drafted in a manner that poses unintentional consequences. The bill defines ratepayer proceeds to mean any money, funds, compensation, or property received from a ratepayer. It then goes on to prohibit a ‘recipient of ratepayer proceeds’ from contributing such proceeds to an election. Technically the bill could prohibit any utility employee, for example, from even contributing to a campaign in their individual capacity. This is likely an unintended consequence. LES will work with Sen. Dungan for an amendment to clarify this language. With clarification, LES would be neutral on the bill.	Monitor/Confer with the City/ Seek Amendments
LB 726	Natural Resources Committee	(Dungan) Adopts the Nebraska Electric Consumer Rights to Transparency and Local Control Act which would require LES to publish on its website the following: (1) Board meeting dates, times, locations, and agendas 10 days before the meeting; (2) Board meeting minutes 10 days after the date of the meeting; (3) current rate schedules, fees, rents, and other charges made or levied by the Board; (4) a full and complete list of the receipts and disbursements; (5) fiscal year budget; (6) list of all Board Members currently serving; (7) a method by which to contact Board Members; and (8) a method by which to contact LES staff. Much of this information is already available on LES’ website and is subject to request under the public records laws. Some of the items are overly broad and could be an administrative burden to maintain, such as providing all receipts and disbursements. It is simply unclear what problem LB 726 seeks to address.	Oppose/Confer with the City



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 733	Transportation Committee	(Bostar) Adopts the Broadband Pole Placement and Undergrounding Fund Act to provide funds for telecom providers to seek reimbursement for pole replacement costs they incur when installing broadband services in unserved areas. The bill does not directly impact LES as the Lincoln area would not be deemed an unserved area, but we will continue to monitor the bill for any amendments that would expand the scope.	Monitor/Confer with the City
LB 734	Judiciary Committee	(Bostar) Provides an enhanced Class II felony for damage to certain infrastructure facilities that are a significant factor contributing to the death or serious bodily injury of another person. This bill was introduced in response to the recent shooting attacks on several substations across the country. While LES supports punishment for perpetrators of attacks on electric infrastructure, the bill is unlikely to deter such activity.	Support/Confer with the City
LB 743	Banking Committee	(Kauth) LB 743 adopts the Investment Neutrality in Public Funds Act. The intent of the bill is to prohibit governing bodies of political subdivisions from making or supervising investment actions that in any way further social, political, or ideological interests. The bill defines fiduciary at the “governing body of a political subdivision acting as an investment manager or proxy advisor” which arguably does not apply to LES. Nonetheless LES opposes the bill as an attempt to erode local control.	Oppose/Confer with the City
LB 768	Appropriations Committee	(DeKay) Transfer money from the Cash Reserve Fund to the Critical Infrastructure Facilities Cash Fund. The bill does not further identify the purpose for the funding. Staff will contact Senator DeKay to learn more about the purpose for the funds. Provisions of LB 768 were amended into LB 814 and LB 818, which have been passed.	Monitor
LR 21	Executive Board	(Brewer) Provide for a special committee of the Legislature to be known as the Small Modular Nuclear Reactor Study Committee. There are no funds yet identified for the committee. LES is supportive of continued discussion and evaluation regarding the feasibility of advanced nuclear technologies in Nebraska.	Support
LR 133	Natural Resources Committee	(Bostelman) Interim study to examine issues under the jurisdiction of the Natural Resources Committee.	Monitor
LR 178	Executive Board	(Brewer) Interim study to examine the feasibility of constructing and operating small modular nuclear reactors to generate electric power in Nebraska.	Monitor
LR 184	Transportation Committee	(Moser) Interim study to examine the deployment of broadband services within the State of Nebraska.	Monitor
LR 185	Transportation Committee	(Moser) Interim study to examine issues under the jurisdiction of the Transportation and Telecommunications Committee.	Monitor
LR 216	Natural Resources Committee	(Dungan) Interim Study to examine the economic and climate impacts of the current reliance on fossil fuel energy generation in Nebraska.	Monitor



2023 CARRYOVER LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LR 242	Revenue Committee	(Jacobson) Interim study to examine methods to promote the development of a competitive electric vehicle charging market in Nebraska and the creation of electric infrastructure to support such market.	Monitor
LR 247	Government Committee	(J. Cavanaugh) Interim study to examine issues raised in LB 133, 2023, relating to laws regarding the use of eminent domain by state agencies, boards, commissions, and other political subdivisions.	Monitor
LR 248	Natural Resources Committee	(J. Cavanaugh) Interim study to survey Nebraska's small public utilities, municipalities, and cooperatives in a comprehensive manner, which consolidates information relating to rate classifications and equipment.	Monitor



2024 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 866	Natural Resources Committee Amended into LB 867 Committee Priority Bill Select File	<p>(Bostelman) LB 866 was introduced at the request of the Nebraska Power Review Board (NPRB). The primary objective of the bill is to promote better continuity for the NPRB representation on the SPP Regional State Committee. The key provisions of the bill include: 1) removing the requirement to have an accountant on the board; 2) permitting at least one NPRB member to be any individual who previously worked as a director, officer, or employee of any electric utility within the four years preceding the member’s appointment to serve on the NPRB, provided the member refrains from voting or engaging on any proceedings involving their utility for a period of four years; 3) increasing NPRB terms from two to three consecutive four-year terms; and 4) increasing the member per diem from \$60 to \$100. The public power industry supports LB 866.</p> <p>Update: LB 866 has been amended into LB 867 which is a package of six bills and a Natural Resources Committee priority bill.</p>	Support
LB 951	Government, Military and Veterans Affairs Committee Hearing February 15, 2024	<p>(Linehan) Adopts the Public Officials on Private Boards Open Meetings Act to require that meetings of the governing boards of private entities comply with the Nebraska Open Meetings Act when the board is comprised of a majority of public officials. This bill does not directly impact LES, but will be monitored for any amendments that may impact LES.</p>	Monitor
LB 956	Natural Resources Committee Amended into LB 1370 General File	<p>(Bostar, Brewer) LB 956 requires that light-mitigating technology be installed on any new wind energy conversion system or whenever an existing wind energy conversion system is repowered on or after July 1, 2025. The technology is designed to be activated when aircraft is near to mitigate the continuous strobe effect on property owners.</p> <p>Update: LB 956 was amended into LB 1370 which is a package of five bills and a Natural Resources Committee priority bill.</p>	Support
LB 977	Judiciary Committee Hearing January 26, 2024	<p>(Blood) LB 977 would prohibit discrimination on the basis of military or veteran status.</p>	Support/Confer with the City
LB 991	Banking, Commerce and Insurance Committee General File	<p>(Bostar) Adopts the Blockchain Basics Act. The intent is to prohibit political subdivisions from enacting zoning and other requirements that treat digital cryptomining differently than data centers.</p>	Oppose as introduced/Confer with the City
LB 1018	Government, Military and Veterans Affairs Committee Hearing February 2, 2024	<p>(Holdcroft, et al.) LB 1018 provides that a public employer, such as LES, may not require than a job applicant possess a postsecondary degree, provided the applicant has qualifying career and life skills. It does not apply to collegiate positions, judges, or positions for which a degree is required by state or federal law.</p>	Oppose/Confer with the City



2024 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1033	Transportation and Telecommunications Committee Hearing January 23, 2024	(Lippincott, et al.) Provides for enforcement of the prohibition against using a handheld wireless communication device while operating a motor vehicle as a primary action. Current law provides it can only be enforced as a secondary action to some other offense. We will monitor this bill for its impact to employees operating LES fleet vehicles.	Monitor/Confer with the City
LB 1076	Government, Military and Veterans Affairs Committee Hearing February 22, 2024	(Cavanaugh, M.) LB 1076 is similar to LB 951. It requires a governing body of a provides that sets policy for, makes decisions regarding, or supervises matters relating to any public contract to which the provider is a party to comply with open meeting provisions. There is not a direct impact to LES, but the bill will be monitored.	Monitor/Confer with the City
LB 1104	Executive Board Executive Board Priority Select File	(Aguilar) LB 1104 increases lobbyist registration fees from \$200 to \$300 and provides that such fees will be split between the offices of the Clerk of the Legislature and the Nebraska Accountability and Disclosure Commission. LES has one or two registered lobbyist in any given year.	Monitor
LB 1112	Transportation and Telecommunications Committee Hearing February 12, 2024	(Clements) Restricts local government control regarding permits and fees for the placement of communications infrastructure on poles and towers of the local government or utility. It provides that a local governing entity may not charge a fee that exceeds its reasonable costs but goes on to cap such fees at \$100 for an application fee and \$250 for a permit. These caps may in many cases not cover the actual costs of reviewing and processing an application.	Oppose/Confer with the City
LB 1119	Judiciary Committee Hearing January 25, 2024	(Dungan) LB 1119 prohibits homeowner associations from restricting the installation and use of solar panels in any covenant, declaration, bylaw, deed contract, or other agreement. The bill does not directly impact LES, but it will be monitored for its relation to LES customer generation policies.	Monitor/Confer with the City
LB 1139	Business and Labor Committee Hearing February 5, 2024	(Cavanaugh, M.) Adopts the Paid Family and Medical Leave Insurance Act. The bill is very similar to LB 57 introduced by Sen. Cavanaugh last session, but not yet advanced out of committee.	Monitor/Confer with the City
LB 1186	Transportation and Telecommunications Committee Hearing February 27, 2024	(Sanders) Amends the Nebraska One-Call Notification System Act to provide that an excavator will not be strictly liable to an operator for repair costs to any underground telecommunications line on residential property if it is buried at a distance of 12" or more from a building and at a depth of less than 10". LES is both an excavator and an operator under the Act and we will monitor this bill for an amendments.	Monitor/Confer with the City



2024 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1218	Revenue Committee Hearing February 22, 2024	(Bostar) Allows commercial electric vehicle (EV) charging stations to charge on a kilowatt-hour basis. Selling electricity on a kWh basis is considered a retail sale of electricity and state law provides that only utilities a certified retail service area may do so. The bill also proposes to significantly restrict the ability of public entities like LES from installing direct current fast-charging stations by providing that a public entity would have to provide public notice of an intent to install a DC fast charging station and give private entities a 90-day window to exercise a right of first refusal to install a station thereby precluding the public entity from doing so. LES and the public power industry have supported a narrow carve out to allow private EV charging stations to charge on a kWh basis. However, LES and public power strongly oppose any provisions that erode local control and restrict the core business of electric utilities.	Oppose/Confer with the City
LB 1219	Urban Affairs Committee Hearing February 13, 2024	(Cavanaugh, J.) Provides for adoption of updated building and energy codes, including the 2021 International Energy Conservation Code.	Monitor/Confer with the City
LB 1234	Appropriations Committee Hearing February 2, 2024	(Wayne) LB 1234 appropriates to the Department of Environment and Energy \$1 million for fiscal year 2023-24 and \$1 million for fiscal year 2024-25 for the Low-Income Weatherization Assistance Program.	Support/Confer with the City
LB 1277	Government, Military and Veterans Affairs Committee Hearing February 23, 2024	(Wayne) This bill allows the Governor to issue an emergency disaster proclamation for multiple counties when requested by a political subdivision that supplies electricity, natural gas, water, or sewer service without having to first request an emergency proclamation from each county. This provision will help to expedite disaster relief for essential services. While LES's service area is entirely in one county, the bill would provide assistance to the City of Lincoln for water service and also for LES's utility partners.	Support/Confer with the City
LB 1294	Banking, Commerce and Insurance Committee Hearing January 30, 2024	(Bostar, et al.) LB 1294 adopts the Data Privacy Act is primarily aimed at companies in the state that produce a product or service and engage in the sale of personal data. Among other things, it would require such companies to obtain consent to process or sell personal data. The bill as introduced specifically exempts the State, political subdivisions, and electric suppliers, among others, but the bill will be monitored for amendments that may expand the scope to include political subdivisions.	Monitor/Confer with the City



2024 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1300	Government, Military and Veterans Affairs Committee Sen. Ballard Priority Bill Hearing February 8, 2024	(Bostar, at the request of the Governor) Adopts the Pacific Conflict Stress Test Act and Foreign Adversary Contracting Prohibition Act with the emergency clause. It requires a state risk assessment that includes preparation of risk scenarios and threats, with focus on supply chain. The report is required to include identified vulnerabilities in critical infrastructure, military installations, cybersecurity, and public health, among others. We have identified concerns about releasing critical infrastructure information that would be published. Senator Bostar is willing to consider amendments that achieve the overall objective without comprising sensitive information.	Oppose as introduced and seek amendment/Confer with the City
LB 1302	Government, Military and Government Affairs Committee Hearing February 8, 2024	(Lippincott) Adopts the Cybersecurity Preparedness Act to provide funding to the State Chief Information Officer to procure hardware, software, or services to expand the state’s cybersecurity defense and response capabilities. The bill requires and provides support for cyber preparedness training and cyber drills. It also establishes a \$2 million program to provide grants to political subdivisions for the purpose of upgrading critical information technology infrastructure.	Support/Confer with the City
LB 1319	Revenue Committee Hearing February 1, 2024	(Linehan) LB 1319 repeals a sales and uses tax exemption for data centers. Since 2012, sales and use taxes have not been imposed on the gross receipts from the sale, lease, or rental of and the storage, use, or other consumption of personal property and services of a data center. This bill does not directly impact LES, but it will be monitored given Google’s pending construction of a data center in Lincoln.	Monitor/Confer with the City
LB 1342	Revenue Committee	(Wayne) LB 1342 would exempt residential sales and purchases of electricity and natural gas from sales and use taxes. Sales and use tax is a pass-through for LES so there is no financial impact to LES. However, the bill would result in less sales tax revenue for the City. We will confer with the City and support the City’s position on the bill.	Monitor/Confer with the City
LB 1366	Judiciary Committee Hearing February 2, 2024	(Cavanaugh, J., Bostelman, Brewer) LB 1366 would significantly change the eminent domain authority of public entities. While LES could support provisions in the bill to clarify and encourage good faith efforts to negotiate with property owners, there are other provisions in the bill that are unacceptable. One of the primary objectionable provisions would prohibit a political subdivision from taking property outside the boundaries of the political subdivision through the use of eminent domain unless a majority vote of the governing body of the county, city, or village where the property is located approves the taking. This could significantly impact LES’s ability to site transmission lines outside of its service area. This would also hamper the City’s efforts related to securing a secondary water source.	Oppose/Confer with the City



2024 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1369	Natural Resources Committee General File	(Cavanaugh, J.) LB 1369 would require a local electric distribution utility to interconnect and operate in parallel with an agricultural self-generation facility with a rated capacity of 100 kW or less that produces electricity using methane, wind, solar, biomass, hydropower, or geothermal resources as its energy source. LB 1369 specifically provides that such a system is not used for purposes of net metering. This would only apply where land meets the definition of agricultural or horticultural land.	Monitor/Confer with the City



2024 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
LB 1370	Natural Resources Committee Committee Priority Bill General File	<p>(Bostelman, + 24) LB 1370 would provide that prior to retiring an existing dispatchable electric generation facility in Nebraska, and electric supplier must certify to the Nebraska Power Review Board (NPRB) that the supplier has a) ‘secured and placed on the state’s electric grid’ a dispatchable generation facility with an equal or greater to nameplate capacity as the one being retired; and b) ‘adequate’ transmission infrastructure necessary to interconnect the new dispatchable generation facility. This bill would not apply if a unit retirement is mandated by federal law. Dispatchable generation means a facility using hydropower, coal, natural gas, hydrogen, or nuclear power to generate electricity. The bill raises a number of questions. As drafted, it would not apply to two of LES’s major resources at the Laramie River Station and the Walter Scott Energy Center as those plants are outside of Nebraska. It also would not seem to apply to LES’s participation in the Gerald Gentleman Station in that LES is a minority participant and not an owner, but would place an inordinate burden on NPPD to replace capacity it may not need. The legislation is a serious erosion of local control—both of the local utility governing bodies and the communities they serve. There are 25 original cosponsors on the bill which represents half of the 49-member Legislature. Several of these senators have expressed concern about what they perceive as an over-reliance on renewable energy generation.</p> <p>Update: Following considerable discussion with Senator Bostelman, the committee amendment provides an approach that LES will not oppose. The committee amendment provides that if a utility is considering retiring a dispatchable generation facility, it must notify the PRB. The PRB can choose to hold a closed hearing with the utility. The PRB will provide an advisory-only recommendation to the utility regarding its decision to decommission the facility which the utility governing body must consider as it makes its final decision to decommission the facility. All materials submitted remain confidential until a final decision regarding decommissioning is made by the utility.</p> <p>Four other bills were amended into LB 1370 and LB 1370 was designated as a committee priority bill. With regard to the committee amendment, LES is neutral or not impacted by the other provisions that were amended into LB 1370.</p>	Oppose/Neutral on Committee Amendment

Exhibit VIII

Self-Funded Health and Dental Insurance 2023 Report

Emily N. Koenig
Vice President & CFO

Administrative Board
March 15, 2024



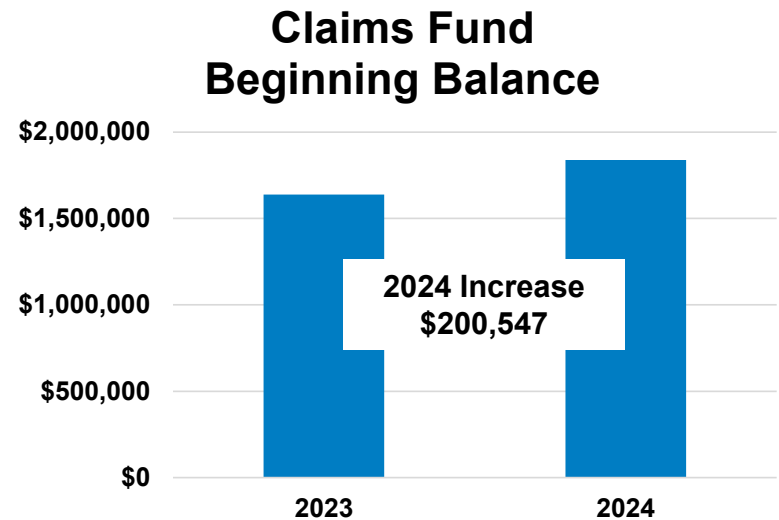
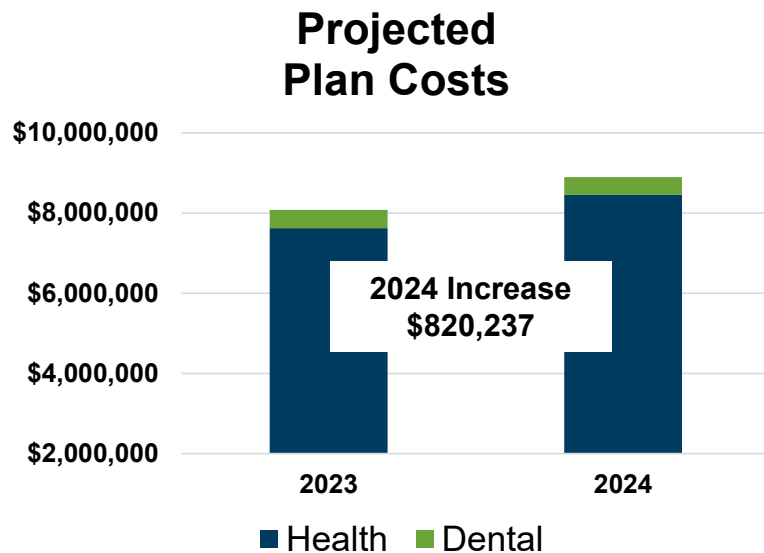
LES.com

Nebraska Statute requires that an annual report be presented to the LES Board

- LES, as a Plan Sponsor, is subject to the Political Subdivision Self-Funding Benefits Act (Act) detailed in Sections §13-1601 to §13-1626 of the Nebraska Revised Statutes.
- The Act requires a Plan Sponsor to provide an annual report to its governing body reflecting:
 - Beginning and ending balances of the established funds
 - Claims Fund
 - Incurred But Not Presented (IBNP) Reserve Fund
 - Deposits of monthly accruals

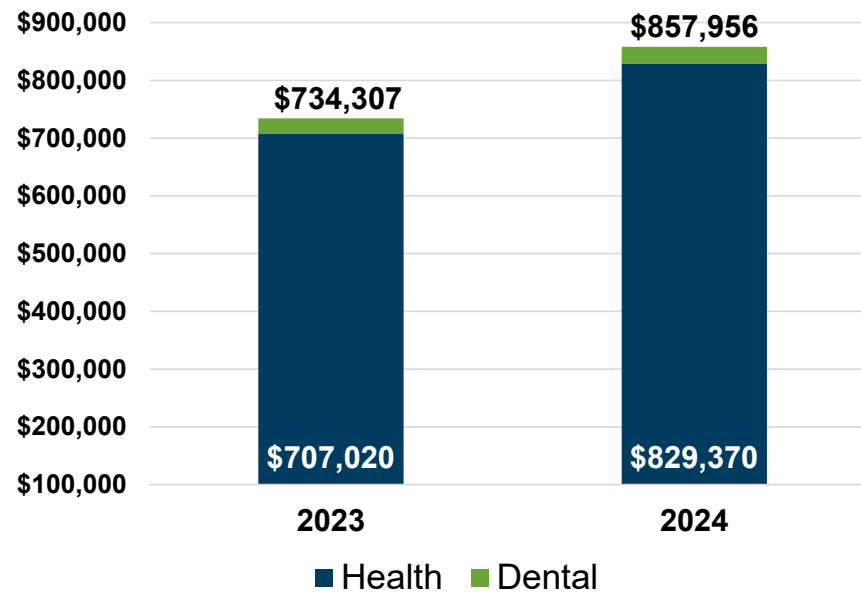
Health & Dental Expenses flow through the Claims Fund

- The Claims Fund (required by the Act) is used to collect premiums and pay for expenses related to the plan
- The beginning balance for the Claims Fund is set at the difference between the 100% and 125% of the 2024 projected plan costs
- Insurance is purchased for costs that exceed 125% of plan costs



Incurred But Not Presented Reserve increased in 2024

- IBNP Reserve is required by the Act
- Represents claims which have been incurred, but not yet been presented for payment
- IBNP Reserve is based on independent actuary studies from HUB International (Health) and Ameritas (Dental)



Total contributions exceeded costs incurred, leading to a positive surplus for participants

2023 HEALTH CONTRIBUTIONS & COSTS			
	Participants	LES	Total
	25%	75%	100%
Total Contributions	\$2,023,426	\$6,000,710	\$8,024,136
Total Costs	<u>(1,945,791)</u>	<u>(5,837,373)</u>	<u>(7,783,164)</u>
2023 Total	\$77,635	\$163,337	\$240,972
Prior Years Cumulative Participant Deficit*	<u>(53,682)</u>		
Cumulative Participant Surplus	\$23,953		

*Varies slightly from amount reported for 2022 due to minor corrections identified.

LES' self-funded Health Insurance Plan has benefited participants

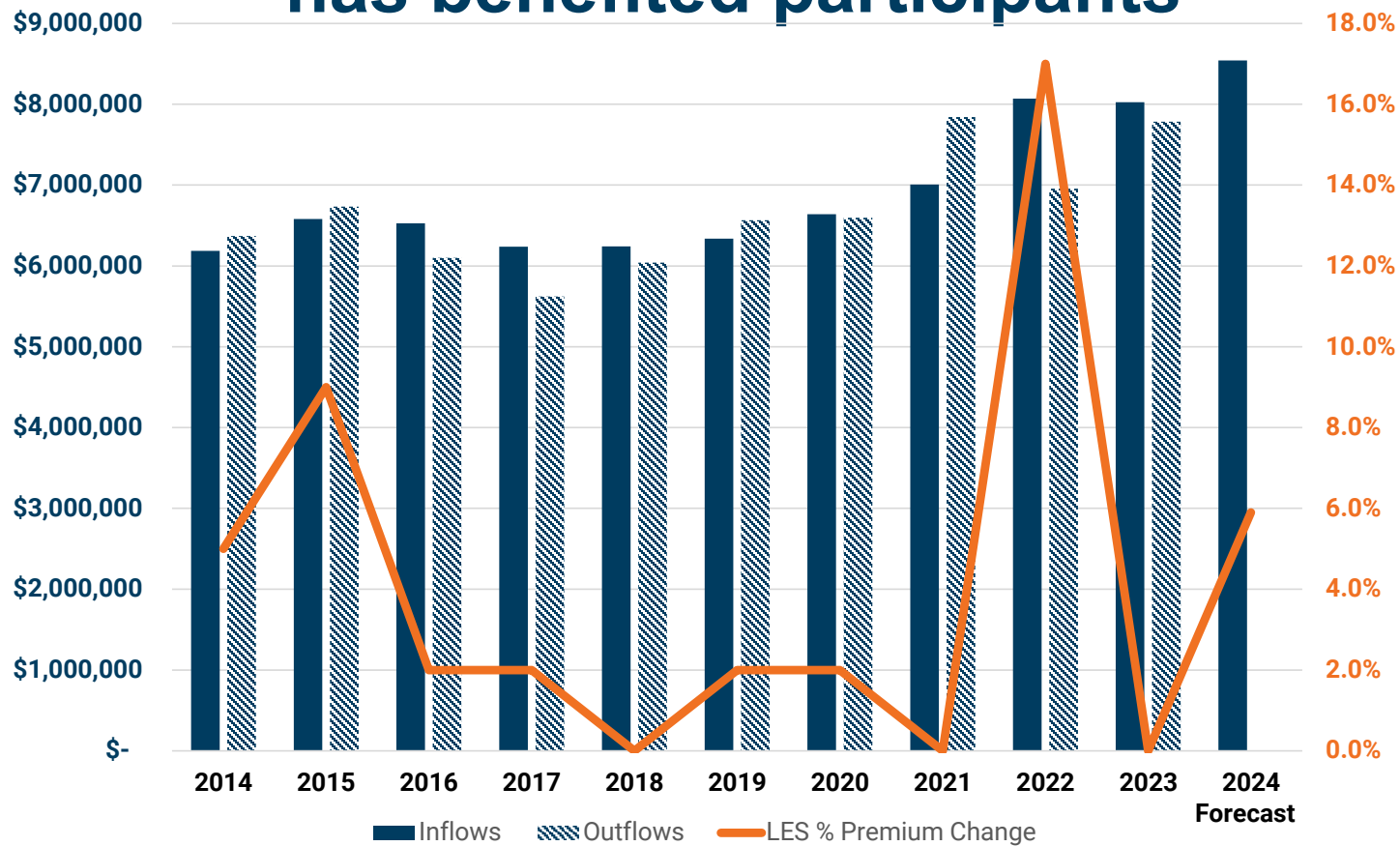


Exhibit IX

Corporate Key Indicators

LES Administrative Board
March 15, 2024

Wade Leibbrandt,
Manager, Budgeting and Financial Planning

Benchmarking Provided By:
Omaha Public Power District (OPPD) &
American Public Power Association (APPA)

Overview of LES Benchmarking

LES utilizes multiple resources for benchmarking financial and operational performance

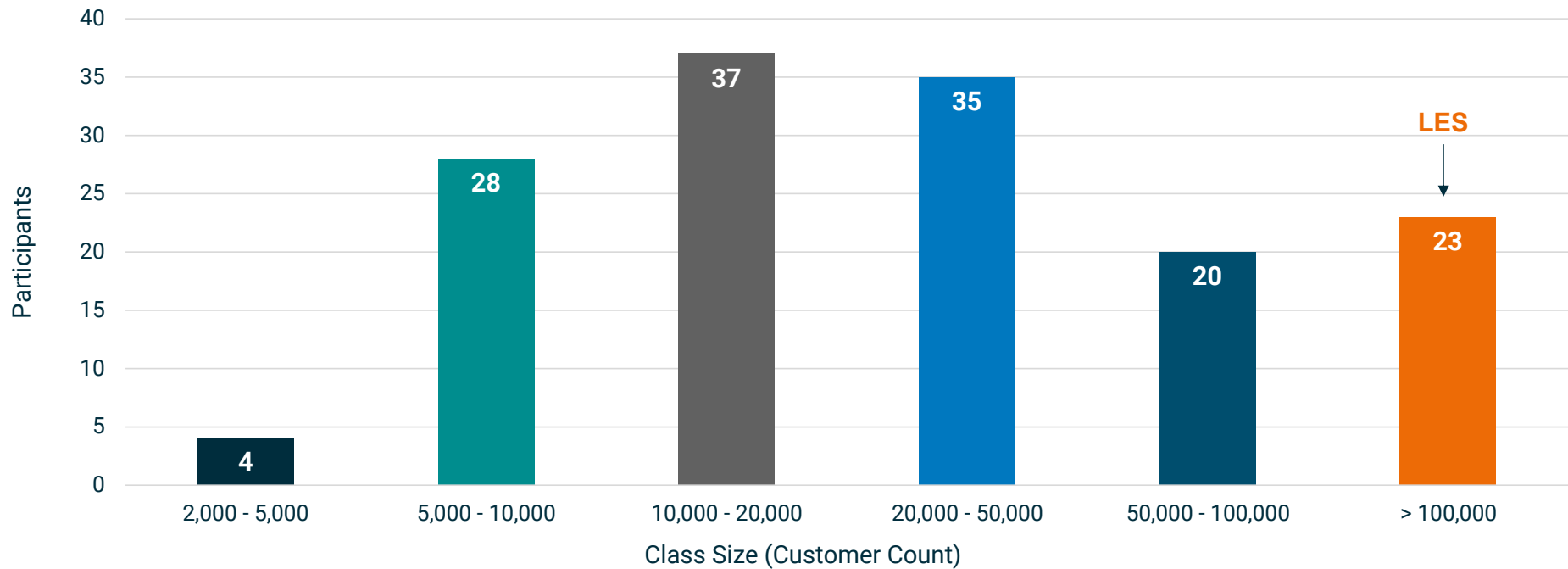
	OPPD <i>Corporate Key Indicators for Public Power Utilities</i>	APPA <i>Financial Operating Ratios for Utilities</i>	LES <i>Peer Group Analysis (Internal)</i>
Last Prepared	August 2023	January 2024	Fall 2023
Participants	17	147	21
Metrics*	70	25	7
Timeframe Presented	2018-2022	2022	2019-2022

Focus of today's presentation

* Most participants do not participate in all metrics

147 Utilities Participated in APPA's Annual Survey

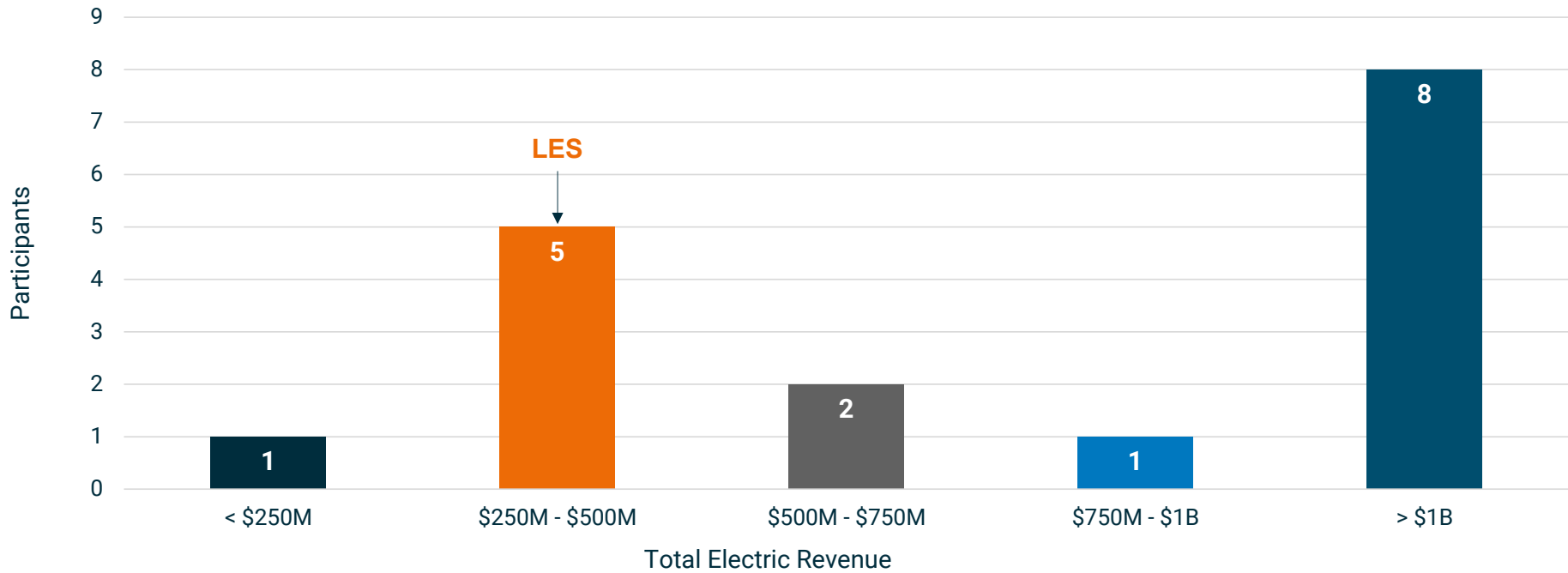
APPA's survey includes utilities with retail sales of at least 150,000 MWh that also account for at least 50% of total sales



Source: APPA Selected Financial and Operating Ratios of Public Power Utilities

17 Utilities Participated in OPPD's Annual Survey

OPPD's survey includes a variety of large utilities with a mix of retail and wholesale functions



LES Continues to Rank Favorably in Both Surveys

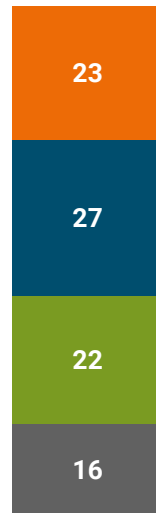
Not all ratios are created equal

- Some calculation methodologies in this presentation will vary from what has been presented in prior meetings
- There is variation in the ranks from year-to-year
- Movement between quartiles can result from unique things happening at other utilities
- Two new metrics in the OPPD survey
 - Renewables as a percentage of total nameplate capacity
 - Renewable generation as a percentage of total retail sales
 - Only about half of the respondents provided information

2022 Survey Rankings for all Metrics and Ratios

LES ranks in the Top 2 Quartiles for 57% of the metrics from both surveys

All Metrics
(88 Total Metrics)



■ 4th Quartile ■ 3rd Quartile
■ 2nd Quartile ■ 1st Quartile

- LES participates in 88 of the 95 metrics in the two surveys
- Some metrics included in both studies
- Identified a subset of 19 metrics across five different categories:
 - Power Supply
 - Distribution
 - Administrative
 - Customer & Affordability
 - Financial & Safety

Power Supply/Generation Related Metrics

LES' generating assets continue to perform well in the SPP Integrated Market

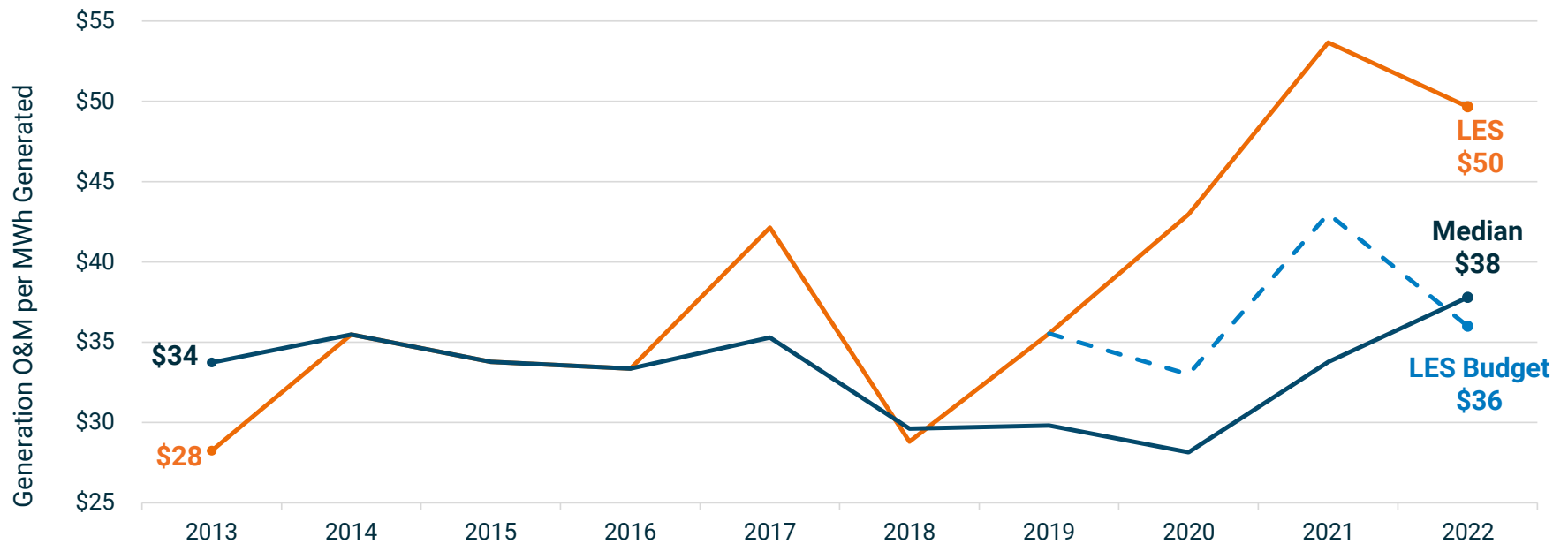
Metric (Favorable ↓/↑)		Survey	LES	Average	Median	Quartile	LES KPI
Generation O&M per MWh Generated	↓	OPPD	\$50	\$37	\$38	4	No
Total Power Supply O&M per MWh Generated/Purchased	↓	OPPD	\$38	\$57	\$45	1	No
Total Power Supply Expense per kWh Sold	↓	APPA	\$0.039	\$0.064	\$0.054	1	No
Renewables as % of Total Nameplate Capacity	↑	OPPD	34%	44%	36%	3	No
Renewable Generation as % of Total Retail Sales	↑	OPPD	45%	35%	34%	2	Yes

Average and Median values for APPA ratios represent the large utility class



Generation O&M per MWh Generated

A higher natural gas and lower coal generation mix over the last few years has led to an elevated ratio



Source: OPPD Corporate Key Indicators

Power Supply

Distribution

Administrative

Customer & Affordability

Financial & Safety

Distribution Related Metrics

LES continues to be a leader in reliability, and customers benefit from a strong distribution system

Metric (Favorable ↓/↑)		Survey	LES	Average	Median	Quartile	LES KPI
Non-Power Supply O&M per Retail Customer	↓	OPPD	\$546	\$830	\$660	1	No
Non-Power Supply O&M per Retail Customer	↓	APPA	\$546	\$915	\$568	2	No
System Average Interruption Duration Index (SAIDI)	↓	OPPD	13.8	60.1	59.7	1	Yes (<30.0)
Customer Average Interruption Duration Index (CAIDI)	↓	OPPD	76.1	81.5	79.8	2	No

Average and Median values for APPA ratios represent the large utility class



Administrative/Overhead Metrics

LES' administrative costs are slightly higher than industry averages

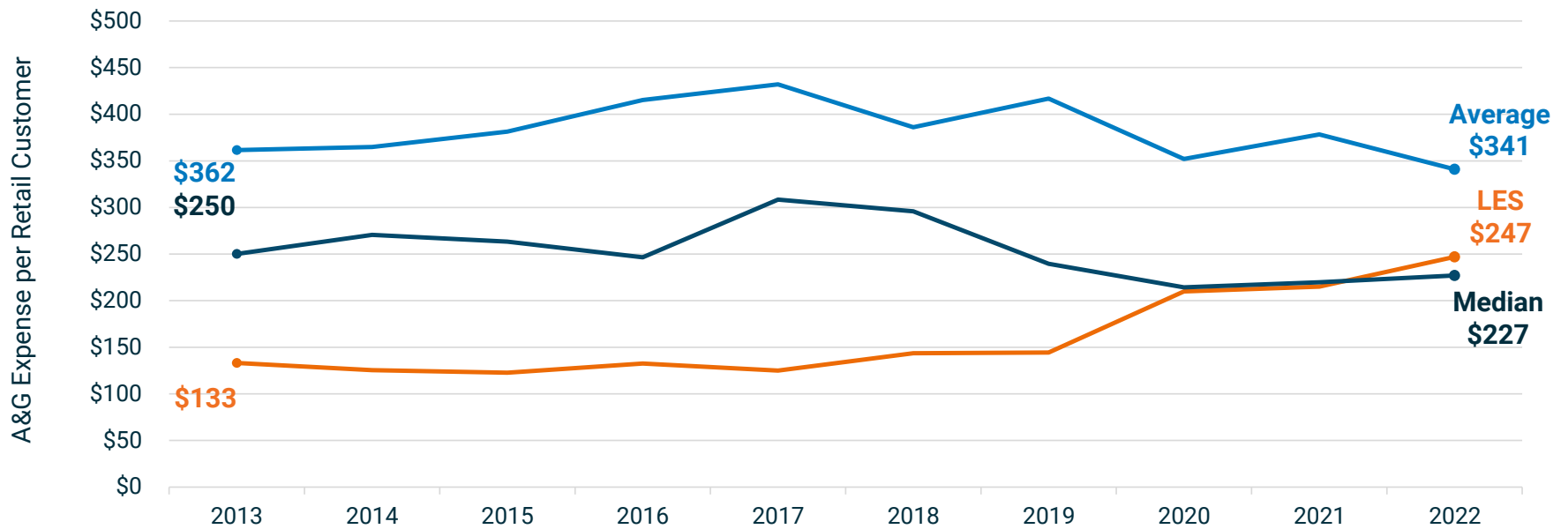
Metric (Favorable ↓/↑)		Survey	LES	Average	Median	Quartile	LES KPI
A&G per Retail Customer	↓	OPPD	\$247	\$341	\$227	3	No
A&G per Retail Customer	↓	APPA	\$247	\$247	\$200	4	No
Labor Expense per Worker-Hour	↓	APPA	\$58	\$55	\$53	3	No

Average and Median values for APPA ratios represent the large utility class



A&G Expenses per Retail Customer

Facilities and technology initiatives have caused a modest uptick in A&G expenses



Source: OPPD Corporate Key Indicators



Customer & Affordability Metrics

LES' customer base is strong, and it continues to benefit from some of the lowest rates surveyed

Metric (Favorable ↓/↑)		Survey	LES	Average	Median	Quartile	LES KPI
Uncollectible Accounts as % of Electric Energy Revenues	↓	OPPD	0.21%	0.13%	0.21%	2	No
Uncollectible Accounts per Revenue Dollar	↓	APPA	\$0.002	\$0.043	\$0.002	2	Yes
Average Monthly Residential Bill	↓	OPPD	\$84	\$112	\$105	1	Yes

Average and Median values for APPA ratios represent the large utility class



Financial & Safety Metrics

LES' financial position and safety record remain strong

Metric (Favorable ↓/↑)		Survey	LES	Average	Median	Quartile	LES KPI
Debt Service Coverage	↑	APPA	2.25x	2.45x	3.14x	4	Yes (>2.00x)
Days Cash on Hand	↑	OPPD	195	222	192	2	Yes (>89)
OSHA Incidence Rate	↓	OPPD	2.2	2.5	2.2	2	Yes
Recordable Incident Rate	↓	OPPD	3.0	2.3	1.8	3	No

Average and Median values for APPA ratios represent the large utility class



The full APPA and OPPD benchmarking surveys are available to all LES Administrative Board members via the Board Portal.

Thank you!