

## MINUTES OF LINCOLN ELECTRIC SYSTEM ADMINISTRATIVE BOARD

Minutes of the regular meeting held at 9:30 a.m., Friday, February 21, 2025, 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 November 9, 2024.

Board Members Present: Carl Eskridge, Lucas Sabalka, David Spinar, Chelsea Johnson, Andy Hunzeker, Kate Bolz, Karen Griffin.

Board Members Absent: Alyssa Martin (attended briefly via Microsoft Teams), Eric Schafer.

LES Staff Present: Emeka Anyanwu, Shelley Sahling-Zart, Emily Koenig, Paul Crist, Lisa Hale, Jason Fortik, David Malcom, Matt Andersen, Kelley Porter, Jim Rigg, Scott Benson, Garrett Klein, Jeffrey Geist, Mike Murphy, Keith Snyder, Denise Parrott, Kellie Cave.

Others Present: Kim Morrow, Nathan Svatora, Bud Synhorst, and numerous virtual participants via Microsoft Teams.

News Media Present: None

Chair Lucas Sabalka declared a quorum present and called the meeting to order at approximately 9:30 a.m. A safety briefing was provided. Sabalka 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 and with the Assistant Secretary. Shelley Sahling-Zart, General Counsel, reviewed duties and responsibilities of LES Board members.

**Call to Order, Safety Briefing, and Board Member Duties and Responsibilities**

Chair Sabalka asked for approval of the minutes of the January 17, 2025, board meeting. Carl Eskridge moved approval of the minutes. David Spinar seconded the motion. The vote for approval of the minutes was:

**Approval of Minutes**

Aye: Kate Bolz, Carl Eskridge, Karen Griffin, Andy Hunzeker, Chelsea Johnson, Lucas Sabalka, David Spinar.

Nay: None

Absent: Eric Schafer, Alyssa Martin.

Bud Synhorst, representing Sandhills Global, spoke on their plan for

**Customer Comments**

growth, which will require significant demand on electrical resources. He commented on the use of AI servers and other technological advancements that create the need for more capacity. He encouraged LES to consider the impact of many businesses requiring more load to facilitate technological advances. Synhorst noted the Strategic Planning effort is an opportunity for LES to identify trends in community business-growth and ensure demands for load can be met. He indicated a timeline from LES would be helpful and appreciated for Sandhills Global as well as other local businesses.

Pursuant to LES Policy No. 101, Chair Lucas Sabalka announced the board committee appointments for 2025. (Exhibit I)

**Appointment of  
Committee Members**

Carl Eskridge, Chair of the Finance Committee, reported on Committee discussions held on February 21, 2025, including: 1) 2024 Unaudited Financial Results, 2) Internal Audit 2024 Fourth Quarter Report, 3) Semi-Annual Investment Report, 4) Ethic Update. (Exhibit II)

**Finance Committee Report**

Lucas Sabalka, Chair of the Operations & Power Supply Committee, reported on Committee discussions held on February 10, 2025, including: 1) Generation Resource Adequacy Overview. (Exhibit III)

**Operations & Power Supply  
Committee Report**

David Spinar, Chair of the Personnel & Organization Committee, reported on Committee discussions held on February 18, 2025, including: 1) HR Update, 2) 2024 Safety Year in Review, 3) 2025 LES Safety Goals. (Exhibit IV)

**Personnel & Organization  
Committee Report**

Karen Griffin, Chair of the Legislation and Governmental Affairs Committee reported on Committee discussions held on February 10, 2025 including: 1) Review Proposed Bills for 2025 Legislative Session. (Exhibit V)

**Legislation and  
Governmental Affairs  
Committee**

Emeka Anyanwu, CEO, provided an update on the formatting/structure of board and committee agendas to allow for well-timed educational conversations around planning and policy changes. He commented the goal is to maximize meeting times for in-depth conversations and

**2025 Board Work Plan  
Update**

make Board and Committee meetings more efficient. In an effort to further increase efficiency, routine operational updates may be provided to the board in writing in lieu of presentations during meetings. The board expressed appreciation of the changes as a means to create further transparency for the public.

Government Affairs Stretch Assignment Employee Matt Andersen, analyst, Rates and Forecasting, reported on legislation LES is monitoring. He reported that 715 bills were introduced in this session and LES is monitoring about 33 of them. This is a 90-day legislative session which is scheduled to adjourn June 9<sup>th</sup>, and all bills not acted on during this session will carry over to the next session. All new bills on LES's tracking list and LES positions were reviewed in detail with the board and Legislation & Government Affairs Committee on February 10<sup>th</sup>.

## **2025 State Legislative Report**

An amendment was adopted to LB 43 and the bill advanced to final reading as of the morning. Andersen mentioned that the amendment addressed LES's concerns with the bill, but it will continue to be monitored. LB 163 had a hearing in the Natural Resources committee on January 30<sup>th</sup> to create the Office of Climate Action within the Department of Environment and Energy. Andersen reported that based on the hearing it was unlikely that LB 163 would leave committee.

Andersen provided a recap of LB 349 as it is intended to make clear that private entities can build private renewable energy generation facilities and energy storage facilities. It is unclear whether it is intended for energy storage to go through the normal Power Review Board (PRB) approval process. In conversations with the lobbyist drafting the bill it has been communicated that the intent was for energy storage facilities to follow the same approval process that LES follows. However, the language is unclear and could lead to misinterpretation. An amendment to fix this language would go a long way to address LES's concerns with LB 349. LB 503 authorized the designation of American energy friendly county and adds to the definition of privately developed renewable energy generation facility to include energy storage, which is inconsistent with other statutes. Andersen noted that there was an amendment proposed that, if adopted, would remove energy storage language from LB 503 and then LES would be neutral. Andersen added that these bills are being watched together as they both include energy storage language and if they get merged LES would

be opposed.

LB 409 proposed adding a licensed journeyman electrician that is affiliated with a union to the PRB. Andersen spoke on the purpose of the PRB noting that it serves to establish electric supplier boundaries and approve certain generation and transmission facilities to avoid duplication of services. There are currently five members on the board, one of whom is a lawyer, one of whom is an engineer, and the remaining three are laypeople. Andersen clarified that LES does not have concerns with a licenses journeyman electric who is affiliated with a union serving on the PRB and reminded that they can already serve as one of the three laypeople. It's unclear how the scope of the PRB requires that specific expertise. It was clarified that LES testified neutral with those comments to the Natural Resources Committee.

LB 489, introduced by Sen. Brandt, is intended to ban private transmission development in Nebraska. Andersen noted that this originated from a transmission line being constructed by Cheyenne Power and Light that cuts across about seven miles of Nebraska. Cheyenne Power and Light went to the PRB for approval where the PRB indicated that they did not have jurisdiction, which shed light on a loophole in statutes. LB 489 aims to plug a loophole in statutes around this issue. As introduced, LB 489 has some unintended consequences that affect privately developed renewable energy generation facilities, large customers interconnecting with LES, and primary-metered 15 kV and 35 kV customers. LES is working on amendments with Sen. Brandt and other stakeholders to ensure current arrangements are not unintentionally roped in.

LB 526 establishes and excise tax on crypto mining operations to discourage them from operating in the state. Andersen noted that LES is not taking a position on the tax but has concerns about the logistics of implementing the tax. Andersen explained that LES may not be able to identify smaller crypto mining operations, as they could be operating in an unused storefront or a basement. At the testimony on February 12, the primary concern from the Revenue Committee was that crypto mining operations were contributing to Nebraska utilities running out of power. Shelley Sahling-Zart, Vice President & General Counsel, clarified that Nebraska is not running out of power and that was not a good message from an economic development standpoint. LES has been working with Sen. Jacobson, and he has been receptive to the concerns and has proposed amendments that would have the tax collected through the Department of Revenue instead of through utilities.

LB 644 and LB 660 are part of what we have seen as far as implementing restrictions on using equipment from foreign adversaries. Andersen noted that LB 644 was a much larger bill, but LES was only monitoring the sections pertaining to drones and LB 660 was a shorter bill that only pertained to drones. Andersen clarified that LES has no intention of using drones or components for drones from foreign adversaries. However, LES currently uses drones to inspect facilities and wants to ensure that the ability to use drones for that purpose is protected. (Exhibit VI)

Garrett Klein, Supervisor, Asset Management & Planning Engineering, shared a recap of LES' power interruptions and outages from the previous calendar year. Highlights of his presentation included:

In 2024, LES had 5 major event days. All major event days were caused by weather. The LES 5-year average for major event days is 2.4.

LES' normal day System Average Interruption Duration Index (SAIDI) was 19.3 minutes, well below the utility's 30-minute goal. The Customer Average Interruption Duration Index (CAIDI) was 64.0 minutes, just over its 60-minute goal.

In total minutes, the leading causes of outages during 2024 were trees, wind and 12kV underground primary cable/splice failures. Noticeably absent from the top three causes of power outages are squirrels, which still caused 66 outages last year. Overhead causes accounted for 107 total outages, while underground accounted for 103. Proactive efforts to improve LES' system include:

Distribution Outage Analysis Team

Vegetation management

Cable Replacement Program

Arterial feeder hardening

Overhead Distribution Asset Management Program

Precision Undergrounding Program

Underground Distribution Asset Management Program  
(Exhibit VII)

## **2024 System Reliability Interruption Report**

Scott Benson, Manager, Resource & Transmission Planning, shared that LES and Google have entered into an agreement to leverage clean energy contracts that help support Lincoln's new Google data center. Under this agreement, Google sells capacity to LES from existing generation contracts. LES then uses this capacity to help meet the SPP resource adequacy

## **Generation Capacity Overview**

requirements associated with the data center load. Projects to support the data center include:

Great Western Wind Project in Woodward & Ellis County, OK. The contract runs from Nov. 2025 -Dec. 2031, and the project has a nameplate capacity of 225 MW.

Bluestem Wind Project in Beaver County, OK. The contract runs from Nov. 2025 – Dec. 2031, and the project has a nameplate capacity of 198 MW.

With the addition of these contracts, LES' 2026 nameplate capacity portfolio is anticipated to consist of 26% natural gas, 23% coal and 51% renewables. (Exhibit VIII)

Chair Sabalka asked for a motion to go into closed session for the purposes of discussing market-sensitive information regarding all-in generation costs and contract negotiations. Carl Eskridge made the motion. David Spinar seconded the motion. The vote for entering executive session was:

**Executive Session – 2024  
all-in generation costs and  
contract negotiations.**

Aye: Kate Bolz, Carl Eskridge, Karen Griffin,  
Andy Hunzeker, Chelsea Johnson, Lucas  
Sabalka, David Spinar.

Nay: None

Absent: Alyssa Martin, Eric Schafer.

The Board entered Executive Session at 11:08 a.m.

The Board came out of Executive Session at 12:50 p.m.

The next regular meeting of the LES Administrative Board will be **Next Meeting**  
Friday, March 21, 2025, at 9:30 a.m.

Without further business before the Board, Chair Sabalka declared **Adjournment**  
the meeting adjourned at approximately 12:50 p.m.

Carl Eskridge, Secretary

BY: Kellie Cave  
Kellie Cave, Assistant Secretary

# **Exhibit I**



## **2025 LES ADMINISTRATIVE BOARD COMMITTEES**

The Board Chair is an Ex Officio Member of Each Committee

### **Personnel & Organization**

Andy Hunzeker, Chair  
Carl Eskridge  
Alyssa Martin

### **Finance**

Carl Eskridge, Chair  
Kate Bolz  
Eric Schafer

### **Operations & Power Supply**

Chelsea Johnson, Chair  
Karen Griffin  
David Spinar

### **Communications & Customer Services**

Karen Griffin, Chair  
Alyssa Martin  
Eric Schafer

### **Legislation & Governmental Affairs**

David Spinar, Chair  
Kate Bolz  
Chelsea Johnson

### **Executive**

Board Officers  
Past Chair

### **Labor Negotiations**

Carl Eskridge, Chair  
Andy Hunzeker



## **Exhibit II**



## **Finance Committee – February 21, 2025**

**(In-Person)**

**Attendees:** C. Eskridge (Chair), K. Bolz, E. Schafer L. Sabalka, E. Anyanwu, E. Koenig, S. Sahling-Zart, B. Willnerd, W. Leibbrandt, D. Auman, T. Hopkins, P. Crist, J. Fortik, L. Hale, D. Malcom

### **1. 2024 Unaudited Financial Results (Emily)**

- a. 2024 financial results were favorable to budget primarily due to Net Power Cost being \$33 million or 29% lower than budget. This variance includes the recognition of \$16.8 million of deferred Winter Storm Uri wholesale revenue from 2021.
- b. Retail revenue nearly matched budget with lower use by commercial customers partially offset by higher industrial usage.
- c. Operating Expenses, excluding Power Cost, exceeded budget due primarily to increased payroll and benefits costs from the summer windstorm and year-end benefit adjustments some of which were related to new accounting guidance.
- d. Capital expenditures were \$2.8 million below budget due to lower Technology Services project costs offset by increased costs at Terry Bundy Generating Station, acceleration of the Service Center HVAC upgrade project and additional distribution expenditures.
- e. The external financial statement auditors have been on-site this week and will continue their fieldwork next week. It is expected that 2024 audit will be complete the first week of April.

### **2. Internal Audit 2024 Fourth Quarter Report (David)**

- a. Internal Auditing discussed the fourth quarter 2024 report with the committee. Included in the quarterly report was the Sustainable Energy Program Audit, and the Chemical Safety Audit. Also included were various year-end reporting which included the Year-End Internal Auditing Activity Memo, the Executive Purchasing Card transactions memo, and the Internal Auditor Independence Statements for the upcoming audit year. As previously reported, the Sustainable Energy Program Audit received an adverse opinion. The Chemical Safety Audit received a qualified opinion with only minor recommendations.
- b. The board members will be receiving a memo from the Internal Auditors detailing the audits completed during 2024. If you have questions about any of the audits, please contact Shelley, David, or Troy.

### **3. Semi-annual Investment Report (Bryan)**

- a. LES managed approximately \$141M in investments at the end of 2024.
- b. All investments exceeded their benchmark yields at the end of 2024, due to LES's "hold to maturity" strategy in a declining yield environment.
- c. LES was in compliance with its Investment Policy during the fourth quarter of 2024.

# **Exhibit III**



## Operations and Power Supply Committee Meeting Summary February 10, 2025

**Attendees:** K. Griffin, C. Johnson, L. Sabalka (Committee Chair)  
E. Anyanwu, S. Benson, J. Fortik, R. Grabow, M. Andersen

### **Generation Resource Adequacy Overview (Scott Benson):**

- Staff provided an overview of LES's load projections, generating capability status, and generating resource evaluation work that has been performed since the 2022 Integrated Resource Plan (IRP) process.
- Significant changes have been made to the SPP resource adequacy processes and requirements in the time after the IRP was completed. Staff briefed the Committee on the effects of these changes to LES's resource portfolio and future scenarios that were evaluated.
- Staff plans to continue sharing generating resource planning analysis results and seek Committee and Board member interaction and feedback.

# **Exhibit IV**



## LES PERSONNEL AND ORGANIZATION COMMITTEE

### Meeting Summary

Tuesday February 18, 2025 | 12:00pm (Virtual)

Attendees: D. Spinar (Chair), A. Martin, L. Sabalka (Board Chair), E. Anyanwu, J. Panko-Haberman, S. Sahling-Zart, and J. Rigg

- **The CEO provided an update on LES' HR Department:**
  - Updated Committee members on changes in the HR department including staff departures.
  - Discussed with Committee some evolving conceptual realignment ideas being evaluated by the Executive team.
  - Shared plans for addition of an executive role to oversee people-related functions, including HR Department.
  
- **Safety & Physical Security provided an update on safety activities:**
  - Reviewed 2024 performance related to on-the job injuries, including achievement of the lowest *Days Away, Restricted or Transferred* (DART) rate since the pandemic.
  - Provided summary of key Safety training opportunities provided to staff.
  - Reviewed overall performance on safety goals and metrics in 2024.
  - Provided overview of 2025 Safety Performance goals as recommended by employee-led Central Safety Committee.

# **Exhibit V**



**Legislation & Governmental Affairs Committee  
Board Meeting Summary  
February 10, 2025**

Board Attendees: Karen Griffin, Carl Eskridge, Lucas Sabalka, Chelsea Johnson (sat in due to the absence of Kate Bolz)

Staff Attendees: Emeka Anyanwu, Richard Grabow, Matt Andersen, Ryley Johnson, Shelley Sahling-Zart

- Staff reviewed the bills that LES is monitoring this legislative session including recommended positions on legislation. Positions on legislation are recommended consistent with the board-approved Legislative Guidelines.
- The committee recommended a couple of clarifications, but are supportive of the recommendations.
- Staff will provide a review of specific proposals at the board meeting.



# **Exhibit VI**



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 18</a>	Transportation and Telecommunications Committee <b>Hearing February 11, 2025</b>	(Cavanaugh, J.) Relates to Small Wireless Facilities on poles. This bill gives more rights to local authorities to ensure that new or modified utility poles for small wireless facilities in the right-of-way must be ADA compliant.	Monitor/Confer with the City
<a href="#">LB 20</a>	Natural Resources Committee <b>Final Reading</b>	(Cavanaugh, J.) Ensures that no utility shall deny electric service to non-net metering agricultural self-generation facilities with a nameplate capacity of no more than 100 kW. State statutes only require net metering up to 25 kW. This will allow pork producers, farmers, and ranchers to install renewable generation facilities up to 100 kW, but they won't be compensated through net metering.	Monitor
<a href="#">LB 35</a>	Natural Resources Committee <b>Final Reading</b>	(Brandt) LB 35 is intended to clarify provisions from LB 1370 that was passed last year relating to private renewable developers within proximity to a military installation certifying that the facility does not have any components from foreign adversaries. This bill clarifies that privately renewable developers have to certify compliance upon reaching commercial operation, as they apparently are unable to certify this during.	Monitor
<a href="#">LB 43</a>	Natural Resources Committee <b>Select File</b>	(DeKay, Hardin) LB 43 is also a bill to clarify provisions from LB 1370 that was passed last year. It was understood based on the testimony on last year's bill that the certification provisions would apply to all future construction of facilities. During the interim, there was discussion that it should also apply to any modifications or repairs to existing facilities. The Power Review Board attempted to apply this understanding through a guidance document, but ultimately an Attorney General's opinion counseled the PRB to seek legislative clarification. LB 43 a) adds a definition of electronic-related equipment; b) clarifies that the required certification extends to both new facilities and modifications or repairs to existing facilities if such modifications include electronic-related equipment from foreign adversaries; and c) essentially requires a one-time certification and subsequent notification if a utility or developer finds itself out of compliance. The definition of military installation does not include the Lincoln Air National Guard base. For this reason, LES intends to monitor LB 43, but LES's position would change to opposition if an amendment extended the scope of the legislation to all electric facilities.	Monitor/Oppose if expanded beyond facilities close to military installations
<a href="#">LB 50</a>	Revenue Committee <b>Hearing February 19, 2025</b>	(DeKay, Dover, Hansen, McKeon) LB 50 amends the nameplate capacity tax statutes to carve out 5% for community colleges. Under current law, the nameplate capacity tax is distributed to local taxing entities that do not receive tax revenue from the renewable energy generation resources due to the personal property tax exception. LB 50 would add a 5% distribution of the amount collected to be distributed to the community colleges with the remaining 95% distributed to the remaining local taxing entities.	Monitor/Confer with the City



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 91</a>	Natural Resources Committee <b>Final Reading</b>	(DeKay, Brandt, Clouse) Relates to public power districts providing electric services to a city or village, where the city or village wants to take ownership of the distribution system, and the public power district has no debt on the system. This bill deletes “without cost” when transferring the assets so the public power district may negotiate the purchase and collect any additional appreciated value that would be lost. This is a decades-old provision that is likely obsolete in today’s industry, but we will monitor this bill and any amendments.	Monitor
<a href="#">LB 117</a>	Revenue Committee <b>Hearing January 31, 2025</b>	(Holdcroft) LB 117 exempts from sales and use taxes any sales and purchases of utilities, including electricity, natural gas, propane and sewer for residential use. Residential use includes an apartment that is paid separately or as a separate line-item from rent, as well as use at a commercial property where the primary use of the property is as a residence. Sales tax is a pass-through obligation for LES so there is no financial impact to LES in eliminating the sales tax, though LES is assessing how the exemption will be applied in certain cases. As it’s written, cities, like Lincoln, will not be able to collect a local option sales tax. However, at the committee hearing Sen. Holdcroft stated that they intended to add an amendment to carve out a local option in the bill.	Monitor/Confer with the City
<a href="#">LB 121</a>	Natural Resources Committee <b>Hearing January 30, 2025</b>	(Hardin, Lippincott) Prohibits the land disposal of the component parts of solar panels and wind turbine blades. This will require sending such materials out of state for disposal.	Monitor
<a href="#">LB 129</a>	Natural Resources Committee <b>Hearing January 29, 2025</b>	(McKeon, Hardin, Lippincott, Lonowski) LB 129 prevents a political subdivision from implementing any ordinance, code, resolution, rule, regulation, or policy that restricts, prohibits, or has the effect of prohibiting or restricting, any energy sources supplied by a retail marketer of any energy source. An energy source is defined as fuel or power source used to power an engine, including aviation fuel, biofuel, compressed or liquified natural gas, diesel fuel, electricity used for charging electric vehicles, gasoline including ethanol-blended gasoline, gas distillates, hydrogen and liquid petroleum gas. While this bill was primarily introduced on behalf of ethanol producers, LES is concerned about the inclusion of electricity used for charging electric vehicles. This would eliminate LES’s ability to assess demand charges on certain charging stations, among other things. At the hearing, McKeon stated that he intended to remove electricity-related provisions. LES will continue to monitor to watch for amendments on general file.	Oppose/Seek an amendment to remove electricity-related provisions
<a href="#">LB 137</a>	Judiciary Committee <b>Hearing February 27, 2025</b>	(Dungan) LB 137 prohibits a homeowner’s association from restricting or charging a residential customer for solar panel installation or a pollinator garden. The bill does not impact LES but will be monitored for awareness.	Monitor



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 163</a>	Natural Resources Committee <b>Hearing January 30, 2025</b>	(Spivey, Cavanaugh, J., Dungan, Fredrickson, Guereca, Juarez, McKinney, Quick) Creates the Office of Climate Action which will operate within the Department of Environment and Energy to serve as a dedicated point of contact to assist with policies and programs and support federal grant initiatives dealing with climate action. The office would also create a climate action plan on or before July 1, 2026, to manage risks of climate change impacts on the state and reduce the causes of climate change within the state.	Support
<a href="#">LB 193</a>	Government, Military and Veterans Affairs Committee <b>Hearing February 19, 2025</b>	(Andersen, Bostar, Holdcroft, Sanders) LB 193 amends the Pacific Conflict Stress Test Act passed last session, specifically provisions relating to the Committee on Pacific Conflict. The bill merely deletes the provisions that provided that the appointments to the committee be made within 60 days after April 17, 2024. The bill seems like a placeholder for additional substantive provisions. LES will monitor the bill for any amendments.	Monitor
<a href="#">LB 264</a>	Appropriations Committee <b>Hearing February 18, 2025</b>	(Arch, at the request of the Governor) Eliminates a number of existing Acts including the Nebraska Geologic Storage of Carbon Dioxide Act. This act was introduced in 2021 as LB 650 and established regulatory framework and support for carbon storage technology. LB 264 would eliminate this act which would impact ongoing and future carbon storage projects. The elimination of this act would create regulatory uncertainties with legal and procedural aspects of carbon storage projects and hinder funding or access to carbon storage projects. This would create a more challenging environment for electric utilities aiming to reduce their carbon emissions.	Oppose
<a href="#">LB 291</a>	Urban Affairs Committee <b>Hearing February 04, 2025</b>	(Urban Affairs Committee) Adopts the Aid to Municipalities Act to provide grants to municipalities to pay for infrastructure projects. The bill specifically includes, among other things, transmission lines in the definition of 'infrastructure project.' It includes an annual appropriation of \$15 million for the Aid to Municipalities Fund, with a cap of \$5 million per grant.	Monitor/Confer with the City
<a href="#">LB 317</a>	Natural Resources Committee <b>Hearing February 13, 2025</b>	(Brandt, at the request of the Governor) LB 317 is a comprehensive bill of over 400 pages that effectuates the merging of the Department of Natural Resources with the Department of Environment and Energy. It appears that most of this bill is updating all titles as they currently appear in statutes. However, staff is still evaluating any impacts from this legislation.	Monitor



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 349</a>	Natural Resources Committee <b>Hearing March 06, 2025</b>	(Prokop) LB 349 specifically defines electric energy storage and is intended to clarify that both public and private electric suppliers can own and operate electric energy storage facilities. In talking to the bill sponsor, it appears the intent of the bill is that if the facility is a standalone energy storage facility, it would have to be approved by the Nebraska Power Review Board under the same criteria as any other non-renewable generation facility. If it is part of a privately developed renewable generation facility, it would be approved subject to the certification provisions in statute for such privately developed facilities. LES has concerns about introducing state statutes regarding battery storage when SPP is still defining guidelines.	Oppose as introduced/Seek amendments on definitions
<a href="#">LB 396</a>	Natural Resources Committee <b>Select File</b>	(DeKay) LB 396 eliminates a requirement for public power districts to make their budgets available to the general public in a form approved by the Power Review Board. They are still required to make the budget available. The bill only eliminates the requirement for the form of the budget to be approved by the PRB. This bill does not impact LES and will just be monitored.	Monitor
<a href="#">LB 409</a>	Natural Resources Committee <b>Hearing February 20, 2025</b>	(Cavanaugh, J.) LB 409 would change the composition of the Power Review Board to include at least one licensed journeyman electrician who is affiliated with a nonprofit labor organization for electrical workers. The board would still be comprised of five members—an attorney, an engineer, a union member, and two laypersons. It is unclear what purpose would be served by having a journeyman electrician on the PRB. The PRB's role in approving the applications for generation and transmission is more geared toward evaluating the public convenience and necessity of a project and the overall economics of the project. The PRB does not evaluate any technical specifications, nor does it evaluate any aspects of project labor. LES does not see a purpose to be served by adding this requirement on the PRB. A journeyman electrician could already be appointed as one of the three laypersons.	Seek clarity on the intent with bill introducer



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 413</a>	Natural Resources Committee Hearing February 05, 2025	(Clouse) LB 413 relates to rates and charges set by public power districts. This bill adds language to provide that rates and charges may be differentiated based on load size, load factor, firm and nonfirm service, technology risks, length of service commitment, and other objective criteria. It is LES's understanding that the bill was introduced to give utilities greater flexibility in setting appropriate rates for large, transitory loads such as cryptomining. As introduced, the bill does not include municipalities. In addition, LES already has rates and charges that are differentiated based on things like load factor and other criteria, but we still maintain cost of service rates within rate classes that are fair, reasonable, and nondiscriminatory. LES has also evaluated mechanisms to deal with large, transitory loads, but it is not clear that this would provide the desired flexibility.	Monitor
<a href="#">LB 450</a>	Urban Affairs Committee Hearing February 11, 2025	(Fredrickson) LB 450 amends the Property Assessed Clean Energy Act to add grid resiliency improvements as a qualified improvement in a clean energy assessment district. Grid resiliency improvement would include acquisitions, modifications, or installations benefiting public or private property, and would include backup power generators, generators powered by renewables, solar panels with battery storage, and smart grid technology. There is no direct impact to LES, though the term "grid resiliency" generally refers to the utility level rather than to the customer level.	Monitor/Confer with the City
<a href="#">LB 468</a>	Revenue Committee Hearing February 05, 2025	(Clements) LB 468 changes a number of tax provisions, including increasing the nameplate capacity tax on renewable energy generation from \$3,500 to \$6,500 per megawatt of nameplate capacity.	Monitor
<a href="#">LB 477</a>	Business and Labor Committee Hearing February 24, 2025	(Fredrickson) LB 477 amends the Workplace Privacy Act and includes provisions to prohibit employers from requiring employees to use or wear electronic tracking devices to track the employee's location or travel patterns. An employer can still track employer property as long as the property and employee possessing or using the property are not associated in the data collected. It's unclear if this would prohibit organizations from maintaining safety data regarding badging and clearance to specific locations within their buildings. LES is concerned that there may be unintended impacts in this bill which would negatively impact safety procedures.	Oppose/Confer with bill introducer
<a href="#">LB 489</a>	Natural Resources Committee Hearing February 05, 2025	(Brandt) LB 489 is intended to prohibit private entities from operating, maintaining, constructing, or acquiring a transmission line or related facility carrying more than seven hundred volts. As written, the language would impact new primary-metered customers who would construct or maintain 15 kV or 35 kV lines. It would also seem to preclude transmission lines built by private developers to interconnect privately developed renewable energy facilities with public power providers.	Oppose as introduced



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 503</a>	Revenue Committee Hearing February 19, 2025	(Bosn, Ballard, Bostar) Allows counties to be able to adopt the American energy friendly designation which allows for privately developed renewable energy facilities to not have to abide by several county and zoning regulations. The bill provides that privately developed renewable energy generation facility has the same meaning currently in statute “and also includes any electric energy storage resource.” It is unclear whether this is intended as a renewable project that includes energy storage, or whether energy storage could be a standalone facility. A county can pursue designation as an American energy friendly county by either applying to the Department of Revenue for such designation, or by submitting the question of whether to apply for the designation to a vote of registered voters in the county. If the county receives the designation, it essentially agrees to a model set of zoning and setback requirements or parameters. LES would like clarification on the definition of energy storage before determining a position on this bill.	Monitor and seek clarification of definitions
<a href="#">LB 526</a>	Revenue Committee Hearing February 12, 2025	(Jacobson, at the request of the Governor) Establishes an excise tax on cryptocurrency mining operations where these operations will be taxed at a rate of \$0.025 per kilowatt hour after the first 1,000 kilowatt hours in a calendar year. As introduced, the bill only applies to public power districts. LB 526 also provides that public power districts may require direct payment or a letter of credit from cryptocurrency mining operations for the cost of significant infrastructure upgrades required by such operations. Before requiring such direct payment or letter of credit, the public power district must conduct an independent grid impact study to determine the cost of required upgrades. LES has expressed concerns with this language as it is not clearly defined what this would entail. LES has also expressed concerns about identifying crypto mining customers and implementation of the tax as this may impact current, non-crypto mining customers. The excise tax does not apply to data processing centers, cloud computing, or any other industrial or commercial entities not engaged in cryptocurrency mining.	Oppose as introduced
<a href="#">LB 546</a>	Government, Military and Veterans Affairs Committee	(Rountree) Allows a political subdivision that supplies electricity, natural gas, water, or sewer service to request an emergency proclamation directly from the Governor that covers one or more counties for a disaster, emergency, or civil defense emergency without having to first request a proclamation from a county or local government entity. This was introduced on behalf of OPPD. It does not impact LES as the LES service area is located in a single county. LES will monitor the bill.	Monitor



## 2025 NEW LEGISLATION IMPACTING LES

LEGISLATIVE BILL	STATUS OF LEGISLATION	SUMMARY OF LEGISLATION	LES POSITION
<a href="#">LB 565</a>	Government, Military and Veterans Affairs Committee <b>Hearing February 12, 2025</b>	(Quick) LB 565 provides change requirements for guidance documents from agencies which introduces restrictions so guidance documents can not be issued between July 1, 2025, through July 1, 2027, unless specifically requirement by federal rules and regulations and revokes guidance documents from July 1, 2022, through July 1, 2025. It also adds restrictions so guidance documents cannot impose greater regulation than federal requirements. LES is monitoring this bill as it may impact guidance documents implemented by the Nebraska Power Review Board.	Monitor
<a href="#">LB 590</a>	Natural Resources Committee <b>Hearing February 12, 2025</b>	(Moser) Allows for the Department of Transportation to establish and operate a mitigation bank or an in-lieu fee program to provide compensatory mitigation for the incidental take of threatened or endangered species and such species' habitat arising out of permitted activities. LES will monitor this bill for its potential application related to LES compliance with the Migratory Bird Treaty Act and other environmental laws.	Monitor
<a href="#">LB 644</a>	Government, Military and Veterans Affairs Committee <b>Hearing February 19, 2025</b>	(Bostar, at the request of the Governor) Adopts the Foreign Adversary and Terrorist Agent Registration Act and the Crush Transnational Repression in Nebraska Act, but also amends the Foreign Adversary Contracting Prohibition Act (FACPA) passed in 2024. The bill amends the FACPA to include unmanned aircraft (drones) in the definition of 'technology-related product or service' that cannot be procured from a foreign adversary. It grandfathers unmanned aircraft procured prior to July 1, 2026, but seems to potentially prohibit procurement of unmanned aircraft on or after July 1, 2028. The statute includes an exemption for electric suppliers in compliance with federal critical infrastructure protection requirements.	Monitor/Confer with the City
<a href="#">LB 660</a>	Government, Military and Veterans Affairs Committee <b>Hearing February 19, 2025</b>	(Andersen, Bosn, Holdcroft, Sanders, Sorrentino, Storer) Adopts the Drone Purchasing Act to regulate the purchase of drones. Starting January 1, 2027, political subdivisions are prohibited from purchasing or acquiring drones not cleared by the Division of Aeronautics of the Department of Transportation. This division will create and "regularly" maintain and document known as the List of Secure Drones Authorized for Purchase which contains the names of devices and vendors of drones and unmanned aerial systems that are "(a) cleared by the United States Department of Defense through its Blue UAS program; (b) Determined to be compliant with the requirements of the National Defense Authorization Act for Fiscal Year 2024, Public Law 118-31; (c) Determined by the division to be designed, maintained, modified, or operated in such a manner that they are incapable, under normal operating conditions, of transmitting data to unauthorized persons or entities; or (d) otherwise determined by the division to present no threat to the security of the State of Nebraska. Political subdivision must purchase or acquire only drones cleared by the division "to the extent practical,".	Monitor/Seek clarification on restrictions



## **Exhibit VII**

# 2024 Interruption/Outage Report

Garrett Klein, P.E.

Supervisor, Asset Management & Planning  
Engineering

February 21, 2025



*AI Image generated using Microsoft CoPilot*

# Reliability Statistics Indices

- SAIDI – System Average Interruption Duration Index
  - LES Goal: < 30 minutes (normal day)
- CAIDI – Customer Average Interruption Duration Index
  - LES Goal: < 60 minutes (normal day)
- ASAI – Average Service Availability Index

# Outage Statistics

		2020	2021	2022	2023	2024	5 Year Average
Number of Major Event Days		4	2	1	0	5	2.4
ASAI (%)	ND	99.9959	99.9967	99.9974	99.9964	99.9963	99.9965
SAIDI (Minutes) (LES ND Goal <30)	AD	58.1	41.2	16.5	19.1	187.1	64.4
	ND	21.6	17.1	13.8	19.1	19.3	18.2
CAIDI (Minutes) (LES ND Goal <60)	AD	96.7	68.9	76.1	63.9	269.1	114.9
	ND	60.0	65.8	74.5	63.9	64.0	65.6

AD – All Days (including Major Event Days)

ND – Normal Days (excluding Major Event Days)

# Major Event Day (MED) definition (IEEE 1366)

- “a catastrophic event which exceeds reasonable design or operational limits of the electric power system and during which at least 10% of the customers within an operating area experience a sustained interruption during a 24-hour period”

# 2024 Summary

Total number of customers: 151,839

## Distribution Outages

Category	Total Inter	Sustain Inter	Inst Inter	Cust-Min
Y-T-D (ND)	614	565	76	2,935,319
Y-T-D	974	909	128	28,410,149

## System Indexes

Category	ASAI (%)	SAIDI (min)	CAIDI (min)	SAIFI (total)	MAIFI (total)	# of Major Event Days
Y-T-D (ND)	99.99633	19.3	64.0	0.30	0.52	0
Y-T-D	99.96450	187.1	269.1	0.70	0.83	5

### MOMENTARY OUTAGE IDENTIFICATION:

The delineation between a momentary and a sustained outage is defined at LES by the 5 minute mark. Those incidents less than 5 minutes in duration are momentary, and those greater than or equal to 5 minutes are sustained.

### OTHER CRITERIA

Reporting is done on all incidents, including single customer outages. Customer related problems, including credit cuts, are not. Also to note, planned outages that take place during switching are excluded, but unplanned outages during switching are not.

### Definitions:

ND = Normal Day (No Major Events)

ASAI = The efficiency of The distribution system in percent

SAIDI = The outage time in minutes if all customers were off at the same time, based on number of customers

CAIDI = The weighted average outage time that a customer will have if the customer experiences an outage, based on number of customers

SAIFI = The average number of sustained outages a customer will experience, based on number of customers

MAIFI = The average number of blinks a customer will experience, based on number of customers

	SAIDI	SAIDI (ND)	CAIDI	CAIDI (ND)
2020	58.1	21.6	96.7	60.0
2021	41.2	17.1	68.9	65.8
2022	16.5	13.8	76.1	74.5
2023	19.1	19.1	63.9	63.9
2024	187.1	19.3	269.1	64.0
5-Year Average	64.4	18.2	114.9	65.6

### MAJOR EVENT DAY (MED) EXCLUSION:

The threshold for any single day to be classified as a MED for the current calendar year is **1.810 SAIDI minutes**. The details on subsequent sheets exclude MEDs; those reports would be appended to the monthly report in which they occurred.

### MEDs FOR LAST 12 MONTHS:

Date	SAIDI	CAIDI	Description
4/6/2024	4.60	93.8	Strong Winds/Lightning
5/24/2024	4.40	131.2	Strong Winds/Thunderstorm
7/2/2024	7.10	178.9	Thunderstorm/Lightning
7/31/2024	146.8	573.6	Extreme Winds/Thunderstorm
8/1/2024	6.12	332.8	Extreme Winds/Thunderstorm

# SAIDI and Major Event Day History

## MAJOR EVENT DAY (MED) EXCLUSION:

The threshold for any single day to be classified as a MED for the current calendar year is **1.810 SAIDI minutes**. The details on subsequent sheets exclude MEDs; those reports would be appended to the monthly report in which they occurred.

## MEDs FOR LAST 12 MONTHS:

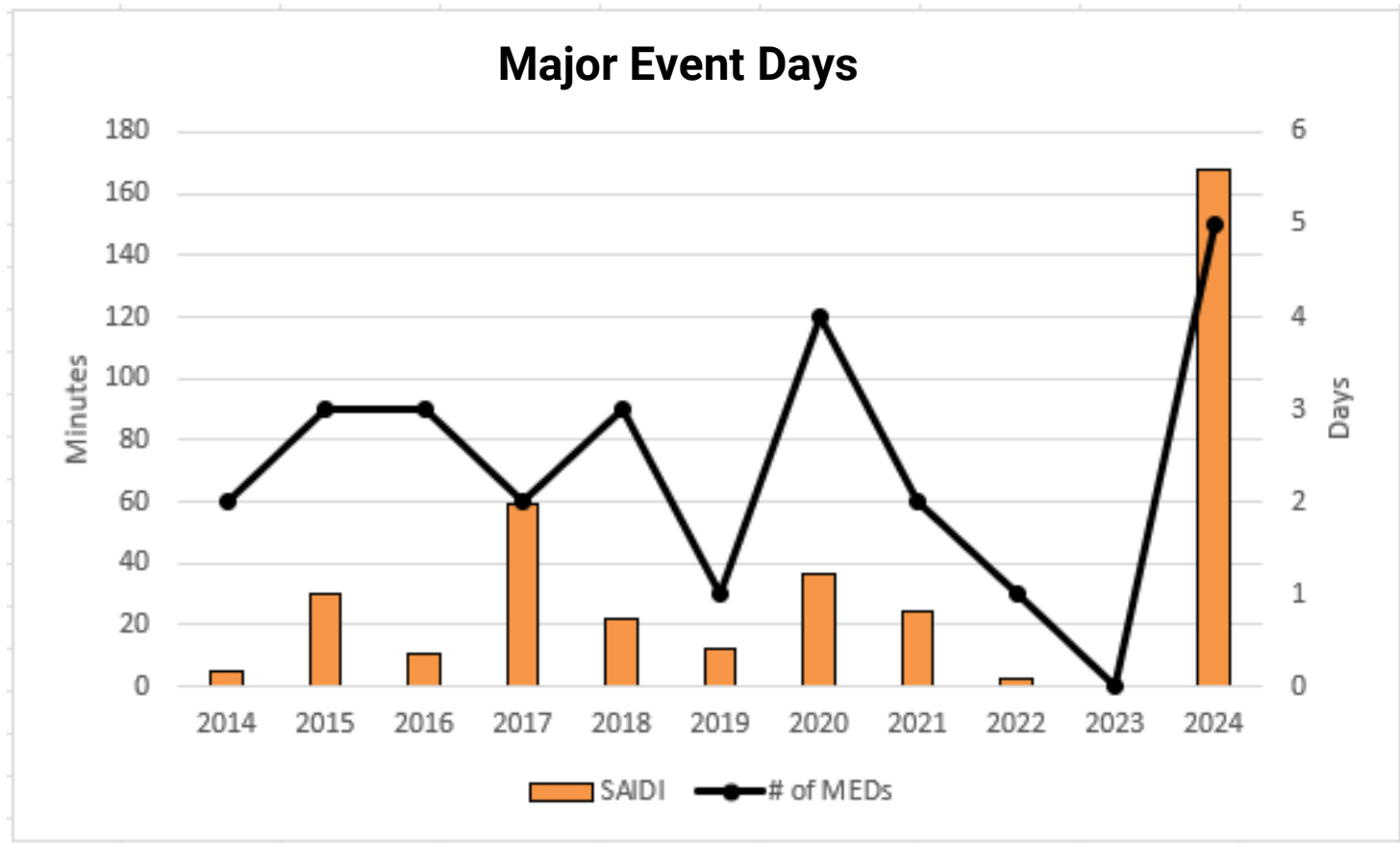
Date	SAIDI	CAIDI	Description
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8/1/2024	6.12	332.8	Extreme Winds/Thunderstorm

Major Event Threshold  $TMED = e^{(\alpha + 2.5 * \beta)}$

$\alpha = [\ln(\text{SAIDI}/\text{day})] \# \text{ days} = \text{average of natural logs of daily SAIDI}$

$\beta = SD[\ln(\text{SAIDI}/\text{day})] = \text{standard deviation of the natural logs of daily SAIDI.}$

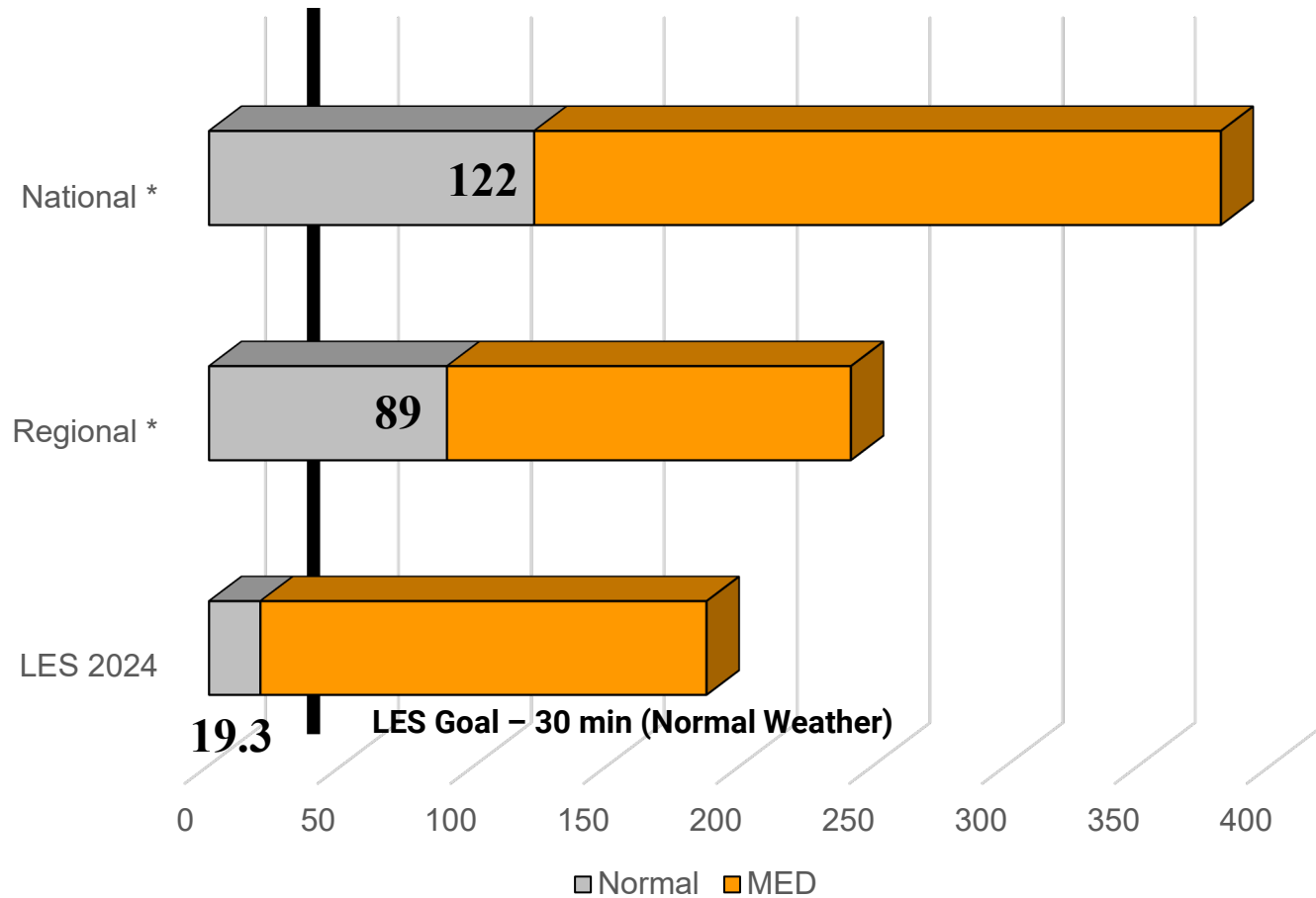
# SAIDI and Major Event Day History





# SAIDI

(average outage time per customer)

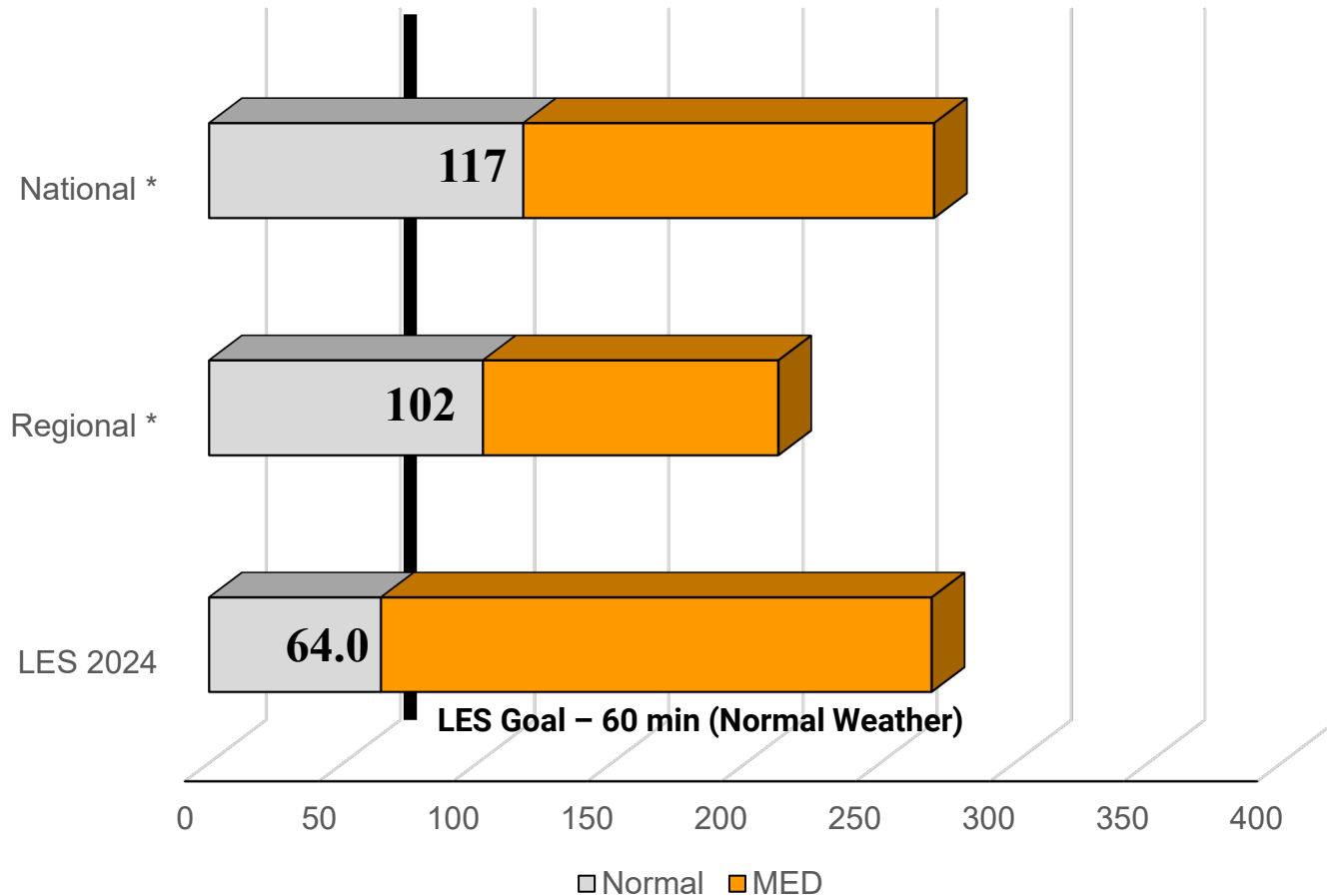


Source: U.S. Energy Information Administration, Electric power sales, revenue, and energy efficiency Form EIA-861 detailed data files

\* Rolling 5-year average of available data (2019-2023)



































# CAIDI

(average restoration time)



**Source:** U.S. Energy Information Administration, Electric power sales, revenue, and energy efficiency Form EIA-861 detailed data files  
\* Rolling 5-year average of available data (2019-2023)

# Outage Prevention Alignment

Cause Category	Total Outages	Customer Minutes	Annual SAIDI Contribution (min)	Prevention Program / Strategy
Trees	121	513,817	3.38	  
Wind 32x 2023 minutes	14	384,504	2.53	   
12kV UG Primary Cable/Splice Failure	36	355,678	2.34	  
Sub Problem	5	350,884	2.31	
Squirrels Out of top 3 😊	66	329,864	2.17	    
Overhead Problem	107	238,831	1.57	   
Vehicle Accident	15	202,468	1.33	
12kV UG Primary Cable Cut	12	179,495	1.18	
Birds & Other Creatures	25	147,300	0.97	    
Lightning	36	104,435	0.69	     
Miscellaneous Errors	74	86,984	0.57	
Underground Problems	103	41,060	0.27	  



Vegetation Management



CRP



Feeder Hardening



ODAM



PUP



UDAM

# Proactive Efforts to Improve Our System

## Distribution Outage Analysis Team (DOAT)

- Cross Functional Team of LES' SME's
- Investigates common cause of component failures or outages

## Vegetation Management



- Strive for a four-year cycle
- \$4.1M in 2024, \$5.2M in 2025

## Cable Replacement Program (CRP)



- Replaces aged 12kV underground primary cable
- \$2.3M in 2024, \$3.5M in 2025

## Arterial Feeder Hardening



- Converts existing overhead feeder to underground
- \$2.0M in 2024, \$2.2M in 2025



# Proactive Efforts to Improve Our System

## Overhead Distribution Asset Management Program (ODAM)

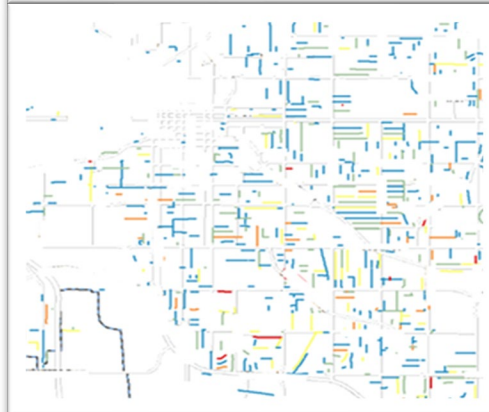
- Inspects wood poles and attachments, treats, fixes, replaces
- \$2.5M in 2024, \$4.9M in 2025

## Precision Undergrounding Program (PUP)

- Identifies overhead line segments that have accumulated the most incident duration minutes and converts attached LES facilities to underground
- \$235K in 2024, total \$600K in 2025-2026

## Underground Distribution Asset Management Program (UDAM)

- Exterior & Interior inspection of 12kV pad-mounted equipment
- Combination of LES Teammates and External Staff
- \$300K in 2025 (first contracted year)





# Questions?



Project Favorability										
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Weighted Total	Project Cost Value Ranking (0-5) (5 high, 0 low)	Average Annual Impact of Sustained Incidents Ranking (0-5) (5 high, 0 low)	Target Line High Risk Ranking (-5 to 5) (5 high, -5 low)	Target Line Vegetation Density (1-5) (5 high, 1 low)	Quantity of Service Conversions (1-5) (5 low, 1 high)	Quantity of Above Grade Equipment Easements (1-5) (5 low, 1 high)	Quantity Easement Needed (1-5) (5 low, 1 high)	Loop Complexity (1-5) (5 none, 1 extreme)	Design Difficulty (1-5) (5 low, 1 high)	Equity Consideration (% below poverty in area, % minority) (0-5) (5 high, 0 low)
69	LOW	LOW	TOP	MEDIUM-HIGH	MEDIUM-HIGH	MEDIUM-HIGH	MEDIUM-LOW	MEDIUM-LOW	MEDIUM	NONE
52	LOW	MEDIUM-LOW	MIDDLE	MEDIUM	HIGH	HIGH	MEDIUM	MEDIUM-HIGH	HIGH	MEDIUM-LOW
72	LOW	LOW	BOTTOM	HIGH	MEDIUM-LOW	MEDIUM	MEDIUM-LOW	MEDIUM-LOW	LOW	NONE
82	MEDIUM	MEDIUM-LOW	HIGH	HIGH	MEDIUM	HIGH	MEDIUM	MEDIUM-LOW	MEDIUM	NONE
21	VERY-LOW	LOW	BOTTOM	MEDIUM-LOW	HIGH	HIGH	MEDIUM-HIGH	MEDIUM	HIGH	LOW

# **Exhibit VIII**

# **New Generation Capacity**

## ***Google Contracts***

**Scott Benson**  
**Manager, Resource & Transmission Planning**

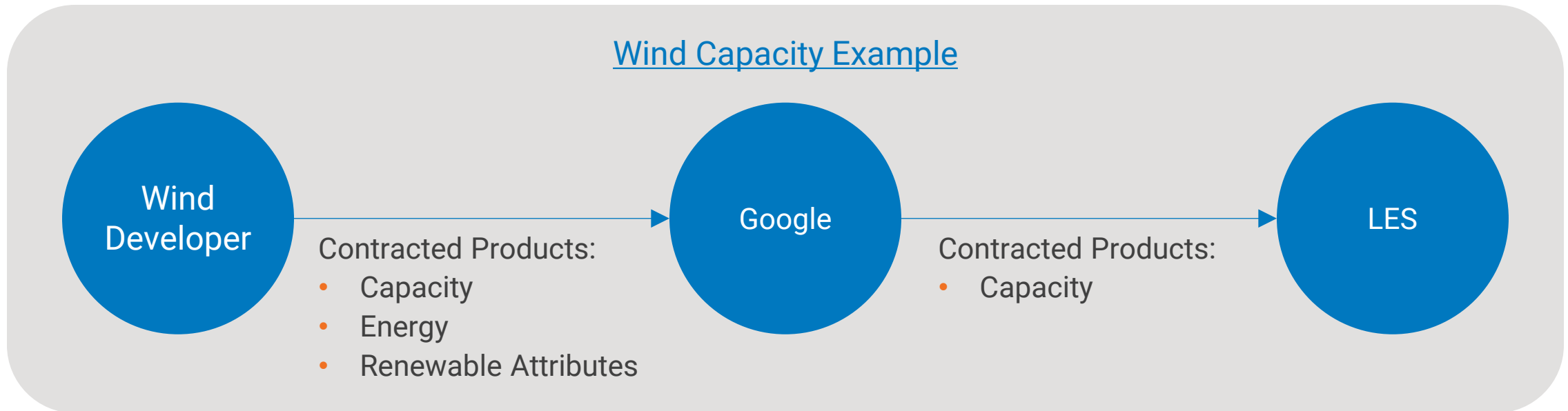
**February 21, 2025**



# Google Capacity Agreement

Google has a long history of entering into clean energy contracts to support their corporate goals. In 2024, Google and LES entered into an agreement to leverage these generation contracts to help support Lincoln's new Google datacenter.

Under this agreement, Google sells capacity to LES from existing generation contracts. LES then uses this capacity to help meet the SPP resource adequacy requirements associated with the datacenter load.



# Great Western Wind Project

## Nameplate Capacity

225 MW

## Contract Term

Nov 2025 – Dec 2031

## Original COD

2016

## Location

Woodward & Ellis County, OK



Source: <https://www.edf-re.com/project/great-western-wind/>



Lincoln Electric System

LES.com

# Bluestem Wind Project

## Nameplate Capacity

198 MW

## Contract Term

Nov 2025 – Dec 2031

## Original COD

2016

## Location

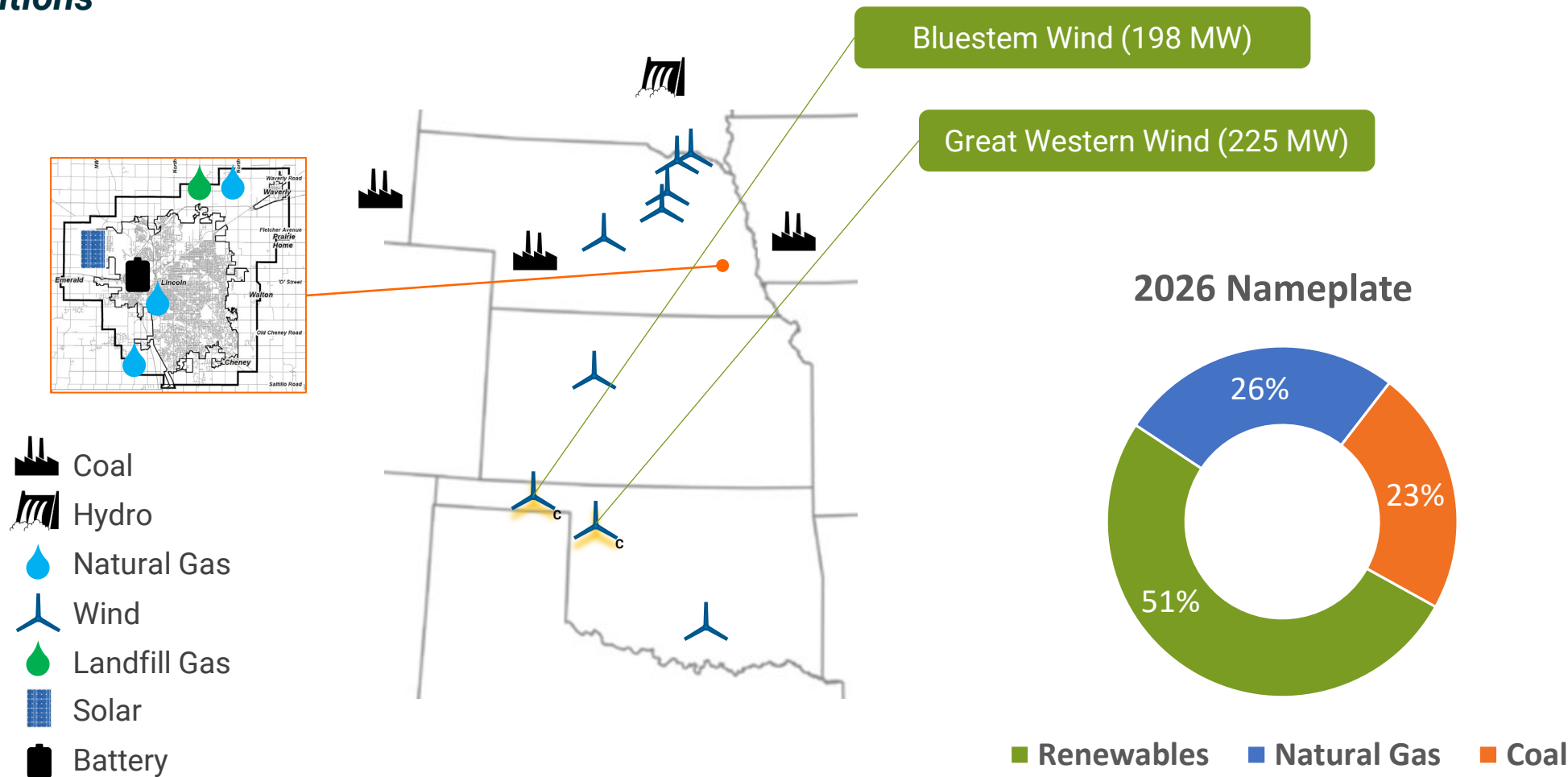
Beaver County, OK



Source: <https://www.constellationenergy.com/our-company/locations/location-sites/bluestem-wind-project.html>

# 2026 LES Resource Portfolio

## Google Additions



- LES either does not receive or is selling the Renewable Energy Certificates (RECs) associated with its applicable resources and the renewable attributes reside with the REC owner.
- C – Capacity-only resource