

**OPPD Board of Directors – All Committees Meeting**

**Tuesday, August 17, 2021**

**CLOSED SESSION – 8:30 AM – PUBLIC SESSION 10:00 A.M.**

*Public may attend by going to [www.oppd.com/CommitteeAgenda](http://www.oppd.com/CommitteeAgenda) to access the Webex meeting link and view instructions.*

<u>TOPIC</u>	<u>TYPE</u>	<u>PRESENTER</u>	<u>TIME*</u>
<b>1. Chair Opening Statement</b>		Bogner	<b>8:30 A.M.</b>
<b>2. Closed Session</b>			<b>8:40 A.M.</b>
Revision to Corporate Officer Performance Review & Compensation Adjustment – Juli Comstock	Action	Sedky	5 min
Appointment of Interim Chief Financial Officer	Action	Fernandez	10 min
Power with Purpose Update	Reporting	Fisher	30 min
<b>BREAK</b>			<b>9:40 A.M.</b>
<i>Open Webex Meeting to Allow Public to Join</i>			<b>9:45 A.M.</b>
<b>3. Public Session – Chair Opening Statement</b>		Bogner	<b>10:00 A.M.</b>
<b>4. Safety Briefing</b>		Fernandez	<b>10:05 A.M.</b>
<b>5. Governance Committee</b>			<b>10:10 A.M.</b>
Governance Chair Report (8/12/21)	Reporting	Moody	10 min
Revision to Corporate Officer Performance Review & Compensation Adjustment – Juli Comstock	Action	Sedky	5 min
Appointment of Interim Chief Financial Officer	Action	Fernandez	10 min
Best Places to Work for You Survey Results	Reporting	Sedky	45 min
<b>6. Finance Committee</b>			<b>11:20 A.M.</b>
Finance Chair Report (8/4/21)	Reporting	Yoder	5 min
Annual Report of the Interest Rate on Customer Security Deposits	Reporting	Thurber	5 min
Second Quarter Financial Report	Reporting	Thurber	15 min
Second Quarter Retirement Fund Report	Reporting	Thurber	5 min
Approval of New Retirement Fund International Equity Manager	Action	Thurber	10 min
Rate 483 Net Metering Limit Increase to 100 kW	Action	Thurber	5 min
<b>BREAK FOR LUNCH</b>			<b>12:05 P.M.</b>
<b>Finance Committee (continued)</b>			<b>12:35 P.M.</b>
Block Rate Update	Presentation	Thurber	60 min
<b>7. System Management &amp; Nuclear Oversight Cmte</b>			<b>1:35 P.M.</b>
SM&NO Chair Report	Reporting	Williams	5 min
SD-9: Resource Planning Monitoring Report	Action	Underwood	30 min
RFP 5895 – 161-13.8-13.8kV 56MVA Transformer	Action	Via	5 min
RFP 5896 – 161-13.8-13.8kV 75MVA Transformer	Action	Via	5 min
North Omaha Station Auxiliary Boiler – Engineer's Certificate to Negotiate	Action	Fisher	10 min
Nebraska City Unit 1 Air Heater Basket Materials – Engineer's Certificate	Action	Fisher	10 min

*[Continued next page]*

\* All times and duration are estimates. Please use the link below to find board agendas, materials and schedules. Board governance policies and contact information for the board and senior management team also can be found at [www.oppd.com/BoardMeetings](http://www.oppd.com/BoardMeetings).

<u>TOPIC</u>	<u>TYPE</u>	<u>PRESENTER</u>	<u>TIME*</u>
Cass County Unit 1 and Cass County Unit 2 Direct Air Injection – Engineer's Certificate to Negotiate Materials and Services	Action	Fisher	10 min
Nuclear Oversight Committee Report	Reporting	Fisher	10 min
<b>BREAK</b>			<b>3:00 P.M.</b>
<b>8. Public Information Committee</b>			<b>3:10 P.M.</b>
Public Information Chair Report (8/10/21)	Reporting	Mollhoff	10 min
<ul style="list-style-type: none"> <li>Customer Trends Update (<i>Due to time, will not be presented. Update will be posted on oppd.com.</i>)</li> </ul>			
Legislative and Regulatory Update	Reporting	Olson	20 min
<b>9. Other Business</b>			<b>3:40 P.M.</b>
Confirmation of Board Meeting Agenda	Action	Bogner	5 min
Review of Board Work Plan	Discussion	Bogner	5 min
Power with Purpose Update	Reporting	Fisher	30 min



## Pre-Committee Agenda

GOVERNANCE PRE-COMMITTEE MEETING  
WEBEX VIDEOCONFERENCE  
August 12, 2021 8:00 – 9:00 A.M.

1. COVID-19 Meeting Considerations (Focht/Bruckner – 10 min)
  - a. Objective: Understand meeting options for remainder of 2021 and develop recommendation for Board consideration
2. OPPD Redistricting – Amendment to OPPD’s Petition for Creation (Bruckner – 10 min)
  - a. Objective: Frame process and information requirements to make a well-informed and timely recommendation regarding OPPD redistricting (e.g. ratio of Board member to people represented)
3. Strategic Direction Policy (SD) Monitoring Report Approach Refinement (Yoder/Focht – 10 min)
  - a. Objective: Identify potential refinements to SD policy monitoring
4. 2021 Board Annual Governance Assessment (Focht – 10 min)
  - a. Objective: Finalize approach for Board discussion
5. 2021 Board Governance Workshop Update (Focht – 5 min)
  - a. Objective: Understand progress and next-steps
6. Appointment of Interim Chief Financial Officer (Fernandez – 10 min)
  - a. Objective: Confirm approach for Committee meeting
7. Confirmation of Board Work Plan – Governance Committee Items (2 min)
  - a. Objective: Committee members to review and confirm items on the Board Work Plan.
8. Summary of Committee Direction (2 min)
  - a. Objective: Senior management team liaison(s) to summarize direction provided by the committee



# Action Item

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Revision to Compensation Adjustment for Corporate Officer – Juli A. Comstock, Vice President – Customer Service

### PURPOSE

Approve the revision to the compensation adjustment for Juli A. Comstock, Vice President – Customer Service

### FACTS

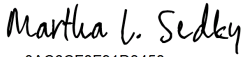
- a) Compensation adjustments for corporate officers are approved by the Board of Directors on an annual basis.
- b) On June 17, 2021, the Board approved compensation adjustments identified on Exhibit A, effective as of July 1, 2021 for:
  - 1. Juli A. Comstock, Vice President – Customer Service
  - 2. Lisa A. Olson, Vice President – Public Affairs
- c) The Present Salary for Vice President Juli A. Comstock was incorrect. The attached Exhibit A reflects the correct Present Salary and Proposed Salary for Juli A. Comstock.

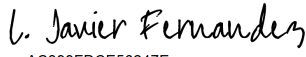
### ACTION

Board approval of the revised compensation adjustment for Vice President Juli A. Comstock, as shown on Exhibit A.

#### RECOMMENDED:

#### APPROVED FOR BOARD CONSIDERATION:

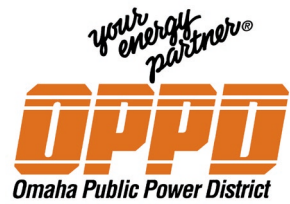
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 Martha L. Sedky  
 Vice President – Human Capital

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 L. Javier Fernandez  
 President and Chief Executive Officer

Attachments: Exhibit A  
Resolution

EXHIBIT A  
 OMAHA PUBLIC POWER DISTRICT  
 SALARY ACTION FOR CORPORATE OFFICER  
 EFFECTIVE JULY 1, 2021  
*[Revised August 19, 2021]*

	<u>Present Salary</u>	<u>Proposed Salary</u>	<u>% Change</u>	<u>% of Midpoint</u>	
Juli A. Comstock	<del>\$334,572</del> <u>\$347,955</u>	<del>\$349,628</del> <u>\$363,613</u>	4.5%	<del>88.5%</del> <u>92.1%</u>	(Merit)
	<del>\$349,628</del>	<del>\$363,613</del>	4.0%	92.1%	(Mkt Adj)
Lisa A. Olson	\$354,567	\$365,204	3.0%	102.3%	(Merit)



*Moody/Sedky*

**RESOLUTION NO. 6446 (Amended)**

**WHEREAS**, the Board of Directors of the Omaha Public Power District is required by law to establish the compensation of the District's Corporate Officers.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that the compensation adjustments for Vice Presidents Juli A. Comstock and Lisa A. Olson, as set forth on Exhibit A attached hereto, be and hereby are approved.



# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Appointment of Interim Chief Financial Officer

### PURPOSE

Provide for continuity of the role of Chief Financial Officer (CFO) and management of the Financial Services Business Unit during ongoing search for new CFO.

### FACTS

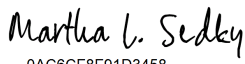
- a. L. Javier Fernandez has been appointed as the District's President & Chief Executive Officer. At present, Mr. Fernandez, who previously served as the District's CFO, is the only officer authorized to execute certain financial documents, including documents related to District financings.
- b. Management is pursuing a search for a new Vice President & CFO to replace Mr. Fernandez.
- c. During the search, Management believes an interim CFO is needed to manage this important role and the operations of the Financial Services business unit.
- d. It is recommended to the Board that John W. Thurber, currently Director – Treasury & Financial Operations, be appointed as the interim CFO. Upon successful completion of the Interim assignment, Mr. Thurber will receive a one-time lump-sum merit payment equivalent to 10% of his current base pay (\$24,920.10).

### ACTION

Appointment of John W. Thurber as an interim Vice President and the Chief Financial Officer of the District, to exercise all the necessary and lawful authority of that position until a new Vice President and Chief Financial Officer is appointed and commences employment.

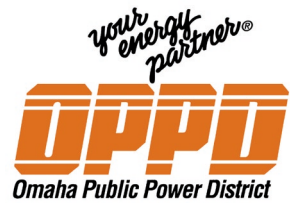
RECOMMENDED:

APPROVED FOR BOARD CONSIDERATION:

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 Martha L. Sedky  
 Vice President – Human Capital

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 L. Javier Fernandez  
 President & Chief Executive Officer

Attachment: Resolution



Moody/Sedky

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, L. Javier Fernandez was appointed by the Board of Directors as the District's President and Chief Executive Officer (CEO), effective as of July 1, 2021; and

**WHEREAS**, prior to being appointed CEO, Mr. Fernandez served as the District's Vice President and Chief Financial Officer (CFO), which position is vacant as the District searches for a new CFO; and

**WHEREAS**, Management believes an interim CFO is needed to serve as an officer authorized to execute certain financial documents, including documents related to District financings, and oversee the operations of the Financial Services business unit; and

**WHEREAS**, Management recommends that John W. Thurber, current Director – Treasury and Financial Operations, be appointed as the interim CFO.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Omaha Public Power District hereby appoints John W. Thurber as interim Chief Financial Officer of the District, effective as of July 23, 2021, to exercise all the necessary and lawful authority of that position until a new Vice President and Chief Financial Officer is appointed by the Board of Directors and commences employment.





# Reporting Item

August 17, 2021

## ITEM

Best Places to Work for YOU Survey Results

## PURPOSE

Quantum Workplace to provide an overview of the 2021 Best Places to Work for You survey results.


## FACTS

- a. The employee response rate was 86.0%.
- b. The overall engagement score for OPPD was 74.5% for 2021.
- c. The survey data is being shared across all team levels. Action plans for improving employee engagement are in development across the organization.
- d. Board Policy SD-8 establishes a goal to achieve top-quartile performance for employee engagement for similar sized companies. Our 2021 results put us at the top of the 2<sup>nd</sup> quartile; we did not achieve the SD-8 goal for this year.

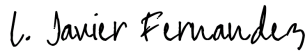
## ACTION

Reporting item.

RECOMMENDED:

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Martha L. Sedky  
Vice President – Human Capital

APPROVED FOR REPORTING TO BOARD:

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L. Javier Fernandez  
President and Chief Executive Officer

Attachment: 2021 Best Places to Work for You Engagement, Insights & Results



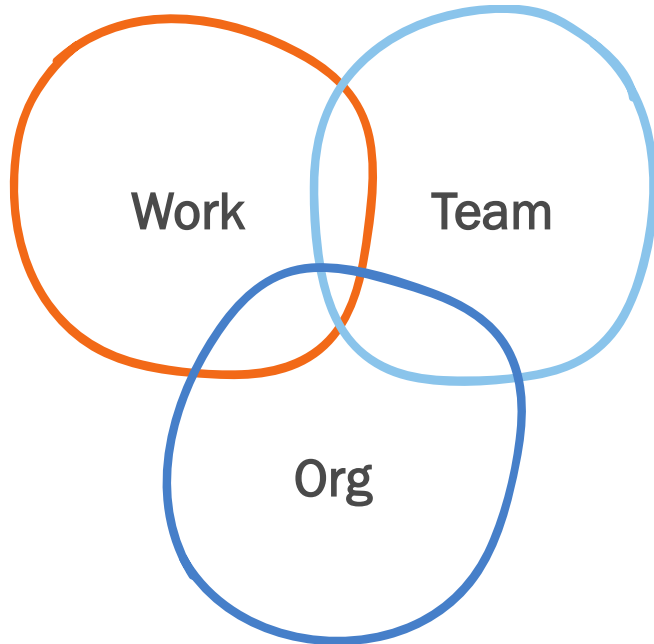
# 2021 – Best Places to Work for YOU

Engagement Insights & Results

Prepared by



# Engagement Defined



Employee engagement is the strength of mental and emotional connection employees feel toward the work they do, their teams, and the overall organization.

# Executive Summary

## > Overall Strengths:

- **Overall engagement (favorability) and participation remained stable** from 2020 to 2021. Many organizations saw a bump in engagement last year, however 2021 results have been lower.
- Areas related **to flexibility, well-being, and recognition continue to trend upwards**. These areas have become even more important as COVID-19 continues to impact communities, workplaces, and personal lives.
- **Employees indicate strong relationships with their immediate supervisor**. These relationships are important to continue increases in favorability and to drive actions for improvement

## > Key Opportunities for Improvement:

- Perceptions related **to Decision Making and Professional Growth/Development declined since 2020**.
- While work-life-balance perceptions have increased, we see comments indicating less connection to teams and peers - **employees have expressed a loss of connection with their teammates**.
- While overall favorability among different ethnic groups remains similar. **We do see differences in responses to specific DEI items**. Employees that are Black or Asian are significantly less likely than other groups to say that everyone is treated fairly at OPPD.

# Response Rate and Overall % Favorable Trends

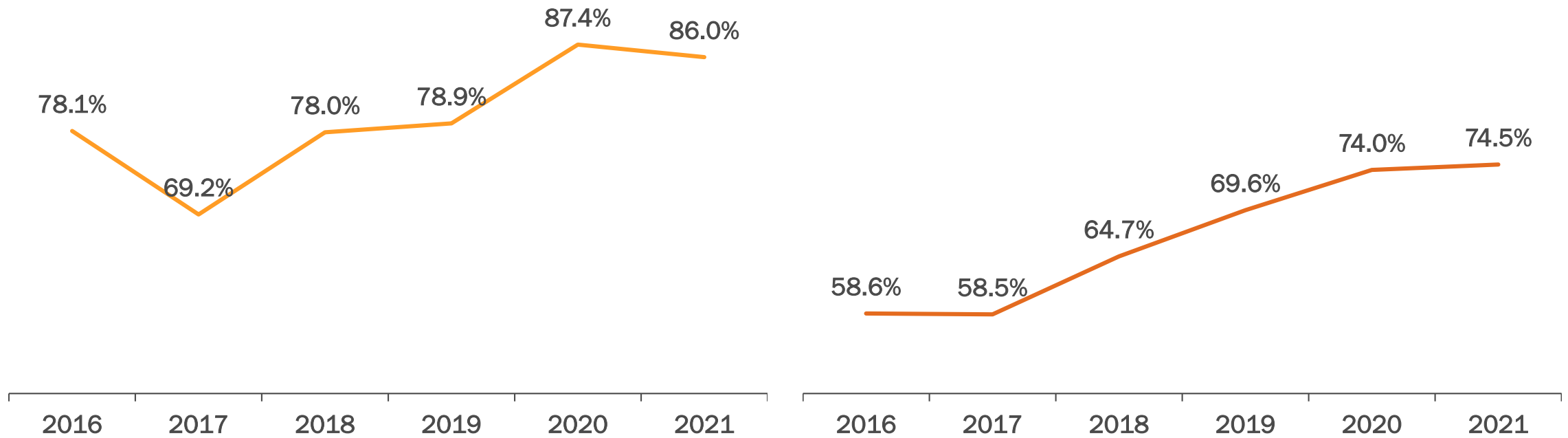
Both participation and overall engagement held relatively steady compared to 2020.

## Response Rate

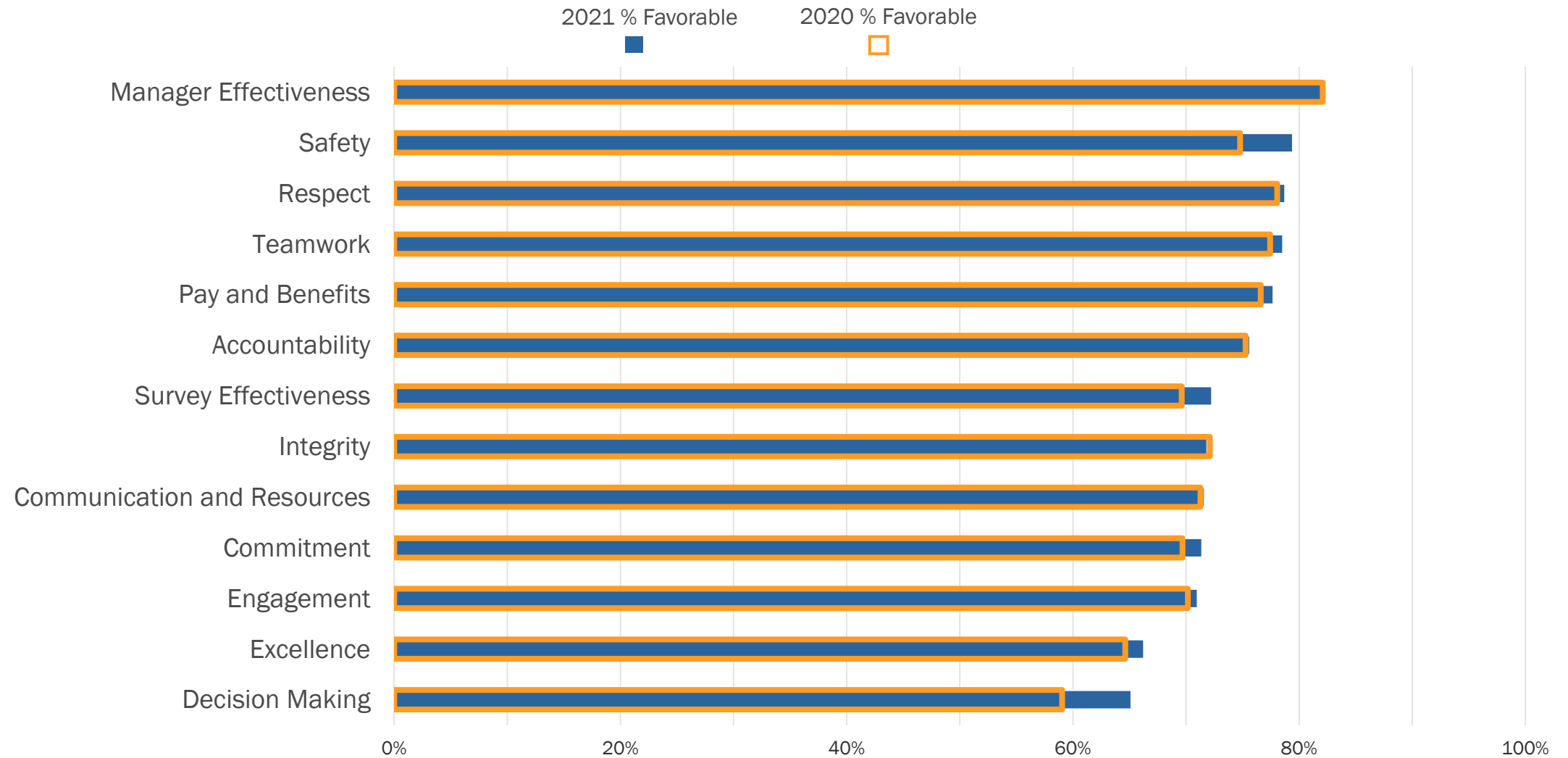
(n=1,581 of 1,838)

## Overall % Favorable

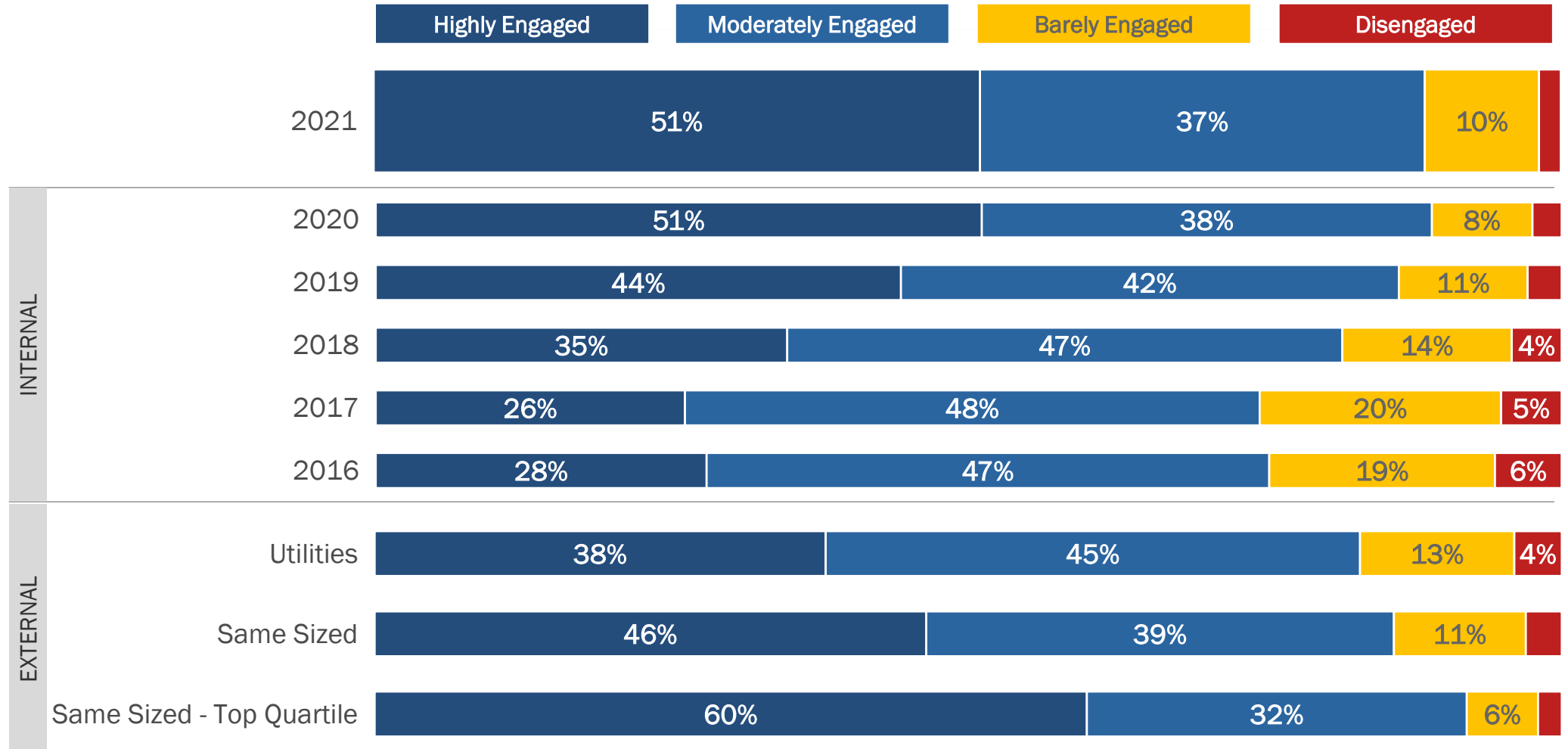
(% Agree / Strongly Agree)



# Favorability across all categories continued to increase in 2021 vs 2020



# The proportion of Highly Engaged individuals held steady - more than half are considered Highly Engaged!



# Engagement Outcomes

Item	2021 % Favorable	Δ 2020
I am always thinking about ways to do my job better.	94%	0.3%
My immediate coworkers consistently go the extra mile to achieve great results.	79%	-0.5%
I recommend OPPD as a great place to work.	75%	2.0%
It would take a lot to get me to leave OPPD.	74%	-0.7%



# Drivers of Engagement

Opportunity for improvement exists when considering decision making and employee development.

While we saw improvements in most drivers, many % favorable are still much lower than industry benchmarks (70%)

Theme	Item	2021 % Favorable	Δ 2020
<i>Employee Voice</i>	I am encouraged to find new ways of solving problems.	86%	0.1%
	Goals and accountabilities are clear to everyone in my immediate work group.	78%	1.5%
	Perspectives like mine are included in the decision making at OPPD.	58%	-1.0%
<i>Feeling Valued</i>	Our culture supports my health and wellbeing.	74%	1.9%
	The CEO/VP Team values people as their most important resource.	63%	2.6%
	If I contribute to OPPD's success, I know I will be recognized.	62%	4.5%
<i>Career Outlook</i>	I trust the actions and decisions of my Business Unit Leadership Team.	64%	NEW
	I understand OPPD's plans for future success.	61%	0.4%
	I know how I fit into the OPPD's future plans.	59%	1.7%
	I see professional advancement and career development opportunities for myself at OPPD.	54%	-2.6%

# 2021 Most and Least Favorable Items

	Item	% Favorable
<b>Most Favorable Items</b>	I am always thinking about ways to do my job better.	94%
	My immediate supervisor shared the results of the last survey with our team.	90%
	My immediate supervisor cares about me as a person.	90%
	My immediate supervisor fosters an inclusive work environment.	87%
	My immediate supervisor advocates for positive changes on behalf of our team/department.	87%
<b>Least Favorable Items</b>	I see professional advancement and career development opportunities for myself at OPPD.	54%
	I noticed positive change as a result of the last survey	54%
	Decisions are made at the appropriate level.	55%
	Perspectives like mine are included in the decision making at OPPD.	58%
	I know how I fit into the OPPD's future plans.	59%

# Top Items Trends: 2021 vs. 2020

Item	2021 % Favorable	Δ 2020
I feel comfortable challenging others, regardless of level, when I feel something is not in the best interest of our work. (Previously “People here are comfortable challenging each other, regardless of level, when they feel something is not correct.”)	74%	9.6% *
The OPPD Core Values guide me and the work I do everyday. (Previously “OPPD's Core Values make me feel inspired to do my job.”)	72%	7.2% *
I noticed positive change as a result of the last survey.	54%	5.1%
If I contribute to OPPD's success, I know I will be recognized.	62%	4.5%
My immediate work group responds well to changes in the workplace.	74%	3.6%
Decisions are made at the appropriate level.	55%	-4.7%
I see professional advancement and career development opportunities for myself at OPPD.	54%	-2.6%
I trust OPPD’s CEO/VP Team to set the right strategy to take us to the next level of success.	61%	-1.4%
The benefits here meet the needs of me and my family.	81%	-1.3%
Customer needs (internal or external) are a top priority at OPPD.	80%	-1.2%

\* Question transition from last year

# Top Focus Areas to increase overall Favorability for Top Quartile

Below are the areas the SMT and organizational leaders will focus efforts for the next year:

- 💡 **Decision Making:** Clarity around decision makers and the “why”
- 💡 **Career and Development:** Connecting people to the future
- 💡 **Work Life Integration:** Continue focus on to build strong teams in a virtual/hybrid environment
- 💡 **DEI:** Continue efforts to create an inclusive environment



## Pre-Committee Agenda

### FINANCE PRE-COMMITTEE MEETING VIDEOCONFERENCE August 4, 2021 2:00 – 3:30 PM

1. SD-2: Rates Policy Revision (Underwood – 20 min)
  - a. Objective: Committee members to discuss proposed revisions to policy with respect to monitoring affordability.
2. Block Rate Project Update (Underwood – 20 min)
  - a. Objective: Review action plan towards elimination of declining block rates for Rate 110, Rate 230 and other applicable rates.
3. Annual Report of the Interest Rate on Customer Security Deposits (Thurber – 5 min)
  - a. Objective: Review draft report.
4. Second Quarter 2021 Financial Report (Langford – 10 min)
  - a. Objective: Briefly present and answer questions on the report of OPPD's financial results for the quarter ended June 30, 2021.
5. Second Quarter 2021 Retirement Fund Report (Thurber – 5 min)
  - a. Objective: Answer questions on the report of OPPD's retirement fund results for the quarter ended June 30, 2021.
6. Approval of New Retirement Fund International Equity Manager (Thurber – 15 min)
  - a. Objective: Review recommendation and answer questions regarding selection of new manager for international equity fund.
7. Rate 483 Net Metering Limit Increase to 100 kW (Underwood – 5 min)
  - a. Objective: Review recommendation and answer questions regarding increasing the 25 kW aggregate system AC nameplate capacity limitation in Rider Schedule No. 483 from 25 kW AC to 100 kW AC.
8. Confirmation of Board Work Plan – Finance Committee Items (3 min)
  - a. Objective: Committee members to review and confirm items on the Board Work Plan.
9. Summary of Committee Direction (2 min)
  - a. Objective: Senior management team liaison(s) to gain alignment and summarize direction provided by the committee.



# Reporting Item

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Annual Report of the Interest Rate on the Customer Security Deposits

### PURPOSE

Review the formula for calculating the interest and report the current year's rate

### FACTS

- a. The District sets the interest rate to be paid on Customer Security Deposits on an annual basis. The current interest rate of 1.75% has been in effect since September 1, 2020.
- b. The interest rate is based on paying customers 90% of the one-year average earnings on these deposits rounded to the nearest quarter percent.
- c. Applying the most current actual earnings rate to the approved formula provides an interest rate of 0.66%.
- d. An annual interest rate of 0.75% will be applied to Customer Security Deposits beginning September 1, 2021.

### RECOMMENDED:

### APPROVED FOR REPORTING TO THE BOARD:

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*John W. Thurber*

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John W. Thurber  
Interim Chief Financial Officer  
Director – Treasury & Financial Operations

DocuSigned by:

*L. Javier Fernandez*

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L. Javier Fernandez  
President and Chief Executive Officer

JWT: zjw



# Reporting Item

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Second Quarter 2021 Financial Report

### PURPOSE

Report the quarterly financial results to the Board of Directors

### FACTS

- a. The second quarter 2021 financial results are attached for review.
- b. Retail Revenue for the second quarter 2021 was \$251.0 million, which was \$7.1 million over budget. Off-system Revenue was \$55.0 million, which was \$18.2 million over budget. Other Income was \$21.8 million, which was \$6.1 million over budget.
- c. Operations and Maintenance Expense (less Fuel and Purchased Power) for the second quarter 2021 was \$105.1 million, which was \$2.8 million over budget. Fuel and Purchased Power Expense was \$100.7 million, which was \$12.1 million over budget. Other Expense was \$96.4 million, which was \$0.8 million under budget.
- d. Operating Income for the second quarter 2021 was \$29.4 million, which was \$9.8 million over budget.
- e. Net Income for the second quarter 2021 was \$25.5 million, which was \$17.3 million over budget.

### ACTION

Reporting item.

### RECOMMENDED:

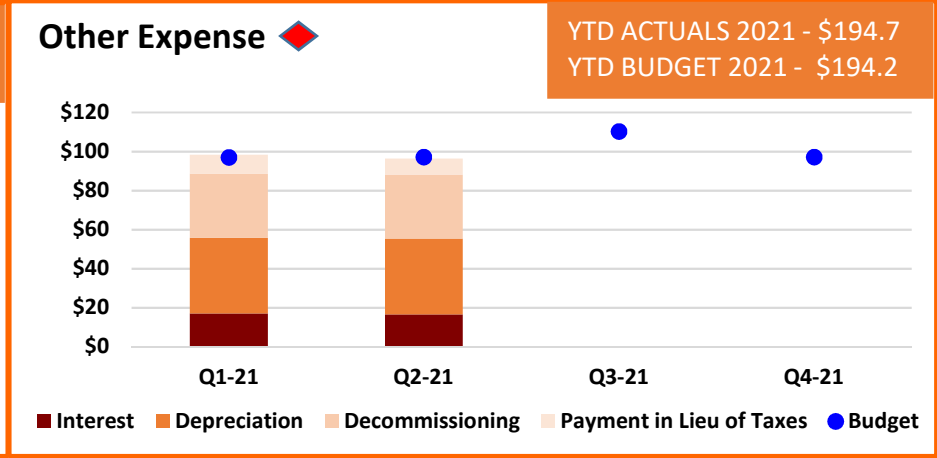
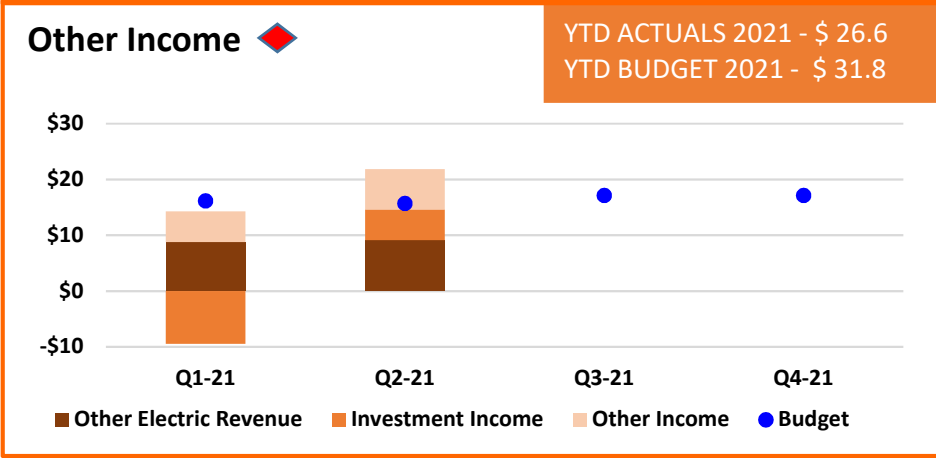
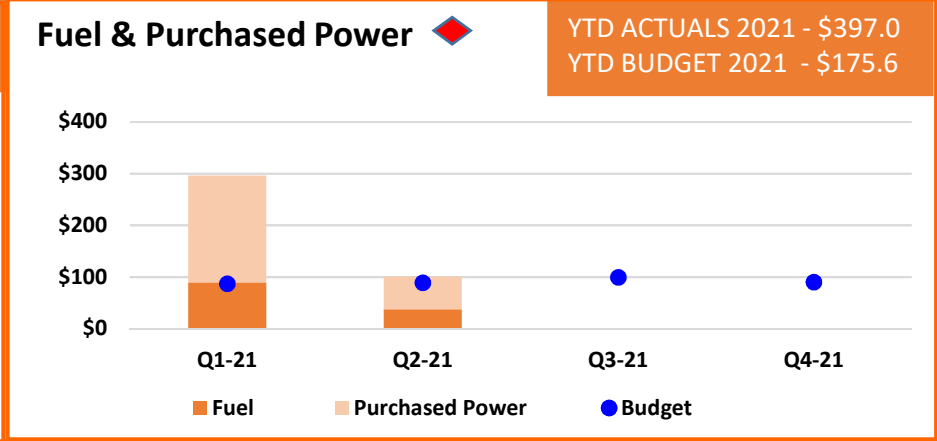
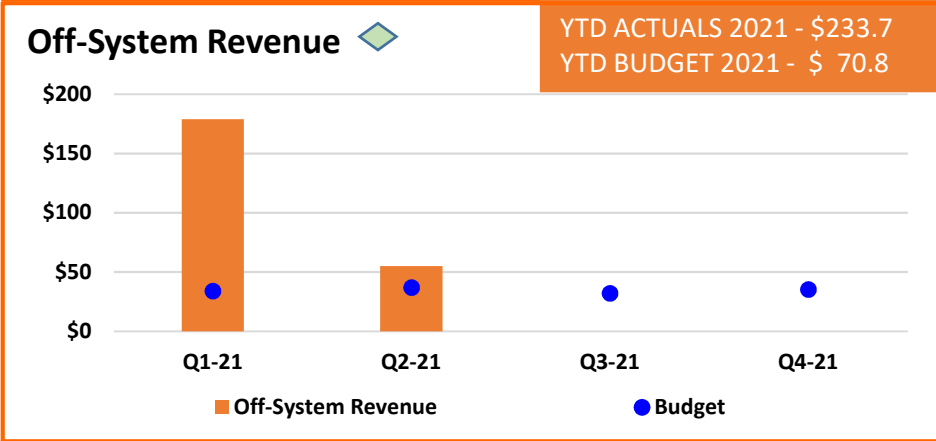
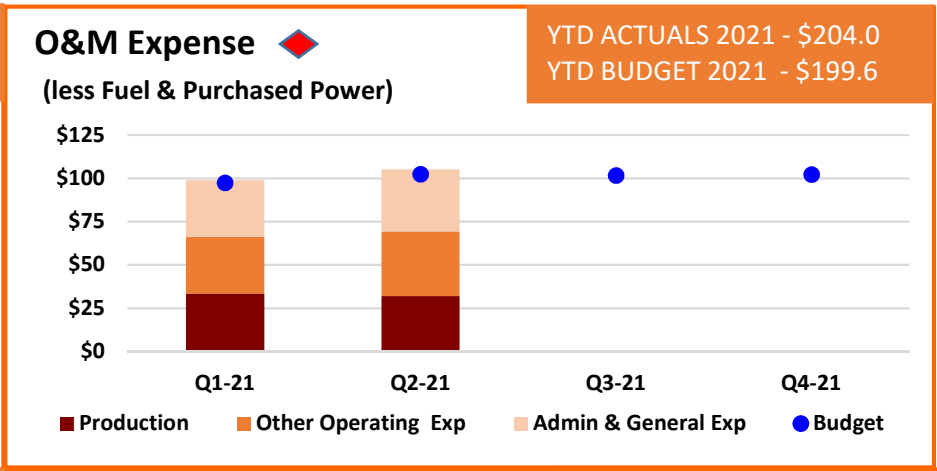
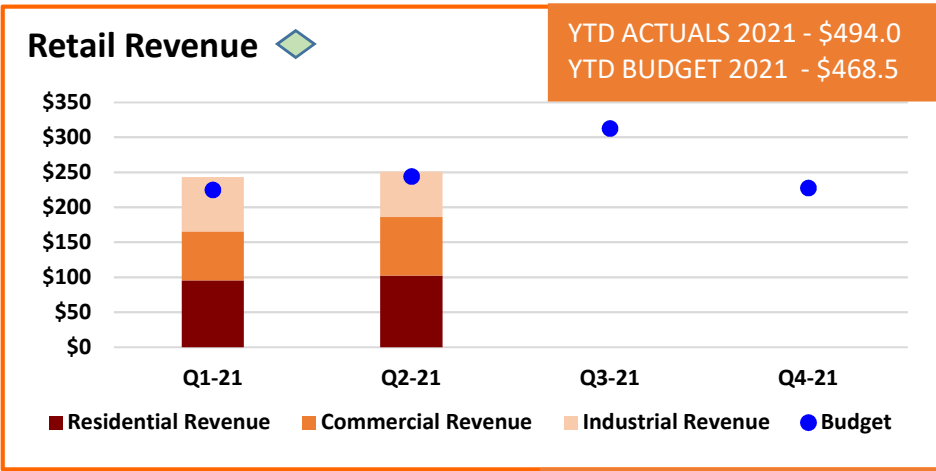
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Interim CFO – John W. Thurber  
Director of Treasury and Financial Operations

### APPROVED FOR REPORTING TO BOARD:

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L. Javier Fernandez  
President & CEO

Attachments: Quarterly Financial Report (Graphs)

# Q2 2021 Results (\$ Millions)



◆ - Favorable      ◆ - Unfavorable

Unaudited results.

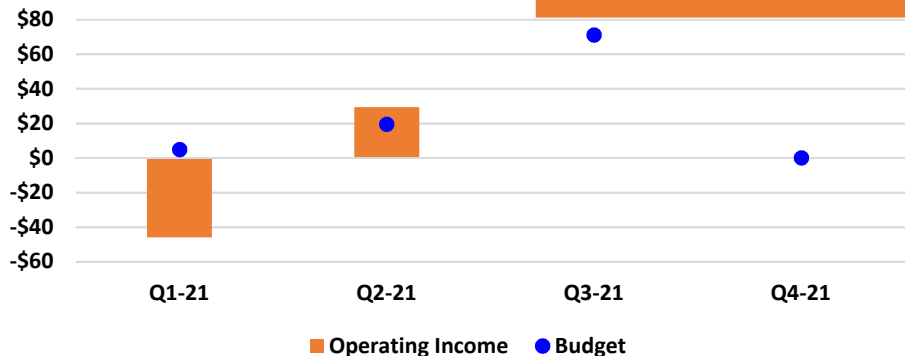


# Q2 2021 Results (\$ Millions)



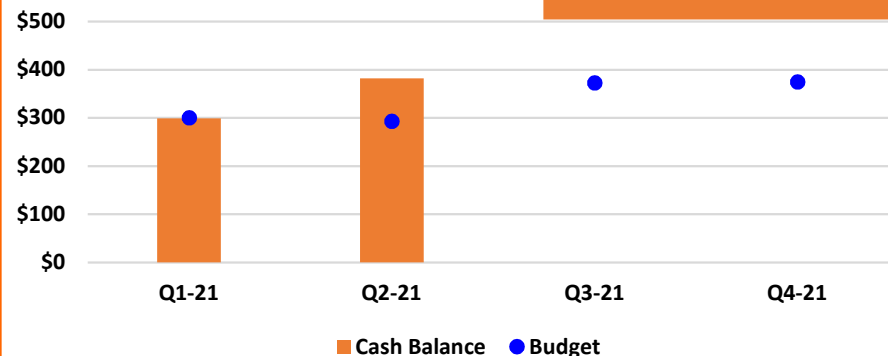
## Operating Income ◆

YTD ACTUALS 2021 - \$(16.5)  
YTD BUDGET 2021 - \$ 24.5



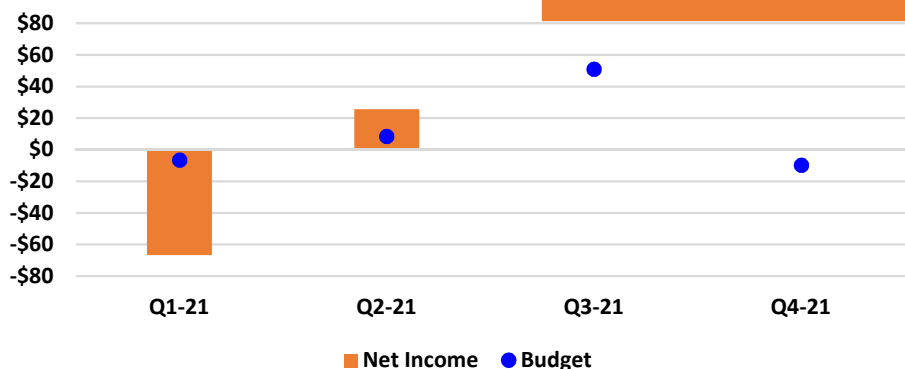
## Cash Balance ◇

YTD ACTUALS 2021 - \$381.6  
YTD BUDGET 2021 - \$293.1



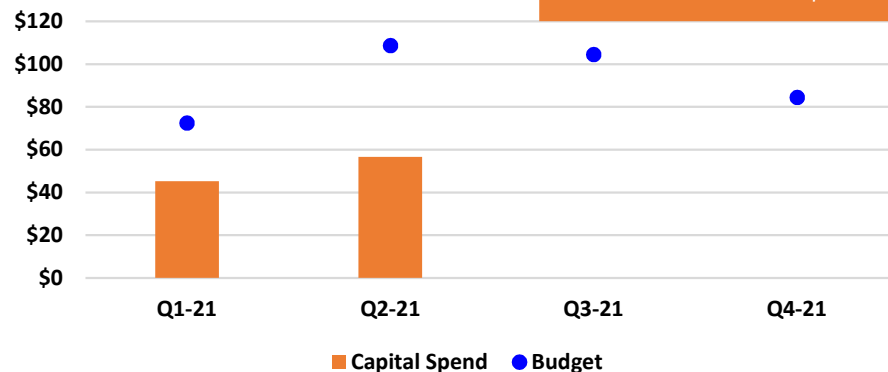
## Net Income ◆

YTD ACTUALS 2021 - \$(41.4)  
YTD BUDGET 2021 - \$ 1.6



## Capital Spend ◆

YTD ACTUALS 2021 - \$101.7  
YTD BUDGET 2021 - \$181.1



## SD Impact:

\* **SD-2 Rates** - The District is maintaining its commitment to no general rate increase through 2021. The 2020 average retail rate was 9.8% below the regional retail average rates, based on preliminary EIA data. The 2020 EIA data will be final in October 2021.

\* **SD-3 Access to Credit Markets** - The 12-month rolling debt service coverage ratio is 1.82 times through June 2021, and is forecasted at 2.0 times at year end. The District's days of cash on hand is 184 days as of June 30, 2021. The District will continue to monitor the financial impacts related to the COVID-19 pandemic, the February Polar Vortex weather event, and the recent July storm.

## HIGHLIGHTS:

\* Retail revenues were over budget year-to-date (YTD) by 5.4%, or \$25.5 million, primarily due to warmer weather in the second quarter and the Polar Vortex weather event in February. Off-system sales were over budget YTD by \$162.8 million, due to higher market prices during February's Polar Vortex weather event.

\* Fuel and purchased power expenses were over budget YTD by \$221.4 million, primarily due to higher prices and higher volumes, especially during February's Polar Vortex weather event.

\* Capital expenditures were under budget YTD by 43.8%, or \$79.4 million, due to delayed spending primarily on Power with Purpose projects. The Company expects spending to increase later in the year up to the budgeted amount.

\* Cash increased due to proceeds received from issuing commercial paper for prior capital expenditures and a transfer of the Decommissioning & Benefits Reserve to the Revenue Fund, which can support liquidity but is still earmarked for decommissioning and benefits needs.

◇ - Favorable

◆ - Unfavorable

Unaudited results.



## BOARD OF DIRECTORS

August 17, 2021

ITEM

Retirement Plan – Second Quarter 2021

PURPOSE

To Report the Retirement Plan Fund's Second Quarter 2021 Performance Results

FACTS

- a. The Retirement Plan Fund market value at the end of the second quarter was \$1.21 billion. This compares to the market value at the beginning of the quarter of \$1.17 billion. During the quarter, employee contributions were \$4.19 million and OPPD contributions totaled \$15.1 million. Benefit payments totaled \$26.29 million and the investment market value (net of expenses) increased by \$49.3 million.
- b. As of June 30, 2021, the Retirement Fund asset allocation was 56.5% Equity, 36.9% Fixed Income and 6.6% Alternative Assets, which is within the Investment Policy Guidelines approved by the Board.
- c. The Retirement Plan Fund sector performance (net of fees) was:

<u>Sector</u>	<u>Market Value</u>	<u>Quarterly Return</u>	<u>Index</u>
Domestic Equity	\$385,908,143	6.3%	6.9%
International Equity	\$297,147,585	5.0%	5.0%
Domestic Fixed Income	\$308,706,226	2.0%	2.1%
Global Fixed Income	\$139,397,106	2.3%	2.4%
Private Real Estate	\$79,403,208	3.4%	4.4%
<b>Total</b>	<b>\$1,210,562,268</b>	<b>4.2%</b>	<b>4.3%</b>

- d. Global markets all experienced gains. U.S. markets were strongest, followed by developed international and emerging markets. The Domestic Equity composite returned 6.9% with large cap outperforming small cap stocks and growth outperforming value in the large cap space. The International Equity composite returned 5.0% led by a reopening UK.

The Domestic Fixed Income composite returned 2.1% led by U.S. investment grade corporate bonds. The Global Fixed Income composite returned 2.4%. Central banks globally have implemented more stimulus measures as economic consequences of the pandemic linger. Interest rates remain low worldwide.

The Real Estate composite returned 4.4% with continued improvement across all sectors from the dislocation experienced in 2020.

RECOMMENDED:

APPROVED FOR REPORTING TO BOARD:

DocuSigned by:

BA3998CC33CC4D3...  
Interim CFO – John W. Thurber  
Director of Treasury and Financial Operations

DocuSigned by:

AC399FDCE56247E...  
L. Javier Fernandez  
President & CEO

JWT: jap

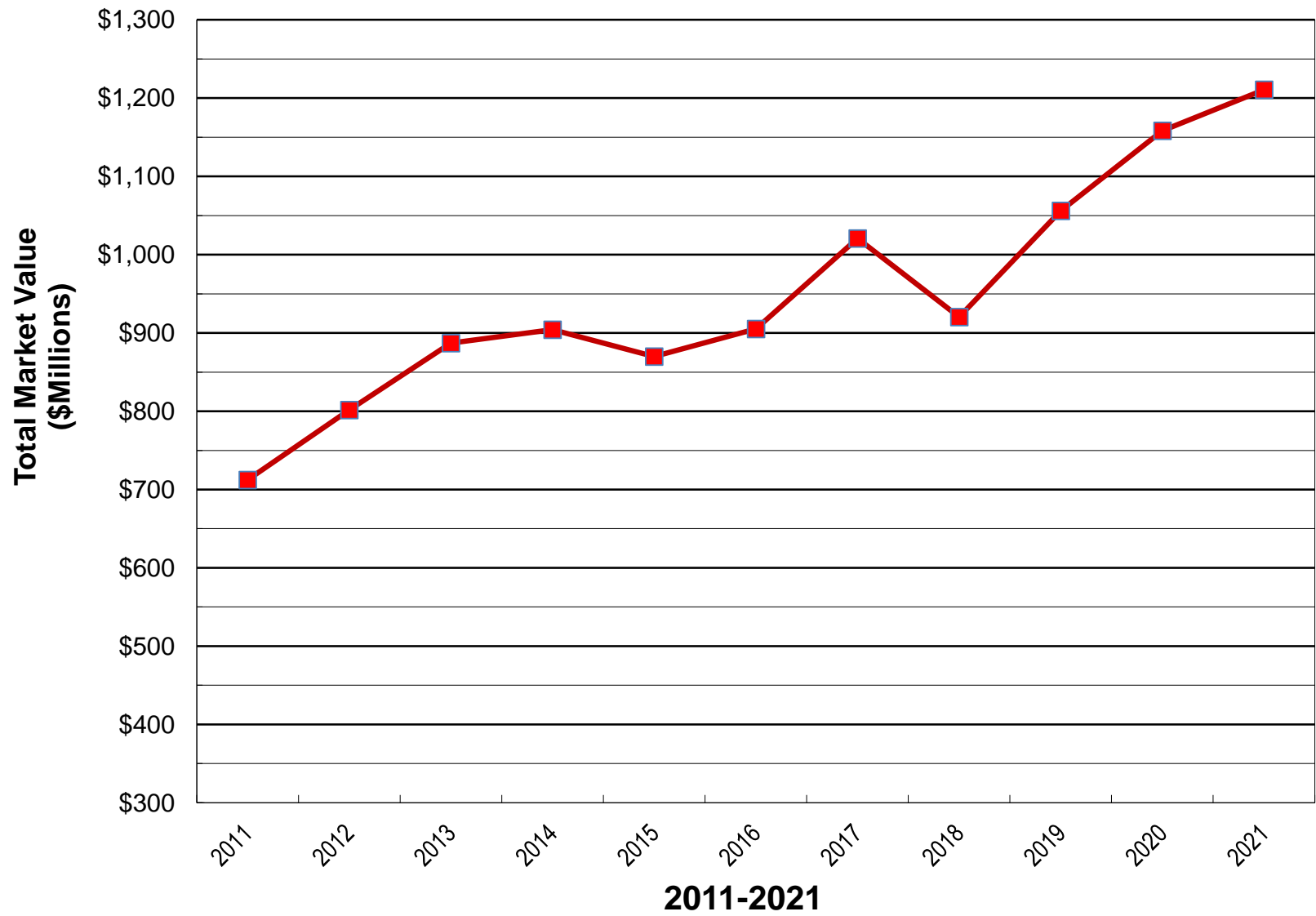
Attachments: Summary of OPPD Retirement Plan Assets  
OPPD Retirement Plan Total Assets – Annual Market Valuation Graph  
OPPD Retirement Plan Total Assets – Quarterly Market Valuation Graph

**SUMMARY OF OPPD RETIREMENT PLAN ASSETS  
AS OF JUNE 30, 2021**

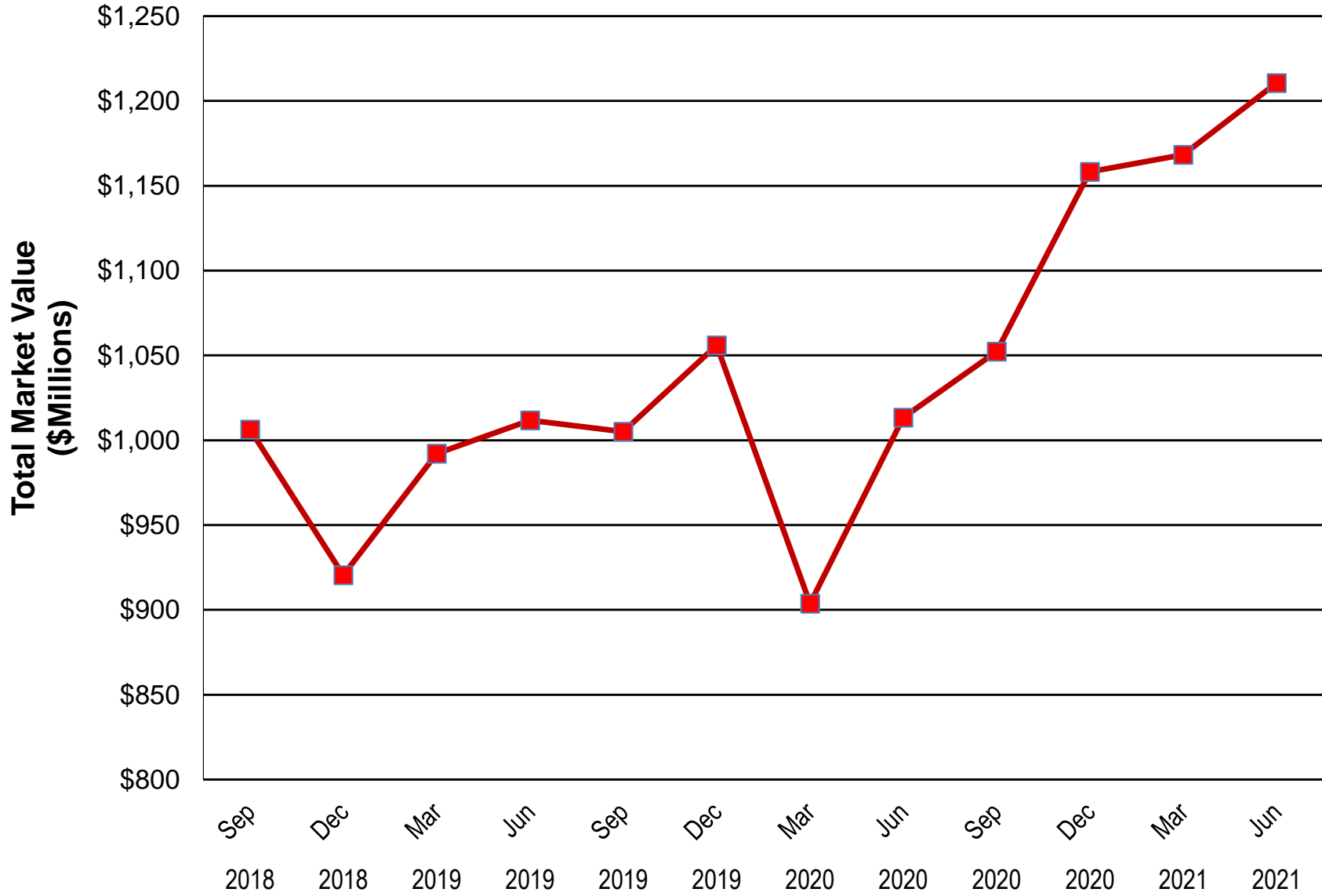
**Manager Valuations, Distributions and Returns**

	<u>FUND TYPE</u>	<u>TOTAL VALUATION</u>	<u>PERCENT OF FUND</u>	<u>NET OF FEES RETURNS</u>		<u>DIFFERENCE ABOVE/(BELOW) YTD INDEX</u>
				<u>QUARTERLY</u>	<u>YEAR-TO-DATE</u>	
<b><u>EQUITY MANAGERS:</u></b>						
<b>Domestic Large Capitalization</b>						
State Street Global Advisors Russell 1000	Index/Core Equity	227,474,892.61	18.8%	8.5%	14.9%	-0.1%
<b>Domestic Middle Capitalization</b>						
Wellington Management Company LLP	Core/Growth	86,039,492.78	7.1%	2.8%	8.0%	-9.6%
<b>Domestic Small Capitalization</b>						
LSV Asset Management	Small Capitalization Value	32,800,122.48	2.7%	4.3%	28.2%	1.5%
Voya Investment Management	Small Capitalization Growth	39,593,635.18	3.3%	3.3%	6.3%	-2.7%
<b>International</b>						
AQR Capital Management	Developed Markets	83,553,958.93	6.9%	2.4%	8.8%	-0.4%
Global Apha Fund	Small Cap. International	50,531,985.00	4.2%	7.6%	13.2%	4.2%
OppenheimerFunds, Inc.	Emerging Markets	75,315,785.35	6.2%	5.7%	6.6%	-1.0%
Wells Capital Management	Emerging Markets	87,745,855.33	7.2%	5.4%	7.3%	-0.1%
Subtotal Equity		<b>\$ 683,055,727.66</b>	<b>56.5%</b>			
<b><u>FIXED INCOME MANAGERS:</u></b>						
<b>Domestic Bonds</b>						
JP Morgan Investment Management	Investment Grade/Core	65,154,283.42	5.4%	1.9%	-1.1%	0.5%
Neuberger Berman Fixed Income LLC	High Yield	39,057,737.80	3.2%	2.6%	3.3%	-0.3%
Reams Asset Management Company	Investment Grade/Core	69,494,282.40	5.7%	1.7%	-2.0%	-0.4%
State Street Global Advisors - Bond Market Index	Investment Grade Index/Core	94,015,665.51	7.8%	1.8%	-1.6%	0.0%
State Street Global Advisors - TIPS Index	Investment Grade Index/TIPS	29,134,110.04	2.4%	3.2%	1.7%	0.0%
<b>International Bonds</b>						
Colchester Global Investors	Global	83,656,075.64	6.9%	1.1%	-5.0%	-1.8%
Stone Harbor Investment Partners L.P.	Emerging Markets	55,741,030.00	4.6%	4.2%	-0.8%	0.2%
<b>Cash</b>						
Trustee Cash Management Account	Cash & Cash Equivalents	11,850,147.01	1.0%			
Subtotal Fixed Income		<b>\$ 448,103,331.82</b>	<b>36.9%</b>			
<b><u>ALTERNATIVE ASSETS MANAGERS</u></b>						
Harrison Street Real Estate Capital	Private Real Estate	40,249,412.01	3.3%	3.0%	4.7%	-2.0%
PGIM Real Estate	Private Real Estate	39,153,795.73	3.2%	3.7%	5.7%	-1.0%
Subtotal Alternative Assets		<b>\$ 79,403,207.74</b>	<b>6.6%</b>			
<b>TOTAL</b>		<b>\$ 1,210,562,267.22</b>	<b>100.0%</b>	4.2%	5.8%	-0.5%
<b><u>Asset Allocation</u></b>						
<b>EQUITY ALLOCATION</b>		<b>\$ 683,055,727.66</b>	<b>56.5%</b>			
<b>FIXED INCOME ALLOCATION</b>		<b>\$ 448,103,331.82</b>	<b>36.9%</b>			
<b>ALTERNATIVE ASSETS ALLOCATION</b>		<b>\$ 79,403,207.74</b>	<b>6.6%</b>			
		<b>\$ 1,210,562,267.22</b>	<b>100.0%</b>			

**OPPD Retirement Plan Total Plan Assets - Annual Market Valuation (2011 to Current Quarter)**



# OPPD Retirement Plan Total Plan Assets - Quarterly Market Valuation Prior 3 Years



2018-Current Quarter



**BOARD OF DIRECTORS**

# Board Action

August 17, 2021

ITEM

Retirement Plan – Appointment of Investment Manager

PURPOSE

Approve the appointment of an Investment Manager for the OPPD Retirement Plan

FACTS

- a. In March 2020, Retirement Fund investment manager, AQR, was placed on “watch” and have failed to meet the retention criteria of ranking in the top 40% of MSCI EAFE index managers and exceeding the MSCI EAFE index net of fees. Due to the failure to meet the retention criteria, the Trust Selection Committee (TSC), assisted by Segal Marco Advisors, initiated a search for a new international large capitalization equity manager to replace AQR using criteria established by the Board of Directors (Board).
- b. The TSC reviewed the three leading candidates and held interviews with Arrowstreet Capital, MFS Investment Management, and Wellington Management, which are all headquartered in Boston, Massachusetts.
- c. After the interviews, MFS Investment Management was selected for recommendation to the Board. MFS Investment Management exceeds all of the Policy consideration criteria for an investment manager, and their performance ranks competitively in the international large capitalization equity universe.
- d. The TSC recommends that the Board appoint MFS Investment Management as an international large capitalization equity manager for OPPD’s Retirement Plan.
- e. Attached is a letter from Segal Marco Advisors outlining the manager search process and concurring with the TSC’s recommendation in the selection of MFS Investment Management as an OPPD Retirement Plan investment manager.

ACTION

Board’s consideration of a resolution appointing MFS Investment Management as an investment manager for OPPD’s Retirement Plan.

**RECOMMENDED:**

DocuSigned by:  
  
 BA3998CC33CC4D3  
 John W. Thurber  
 Director – Treasury & Financial Operations  
 Interim Chief Financial Officer

**APPROVED FOR BOARD CONSIDERATION:**

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

JWT: jap

Attachments: Segal Marco Advisors Letter  
Resolution

July 26, 2021

Omaha Public Power District Board of Directors  
Omaha Public Power District  
444 South 16<sup>th</sup> Street  
Omaha, Nebraska 68102

**Subject: Research Process for OPPD's Actively Managed International Large-Cap Core Equity Manager Search.**

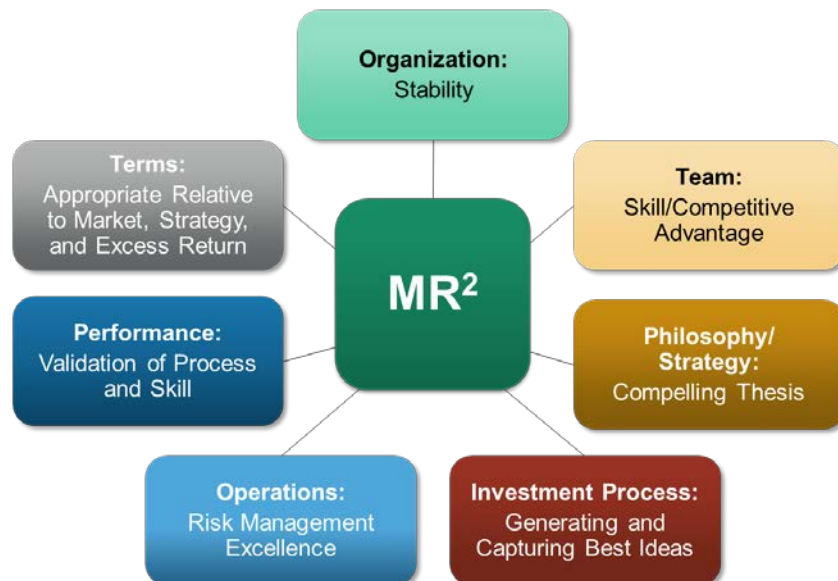
Dear Board of Directors:

We have detailed a description of the research process utilized by Segal Marco Advisors in the recommendation of MFS Investment Management.

The process used was as follows:

1. Our research specialists employed a highly formalized process – Manager Research and Ranking Process (MR<sup>2</sup>) – to evaluate and select managers that were the “best in class”. Our process, consisting of three primary steps:
  - Identify managers from referrals, database screens, and publications
  - Meet with current and prospective managers
  - Perform in-depth due diligence on firms and their products
2. We reviewed the investment process of various managers’ products as well as the organization of the firms to determine the long-term viability of their products and to detect the possibility of underperformance. MR<sup>2</sup> defines 34 success and risk factors within 7 categories.

Each manager was evaluated and scored based on these broad categories:





3. During each step, we applied a ranking system to measure and monitor a manager's history of adding value and the potential to add value in the future. We also looked at performance over time to determine whether objectives of risk and return had been met relative to peers/investment managers. Critical to our process was our evaluation of the three fundamental steps of investment management.
  - Collecting, processing, and refining information
  - Constructing portfolios
  - Analyzing trading costs
4. Using  $MR^2$ , we focused on the qualitative and quantitative evaluation of managers. Critical components of our qualitative assessment were: the quality of the investment professionals, the potential of the philosophy to deliver value-added results, the integrity and rigor of the investment management process, long-term performance record, and the potential fit of the products being recommended for OPPD's Retirement Plan. We used quantitative tools to identify a manager's risk profile, value, and returns attribution. Our rigorous quantitative assessment of managers also included performance relative to appropriate benchmarks and peers, risk-adjusted performance, and risk relative to benchmarks.
5. In the ranking process, we assessed the firms and products' long-term viability, to determine the sources of value-added and to detect factors that could result in consistent future out-performance or under-performance. Each manager was evaluated and scored based on these categories to ensure consistency across firms and products.

The following ratings were officially assigned to each manager:

- Recommended,
- Under Consideration,
- Not Recommended and
- Sell.

Segal Marco Advisors considers the manager rankings to be an evolving and dynamic process. Additionally, we are constantly evaluating new managers and reevaluating established ones with changes in rankings by our research staff made when appropriate.

6. Before selecting the three candidates for each OPPD manager search, Segal Marco Advisors proposed the following criteria for the manager search. All candidates needed to exhibit the following characteristics:

#### **Organization**

- Firms that have been managing assets for at least five years.
- Firms with a minimum of \$500 million under management.
- Firms with a relatively low level of personnel turnover.
- Firms with a relatively low level of client turnover and evidence of controlled business growth.
- Firms with competitive fees.

#### **Management Styles**

- An investment process that derives the majority of its value-added from security selection and portfolio construction.
- An investment style that exhibits a high correlation with the appropriate index and an investment focus consistent with the investment mandate.

**Performance**

- Verifiable track record that demonstrates adherence to the stated investment approach.
  - Historical risk and return data consistent with each investment mandate.
  - Firms with a performance history that is competitive over time when compared to appropriate peer groups and asset class benchmarks.
7. Based on the criteria, Segal Marco Advisors proposed three candidates for this mandate all of which were rated "Recommended". Segal Marco Advisors reviewed the candidates with the Trust Selection Committee and the following firms were selected to provide in-person presentations on July 8<sup>th</sup>.

**International Large-Cap Core Equity**

Arrowstreet Capital, Limited Partnership  
MFS Investment Management  
Wellington Management Company, LLP

8. Following the interviews, the Trust Selection Committee selected MFS Investment Management to replace AQR Capital Management as the manager of the actively managed international large-cap core equity mandate for the OPPD Retirement Plan.
9. Based on the research process, Segal Marco Advisors supports the decision of the Trust Selection Committee in their recommendation to hire MFS Investment Management.

If you have any questions about the research process for the selection of this manager, please feel free to call me at 770-541-4825.

Sincerely,



Jeffrey C. Boucek, CFA

cc: John Thurber



Yoder/Thurber

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, Retirement Fund investment manager, AQR Capital, has not met the retention criteria of earning a net rate of return that exceeds the MSCI EAFE Index and achieving performance in the top 40<sup>th</sup> percentile of actively managed international developed markets equity portfolios in a three and five-year period; and

**WHEREAS**, in June 2021, the Trust Selection Committee, assisted by Segal Marco Advisors, initiated a search for an international large capitalization equity manager for the Retirement Plan using criteria set by the Board of Directors; and

**WHEREAS**, the Trust Selection Committee reviewed the three leading candidates in this asset class resulting in interviews with all three investment managers; and

**WHEREAS**, MFS Investment Management met all of the Statement of Investment Policy consideration criteria for an investment manager; and

**WHEREAS**, the Trust Selection Committee recommends the appointment of MFS Investment Management as international large capitalization equity investment manager for the OPPD Retirement Plan.

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

1. That MFS Investment Management is hereby appointed as an investment manager for the OPPD Retirement Plan, subject to the execution of an acceptable contract.
2. That District officers are hereby authorized and directed to execute and attest all documents that are necessary and proper to complete the appointment of the new investment manager.

# Retirement Fund Investment Manager Replacement International Large Capitalization

John W. Thurber

Director of Treasury & Financial Operations and Interim Chief Financial Officer

August 4, 2021

# Current International Large Cap Manager

- Current international large cap equity manager, AQR, placed on ‘watch’ in March 2020
- As of March 31, 2021, AQR failed to maintain the minimum performance to retain
- Performance measured by:
  - Rank in the top 40% of MSCI EAFE index managers
  - Exceed MSCI EAFE benchmark net of fees
- AQR was in the 85<sup>th</sup> percentile of MSCI EAFE index managers for the three-year period and in the 83<sup>rd</sup> percentile for the five-year period
- AQR three-year return was 2.4%, net of fees, versus the index return of 6.0% and its five-year return was 7.2% (gross) versus the index return of 8.8%

# Potential Replacement Managers and Process

- Retirement Fund investment advisor, Segal Marco, recommended three potential replacement managers:
  - Arrowstreet Capital
  - MFS Investment Management
  - Wellington Management
- All candidates were “Recommended” by Segal Marco and meet the new manager criteria set by the Board
- Segal Marco provided a search book that included detailed information on each candidate
  - Manager overviews and assessments, portfolio characteristics, performance, risk factors, and fees
- The Trust Selection Committee (TSC) interviewed each of the candidates

# Candidate Assessments

- Arrowstreet Capital
  - Quantitative research process that attempts to create excess returns by identifying investment signals that are relevant to price and less obvious to investors
  - Fees are slightly more expensive than peers
  - Has consistently delivered returns in top quartile of peer group while limiting downside risk
  - Greater exposure to emerging markets than MSCI EAFE index
  - As a quantitative manager, they have not identified any explicit ESG related factors that contribute to alpha generation but are committed to researching the field of ESG for future development of ESG factors

# Candidate Assessments

- MFS Investment Management
  - Fundamental bottom-up research process that has slight growth bias
  - Risk adjusted returns are impressive versus peers while limiting downside risk
  - Less exposure to emerging markets than other candidates
  - Fees below median of peers
  - ESG is integrated throughout their investment process
  - Portfolio managers are located in London and Singapore



# Candidate Assessments

- Wellington Management
  - Fundamental bottom-up research process and clear understanding of industry and macroeconomic trends
  - Fees below median of peers
  - Performance has generally been strong especially since 2019 but they did have a period of underperformance in 2016-2018
  - Risk adjusted returns are not as strong as other candidates
  - Greater exposure to emerging markets than MFS but less than Arrowstreet
  - Has seven ESG research analysts and has integrated ESG into investment process

# Retirement Fund Manager Recommendation

- Recommend MFS Investment Management
  - Strong risk adjusted return metrics
  - Outperformed during all down markets in last ten years
  - Good upside capture and avoids downside risk
  - ESG is integrated throughout their investment process
  - Diverse Portfolio Manager Team
  - Lower fees than Arrowstreet and also below peer group median
  - Impressed with MFS team and investment process that is easily understandable



# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Proposed Change to Rider Schedule No. 483: Net Metering Service

### PURPOSE

Board Approval to update the applicability for Rider Schedule No. 483 – Net Metering Service

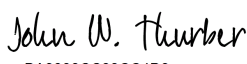
### FACTS

- a. In 2009, Rider Schedule No. 483 was developed in response to Legislative Bill 436, which required utilities to accommodate net metering of electricity use for certain customer-owned generation. Customers taking service on Rider Schedule No. 483 are billed for their net electric usage at the monthly rate in the customer’s applicable rate schedule, and the customer receives a credit for net excess generation.
- b. Rider Schedule No. 483 currently has a size limitation of 25kW aggregate system AC (alternating current) nameplate.
- c. In order to enhance customer choice and facilitate greater customer participation in distributed generation solutions, the District proposes to increase the aggregate system size limit for Net Metering services under Rider Schedule No. 483 from 25kW to 100kW.
- d. The District’s Rate Consultant, The Brattle Group, has issued an opinion letter stating their recommendation for the rider changes.

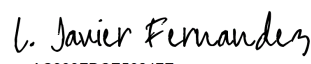
### ACTION

The District recommends Board approval of the revisions to Rider Schedule No. 483 – Net Metering Service, as set forth on the attached Exhibit A, to be effective as of September 1, 2021.

#### RECOMMENDED:

DocuSigned by:  
  
 Interim CFO – John W. Thurber  
 Director Treasury & Financial Operations

#### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
 L. Javier Fernandez  
 President and CEO

JT:bru

Attachment: Exhibit A – Schedule 483 Proposed Revisions  
 Exhibit B – Letter from The Brattle Group  
 Resolution

## RIDER SCHEDULE NO. 483

### Net Metering Service

#### APPLICABILITY

This Rider Schedule is applicable to all Customers in OPPD’s Service Area with a Qualified Generator not taking service for the same Qualified Generator under Rider Schedule No. 355. This Rider Schedule is also not available to Customers taking service under Rate Schedule No. 357 – Municipal Service. Energy Storage systems capable of storing OPPD-supplied energy and exports that energy back to OPPD’s system do not qualify.

DG Systems qualifying for Rider Schedule No. 483 shall not exceed ~~25kW~~ 100kW in the aggregate system AC nameplate capacity, as determined by OPPD during the DG application and approval process.

#### BILLING COMPONENTS

Net Excess Generation Credit:

<u>Excess Generation</u>	<u>Summer (June 1 – Sept. 30)</u>	<u>Non-Summer (Oct. 1 – May 31)</u>
Per kWh	4.00 cents/kWh	3.52 cents/kWh

#### Determination of Customer Bill

The Customer can use Qualified Generator electrical output to supply all or a portion of the Customer’s Demand and deliver the surplus to OPPD. At the end of the billing period, the net flow of the energy between the Customer and OPPD will be calculated, and the Customer’s bill will be based on the net energy flow as follows:

- *Net flow from OPPD to the Customer:* The Customer will be billed for the net use at the monthly rate and based on the provisions included in the Customer’s applicable Rate Schedule.
- *Net flow from the Customer to OPPD:* The Customer will be billed for the non-energy charges based on the provisions included in the Customer’s applicable Rate Schedule and will receive a bill credit for the Net Excess Generation. If the bill credit is greater than the current month’s billing, the Customer will carry an account credit balance for use in future months. At the end of the calendar year, any excess bill credits associated with Net Excess Generation will be paid to the Customer.

#### ADMINISTRATIVE

##### Definitions

*Net Excess Generation:* Production of more electrical energy than is consumed by the Customer during a billing period.

##### Special Conditions

Customers are responsible for Qualified Generator equipment and services required for interconnection. If desired, Customers are responsible for metering to measure the energy produced by the Customer’s Qualified Generator. The Customer will maintain ownership of renewable energy credits associated with a Qualified Generator.

Customers taking service on this Rider Schedule are not eligible for OPPD's Level Payment Plan.

OPPD will provide, at no additional cost to the Customer, metering that is capable of measuring the flow of electricity in both directions. This equipment may be a single bidirectional Meter, smart Meter, two Meters, or another Meter configuration that provides the necessary information for service under this Rider Schedule.

#### Service Regulations

Customers under this Rider Schedule must comply with all OPPD Service Regulations.



Board of Directors  
Omaha Public Power District  
444 South 16th Street Mall  
Omaha, Nebraska 68102-2247

Ladies and Gentlemen:

## I. Background

The Omaha Public Power District (OPPD) seeks to modify Rider Schedule No. 483 – Net Metering by increasing the size limitation from 25kW aggregate system AC limit to 100kW aggregate system AC limit.

***Rider Schedule No. 483 – Net Metering.*** The Legislature developed this Rider in 2009 through Bill 436, requiring utilities to allow net metering for customer-owned generation.

The Rider Schedule applies to all OPPD’s Service Area customers with a Qualified Generator not taking service for the same Qualified Generator under Rider Schedule No. 355. The Rider Schedule is unavailable to customers taking service under Rate Schedule No.357 – Municipal Service. Energy Storage systems capable of storing OPPD-supplied energy and exports that energy back to OPPD’s system do not qualify. Currently, DG Systems qualifying for Rider Schedule No. 483 shall not exceed 25kW in the aggregate system AC nameplate capacity, as determined by OPPD during the DG application and approval process.

Under the Rider, net metering applies whenever there is net flow from OPPD to the customer. Customers will be billed for the net use at the monthly rate and based on the provisions included in the customer’s applicable Rate Schedule.

Whenever net flow is from the customer to OPPD, net excess generation credit is paid to the customer as follows:

Excess Generation Per kWh	Summer (June 1 – Sept. 30) 4.00 cents/kWh	Non-Summer (Oct. 1 – May 31) 3.52 cents/kWh
------------------------------	--	--

## II. Discussion

It is reasonable and in conformance with general industry practice to modify riders in a way that provides increased consumer options and customer value while at the same time not negatively impacting other customer classes or affecting the equitable allocation of costs between and among customer classes. Increasing the aggregate AC limit to 100kW provides increased customer value and provides customers with more options to meet their energy demands. The larger system sizes will also positively impact clean energy supply and reduce OPPD's supply of fossil-fuel-based generation.

We understand that OPPD's analysis shows that intra-class equity issues are not likely to be a significant issue as the number of residential and small-commercial customers potentially taking advantage of the 100kW system is small. We also understand that OPPD intends to have this change in Rider No. 483 be temporary and anticipate thoroughly reviewing all aspects of Rider No. 483 upon implementing AMI, scheduled to be completed in 5-6 years.

The issue of net energy metering (NEM) is an important one. Many utilities are looking to reform NEM to more accurately reflect the costs the utility avoids when it purchases energy from DG systems and minimizes intra-class equity issues. While OPPD's NEM compensation is more economically sound than a more traditional NEM that does not have a different net excess compensation rate, there can still be intra-class equity issues from OPPD's existing NEM. For this reason, we recommend that OPPD closely monitor the uptake on Rider No. 483 after the change in aggregate system capacity and act accordingly if initial expectations on customer uptake are wrong.

## III. Findings

We have reviewed the District's proposed change to Rider No. 483. It is our opinion that with the recommended monitoring plan, the District's rates continue to conform to standard utility criteria as fair, reasonable, and non-discriminatory.

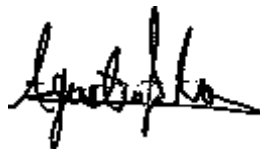
## IV. Recommendation

We recommend that the board adopt the proposed change to Rider No. 483.

Respectfully yours,



Philip Q Hanser  
The Brattle Group  
Principal Emeritus



Agustin J. Ros  
The Brattle Group  
Principal



Yoder/Thurber

**DRAFT**  
**RESOLUTION NO. XXXX**

**WHEREAS**, in 2009, Rider Schedule No. 483 – Net Metering Service was developed in response to Legislative Bill 436, which required utilities to accommodate net metering of electricity use for certain customer-owned generation; and

**WHEREAS**, customers taking service on Rider Schedule No. 483 are billed for their net electric usage at the monthly rate in the customer’s applicable rate schedule, and the customer receives a credit for net excess generation; and

**WHEREAS**, Rider Schedule No. 483 currently has a size limitation of 25kW aggregate system AC (alternating current) nameplate; and

**WHEREAS**, in order to enhance customer choice and facilitate greater customer participation in distributed generation solutions, the District proposes to increase the aggregate system size limit for Net Metering services under Rider Schedule No. 483 from 25kW to 100kW; and

**WHEREAS**, the District’s Rate Consultant, The Brattle Group, has issued an opinion letter stating their recommendation for the rider changes.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Omaha Public Power District approves the revisions to Rider Schedule No. 483 – Net Metering, as set forth on the attached Exhibit A, to be effective September 1, 2021.





# Removing the Declining Energy Blocks: Rates 110 & 230



# Removing the Declining Energy Blocks

## Approach and Process

- The Finance Committee asked OPPD to examine the impact and make a recommendation on removing the declining blocks
- In June 2020, a cross-functional team was formed to perform the analysis following OPPD's product development framework taking a holistic product level approach to exploring the issue vs normal framework needed to organize and manage a pure rates project

### Departments Involved within Project

- Pricing & Rates
- Product Development & Marketing
- Corporate Marketing & Communications
- Outreach & Education
- Customer Operations Technology
- Business Technology Data Intelligence
- Innovation

### Product Development Process

- Concept Phase
  - Problem statement and vision
- Research Phase
  - Examined current state and researched past rate changes
  - Industry analysis and market research
    - Industry survey and interviews
    - Internal and external surveys and focus groups
- Analysis Phase
  - Data analysis and segmentation of impacted customers
  - Evaluated rate alternatives and product options
- Develop Phase
- Launch Phase

# Removing the Declining Energy Blocks

## What we heard and learned

- Customers have **limited understanding of rates** including the declining block rates
- **Interest in having choice** about how they are billed
- Want **transparency** about how and why they are billed
- Customers **want to be engaged**, but they **don't know how** because they lack understanding
- The **bigger the change the more outreach and education** needed
- They **want comparisons of their rates** with other areas (East Coast, West Coast, other Nebraska utilities)
- **Too many changes** over short period of time (several years) gives the impression that we are always changing their bills
- **Once informed and educated** about the declining block rates they were **perceived as not energy efficient**
- **Aware of impact to vulnerable populations**, do not just think of themselves; mentioned potential negative impact to low-income or large families

# Rates Guiding Principles

## SD-2: Rates

When considering making rate changes or structural changes to rates, we need to think about if and how they impact our Strategic Directives, especially SD-2: Rates.

### Strategic Directive 2: Rates

- The principles that OPPD shall adhere to within SD-2 are:
  - Maintain fair, reasonable and non-discriminatory rates (*NE State Statute 70-655*)
  - Equitably assign costs across and within all customer classes
  - Monitor affordability indicators
  - Pursue rate process and structure changes to reflect the cost of energy when it is used
  - Offer flexibility and options
  - Be simple and easy to understand

# Rates Guiding Principles

## SD-2: Rates

- SD-2: Rates: Equitably assign costs across and within all customer classes
  - Dependent on rate structure, metering technology, and customer homogeneity
  - The service charge increase and the energy charge decrease for small commercial and residential classes was a step toward more equitably assigning costs within those classes.
  - The service charge recovers a portion of the demand costs for small commercial and residential rate classes and the remaining demand costs are recovered in the energy component of the rate.

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

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

# Removing the Declining Energy Blocks

Current Rate 110 and Rate 230

## Residential Rate 110: Energy Charge

Energy Charge	Summer (June 1- Sept 30)	Non-Summer (Oct 1- May 31)
0-100 kWh	9.36 cents/kWh	8.63 cents/kWh
101-1,000 kWh	9.36 cents/kWh	7.46 cents/kWh
1,001+ kWh	9.36 cents/kWh	5.27 cents/kWh

Number of customers currently receiving service under:

- Rate 110 – 300,858
- Rate 230 – 38,035

## Small Commercial Non-Demand Rate 230: Energy Charge

Energy Charge	Summer (June 1- Sept 30)	Non-Summer (Oct 1- May 31)
0-1,000 kWh	9.11 cents/kWh	7.89 cents/kWh
1,001-3,000 kWh	8.40 cents/kWh	7.89 cents/kWh
3,001+ kWh	8.40 cents/kWh	5.24 cents/kWh

Customers taking service under Rates 110 and 230 account for **85%** of total customers.

# Removing the Declining Energy Blocks

## Definitions

TERM	DEFINITION
Chronic Disconnect Notice	Customer with 3 or more disconnect notices
Energy Assistance Payment	Customer who received Energy Assistance Payments through one of the programs supported by OPPD
Vulnerable Customer	Customer who received an Energy Assistance Payment and/or a Chronic Disconnect Notice
All Other	Customer not defined as vulnerable
All-Electric	Coded in the customer system as being All-Electric/Electric Heating

# Removing the Declining Energy Blocks

## Rate 110 Impact Analysis

- Analysis was performed using **2018 usage data** on **233,841 Residential Rate 110 customers** with 12 contiguous months of usage data
  - **34,630** customers identified as negatively impacted by removing non-summer blocks
  - Applying the same proportion of negatively impacted customers (roughly **15%**) to the entire 290,000 Rate 110 customers, an additional 8,400 customers would be negatively impacted for an overall estimated total of **43,000** customers
  - The other 85% of customers will receive a slight monthly bill decrease between \$0 to \$4
  - This would be a revenue neutral change for OPPD. Based on the analysis, 250,000 of our residential customers on Rate 110 will be receiving a small decrease on their bill that will be offset by 43,000 negatively impacted customers.
  - 2018 data was used because it was determined to be a “worse case” scenario due to higher than normal extreme weather.



# Removing the Declining Energy Blocks

## Rate 110 Impact Analysis

- Even though an overwhelming number of customers will experience a favorable change (approx. 199k out of the 233k with contiguous data), **the favorable impact will be negligible** (less than \$3/month).
- Of the 34,630 negatively impacted customers:
  - ~20% are **vulnerable** (6,702)
  - 21% are coded in the customer system as **all-electric** (7,422)
    - Account for 34% of the total impact
    - Account for 45% of those with an increase greater than \$30/month
    - 16% are **vulnerable**
  - 35% are over the age of 60 (12,050)
    - 12% are **vulnerable**
- We identified a direct correlation between negatively impacted customers and the size and age of their home
  - This **remains generally true for vulnerable customers**. The age of the home increases, while the size and home values decrease.

# Removing the Declining Energy Blocks

## Initial opinions regarding the declining blocks:

- Perception that the declining block structure encourages increased consumption
- Assumption that removing the declining blocks will only impact larger homes that use more and therefore should pay more

## Results found through data:

- Thorough analysis of the service territory was completed. To complete the analysis, we divided the service territory into 'sections' with equal customers in each section. The section data analyzed customer usage data, customer information as well as property attributes, a first for OPPD. Three findings emerged through the data:
  - *Older, smaller, less efficient homes will be affected just as much as larger homes*
  - *Demographic data shows larger homes, but there are still vulnerable customers affected*
  - *A change in blocks with no alternative offering will negatively impact all-electric customers by sending an inconsistent price signal that may discourage electrification*
- There is a stronger correlation between usage and thermodynamics than there is with usage and income
  - **Thermodynamic efficiency** – a physics principle that, within this context, would measure the overall efficiency of the home. A good measure of this would be the HERS rating, 'Home Energy Rating System' which is the residential housing industry standard that measures a home's energy efficiency.
- Because of the attributes of the customers who will be negatively impacted, removing the declining blocks will not result in the ultimate goal of reduced usage

# Removing the Declining Energy Blocks

## Rate 110 Impact Analysis- Finding #1

*Older, smaller, less efficient homes will be affected just as much as larger homes*

Section	Average Monthly Impact	Average Home Age	Average Home Value	Average Home Size
Section A	\$6.42	23	\$ 341,916	3,736
Section B	\$6.18	75	\$ 132,224	2,172

- Service territory is split into 8 sections. Each section has equal customers counts, around 49,000
- Compared two sections within our service territory
  - The average monthly bill increase was comparable
  - However, the property attributes were very different in each section
    - Home age difference was approximately 50 years
    - Home value difference was approximately \$200,000
    - Home Size difference was approximately 1,500 sq feet.

# Removing the Declining Energy Blocks

## Rate 110 Impact Analysis- Finding #2

*Demographic data shows larger homes, but there are still vulnerable customers affected*

Section	Average Home Value	Average Home Size	Vulnerable Customers
Section C	\$ 322,964	3,574	1,188
Section D	\$ 132,942	2,290	1,451

- Compared two sections within our service territory
  - There are vulnerable customers with higher average home values and home sizes within the service territory
  - Vulnerable customers are spread out through our service territory in small, medium and larger homes

# Removing the Declining Energy Blocks

## Rate 110 Impact Analysis- Finding #3

*A change in blocks with no alternative offering will negatively impact all-electric customers by sending an inconsistent price signal that may discourage electrification.*

Total Negatively Impacted Customers	Negatively Impacted All-Electric Customers
34,630	7,422

- Encouraging conservation and electrification do not align if the blocks are removed without other rate offerings
- May discourage EV adoption and other electrification and community wide decarb-driven opportunities

# Removing the Declining Energy Blocks

## District Wide Customer Count Impact – Rate 110

### Number of Customers Negatively Impacted by Category and Impact

Annual Average Monthly Impact	Category								
	LIHEAP	LULI	EAP	Disconnect Notice (1)	Chronic DN (+3)	Known Vulnerable	All Other	All-Electric	Total
0 - 3%	475	215	601	4,423	3,443	3,663	14,361	2,113	18,024
3 - 9%	316	83	397	2,886	2,244	2,386	10,301	3,330	12,687
+>9%	96	14	110	786	603	653	3,266	1,979	3,919
<b>Total</b>	<b>887</b>	<b>312</b>	<b>1,108</b>	<b>8,095</b>	<b>6,290</b>	<b>6,702</b>	<b>27,928</b>	<b>7,422</b>	<b>34,630</b>

- 6,702 negatively impacted customers received an Energy Assistance Payment and/or a Chronic Disconnect Notice

- 7,422 negatively impacted customers are system flagged as All-Electric. This subset of customers are some of the most impacted.

- 1,979 will pay more than 9% more annually.

- 601 all-electric customers will be impacted more than \$30 per month.

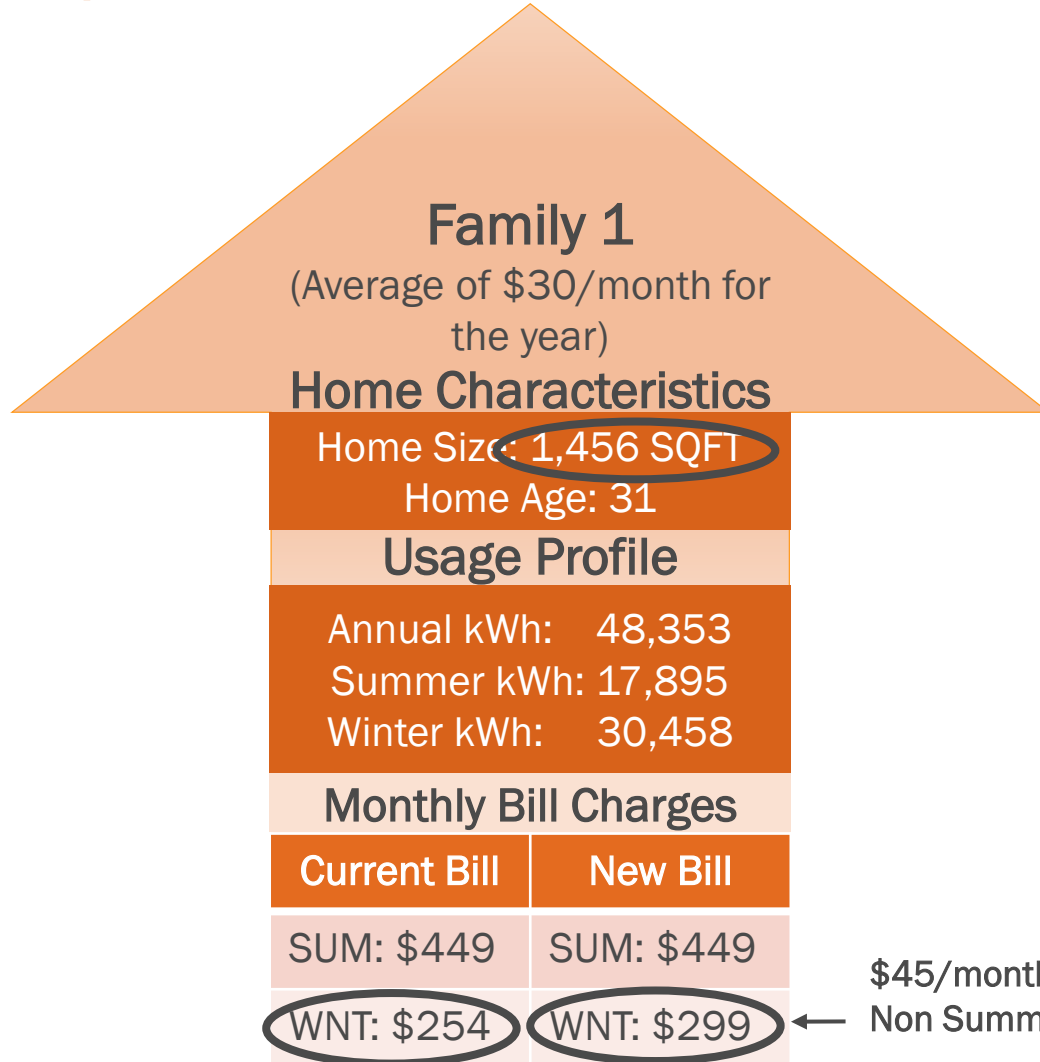
- 193 vulnerable customers will be negatively impacted by more than \$30 per month

### Number of Customers Negatively Impacted by Category and Impact

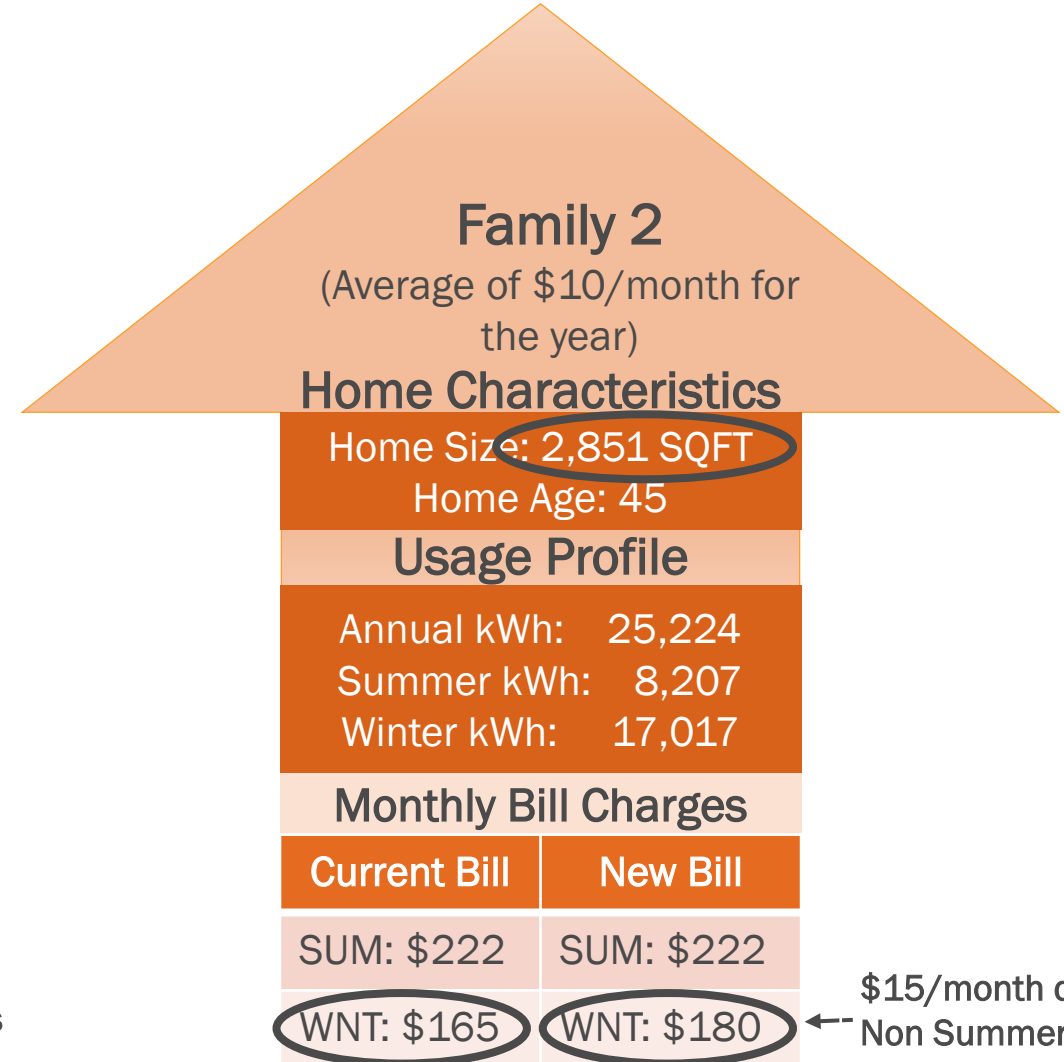
Annual Average Monthly Impact	Category								
	LIHEAP	LULI	EAP	Disconnect Notice (1)	Chronic DN (+3)	Known Vulnerable	All Other	All-Electric	Total
\$0-\$10	685	290	865	6,166	4,794	5,106	20,243	3,826	25,349
\$10-\$30	176	22	212	1,691	1,320	1,403	6,548	2,995	7,951
>\$30	26	-	31	238	176	193	1,137	601	1,330
<b>Total</b>	<b>887</b>	<b>312</b>	<b>1,108</b>	<b>8,095</b>	<b>6,290</b>	<b>6,702</b>	<b>27,928</b>	<b>7,422</b>	<b>34,630</b>

# Removing the Declining Energy Blocks

Example Households – Rate 110



\$45/month during Non Summer months



\$15/month during Non Summer months

- 'WNT' denotes "Non Summer" months
- Fuel & Purchased Power is excluded in this household comparison

# Removing the Declining Energy Blocks

## Rate 230 Impact Analysis

- Analysis performed using **2018** usage data for **28,294 Small Commercial Rate 230 customers** with 12 contiguous months of usage data
  - **1,522** customers identified as negatively impacted by removing the summer and non-summer declining blocks
  - Total Rate 230 customers in 2018 was approximately 37,080
  - Applying the same proportion of negatively impacted customers (**5.4%**) to the entire 37,080 Rate 230 customers, an additional **480** customers would be negatively impacted for an overall estimated total of **2,002** customers
  - This would be a revenue neutral change for OPPD. Based on the analysis, 35,000 of our small commercial customers on Rate 230 will be receiving a decrease on their bill that will be offset by 2,000 negatively impacted customers.



# Removing the Declining Energy Blocks

## Customer Counts by Impact Level – Rate 230

Number of Customers Negatively Impacted			
PERCENT IMPACT			
Monthly Impact	Disconnect Notice (1)	Chronic DN (+3)	Total Customers
0 - 3%	60	24	670
3 - 9%	47	30	712
+>9%	15	4	140
<b>Total</b>	<b>122</b>	<b>58</b>	<b>1,522</b>

Number of Customers Negatively Impacted			
DOLLAR IMPACT			
Monthly Impact	Disconnect Notice (1)	Chronic DN (+3)	Total Customers
\$0 - \$10	49	22	509
\$10 - \$30	39	19	537
>\$30	34	17	476
<b>Total</b>	<b>122</b>	<b>58</b>	<b>1,522</b>

- While commercial customers are not eligible for Energy Assistance Payments, there are a number of small commercial customers that received at least one disconnect notice and some that received three or more disconnect notices
- Changing the block structure without an additional rate offering would further challenge these businesses.

# Removing the Declining Energy Blocks

## Conclusions

The process has yielded a number of conclusions to inform the decision to potentially change the structure of energy blocks at this time. The primary conclusions are listed below:

- Larger than expected negative impacts to customers who are vulnerable
  - Thousands of customers who are receiving utility assistance and repeated disconnect notices will be negatively impacted with no alternative solution in place to help them transition.
- Limited customer knowledge of blocks and a desire for greater choice
  - Customers are uninformed about the existence of energy blocks and high uncertainty remains about a change in blocks and the expected change in behaviors.
  - Customers would like greater choice in how they are billed and the services they do or do not receive from OPPD.
- Removing the blocks sends mixed messages on electrification and decarbonization
  - Encouraging conservation and electrification do not align if the blocks are removed without other actions
  - Discourages EV adoption and other electrification and community wide decarb-driven opportunities
  - Will not change usage behaviors as intended for negatively impacted customers, as they do not have the means or ability to make changes

# Removing the Declining Energy Blocks

## Recommendations

Based on the findings, defer removing the energy blocks in pursuit of a more robust and comprehensive review of Rate 110 and Rate 230. Continue with the in-process strategic initiative work and inform that work with the conclusions of the energy block analysis as well as the pending findings from other noteworthy projects, including:

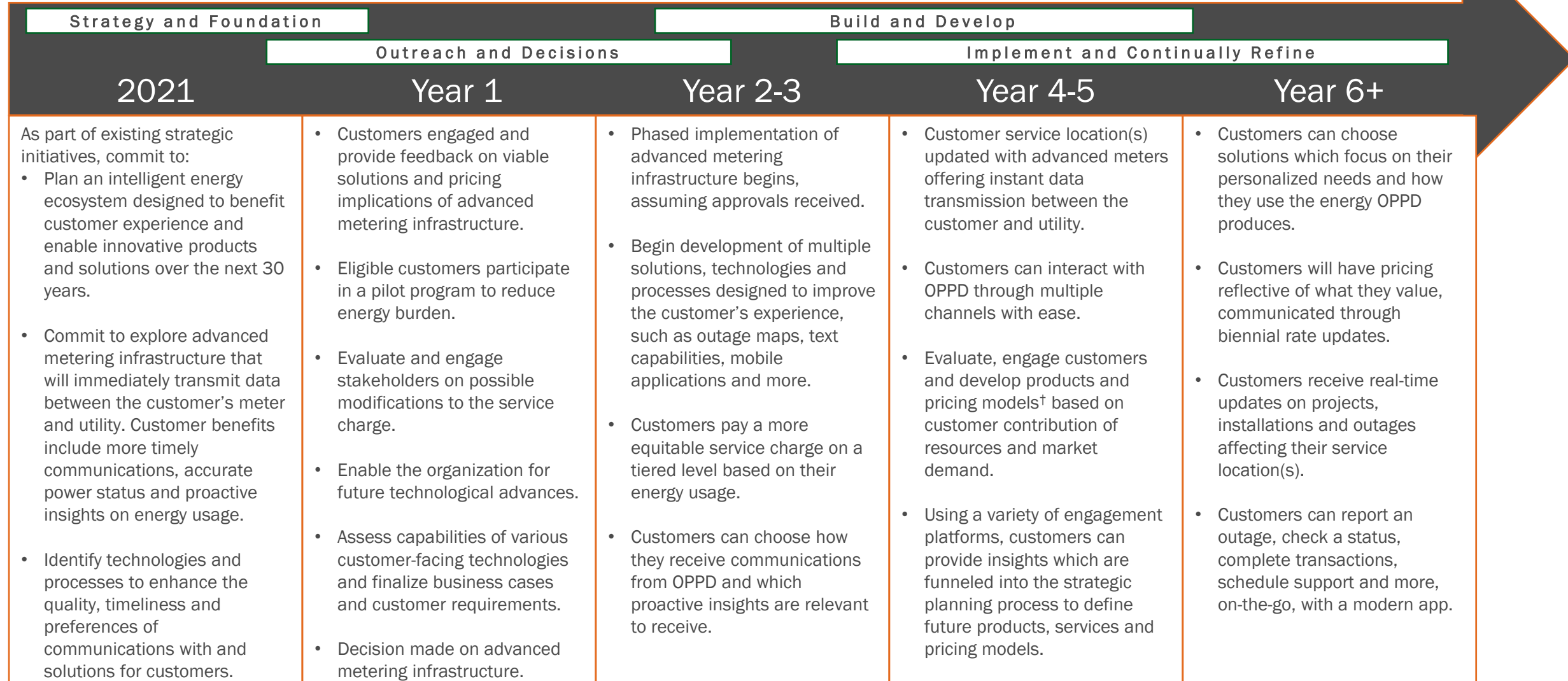
- All-electric rate
  - Need time to research and analyze this option for both residential and commercial customers
- Energy Burden Solutions
  - This project is currently underway and could help negatively impacted vulnerable customers

The **Electric System Evaluation and Modernization**, **Customer Engagement** for the Future and **Technology Platform** strategic initiatives will provide better data and enhanced capability to increase customer choice and the personalization of energy solutions.

These initiatives will specifically enable personalized interactions with customers to better tailor their energy solutions. The **potential deployment of Advanced Metering Infrastructure** as one outcome of these three Strategic Initiatives, along with other complimenting and required grid systems, is being evaluated and **would improve the data, communications and robustness of the offerings to our customers.**

# A Look Ahead

## Removing the Declining Blocks and More; a tentative and conceptual schedule





# Questions





# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

SD-9: Resource Planning – Monitoring Report

### PURPOSE

To ensure full Board review, discussion and acceptance of SD-9: Resource Planning – Monitoring Report

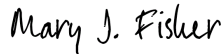
### FACTS

- a. The Board confirmed the Corporate Governance Initiative Charter in December 2014, in order to assess and refine OPPD's corporate governance infrastructure.
- b. The first set of Board policies was approved by the Board on July 16, 2015. A second set of Board policies was approved by the Board on October 15, 2015.
- c. Each policy was evaluated and assigned to the appropriate Board Committee for oversight of the monitoring process.
- d. The System Management and Nuclear Oversight Committee is responsible for evaluating Board Policy SD-9: Resource Planning – Monitoring Report on an annual basis.
- e. The System Management and Nuclear Oversight Committee has reviewed SD-9: Resource Planning – Monitoring Report and is recommending that OPPD be found to be sufficiently in compliance with the policy as stated.


### ACTION

The System Management and Nuclear Oversight Committee recommends Board approval of SD-9: Resource Planning – Monitoring Report.

#### RECOMMENDED:

DocuSigned by:  
  
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Mary J. Fisher  
Vice President – Energy Production and Nuclear Decommissioning

#### APPROVED FOR BOARD CONSIDERATION:

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

Attachment: Exhibit A – Monitoring Report Resolution



# Exhibit A

# Monitoring Report SD-9: Resource Planning System Management Committee August 17, 2021

Brad Underwood  
Director, Financial Planning & Analysis

# SD-9 Resource Planning Strategic Directive

The Board of Directors recognizes that the District will have to adapt to the rapidly changing electric utility business environment. The OPPD resource planning process will provide the resources and analytical capability to adequately assess OPPD's Integrated Resource Portfolio (or Supply and Demand Portfolio) to ensure reliable, competitive, cost-effective and environmentally sensitive service for our customers.

To attain this goal, OPPD shall:

- Periodically assess, for strategic and integrated resource plans, OPPD's mix of generation assets, demand-side management programs, purchased power agreements and renewable energy resources.
- Utilize multiple scenarios to properly evaluate the range of risks posed by varying future assumptions such as, but not limited to fuel costs, economic growth, regulations and emerging technologies.
- Ensure all integrated resource strategic plans support and align with OPPD's Strategic Directives.

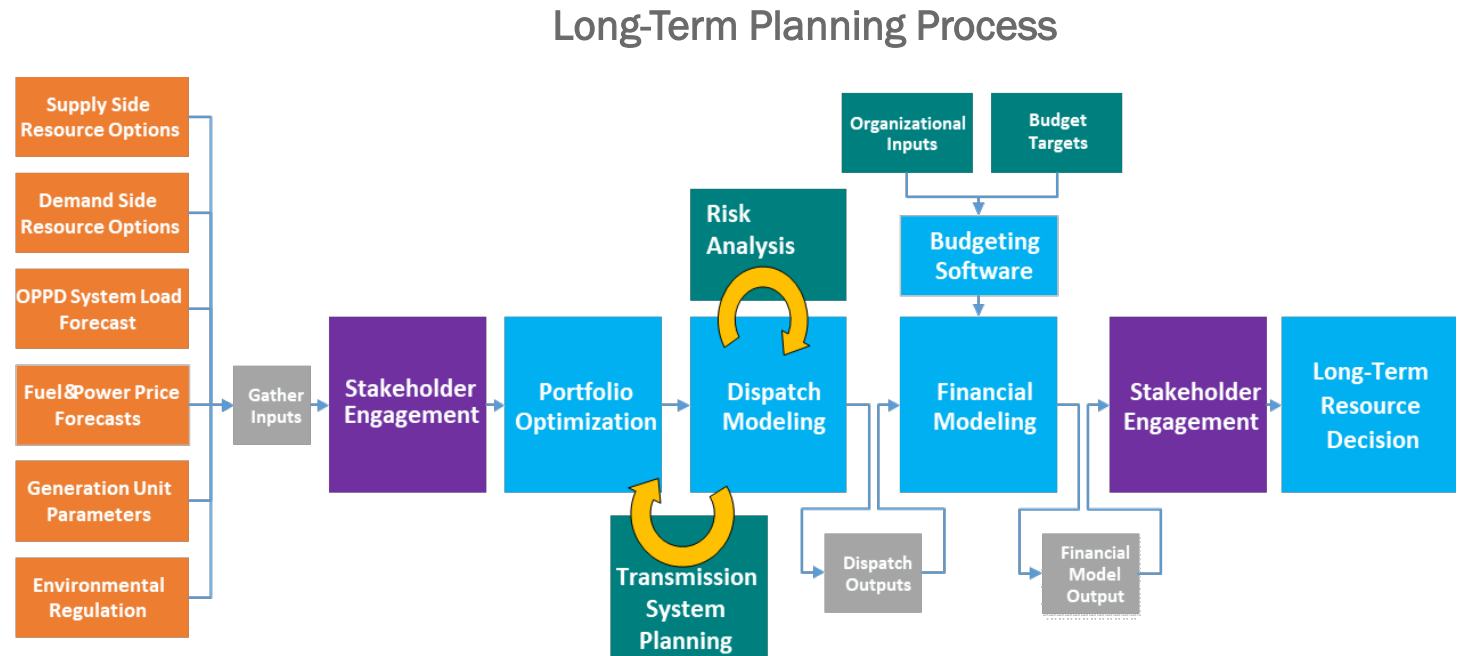


# SD-9 Resource Planning Strategic Directive

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## Resource Planning

- OPPD maintains a dedicated staff who monitor market and technology trends and facilitate **both short and long-term planning** resource portfolio planning efforts (more later).
- OPPD uses **sophisticated and progressive tools and processes** to support resource planning and load forecasting (AURORA, ITRON, PROMOD, etc).
- Processes incorporate **robust supply and demand side resource evaluations** which ensure reliable, competitive, cost-effective, and environmentally sensitive solutions.



# SD-9 Resource Planning Strategic Directive

Periodically assess, for strategic and integrated resource plans, OPPD's mix of generation assets, demand-side management programs, purchased power agreements and renewable energy resources.

## Short-Term Planning

---

- **Summary:** Performed at least quarterly and is used to derive near-term (usually 5 years) worth of expected load, fuel budgets, generation volumes, off system sales as well as fuel and purchase power and is a critical input to the rate setting process and the process includes:
  - Near term optimization of existing supply and demand resources
  - Update market outlooks including commodity and power price trends
  - Incorporates load forecast updates from customers or events
  - Simulates OPPD's energy portfolio over a 5-year horizon

## Long-Term Planning

---

- **Summary:** Performed less frequently than quarterly and is used to derive the same outputs as the Short-Term process but on a much longer duration and usually involves longer term resource decisions and can be initiated by the following events:
  - Meaningful changes to Southwest Power Pool accreditation policy or reserve requirements
  - Alterations of current environmental regulations and proposed new environmental regulations
  - Bulk Electric System reliability/resiliency changes
  - Western Area Power Administration filings
  - Significant load changes
  - Combination of some or all of the above

# SD-9 Resource Planning

## 2022 Integrated Resource Plan (IRP)

- An Integrated Resource Plan (IRP) is a legal requirement which outlines a utility's supply and demand resources to meet customer load over time.
- OPPD is required to submit a 5-Year IRP to Western Area Power Association (WAPA) every 5 years, with the next submission due February 28<sup>th</sup>, 2022.
- OPPD will use the Pathways to Decarbonization stakeholder process and study results to inform its 2022 IRP filing. If the Energy Portfolio project extends beyond the IRP deadline, OPPD would file its current 5-Year resource plan and file an update after completion of the Energy Portfolio Project.

### **Decarbonization: Energy Portfolio** planned completion is December 2021

- Due date is set by OPPD's Senior Management Team(SMT) and Board of Directors (BOD)

### **5-Year Integrated Resource Plan (IRP)** planned completion is February 2022

- OPPD is legally required to submit a 5-Year IRP to Western Area Power Administration (WAPA)
- Requirements outlined by 10 Code of Federal Regulations 905 (10.CFR.905)
- Is not always a decision to add or retire assets

# SD-9 Resource Planning Strategic Directive

Periodically assess, for strategic and integrated resource plans, OPPD's mix of generation assets, demand-side management programs, purchased power agreements and renewable energy resources.

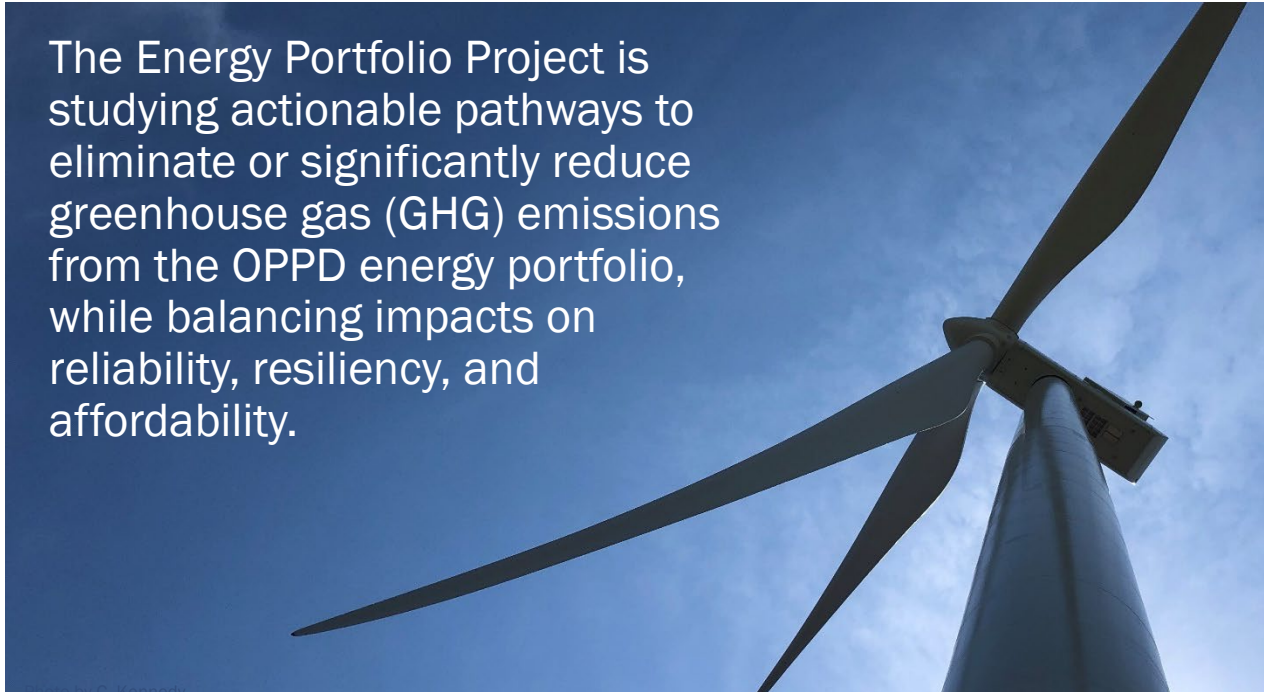


## Pathways to Decarbonization: Energy Portfolio Highlights

The Energy Portfolio Project is studying actionable pathways to eliminate or significantly reduce greenhouse gas (GHG) emissions from the OPPD energy portfolio, while balancing impacts on reliability, resiliency, and affordability.

In pursuit of OPPD's mission of Affordable, Reliable, and Environmentally Sensitive energy services, OPPD launched its Pathways to Decarbonization Strategic Initiative to develop a range of pathways for how OPPD's energy portfolio would pursue our SD-7 goal of net zero carbon by 2050.

- The initiative is supported by a large, multi-disciplinary internal team as well as outside expertise specializing in electric system modeling for decarbonization.
- Exploration of a broad set of mature and emerging supply and demand side technologies.



# SD-9 Resource Planning Strategic Directive

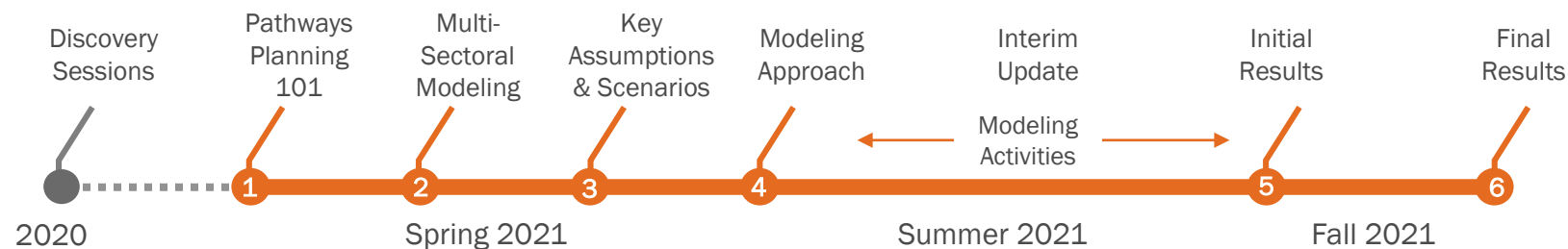
Periodically assess, for strategic and integrated resource plans, OPPD's mix of generation assets, demand-side management programs, purchased power agreements and renewable energy resources.



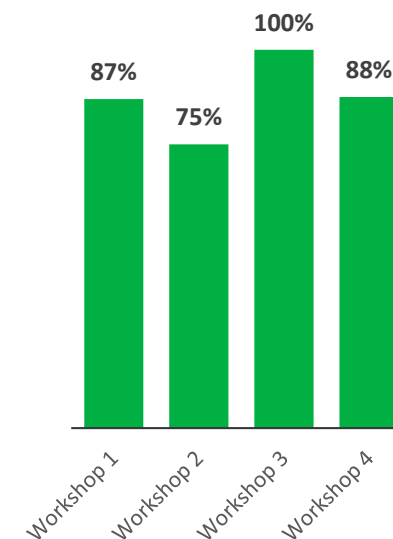
## Pathways to Decarbonization: Energy Portfolio Highlights

Significant investment is being made throughout the Pathways to Decarbonization: Energy Portfolio project to engage both internal and external stakeholders

- A series of 6 public workshops allowing meaningful interaction with stakeholders, listening to their comments, answering questions, and incorporating their thoughts on future scenarios
- Public release of modeling data and assumptions, with time for stakeholder to provide feedback
- Stakeholders wanting to learn more can engage on [OPPDCommunityConnect.com](https://www.oppd.com/CommunityConnect)



Workshop Satisfaction Scores  
(Satisfied + Very Satisfied)



# SD-9 Resource Planning Strategic Directive

Utilize multiple scenarios to properly evaluate the range of risks posed by varying future assumptions such as, but not limited to fuel costs, economic growth, regulations and emerging technologies.



## Pathways to Decarbonization: Energy Portfolio Highlights

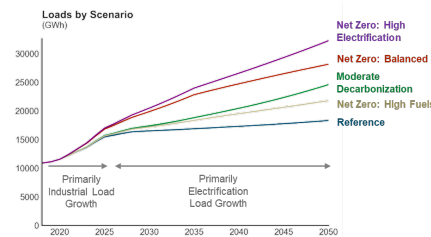
Scenario analysis is embedded into OPPD's Pathways to Decarbonization: Energy Portfolio modeling, including scenarios around fuel costs, load growth, pace of decarbonization, availability and cost of emerging technologies.

Additional scenarios are considered around extreme weather scenarios such as extreme heat, cold, extended periods of low renewables, and local events. These are influenced by both historical data and projected changing weather conditions.

### Economy-Wide Scenarios

A detailed study of decarbonization across the economy and impacts to OPPD's load

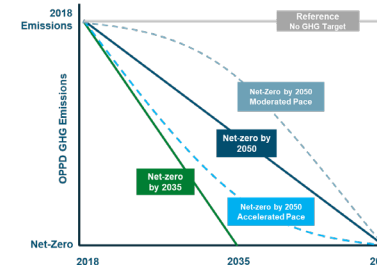
Multi-Sector Modeling Load Scenarios



### Pace of Decarbonization

A range of speeds of decarbonization from a reference case, to accelerated, straight-line, and delayed scenarios

Pace of Decarbonization Scenarios



### Other Factors

- Emerging technology availability and cost projections
- Carbon Policy
- The speed of carbon reductions required by regulators
- Fuel prices sensitivities simulating different types of future market conditions
- Resiliency scenarios driven by heat, cold, low renewable periods, and localized events

# SD-9 Resource Planning Strategic Directive

Ensure all integrated resource strategic plans support and align with OPPD's Strategic Directives.

The planning process considers the diverse and unique requirements of the following Strategic Directives and embraces the competing interests and tradeoffs that must be made when making resource decisions:

- SD-2: Rates
- SD-4: Reliability
- SD-5: Customer Satisfaction
- SD-7: Environmental Stewardship
- SD-9: Resource Planning
- SD-11: Economic Development
- SD-13: Stakeholder Outreach and Engagement
- SD-15: Enterprise Risk Management

# Recommendation

- The System Management Committee has reviewed and accepted this Monitoring Report for SD-9 and recommends that the Board find OPPD to be sufficiently in compliance with Board Policy SD-9.





Williams/Fisher

**DRAFT**  
**RESOLUTION NO. 64xx**

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

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

**WHEREAS**, the Board's System Management and Nuclear Oversight Committee (the "Committee") is responsible for evaluating Board Policy SD-9: Resource Planning on an annual basis. The Committee has reviewed the SD-9: Resource Planning Monitoring Report and finds OPPD to be sufficiently in compliance with the policy as stated.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of Omaha Public Power District accepts the SD-9: Resource Planning Monitoring Report, in the form as set forth on Exhibit A attached hereto and made a part hereof, and finds OPPD to be sufficiently in compliance with the policy as stated.



# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Award RFP No. 5895 "161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer"

### PURPOSE

Board of Directors authorization to award RFP No. 5895, a multi-year 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer Contract, to support reliability and load growth in developing areas of the community.

### FACTS


- a. The 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformers are required to support strategic spares, proactive replacements and provide flexibility for future projects.
  - a. Forty (40) similar units are in-service today ranging in age.
  - b. Proactive replacements have been identified for two (2) sites.
  - c. This contract will initially procure a quantity of one (1) 161-13.8-13.8kV 56 MVA transformer to support an inventory of two (2) spares.
- b. Five (5) proposals were received; three (3) are legally responsive and four (4) technically responsive.
- c. Virginia Transformer Corp. proposal was evaluated as the lowest and best bid.
- d. Virginia Transformer Corp. provided the option to renew up to four (4) additional one (1) year terms with an acceptable escalation/de-escalation formula based on identified indices.


### ACTION

Authorization by the Board to award Virginia Transformer Corp. for initial one (1) year contract with the option to renew up to four (4) additional one (1) year terms based on the evaluation of RFP No. 5895 "161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer" for the procurement of substation power transformers.

RECOMMENDED:

APPROVED FOR BOARD CONSIDERATION:

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 181467224FA24AE...  
 Troy R. Via  
 Vice President – Energy Delivery

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

TRV:mre

- Attachments:
- Analysis of Proposals
  - Tabulation of Bids
  - Legal Opinion
  - Resolution



Date: August 13, 2021

From: D. D. Buelt

To: T. R. Via

RFP No. 5895  
 “161-13.8-13.8kV 30/40/50(56)MVA OLTC TRANSFORMER”  
Analysis of Proposals

1.00 GENERAL

RFP No. 5895 was advertised for bid on June 15, 2021.

RFP No. 5895 provides the opportunity to purchase 161-13.8-13.8kV 56 MVA transformers for initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms pursuant to the escalation/de-escalation provisions. OPPD will initially procure a quantity of one (1) 161-13.8-13.8kV 56 MVA transformer to support spare needs with desired delivery in September 2022.

No Letters of Clarification (LOC) or Addendums were issued.

Bids were requested and opened at 2:00 p.m., C.D.T., Tuesday, July 13, 2021.

Five (5) total proposals were received. The proposals received are summarized in the table below:

Bidder	Lump Sum Firm Price	Legally Responsive	Technically Responsive
Pennsylvania Transformer Technology, Inc.	\$1,503,969	No	No
Virginia Transformer Corp.	\$1,552,511	Yes	Yes
WEG Transformer USA	\$1,758,200	Yes	Yes
Hyundai Electric America Corporation	\$1,992,562 <sup>1</sup>	Yes	Yes
ABB Enterprise Software Inc.	\$2,233,700	No	Yes

<sup>1</sup> Bid price updated to correct math error



## 2.00 COMPLIANCE WITH CONTRACT TERMS AND GENERAL REQUIREMENTS

OPPDP's legal counsel noted ABB Enterprise Software, Inc. proposal was not signed by the bidder and therefore does not comply with the RFP requirements and cannot be considered for award.

Pennsylvania Transformer Technology, Inc. included their standard terms and conditions which they would propose to "negotiate". The proposal was noted as legally responsive with the understanding that clarification be obtained that OPPDP's contract documents shall govern. Upon clarification, Pennsylvania Transformer would accept OPPDP's form of agreement based on noted clarifications resulting in a proposed "negotiation" hence deemed legally non-responsive.

Virginia Transformer Corp. included revised payment and warranty terms that are subject to OPPDP's economic and risk evaluation. Guaranteed delivery dates was noted as 32 weeks after receipt of order, OPPDP will need to calculate that date to determine if delivery meets desired delivery date. Guaranteed delivery lead time of 32 weeks after receipt of order, payment terms, and warranty terms were reviewed by OPPDP and deemed acceptable.

WEG Transformer USA included modifications to the District's liquidated damages and limit of liability provisions. These revisions do not render the proposal legally non-responsive, but are subject to OPPDP's economic and risk evaluation. The WEG proposal also includes clarifications to the payment, warranty and cancellations provisions of the contract documents all of which are subject to OPPDP's economic and risk evaluation.

The proposal of Hyundai Electric America Corporation did not contain commercial exceptions to the contract documents.

Subject to the foregoing comments and OPPDP's economic and technical evaluation and clarification from Pennsylvania Transformer Technology, Inc., all of the proposals received, with exception of the ABB Enterprise Software proposal, may be considered by OPPDP's Board of Directors for the award of this contract. The form of performance and payment bond, if applicable, must be approved by the Board.

## 3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

The proposal received from Pennsylvania Transformer Technology, Inc. was deemed technically non-responsive based on clarification responses which also resulted in price and schedule increases.



The proposal from Virginia Transformer Corp. was deemed technically responsive based on technical review and requested clarifications.

The proposals received from ABB Enterprise Software, Inc., WEG Transformer USA and Hyundai Electric America Corporation were deemed technically responsive.

#### 4.00 RECOMMENDATION

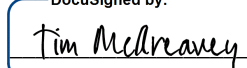
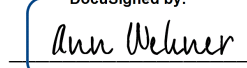
On the basis of compliance with the legal and technical requirements of the specifications, cost evaluations performed and guaranteed completion dates, it is recommended that RFP No. 5895, “161-13.8-13.8kV 30/40/50(56)MVA OLTC TRANSFORMER” be awarded to Virginia Transformer Corp. in the amount of One Million, Five Hundred Fifty-Two Thousand, Five Hundred Eleven Dollars (\$1,552,511.00).

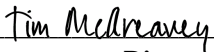
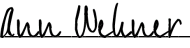
DocuSigned by:

*Dannie D. Bult*

6DD7614246884BE...

Dannie Bult, PE  
Director Engineering  
Energy Delivery

<p align="center"><b>TABULATION OF BIDS</b>                  Opened at 2:00 p.m., C.D.T., Tuesday,                  July 13, 2021, in Omaha, Nebraska</p>	<p align="center"><b>REQUEST FOR PROPOSAL NO. 5895</b>  <b>161-13.8-13.8-kv 30/40/50(56)MVA OLTC Transformer</b></p> <p align="right">Page 1 of 2</p>			<p>DocuSigned by:                    9426AD614774 Director                  Supply Chain Management                  DocuSigned by:                    F8B5A3C97DAD4FC                  Compiled by and Certified Correct</p>
<p align="center">Anticipated Award Date                  August 19, 2021</p>				
<p align="center">ENGINEER'S ESTIMATE                    \$1,300,000.00</p>				
<p align="center">BID ITEM</p>	<p align="center"><b>BIDDER'S NAME &amp; ADDRESS</b></p>			
	<p align="center">Pennsylvania Transformer                  Technology, Inc.                  30 Curry Avenue                  Canonsburg, PA 15317-0440</p>	<p align="center">ABB Enterprise Software Inc.                  305 Gregson Drive                  Cary, NC 27511</p>	<p align="center">Virginia Transformer Corp.                  220 Glade View Drive, NE                  Roanoke, VA 24012</p>	
<p><b>1. Price Proposal:</b>                  Firm base price to furnish and deliver one (1) 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer</p> <p><b>A. Transformer Only</b>  <b>B. Shipping Only, FOB Destination</b>  <b>C. Assembly Only</b>                  Total Bid Price (A+B+C)</p> <p><b>2. Delivery Guarantee(s):</b>                    OPPD Desired Delivery Date: September 1, 2022</p>	<p align="center"><b>SUPPLIER'S BID</b></p>	<p align="center"><b>SUPPLIER'S BID</b></p>	<p align="center"><b>SUPPLIER'S BID</b></p>	
<p align="center"> <u>\$1,347,569</u>  <u>\$91,400</u>  <u>\$65,000</u>  <u>\$1,503,969</u> </p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center"><u>September 1, 2022</u></p>	<p align="center"> <u>\$1,817,900</u>  <u>\$242,100</u>  <u>\$173,700</u>  <u>\$2,233,700</u> </p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center"><u>September 30, 2022</u></p>	<p align="center"> <u>\$1,552,511</u>  <u>Included</u>  <u>Included</u>  <u>\$1,552,511</u> </p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center"><u>32 weeks from ARO</u></p>		

<p style="text-align: center;"><b>TABULATION OF BIDS</b>                  Opened at 2:00 p.m., C.D.T., Tuesday,                  July 13, 2021, in Omaha, Nebraska</p> <hr/> <p style="text-align: center;">Anticipated Award Date                  August 19, 2021</p> <hr/> <p style="text-align: center;"><b>ENGINEER'S ESTIMATE</b></p> <p style="text-align: center;"><b>\$1,300,000.00</b></p>	<p><b>REQUEST FOR PROPOSAL NO. 5895</b>  <b>161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer</b></p> <p style="text-align: right;">Page 2 of 2</p>		<p>DocuSigned by:                    9426AD614777  <b>Director</b></p> <p>Supply Chain Management                  DocuSigned by:    <b>Compiled by and Certified Correct</b></p>
<p><b>BID ITEM</b></p>	<p><b>BIDDER'S NAME &amp; ADDRESS</b></p>		
	<p><b>WEG Transformer USA</b>                  6350 WEG Drive                  Washington, MO 63090</p>	<p><b>Hyundai Electric America Corporation</b>                  6100 Atlantic Boulevard, 2nd Fl.                  Norcross, GA 30071</p>	
<p><b>1. Price Proposal:</b>                  Firm base price to furnish and deliver one (1) 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer</p> <p><b>A. Transformer Only</b></p> <p><b>B. Shipping Only, FOB Destination</b></p> <p><b>C. Assembly Only</b></p> <p><b>Total Bid Price (A+B+C)</b></p> <p><b>2. Delivery Guarantee(s):</b></p> <p><b>OPPD Desired Delivery Date: September 1, 2022</b></p> <p><b>*Bidder's submittal had a mathematical error.</b></p>	<p><b>SUPPLIER'S BID</b></p>           <p><b>Guaranteed Delivery Date</b></p>  <p>September 1, 2022 if ordered by                  August 19, 2021                  otherwise 54 weeks ARO</p>	<p><b>SUPPLIER'S BID</b></p>           <p><b>Guaranteed Delivery Date</b></p>  <p>September 1, 2022</p>	<p><b>SUPPLIER'S BID</b></p>           <p><b>Guaranteed Delivery Date</b></p>  <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>

**FRASER STRYKER**

PC LLO

LAWYERS

500 ENERGY PLAZA

409 SOUTH 17TH STREET

OMAHA, NEBRASKA 68102-2663

TELEPHONE 402.341.6000

FAX 402.341.8290

WWW.FRASERSTRYKER.COM

STEPHEN M. BRUCKNER  
DIRECT DIAL: 402.978.5225  
SBRUCKNER@FRASERSTRYKER.COM

July 16, 2021

Omaha Public Power District  
444 South 16<sup>th</sup> Street  
Omaha, NE 68102

RE: Request for Proposal No. 5895 ("RFP No. 5895") – 161-13.8 OLTC Transformer

Ladies and Gentlemen:

We have reviewed the five (5) proposals received in response to RFP No. 5895 and provide the following legal opinion.

The proposal of ABB Enterprise Software, Inc. is not signed by the bidder and therefore does not comply with the RFP requirements and cannot be considered by the Board of Directors for the award of this contract.

The proposal of Pennsylvania Transformer Technology, Inc. includes that company's standard terms and conditions in the proposal. Additionally, Pennsylvania Transformer submits potential terms that it would propose to "negotiate" with OPPD. This is a sealed bid contract so there cannot be negotiations. In order for Pennsylvania Transformer's proposal to receive further consideration, the District must receive from the bidder a letter of clarification that withdraws both the standard terms and conditions and the proposed negotiated terms, and accepts the District's form of agreement for this RFP. Without that written clarification, the Pennsylvania Transformer proposal is legally non-responsive and cannot be considered further for the award of this contract.

The proposal of Virginia Transformer includes revised payment and warranty terms that are subject to the District's economic evaluation. The proposal also states that its guaranteed delivery date will be 32 weeks after receipt of order, so the District will have to calculate that date to determine whether it meets the District's desired delivery date.

The proposal of WEG Transformer USA includes modifications to the District's liquidated damages and limit of liability provisions. These revisions do not, in our opinion, render the WEG proposal legally non-responsive, but they are subject to the District's economic evaluation. The WEG proposal also includes suggested clarifications to the payment, warranty, and cancellation provisions of the contract documents, and those clarifications are subject to evaluation.



Omaha Public Power District

July 16, 2021

Page 2

The proposal of Hyundai Electric American Corporation did not contain commercial exceptions to the contract documents.

Subject to the foregoing comments and the District's economic and technical evaluation, and the receipt of the letter of clarification from Pennsylvania Transformer, the proposals for this RFP, except the proposal of ABB Enterprise Software, may be considered by the District's Board of Directors for the award of this contract. The form of performance and payment bond for the successful bidder also must be approved by the Board.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen M. Bruckner", is written over a light blue rectangular background.

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2615782



Williams/Via

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, sealed bids were requested and advertised, as required by law, for the following:

**REQUEST FOR PROPOSAL (RFP) NO. 5895**  
**161-13.8-13.8kV 30/40/50(56)MVA OLTC TRANSFORMER**

**WHEREAS**, bids were received and opened at the time and place mentioned in the published notices and the Director – Supply Chain Management supervised the tabulations, which have been submitted to this Board; and

**WHEREAS**, OPPD issued Request for Proposal (RFP) No. 5895 to procure 161-13.8-13.8kV 56 MVA transformers for an initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms pursuant to the escalation/de-escalation pricing provisions set forth in the RFP No. 5895 contract documents; and

**WHEREAS**, OPPD will initially procure a quantity of one (1) 161-13.8-13.8kV 56 MVA transformer to support spare needs with desired delivery in September 2022; and

**WHEREAS**, the proposal submitted by Virginia Transformer Corp. was evaluated by Management as the lowest and best bid and provided an acceptable escalation/de-escalation formula based on identified indices to address changes in commodity and labor prices; and

**WHEREAS**, the Board of Directors has carefully considered the bids submitted, as well as the recommendations of the District's Management and General Counsel.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that Management is hereby authorized and directed to: (a) accept the proposal of Virginia Transformer Corp. for the initial purchase of one (1) 161-13.8-13.8 kV 30/40/50 (56) MVA OLTC Transformer, for the lump sum firm price of \$1,552,511.00; (b) enter into a contract with Virginia Transformer Corp. that includes the price escalation/de-escalation provision offered by Virginia Transformer Corp., for an initial term of one (1) year, with the option to renew for up to four (4) additional one (1) year contract terms; and (c) the form of payment and performance bond of such bidder hereby is approved.



# Board of Directors Committee Meeting August 17, 2021

161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer

# 161-13.8-13.8kV 30/40/50(56)MVA OLTC Transformer





# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Award RFP No. 5896 "161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer"

### PURPOSE

Board of Directors authorization to award RFP No. 5896, a multi-year 161-13.8-13.8kV 40/53.3/67(75) MVA OLTC Transformer Contract to support reliability and load growth in developing areas of the community.

### FACTS


- a. The 161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformers are required to support strategic spares, proactive replacements and provide flexibility for future projects.
  - a. Nine (9) similar units are in-service today ranging in age and with no current spare.
  - b. This contract will initially procure a quantity of one (1) 161-13.8-13.8kV 75 MVA transformer to support an inventory of one (1) spare.
- b. Four (4) proposals were received; two (2) are legally and three (3) technically responsive.
- c. Virginia Transformer Corp. proposal was evaluated as the lowest and best bid.
- d. Virginia Transformer Corp. provided the option to renew up to four (4) additional one (1) year terms with an acceptable escalation/de-escalation formula based on identified indices.


### ACTION

Authorization by the Board to award Virginia Transformer Corp. for initial one (1) year contract with the option to renew up to four (4) additional one (1) year terms based on the evaluation of RFP No. 5896 "161-13.8-13.8kV 40/53.3/67(75)MVA OLTCTransformer" for the procurement of substation power transformers.

#### RECOMMENDED:

#### APPROVED FOR BOARD CONSIDERATION:

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 Troy R. Via  
 Vice President – Energy Delivery

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

TRV:mre

- Attachments: Analysis of Proposals  
 Tabulation of Bids  
 Legal Opinion  
 Resolution



Date: August 13, 2021

From: D. D. Buelt

To: T. R. Via

RFP No. 5896  
 “161-13.8-13.8kV 40/53.3/67(75)MVA OLTC TRANSFORMER”  
Analysis of Proposals

1.00 GENERAL

RFP No. 5896 was advertised for bid on June 15, 2021.

RFP No. 5896 provides the opportunity to purchase 161-13.8-13.8kV 75 MVA transformers for initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms pursuant to the escalation/de-escalation provisions. OPPD will initially procure a quantity of one (1) 161-13.8-13.8kV 75 MVA transformer to support spare needs with desired delivery in September 2022.

No Letters of Clarification (LOC) or Addendums were issued.

Bids were requested and opened at 2:00 p.m., C.D.T., Tuesday, July 13, 2021.

Four (4) total proposals were received. The proposals received are summarized in the table below:

Bidder	Lump Sum Firm Price	Legally Responsive	Technically Responsive
Pennsylvania Transformer Technology, Inc.	\$1,752,448	No	No
Virginia Transformer Corp.	\$1,754,884	Yes	Yes
WEG Transformer USA	\$2,110,900	Yes	Yes
ABB Enterprise Software Inc.	\$2,488,700	No	Yes

2.00 COMPLIANCE WITH CONTRACT TERMS AND GENERAL REQUIREMENTS

OPPD’s legal counsel noted ABB Enterprise Software, Inc. proposal was not signed by the bidder and therefore does not comply with the RFP requirements and cannot be considered for award.



Pennsylvania Transformer Technology, Inc. included their standard terms and conditions which would propose to “negotiate”. To receive further consideration, OPPD must receive a clarification from Pennsylvania Transformer Technology, Inc. that withdraws both the standard terms and conditions and the proposed negotiated terms, accepting OPPD’s form of agreement. Upon clarification, Pennsylvania Transformer would accept OPPD’s form of agreement based on noted clarifications resulting in a proposed “negotiation” hence deemed legally non-responsive.

Virginia Transformer included exceptions to liquidated damages, payment and warranty terms that are subject to OPPD’s economic and risk evaluation. Guaranteed delivery date was noted as 32 weeks after receipt of order, OPPD will need to calculate that date to determine if delivery meets desired delivery date. Exceptions to liquidated damages, payment and warranty terms and guaranteed delivery lead time of 32 weeks after receipt of order were reviewed by OPPD and deemed acceptable.

WEG Transformer USA included exceptions to payment, warranty, cancellation and limit of liability provisions which are subject to OPPD’s economic and risk evaluation.

Subject to the foregoing comments and OPPD’s economic and technical evaluation and clarification from Pennsylvania Transformer Technology, Inc., all of the proposals received, with exception of the ABB Enterprise Software, Inc. proposal, may be considered by OPPD’s Board of Directors for the award of this contract. The form of performance and payment bond, if applicable, must be approved by the Board.

### 3.00 COMPLIANCE WITH TECHNICAL REQUIREMENTS

The proposal received from Pennsylvania Transformer Technology, Inc. was deemed technically non-responsive based on clarification responses which also resulted in price and schedule increases.

The proposal from Virginia Transformer Corp. was deemed technically responsive based on technical review and requested clarifications.

The proposals received from ABB Enterprise Software, Inc. and WEG Transformer USA were deemed technically responsive.



## MEMORANDUM

### 4.00 RECOMMENDATION

On the basis of compliance with the legal and technical requirements of the specifications, cost evaluations performed and guaranteed completion dates, it is recommended that RFP No. 5896, “161-13.8-13.8kV 40/53.3/67(75)MVA OLTC TRANSFORMER” be awarded to Virginia Transformer Corp. in the amount of One Million, Seven Hundred Fifty-Four Thousand, Eight Hundred Eighty Four Dollars (\$1,754,884.00).

DocuSigned by:


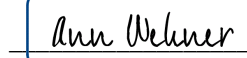
*Dannie D. Buel*


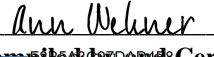
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Dannie Buel, PE  
Director Engineering  
Energy Delivery



<p align="center"><b>TABULATION OF BIDS</b>                  Opened at 2:00 p.m., C.D.T., Tuesday,                  July 13, 2021, in Omaha, Nebraska</p>	<p align="center"><b>REQUEST FOR PROPOSAL NO. 5896</b>  <b>161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer</b></p> <p align="right">Page 1 of 2</p>			<p>DocuSigned by:                    9426AD61477A435...  <b>Director</b></p> <p>DocuSigned by:                    1185A3672A94FC  <b>Supply Chain Management</b>                  Complied by and Certified Correct</p>
<p align="center">Anticipated Award Date                  August 19, 2021</p>				
<p align="center">ENGINEER'S ESTIMATE                  \$1,500,000.00</p>				
<p align="center">BID ITEM</p>	<p align="center"><b>BIDDER'S NAME &amp; ADDRESS</b></p>			
	<p align="center">Pennsylvania Transformer                  Technology, Inc.                  30 Curry Avenue                  Canonsburg, PA 15317-0440</p>	<p align="center">ABB Enterprise Software Inc.                  305 Gregson Drive                  Cary, NC 27511</p>	<p align="center">Virginia Transformer Corp.                  220 Glade View Drive, NE                  Roanoke, VA 24012</p>	
<p><b>1. <u>Price Proposal:</u></b></p> <p>Firm base price to furnish and deliver one (1) 161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer</p> <p><b>A. Transformer Only</b>  <b>B. Shipping Only, FOB Destination</b>  <b>C. Assembly Only</b>                  Total Bid Price (A+B+C)</p> <p><b>2. <u>Delivery Guarantee(s):</u></b></p> <p>OPPD Desired Delivery Date: September 1, 2022</p>	<p align="center"><b>SUPPLIER'S BID</b></p>	<p align="center"><b>SUPPLIER'S BID</b></p>	<p align="center"><b>SUPPLIER'S BID</b></p>	
<p align="center"><u>\$1,568,348</u></p> <p align="center"><u>\$114,100</u></p> <p align="center"><u>\$70,000</u></p> <p align="center"><u>\$1,752,448</u></p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center"><u>September 1, 2022</u></p>	<p align="center"><u>\$1,995,300</u></p> <p align="center"><u>\$319,700</u></p> <p align="center"><u>\$173,700</u></p> <p align="center"><u>\$2,488,700</u></p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center"><u>September 30, 2022</u></p>	<p align="center"><u>\$1,754,884</u></p> <p align="center"><u>Included</u></p> <p align="center"><u>Included</u></p> <p align="center"><u>\$1,754,884</u></p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center"><u>32 weeks ARO</u></p>		

<p align="center"><b>TABULATION OF BIDS</b>                  Opened at 2:00 p.m., C.D.T., Tuesday,                  July 13, 2021, in Omaha, Nebraska</p>	<p align="center"><b>REQUEST FOR PROPOSAL NO. 5896</b>  <b>161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer</b></p> <p align="right">Page 2 of 2</p>			<p>DocuSigned by:                    9426AD61477A435...  <b>Director</b></p> <p><b>Supply Chain Management</b>                  DocuSigned by:                    Compiled by and Certified Correct</p>
<p align="center">Anticipated Award Date                  August 19, 2021</p>				
<p align="center"><b>ENGINEER'S ESTIMATE</b></p> <p align="center">\$1,500,000.00</p>				
<p align="center"><b>BID ITEM</b></p>	<p align="center"><b>BIDDER'S NAME &amp; ADDRESS</b></p>			
	<p align="center"><b>WEG Transformer USA</b>                  6350 WEG Drive                  Washington, MO 63090</p>			
	<p align="center"><b>SUPPLIER'S BID</b></p>	<p align="center"><b>SUPPLIER'S BID</b></p>	<p align="center"><b>SUPPLIER'S BID</b></p>	
<p><b>1. Price Proposal:</b></p> <p>Firm base price to furnish and deliver one (1) 161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer</p> <p><b>A. Transformer Only</b>  <b>B. Shipping Only, FOB Destination</b>  <b>C. Assembly Only</b>  <b>Total Bid Price (A+B+C)</b></p> <p><b>2. Delivery Guarantee(s):</b></p> <p><b>OPPD Desired Delivery Date: September 1, 2022</b></p>	<p align="center">\$1,849,800                  \$191,100                  \$70,000                  \$2,110,900</p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center">September 1, 2022, if ordered by                  August 19, 2021                  otherwise 54 weeks ARO</p>	<p align="center">_____                  _____                  _____                  _____</p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center">_____</p>	<p align="center">_____                  _____                  _____                  _____</p> <p align="center"><b><u>Guaranteed Delivery Date</u></b></p> <p align="center">_____</p>	



# FRASER STRYKER

PC LLO

LAWYERS

500 ENERGY PLAZA

409 SOUTH 17TH STREET

OMAHA, NEBRASKA 68102-2663

TELEPHONE 402.341.6000

FAX 402.341.8290

WWW.FRASERSTRYKER.COM

STEPHEN M. BRUCKNER  
DIRECT DIAL: 402.978.5225  
SBRUCKNER@FRASERSTRYKER.COM

July 16, 2021

Omaha Public Power District  
444 South 16<sup>th</sup> Street  
Omaha, NE 68102

RE: Request for Proposal No. 5896 ("RFP No. 5896") – 161-13.8 OLTC Transformer

Ladies and Gentlemen:

We have reviewed the four (4) proposals received in response to RFP No. 5896 and provide the following legal opinion.

The proposal of ABB Enterprise Software, Inc. is not signed and, therefore, does not comply with the requirements of the RFP and cannot be considered for the award of this contract.

The proposal of Pennsylvania Transformer Technology, Inc. includes standard terms and conditions of the bidder and a statement that Pennsylvania Transformer is willing to negotiate certain terms. This contract is a sealed bid contract and cannot be negotiated. In order for Pennsylvania Transformer's proposal to receive further consideration, the District must receive from the bidder a letter of clarification that withdraws both the standard terms and conditions and the proposed negotiated terms, and accepts the District's form of agreement for this RFP. Without that written clarification, the Pennsylvania Transformer proposal is legally non-responsive and cannot be considered further for the award of this contract.

The proposal of Virginia Transformer states that its date for delivery is 32 weeks after receipt of an order. The District will have to calculate this time to determine whether it meets the desired delivery date. The Virginia Transformer proposal also includes exceptions to liquidated damages, payment, and warranty terms of the contract documents; these exceptions are subject to evaluation by the District.

The proposal of WEG Transformer USA submits exceptions to payment, warranty, cancellation and limit of liability terms in the contract documents and must be evaluated by the District.

Subject to the foregoing comments and the receipt of the specified letter of clarification from Pennsylvania Transformer, all of the proposals, except the proposal of ABB Enterprise Software, Inc.,

Omaha Public Power District

July 16, 2021

Page 2

may be considered by the Board of Directors for the award of this contract. The form of performance and payment bond for the successful bidder also must be approved by the Board.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen M. Bruckner", is written over a light gray rectangular background.

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2615841



Williams/Via

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, sealed bids were requested and advertised, as required by law, for the following:

**REQUEST FOR PROPOSAL (RFP) NO. 5896**  
**161-13.8-13.8kV 40/50.3/67(75) MVA OLTC TRANSFORMER**

**WHEREAS**, bids were received and opened at the time and place mentioned in the published notices and the Director – Supply Chain Management supervised the tabulations, which have been submitted to this Board; and

**WHEREAS**, OPPD issued Request for Proposal (RFP) No. 5896 to procure 161-13.8-13.8kV 75 MVA transformers for an initial term of one (1) year with the option to renew up to four (4) additional one (1) year terms pursuant to the escalation/de-escalation pricing provisions set forth in the RFP No. 5896 contract documents; and

**WHEREAS**, OPPD will initially procure a quantity of one (1) 161-13.8-13.8kV 75 MVA transformer to support spare needs with desired delivery in September 2022; and

**WHEREAS**, the proposal submitted by Virginia Transformer Corp. was evaluated by Management as the lowest and best bid and provided an acceptable escalation/de-escalation formula based on identified indices to address changes in commodity and labor prices; and

**WHEREAS**, the Board of Directors has carefully considered the bids submitted, as well as the recommendations of the District's Management and General Counsel.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that Management is hereby authorized and directed to: (a) accept the proposal of Virginia Transformer Corp. for the initial purchase of one (1) 161-13.8-13.8 kV 40/50.3/67(75) MVA OLTC Transformer, for the lump sum firm price of \$1,754,884.00; (b) enter into a contract with Virginia Transformer Corp. that includes the price escalation/de-escalation provision offered by Virginia Transformer Corp., for an initial term of one (1) year, with the option to renew for up to four (4) additional one (1) year contract terms; and (c) the form of payment and performance bond of such bidder hereby is approved.



# Board of Directors Committee Meeting August 17, 2021

161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer

# 161-13.8-13.8kV 40/53.3/67(75)MVA OLTC Transformer





# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

North Omaha Station Auxiliary Steam Electrode Boiler

### PURPOSE

Provide services for the design, supply and installation of an Auxiliary Steam Electrode Boiler for the North Omaha Station.

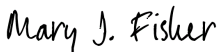
### FACTS

- a. Per Resolution No. 6006, the Board of Directors authorized management to refuel North Omaha Station Units 4 and 5 to natural gas.
- b. Based on an economic evaluation, an auxiliary steam electric boiler was selected to be utilized at the North Omaha Station to provide building heat and to support cold startups of Unit 4 and Unit 5 following fuel conversion to natural gas.
- c. The District's engineer has certified the complex nature of the work and that use of the sealed bid process is impractical and not in the public's best interest.
- d. The District will solicit competitive proposals from qualified contractors for the work. A negotiated contract process will provide more time for potential contractors to develop a detailed work plan with optimized project schedule, pricing, and risk mitigation.
- e. The work is scheduled to be complete in the fourth quarter of 2023.


### ACTION

Approval of the Engineer's Certification and authorization for management to negotiate and enter into a contract for the supply of equipment and services for the design and installation of an Auxiliary Steam Electrode Boiler at the North Omaha Station.

#### RECOMMENDED:

DocuSigned by:  
  
C105DD0BB12A4BA...  
 Mary J. Fisher  
 Vice President – Energy Production and Nuclear Decommissioning

#### APPROVED FOR BOARD CONSIDERATION:

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

SAE:mb

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





## MEMORANDUM

**DATE:** August 6, 2021  
**FROM:** S.A. Eidem  
**TO:** M.J. Fisher  
**SUBJECT:** North Omaha Station Auxiliary Steam Electrode Boiler

### 1.0 GENERAL

The North Omaha station currently utilizes an operating coal unit to provide steam to the existing Auxiliary Steam system for building heating during the winter months and to preheat combustion air during unit startups when required. Based on a favorable economic evaluation, an auxiliary electric boiler is planned to be utilized to provide building heat and to support Unit 4 and 5 cold startups post fuel conversion to natural gas. An electric boiler also supports the District's decarbonization strategic initiative goals. The electric boiler will be maintained and critical spare parts available to mitigate the risk of having an unexpected boiler outage for an extended period of time. Contingency plans are also being pursued in case of a prolonged electric boiler outage to ensure North Omaha Station systems are protected from freezing in that scenario.

The auxiliary electrode boiler is unique and will require detailed structural, mechanical, electrical, and controls engineering and construction support to ensure there will be no adverse consequences with the existing interfacing systems. OPPD does not currently maintain an electrode boiler at any existing site. Performance guarantees will be established to ensure the boiler performs as specified before the required Commissioning date in the fourth quarter of 2023, thereby mitigating future risks to the District.

Compliance with the sealed bidding requirements of the Nebraska Statutes is impractical and not in the public's best interest. Contract negotiations will allow potential qualified contractors more time to develop a detailed work plan, reduce risk by having a better understanding of the project scope, maintain the overall project schedule and performance guarantees, and preserve a competitive bid environment by reducing the chance bidders submit non-compliant bids. Negotiations will provide OPPD a better understanding and comparison of the complex bid offerings.

Therefore, it is in District and public's best interest to forgo the sealed bidding process. Instead competitive bids will be sought through a publically available Request for Proposal (RFP) and detailed negotiation process with the capable bidders. The contract will be awarded to the contractor with the lowest and best evaluated bid.

August 6, 2021  
Page 2 of 2

## 2.0 RECOMMENDATION

An Engineer's Certification of the above has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate and enter into a contract to design, procure, and install an auxiliary steam electrode boiler at the North Omaha Station.

*Scott A. Eidem*

S.A. Eidem, P.E.  
Director, Engineering Services  
Energy Production and Nuclear Decommissioning

### ENGINEER'S CERTIFICATE

The Omaha Public Power District (OPPD) intends to enter into a contract to design, furnish, and install an auxiliary electrode steam boiler and associated equipment at the North Omaha Station. The new boiler will provide steam to the existing auxiliary steam system for heating during the winter months and preheat combustion air during unit startups following the planned fuel conversion of Units 4 and 5 to natural gas. This project involves activities that must be properly planned, designed, coordinated, and executed to perform the work safely, with high quality workmanship and efficiently within the various areas of the turbine building. For the reasons explained and certified in this Engineer's Certificate, OPPD Management seeks approval from the Board of Directors to obtain these contractor services outside the statutory sealed bid process.

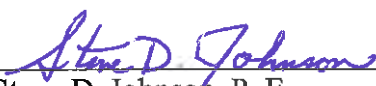
OPPD will solicit competitive proposals from qualified Engineer, Procure, and Construction (EPC) contractors. The ability for OPPD to conduct face-to-face contract negotiations will provide the necessary project details for OPPD to evaluate the contractor's plan and capabilities, and will enable potential contractors to fully develop a detailed project execution plan that can be safely and cost-effectively performed at the generating station.

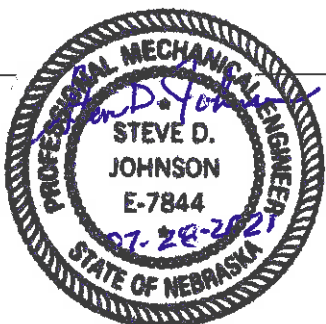
The undersigned, a Nebraska professional engineer employed by OPPD, certifies that compliance with the sealed bidding requirements of Nebraska statutes, Neb. Rev. Stat. 70-637 to 70-641, is impractical and not in the public's best interest for the following reasons:

- The auxiliary steam boiler equipment and associated supporting systems are technically complex and must be integrated with other plant systems to optimize performance and obtain equipment performance guarantees.
- A negotiated contract process will better enable OPPD to evaluate contractors' plans and capabilities, will provide a more iterative process for potential contractors to develop potential installation options and a detailed work plan while optimizing their EPC project schedule.
- A negotiated contract provides the proper mechanism to develop optimal pricing, schedule, and contract terms and conditions with acceptable risk mitigation.

Pursuant to Section 70-637 of the Nebraska Revised Statutes, as amended, the board of Directors is requested to approve this Engineer's Certificate and authorize Management to negotiate a contract for the supply of equipment and services for the design and installation of an auxiliary electrode boiler at the North Omaha Station without compliance with Sections 70-637 to 70-641 of the Nebraska Revised Statutes.

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

  
Steve D. Johnson, P .E.



7-28-21  
Date



**FRASER STRYKER**

PC LLO

LAWYERS

500 ENERGY PLAZA  
409 SOUTH 17TH STREET  
OMAHA, NEBRASKA 68102-2663  
TELEPHONE 402.341.6000  
TELEFAX 402.341.8290  
WWW.FRASERSTRYKER.COM

**STEPHEN M. BRUCKNER**  
**DIRECT DIAL: 402.978.5225**  
**SBRUCKNER@FRASERSTRYKER.COM**

July 9, 2021

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

RE: North Omaha Station - Engineer's Certification for Auxiliary Steam Boiler and Associated Equipment

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Steve D. Johnson, P.E., a registered professional engineer in the State of Nebraska employed by the District. Mr. Johnson's Engineer's Certification states that the District intends to enter into a contract to design, furnish, and install an auxiliary electrode steam boiler and associated equipment at the North Omaha Station. This project is needed in connection with the refueling of North Omaha Station to natural gas, per a prior Board resolution. The Certification states that auxiliary steam boiler equipment and associated supporting systems are technically complex and must be integrated with other plant systems to optimize performance and obtain equipment performance guarantees. Mr. Johnson further certifies that a negotiated Engineer, Procure, and Construct ("EPC") contract process will better enable OPPD to evaluate contractors' plans and capabilities, and will provide a more iterative process for potential contractors to develop installation options and a detailed work plan while optimizing their EPC project schedule. For these and other reasons set forth in the Certification, Mr. Johnson certifies that the use of sealed bidding for this scope of work would be impractical and not in the public interest.

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

It is our opinion that Mr. Johnson's Engineer's Certification complies with Section 70-637 and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contract for the auxiliary steam boiler project. We recommend that any such contract be subject to review and approval by the District's General Counsel.

Very truly yours,

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

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2611995



Williams/Fisher

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, pursuant to Resolution No. 6006, adopted on June 19, 2014, the Board of Directors authorized management to refuel North Omaha Station Unit 4 and Unit 5 to natural gas; and

**WHEREAS**, based on an economic evaluation, an auxiliary steam electrode boiler was selected to be utilized at the North Omaha Station to provide building heat and to support cold startups of Unit 4 and Unit 5 following fuel conversion to natural gas; and

**WHEREAS**, the District's Engineer has certified that the work to design, furnish and install an auxiliary steam electrode boiler and associated equipment is technically complex and the District will achieve a better result with face-to-face negotiations with qualified Engineer, Procure and Construct (EPC) contractors; and

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

**WHEREAS**, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer's Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to such project without sealed bidding.

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

1. The Engineer's Certification requesting that the Board waive the sealed bid requirements, in accordance with Nebraska Revised Statutes Sections 70-637 through 70-639, is hereby approved.

2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts to provide Engineer, Procure and Construct (EPC) services for the design, supply and installation of an auxiliary steam electrode boiler for the North Omaha Station, subject to review and approval of the final contract(s) by the District's General Counsel.

3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Nebraska City Station Unit 1 Combustion Air Preheater Replacement Basket and Seal Materials

### PURPOSE

Supply combustion air preheater cold end basket materials for Nebraska City Station Unit 1.

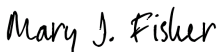
### FACTS

- a. The Nebraska City Station Unit 1 air preheaters were inspected during the scheduled spring 2021 unit outage and the cold end baskets of the combustion air preheaters require replacement.
- b. The Original Equipment Manufacturer (OEM) of the air preheaters, Arvos-Ljungstrom, maintains dimensional data of the air preheater baskets as proprietary information.
- c. Lead times have increased from 20 weeks to 32 weeks for supply of air preheater baskets from the OEM.
- d. A contract for installation of the air preheater baskets will be awarded separately. The installation will occur in the spring of 2022 during a scheduled unit outage.


### ACTION

Authorization by the Board of Directors to negotiate a sole source contract with Arvos-Ljungstrom for the purchase of replacement cold end baskets for the Nebraska City Station Unit 1 air preheaters.

#### RECOMMENDED:

DocuSigned by:  
  
C185PDBBB12A4BA...  
Mary J. Fisher  
Vice President – Energy Production and Nuclear Decommissioning

#### APPROVED FOR BOARD CONSIDERATION:

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

SAE:

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



## MEMORANDUM

**DATE:** August 6, 2021

EPND-2021-05

**FROM:** S.A. Eidem

**TO:** M.J. Fisher

**SUBJECT:** Nebraska City Station Unit 1 Combustion Air Preheater Replacement Heating Elements (Baskets)

### 1.0 GENERAL

The air preheaters transfer waste heat from the flue gas stream to the incoming combustion air stream and are an essential component of Nebraska City Unit 1. An inspection of the Nebraska City Unit 1 air preheaters was performed during the spring 2021 outage. The cold end air preheater baskets were observed to have extensive corrosion/erosion damage within the cold end heat transfer elements (baskets) of the two combustion air preheaters. The damage identified is judged to challenge safe and reliable operation of Unit 1 if the air preheater baskets are not replaced in the next scheduled outage in spring of 2022.

Compliance with the sealed bidding requirements of the Nebraska Statutes is impractical and not in the public's best interest. Arvos-Ljungstrom, the original equipment manufacturer, has proprietary information regarding the dimensional design of the air preheater baskets. They are the sole vendor with the dimensional design information required for the correct fabrication of replacement baskets.

### 2.0 RECOMMENDATION

An Engineer's Certificate of the above statements has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate a sole source contract with Arvos-Ljungstrom for the purchase of replacement cold end heating elements (baskets) for the Nebraska City Unit 1 combustion air preheaters.

*Scott A. Eidem*

S.A. Eidem, P.E.  
Director, Engineering Services  
Energy Production and Nuclear Decommissioning



### ENGINEER'S CERTIFICATION

The Omaha Public Power District (OPPD) Nebraska City Station Unit 1 combustion air preheaters were inspected during the 2021 spring outage. OPPD engineering has determined that the cold end heating elements (baskets) in the two combustion air preheaters are nearing the end of their service life. Replacement is scheduled to occur during the planned 2022 Nebraska City Unit 1 spring outage.

Arvos-Ljungstrom (Arvos) is the original equipment manufacturer (OEM) for the Nebraska City Unit 1 air preheaters. Fabrication of replacement components for the air preheaters involves proprietary dimensional information held by Arvos.

There are two companies, other than Arvos, that have previously responded to an OPPD request for proposal for supply of air preheater baskets. The non-OEM firms have stated that OPPD would be required to provide dimensional information for replacement baskets to ensure proper fit within the air preheater rotor. OPPD does not have access to the required Arvos proprietary dimensional information. Engineering work to obtain dimensional measurements without the OEM drawings would require an unscheduled Unit outage and could result in measurement errors that cause fit issues during basket installation.

The undersigned professional engineer employed by the Omaha Public Power district certifies that Arvos, the original equipment manufacturer, is the only available source of supply for replacement air preheater heating elements (baskets) because fabrication of new baskets requires proprietary dimensional information held by Arvos-Ljungstrom, and the procurement would comply with prior standards of the Board.

Pursuant to Section 70-637 of the Revised Statutes of Nebraska, the Board of Directors is requested to approve this Engineer's Certificate and authorize Management to negotiate and enter into a contract to purchase replacement air preheater baskets from Arvos, the original equipment manufacturer, for the Nebraska City Station Unit 1 without compliance with the sealed bidding requirements of Sections 70-637 of the Revised Statutes of Nebraska.

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

Kevin E. Keller  
K. E. Keller, P.E.

7-12-2021  
Date





**FRASER STRYKER**

PC LLO

LAWYERS

500 ENERGY PLAZA  
409 SOUTH 17TH STREET  
OMAHA, NEBRASKA 68102-2663  
TELEPHONE 402.341.6000  
TELEFAX 402.341.8290  
WWW.FRASERSTRYKER.COM

**STEPHEN M. BRUCKNER**  
**DIRECT DIAL: 402.978.5225**  
**SBRUCKNER@FRASERSTRYKER.COM**

July 9, 2021

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

RE: Nebraska City Station Unit 1 - Engineer's Certification for original equipment manufacturer, air preheater baskets

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Kevin E. Keller, P.E., a registered professional engineer in the State of Nebraska employed by the District. Mr. Keller's Engineer's Certification states that the District has determined that the cold end heating elements (baskets) in the two combustion air preheaters are nearing the end of their service life. Replacement is scheduled to occur during the planned 2022 Nebraska City Unit 1 spring outage. The Certification further states that the fabrication of replacement components for the air preheaters involves proprietary dimensional information held by Arvos-Ljungstrom (Arvos), the original equipment manufacturer. Mr. Keller also explains that previous responses to requests for proposals for this type of equipment have required dimensional information to ensure proper fit which OPPD cannot provide because the information is proprietary to Arvos.

Section 70-637(6) of the Nebraska Revised Statutes authorizes the District's Board of Directors, by a two-thirds vote, to approve an Engineer's Certification to purchase replacement parts or services for any generating unit from the original manufacturer of such equipment upon certification that such manufacturer is the only available source of supply for such replacement parts or services and that such purchase is in compliance with standards established by the board. After receipt of such Certification, but not necessarily before Board review, the District is required to advertise notice of such purchase once a week for at least three consecutive weeks in one or more newspapers of general circulation in the District's service area.

It is our opinion that Mr. Keller's Engineer's Certification complies with Section 70-637 and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contract with Arvos, the original equipment manufacturer, for the NC1 air preheater baskets. We recommend that any such contract be subject to review and approval by the District's General Counsel.

Very truly yours,

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

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2612024



*Williams/Fisher*

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, the Nebraska City Station Unit 1 combustion air preheaters were inspected and the cold end heating elements (baskets) require replacement in order to maintain reliability; and

**WHEREAS**, the District's Engineer has certified that Arvos-Ljungstrom, the original equipment manufacturer, is the only available source of supply for replacement air preheater heating elements (baskets); and

**WHEREAS**, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer's Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to such project without sealed bidding.

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

1. The Engineer's Certification that Arvos-Ljungstrom, the original equipment manufacturer, is the only available source of supply for the replacement heating elements (baskets) for the Nebraska City Station Unit 1 air preheaters is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts with Arvos-Ljungstrom to purchase replacement cold end heating elements (baskets) for the Nebraska City Station Unit 1 combustion air preheaters, subject to review and approval of the final contract(s) by the District's General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.

# Nebraska City Unit 1 Combustion Air Preheater Replacement Baskets



2021 OUTAGE INSPECTION



NEW BASKETS



# Board Action

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Cass County Station Units 1 and 2 Direct Air Injection Systems

### PURPOSE

Provide services for the design, supply and installation of a Direct Air Injection System for Cass County Station Units 1 and 2.

### FACTS


- a. The Cass County Station Units 1 and 2 gas turbines have been evaluated and should be upgraded with a Direct Air Injection System to maintain reliability of each unit.
- b. The District's engineer has certified the complex nature of the work and that the Original Equipment Manufacturer ("OEM"), Siemens Energy, Inc., is the only available source of supply for the Direct Air Injection System.
- c. The District plans to solicit a sole source proposal from the OEM, Siemens Energy, Inc., for the work. A negotiated contract process will provide more time to develop a detailed work plan with optimized project schedule, pricing, and risk mitigation.
- d. Installation will be performed in the spring and fall of 2022 during scheduled maintenance outages for Units 2 and 1, respectively.


### ACTION

Approval of the Engineer's Certification and authorization by management to negotiate and enter into a contract with Siemens Energy, Inc. for the supply of equipment and services for the design, supply and installation of Direct Air Injection Systems at the Cass County Station.

RECOMMENDED:

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
C185DDBBB12A4BA...  
 Mary J. Fisher  
 Vice President – Energy Production and Nuclear Decommissioning

DocuSigned by:  
  
AC399FDGE56247E...  
 L. Javier Fernandez  
 President and Chief Executive Officer

SAE:mb

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



## MEMORANDUM

**DATE:** August 6, 2021 EPND-2021-06

**FROM:** S.A. Eidem

**TO:** M.J. Fisher

**SUBJECT:** Cass County Station Units 1 and 2 Direct Air Injection System

### 1.0 GENERAL

Siemens Energy, Inc. (Siemens) model W501FD2 gas turbines are installed in Cass County Station Units 1 (CC1) and 2 (CC2) with commercial operation beginning in 2003. These units are dispatched at times of peak demand and hot restart conditions may occur on a regular basis during these periods. "Hot restart" is a generic term given to the initiation of a restart following normal shutdown, prior to full cooling. On CC1 and CC2, blade rubbing has occurred where tight clearances are affected by thermal gradients that exist in the machine cooling period, while the unit is on its turning gear. Both CC1 and CC2 are approaching the Original Equipment Manufacturer's (OEM) recommended overhaul interval based on unit operating conditions and utilization. Regular borescope inspections performed in Fall of 2020 showed conditions that confirm a routine turbine major inspection and overhaul is required in the near future for both units. Both units are scheduled for hot gas path inspection and blade replacement and/or refurbishment during the scheduled 2022 Spring and Fall maintenance outages. Following the blade refurbishment or replacement work, clearances in both machines will approach previous newer conditions, before rubbing occurred.

Siemens currently recommends owners employ either full cooling delays or installation of a Direct Air Injection System (DAIS) for protection against blade rubbing due to hot restart. The DAIS system includes equipment designed to inject cooling air while on the turning gear, minimizing the thermal gradients. The equipment, controls, and logic associated with the upgrade is proprietary to Siemens and is unique to their equipment. The DAIS is Siemen's engineered solution to the blade rubbing issue.

Installation of the DAIS upgrade for CC1 and CC2 in the planned outages for 2022 will protect the refurbished or replaced blades from rubbing damage previously experienced. The upgraded units will have no hot restart cooling limitations to allow maximum operational flexibility and will be in conformance with Siemens recommendations for protection of the equipment. Each unit will have dedicated DAIS equipment, with a crosstie for redundancy.

Siemens is the only available source of supply for the DAIS due to the technical complexity of the upgrade. Contract negotiations will allow more time to develop a detailed work plan while optimizing the project schedule and reducing risk by having a better understanding of the project

August 6, 2021  
Page 2 of 2

scope. A negotiated contract provides the proper mechanism to develop optimal pricing, terms and conditions with acceptable risk mitigation.

Therefore, it is in District and public's best interest to forgo the sealed bidding process. Instead a sole source proposal will be sought through a publically available Request for Proposal (RFP) and detailed negotiation process with the OEM, Siemens Energy, Inc.

## 2.0 RECOMMENDATION

An Engineer's Certificate of the above has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate and enter into a contract with Siemens Energy, Inc. to design, procure, and install direct air injection systems at the Cass County Station.

*Scott A. Eidem*

S.A. Eidem, P.E.  
Director, Engineering Services  
Energy Production and Nuclear Decommissioning



## ENGINEER'S CERTIFICATION

The Omaha Public Power District (OPPD) Cass County Station, Units 1 and 2 (CC1 and CC2) were inspected during the Fall 2016 outage. Both units exhibited turbine blade rubbing damage. OPPD engineering and Siemens Energy (Siemens), the original equipment manufacturer (OEM), determined the blade damage is the result of hot restarts throughout the life of the units, a tendency Siemens has encountered with its W501FD2 machines. Both units are scheduled for hot gas path inspection and blade refurbishment and/or replacement during the scheduled 2022 Spring and Fall maintenance outages.

Siemens currently recommends installation of a Direct Air Injection System (DAIS) for protection of the new or refurbished turbine blades from hot restart conditions that can lead to blade rubbing damage. The Siemens DAIS equipment includes proprietary logic/controls and components unique to Siemens and specifically engineered for the DAIS upgrade. The system is Siemens' engineered solution to the blade rubbing issue.

The DAIS equipment is specifically designed by Siemens for the W501FD2 machines, such as CC1 and CC2, for the purpose of blade protection and unit availability for hot restart. Substitution of alternate manufacturer's equipment, controls, logic or related scope of supply may invalidate Siemens' performance guarantees and warranty for the modified equipment.

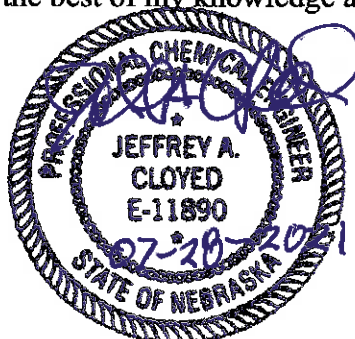
The undersigned, a Nebraska professional engineer employed by OPPD, certifies that Siemens is the only available source of supply for the DAIS equipment and procurement without sealed bidding is in compliance with standards established by the Board of Directors. The following statements support this certification:

- The Direct Air Injection System and associated supporting systems are technically complex and must be integrated with other plant systems to optimize performance and obtain equipment performance guarantees.
- Siemens, the OEM, is the only available source of supply for the DAIS upgrade because of the proprietary nature of the modification and the associated equipment, and the procurement would comply with prior standards of the Board.
- A negotiated contract provides the proper mechanism to develop optimal pricing, schedule and contract terms and conditions with acceptable risk mitigation.

Pursuant to Section 70-637 of the Revised Statutes of Nebraska, the Board of Directors is requested to approve this Engineer's Certificate and authorize Management to negotiate and enter into a contract for the supply of equipment and services for the design and installation of Direct Air Injection Systems at the Cass County Station Units 1 and 2 without compliance with the sealed bidding requirements of Sections 70-637 to 70-641 of the Revised Statutes of Nebraska.

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

  
Jeff A. Cloyed, P.E.



07-28-2021  
Date



**FRASER STRYKER**

PC LLO

LAWYERS

500 ENERGY PLAZA  
409 SOUTH 17TH STREET  
OMAHA, NEBRASKA 68102-2663  
TELEPHONE 402.341.6000  
TELEFAX 402.341.8290  
WWW.FRASERSTRYKER.COM

**STEPHEN M. BRUCKNER**  
**DIRECT DIAL: 402.978.5225**  
**SBRUCKNER@FRASERSTRYKER.COM**

July 22, 2021

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

RE: Cass County Station, Units 1 and 2 - Engineer's Certification for original equipment manufacturer; Direct Air Injection System equipment and services

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Jeff A. Cloyed, P.E., a registered professional engineer in the State of Nebraska employed by the District. Mr. Cloyed's Engineer's Certification states that Siemens Energy, the original equipment manufacturer for Cass County Units 1 and 2, has recommended the installation of a Direct Air Injection System ("DAIS") on the units to protect them from turbine blade rubbing damage. The Certification further states that DAIS equipment is specifically designed by Siemens for the Siemens' W501FD2 machines, such as CC1 and CC2, for the purpose of blade protection and unit availability for hot restart, and the installation of another manufacturer's equipment, controls, logic or related scope of supply may invalidate Siemens' performance guarantees and warranty for the modified equipment. Mr Cloyed certifies that Siemens is the only available source of supply for the DAIS equipment and procurement without sealed bidding is in compliance with standards established by the Board of Directors, and he provides additional support for his certification.

Section 70-637(6) of the Nebraska Revised Statutes authorizes the District's Board of Directors, by a two-thirds vote, to approve an Engineer's Certification to purchase parts or services for any generating unit from the original manufacturer of such equipment upon certification that such manufacturer is the only available source of supply for such parts or services and that such purchase is in compliance with standards established by the board. After receipt of such Certification, but not necessarily before Board review, the District is required to advertise notice of such purchase once a week for at least three consecutive weeks in one or more newspapers of general circulation in the District's service area.

It is our opinion that Mr. Cloyed's Engineer's Certification complies with Section 70-637 and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contract with Siemens, the original equipment manufacturer, for the Direct Air Injection Systems for Cass County Units 1 and 2. We recommend that any such contract be subject to review and approval by the District's General Counsel.

Very truly yours,

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

Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2619885



Williams/Fisher

**DRAFT**  
**RESOLUTION NO. 64xx**

**WHEREAS**, the Cass County Station Units 1 and 2 gas turbines have been evaluated and should be upgraded with a Direct Air Injection System to maintain reliability of each unit; and

**WHEREAS**, the District's Engineer has certified that Siemens Energy, Inc., the original equipment manufacturer for Cass County Station Units 1 and 2 gas turbines, is the only available source of supply for the Direct Air Injection System equipment; and

**WHEREAS**, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer's Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to such project without sealed bidding.

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

1. The Engineer's Certification that Siemens Energy, Inc., the original equipment manufacturer, is the only available source of supply for the Direct Air Injection System for Cass County Station Units 1 and 2 is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts with Siemens Energy, Inc. to design, supply and install the Direct Air Injection System for Cass County Station Units 1 and 2, subject to review and approval of the final contract(s) by the District's General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



# Reporting Item

August 17, 2021

## ITEM

Nuclear Oversight Committee Report

## PURPOSE

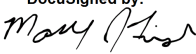
The Nuclear Oversight Committee provides a regular oversight of items related to the Fort Calhoun Station (FCS) nuclear plant.

## FACTS


In addition to safe and secure dry cask storage of fuel, the required Preventative Maintenance tasks and Surveillance Tests, the following major decommissioning activities were conducted in July:

- Demolition of the maintenance, chemistry and old security buildings has been performed. Interior demolition of the service building is under way and asbestos abatement in the turbine building is complete.
- Expansion of the containment opening is nearing completion. The activity was accomplished by means of heavy equipment hydraulic hammering followed by torch cutting of the containment liner. This action is necessary to support move in of equipment to support reactor vessel internal segmentation.
- The NRC completed the third quarter inspection and exited with positive comments and no violations or findings. Also, the Decommissioning Oversight Committee conducted an assessment of decommissioning performance. The three member team expressed confidence on progress as well as offering recommendations to further increase performance.

## RECOMMENDED:

DocuSigned by:  
  
C185DDBBB12A4BA...  
Mary J. Fisher  
Vice President – Energy Production  
and Nuclear Decommissioning

## APPROVED FOR REPORTING TO BOARD:

DocuSigned by:  
  
AC399FDCE50247E...  
L. Javier Fernandez  
President and Chief Executive Officer

MJF:tsu

# Chemistry & Maintenance Buildings





# Old Security Building





# Containment Access Enlargement





## Pre-Committee Agenda

PUBLIC INFORMATION PRE-COMMITTEE MEETING  
WEBEX VIDEOCONFERENCE  
Tuesday, August 10, 2021 4:00 – 5:00 P.M.

1. Legislative and Regulatory Update (10 min)
  - a. Objective: Provide brief update on federal and state legislative and regulatory activities
2. Block Rate Update (20 min)
  - a. Objective: Provide brief update on block rate effort
3. July 10 Storm Update (20 min)
  - a. Objective: Provide brief update on the storm follow-up
4. Confirmation of Board Work Plan – Public Information Committee Items (5 min)
  - a. Objective: Discuss Public Information Committee items on the Board work plan
5. Summary of Committee Direction (5 min)
  - a. Objective: Senior management team liaison(s) to summarize direction provided by the committee



# Reporting Item

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Customer Trends Update *[Note: Not presented due to time. Update posted on oppd.com.]*

### PURPOSE

To provide an update on customer trends and energy assistance

### FACTS

1. In response to COVID-19 Directed Health Measures declared in March 2020, the Omaha Public Power District developed a Customer First Solutions Package, a variety of programs to assist customers during the COVID-19 pandemic.
2. The Board requested that management provide regular reports on the progress of customer programs and trends.
3. As customer accounts receivable balances have normalized in 2021 the reporting of customer trends will be done on a quarterly basis.
4. Management will provide an update on aged debt and related trends as of June 30, 2021.

### RECOMMENDED:

DocuSigned by:  
*Juli A. Comstock*  
2B568D99131647A...  
\_\_\_\_\_  
Juli A. Comstock  
Vice President – Customer Service

### APPROVED FOR REPORTING TO BOARD:

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

JAC:rak



# Customer Trends Quarterly Update

as of June 30, 2021

All Committee Meeting August 17, 2021



Continuing to monitor and adjust OPPD's solutions as our customers' needs are changing.



## Summary of Q2 Customer First Solutions

- Maintain flexible bill payment options to help customers financially
- Automatically waive collection & reconnect fees on first field visit in 2021
- Empower customer service representatives to waive up to 3 late payment charges for a customer in a 12-month period
  - Additional fees may be waived upon approval and customer request (e.g. late payments, return check fees, collection & reconnect fees, etc..)
- Suspend assessing additional deposits due to field collection visits
- SMB customers will continue to receive personalized collection efforts prior to disconnection
- Continue personalized field visits and outreach to ensure impacted customers are aware of their options (via Connecting with Customers effort)



## Energy Assistance

- The Douglas County COVID-19 Utility Assistance Program closed for applications in May 2021 with all \$1M in funding distributed.
- LB306 passed on May 26<sup>th</sup>, 2021 to expand the income eligibility limit for the LIHEAP program.



## Promotional/Marketing Campaign

- Remote Learner transition communications were executed by field reps in the month of May.

## Next Steps

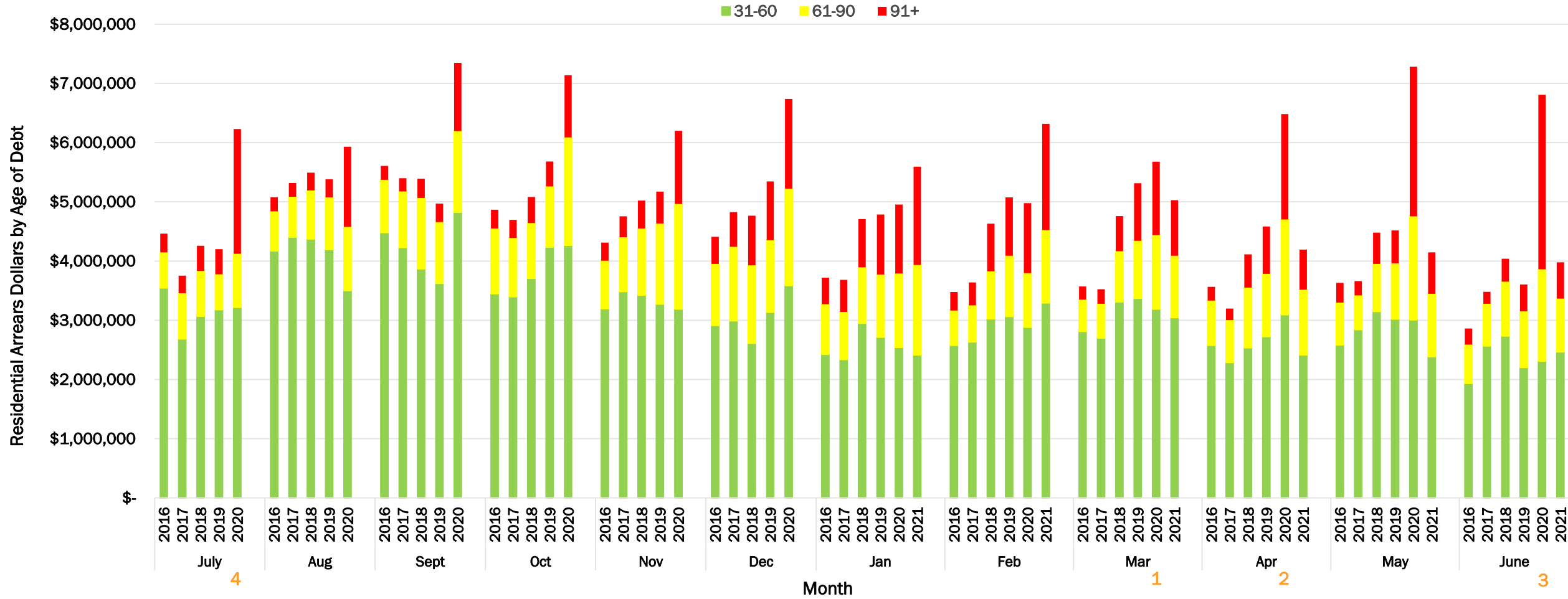
- Operationalize Customer First effective Q2 continuing Q1 solutions.



# Summary of Aged Debt

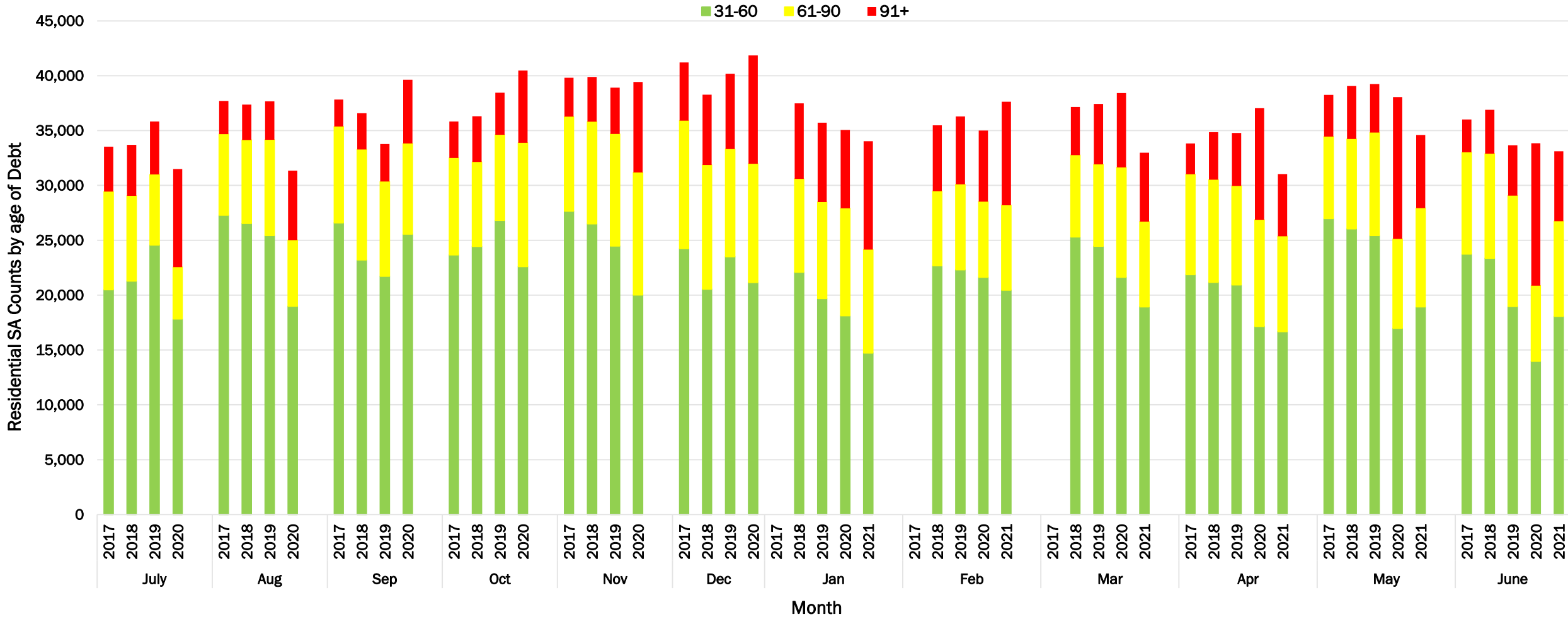
	Residential			Commercial & Industrial		
	June 2021	June 2020	% Change	June 2021	June 2020	% Change
% of Accounts Current	91.2%	91.0%	0.2% ↑	93.6%	92.5%	1.2% ↑
% of Accounts in Arrears	8.8%	9.0%	-2.2% ↓	6.4%	7.5%	-14.7% ↓
Total Aged Debt > 30 days (in millions)	\$4.0	\$6.8	-41.2% ↓	\$1.9	\$1.6	18.8% ↑
Total Aged Debt 91+ Days (in millions)	\$0.6	\$2.9	-79.3% ↓	\$0.2	\$0.4	-50.0% ↓
Total Service Agreement Count > 30 Days (in thousands)	33.1	33.8	-2.1% ↓	1.8	2.2	-18.2% ↓
Total Service Agreement Count > 91+ Days (in thousands)	6.3	13.0	-51.5% ↓	0.4	0.8	-50.0% ↓
LIHEAP Only Accounts	June 2021	June 2020	% Change			
% of Accounts Current	73.0%	71.0%	2.8% ↑			
% of Accounts in Arrears	27.0%	29.0%	-6.9% ↓			
Total Aged Debt > 30 days (in millions)	\$0.3	\$1.1	-72.7% ↓			
Total Aged Debt 91+ Days (in millions)	\$0.1	\$0.5	-80.0% ↓			
Total Service Agreement Count > 30 Days (in thousands)	4.0	3.7	8.1% ↑			
Total Service Agreement Count > 91+ Days (in thousands)	1.2	1.9	-36.8% ↓			

# Residential Arrears Dollars by Age of Debt Active Accounts



- 1 Announced suspension of disconnects for non-payment due to COVID-19
- 2 Announced suspension of Late Payment Charges
- 3 Announced reinstatement of Late Payment Charges and disconnects for non-payment beginning in July
- 4 Resumed assessment of Late Payment Charges and disconnects for non-payment

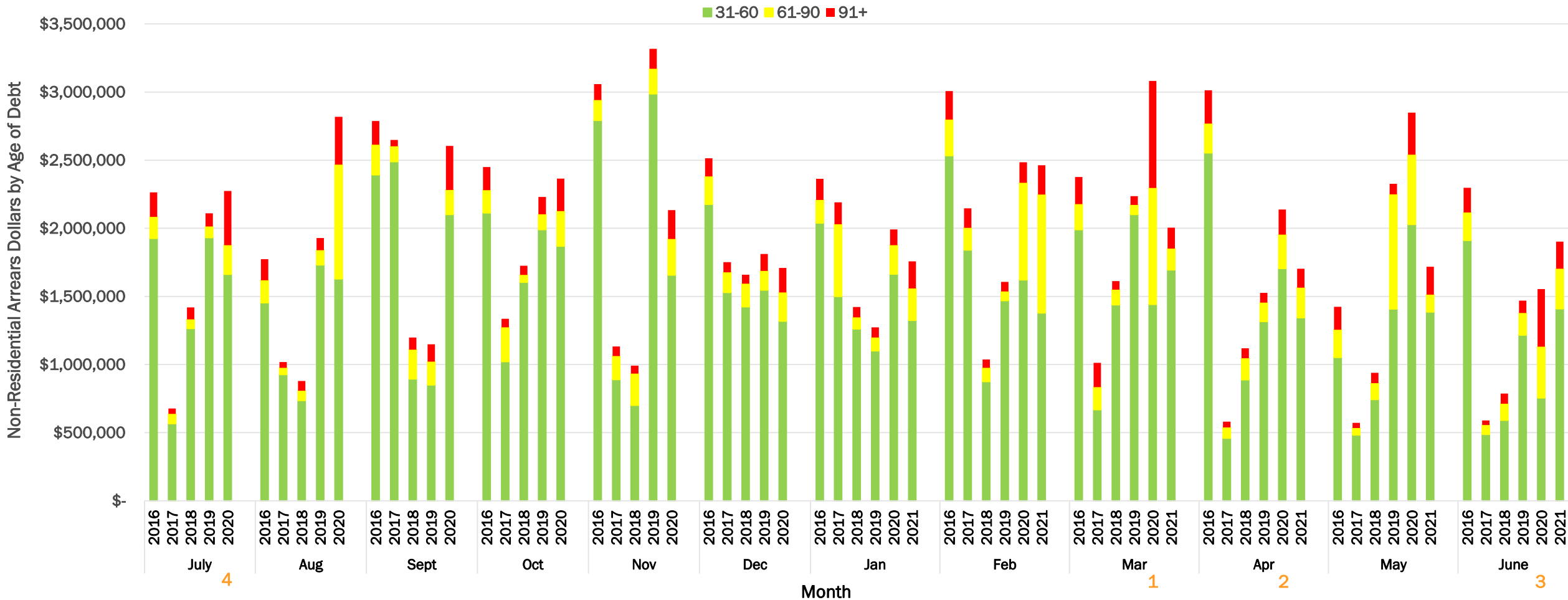
# Residential Counts by Age of Debt Active Accounts



\*Jan. - March 2017 data not available

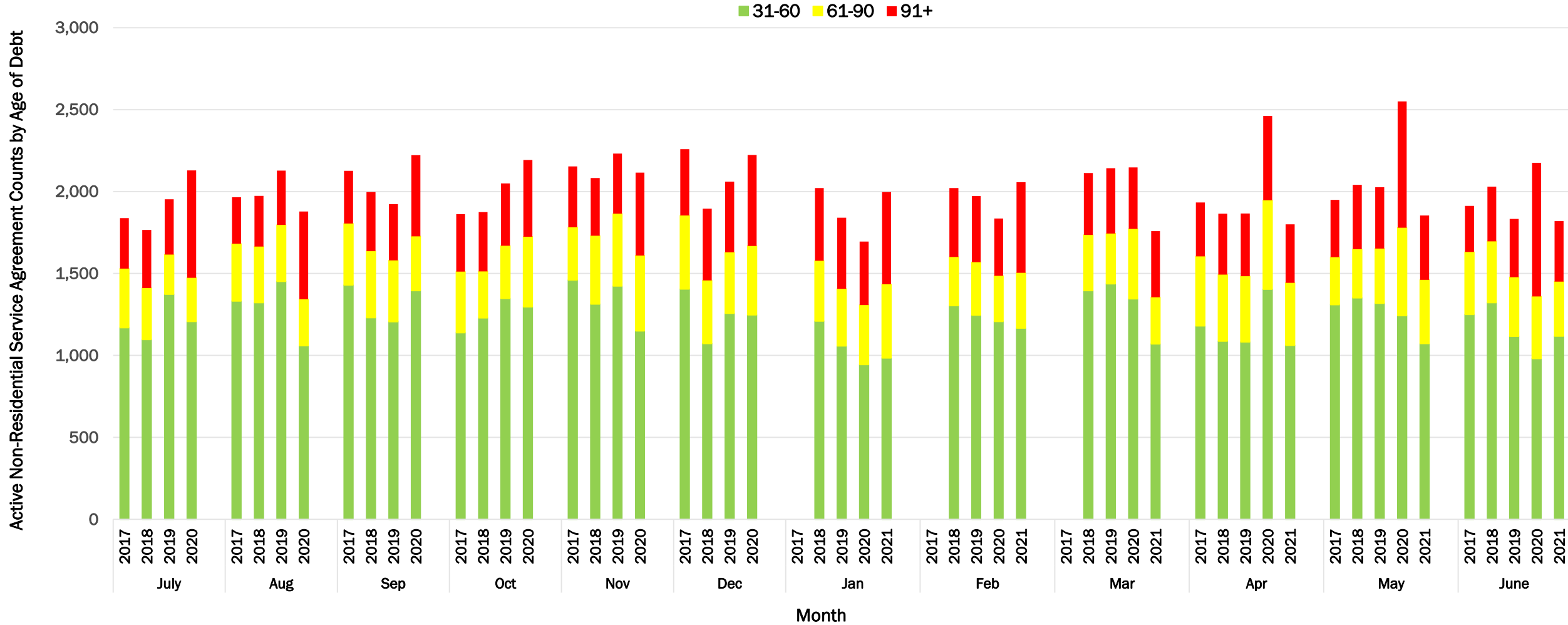


# Commercial & Industrial Arrears Dollars by Age of Debt Active Accounts



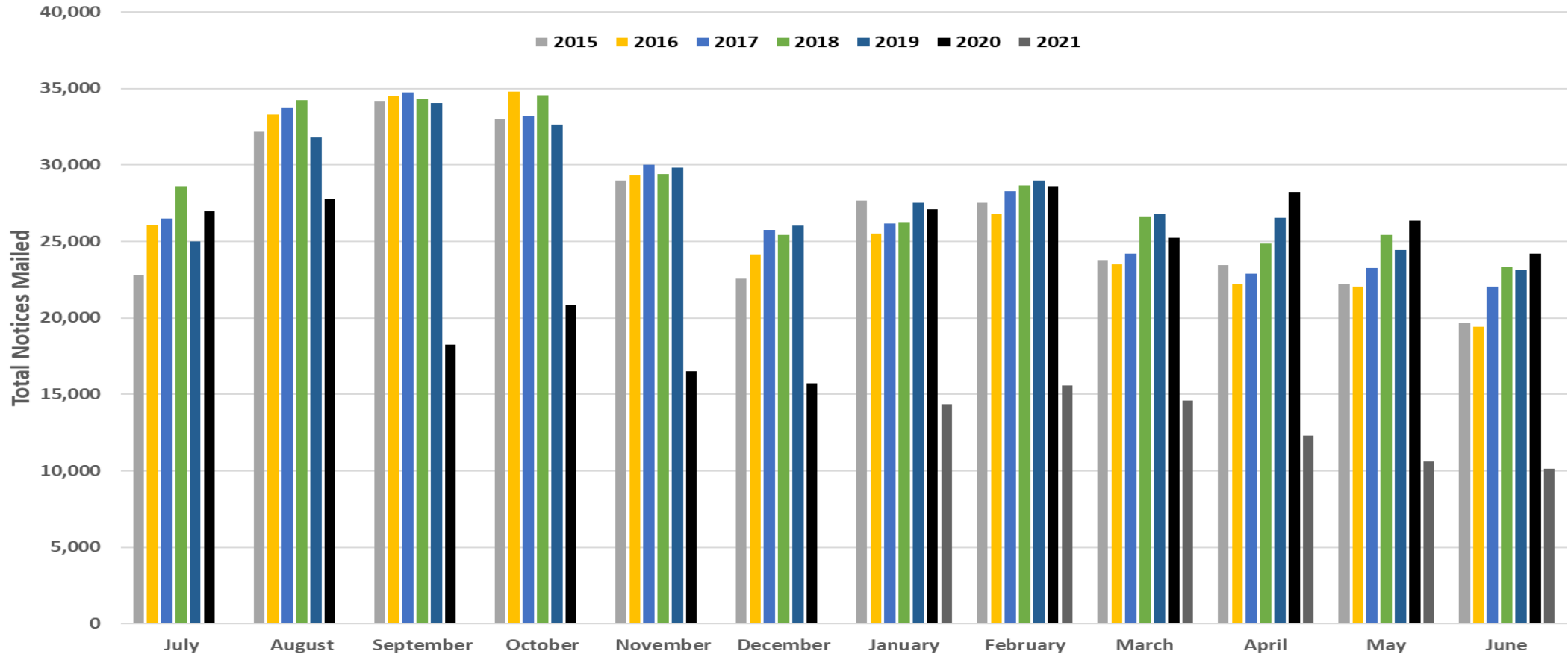
- 1 Announced suspension of disconnects for non-payment due to COVID-19
- 2 Announced suspension of Late Payment Charges
- 3 Announced reinstatement of Late Payment Charges and disconnects for non-payment beginning in July
- 4 Resumed assessment of Late Payment Charges and disconnects for non-payment

# Commercial & Industrial Counts by Age of Debt Active Accounts



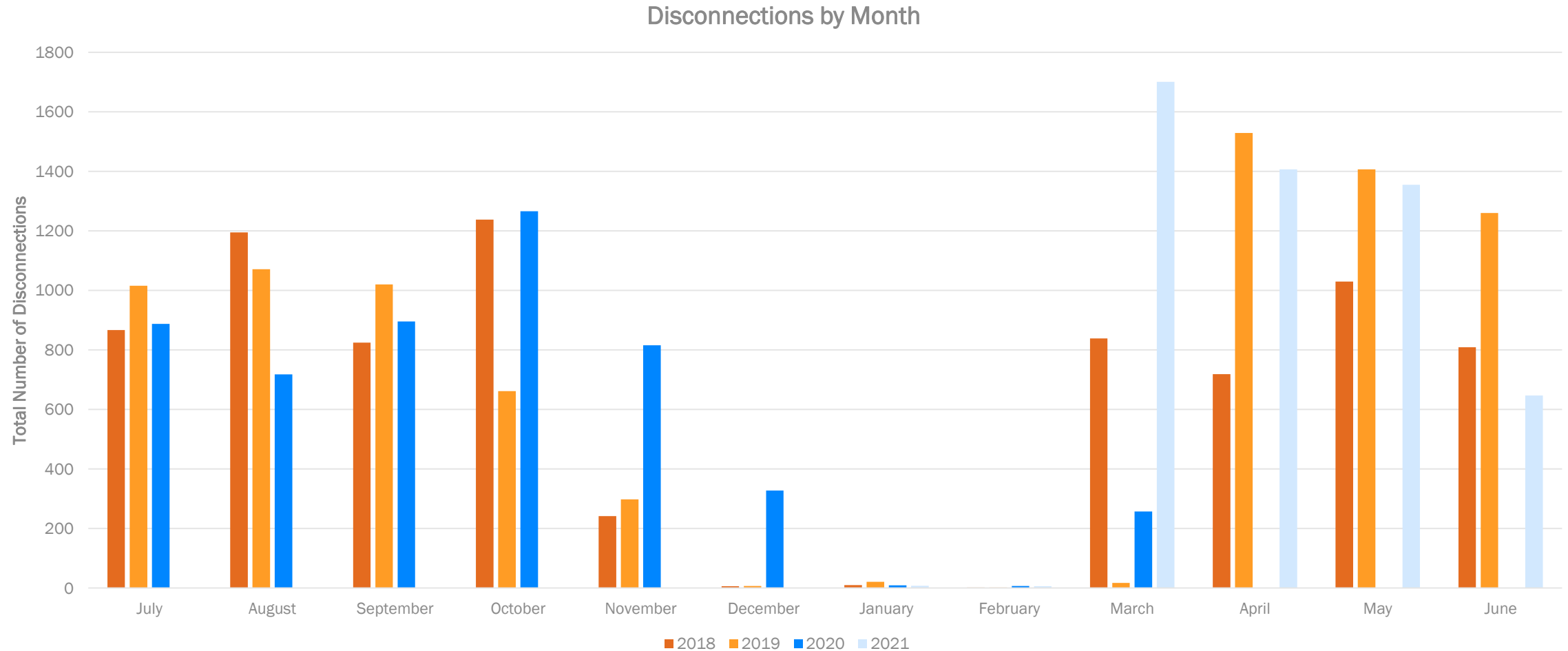
\*Jan. - March 2017 data not available

# Disconnect Notices Issued



Note: Historically, a Disconnect Notice was issued to a customer at the time of billing if the past due amount was > \$100 and the customer has not demonstrated a good payment history. During the latter portion of March thru June 2020 a past due reminder letter replaced the Disconnect Notice since disconnects for non-payment were suspended during this time. The values during this period represent accounts that received a letter in lieu of a Disconnect Notice. Effective 8/25/2020, the threshold of the notice was set to > \$200 which will decrease the number of Disconnect Notices generated from that point forward.

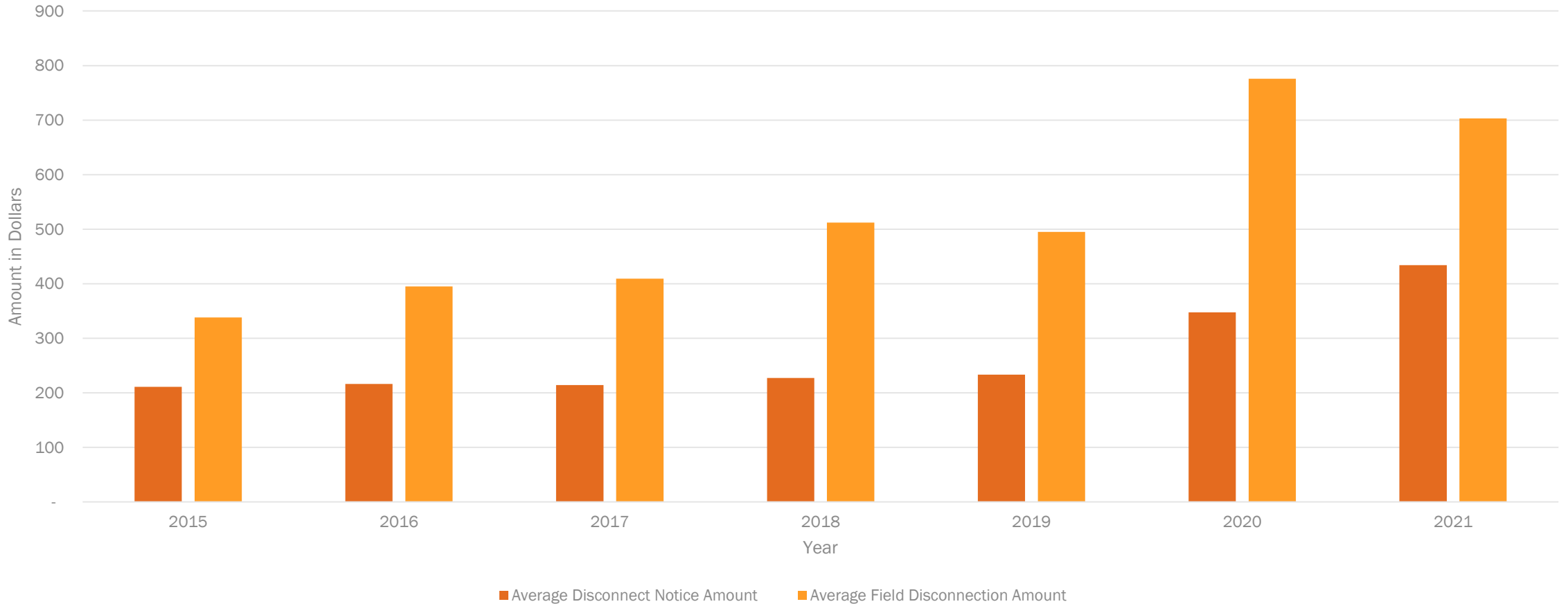
# Disconnections for Non-Payment by Month



In 2020 Disconnections for non-payment were suspended from early March to mid-July due to COVID-19.

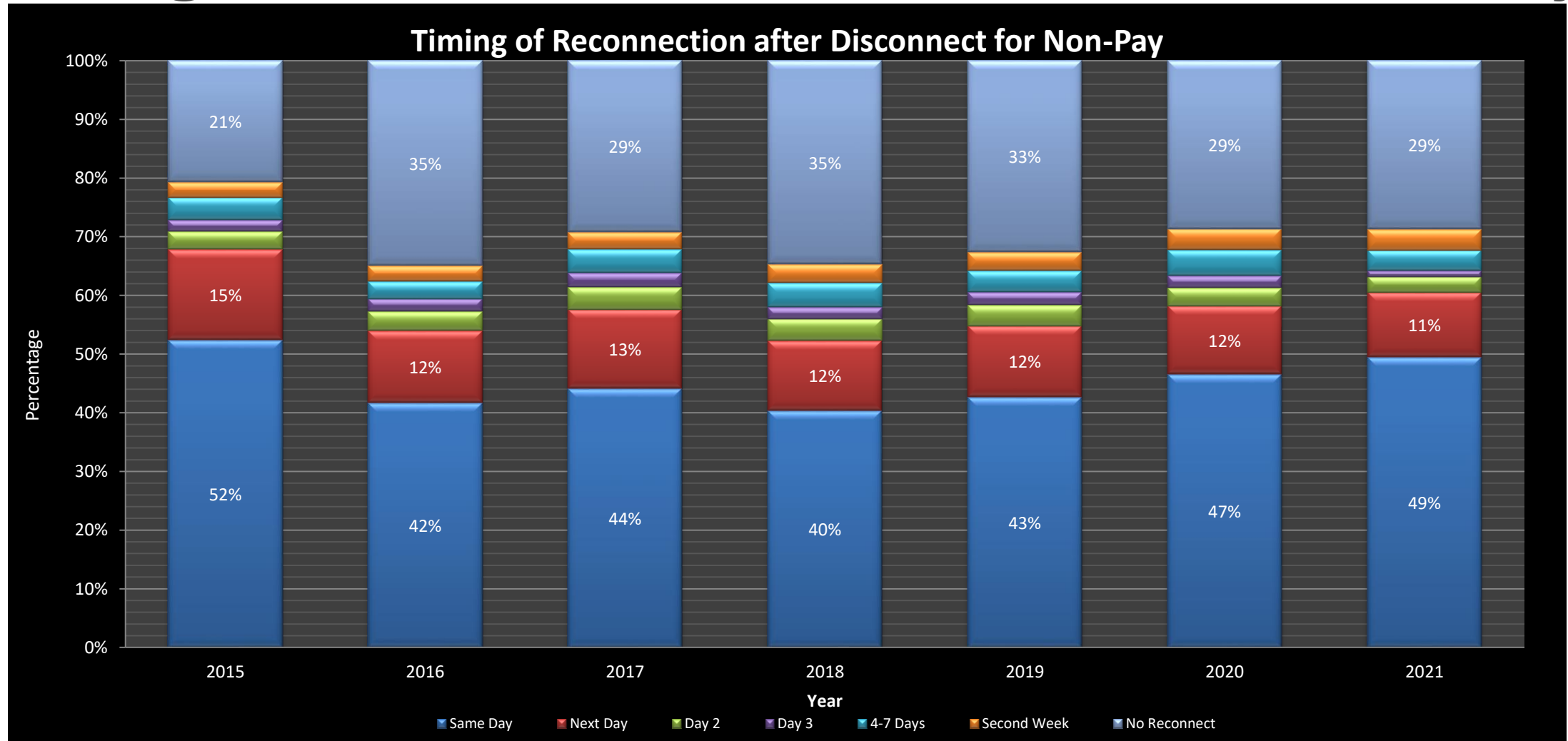
# Average Disconnect Notice Amount vs Average Field Collection Amount

Average Disconnect Notice Amount vs Average Field Collection Amount



Note: OPPD prioritizes field collection and disconnection activities to the highest and riskiest debt which is reflected with the higher dollar value for orders sent to the field for collections/disconnection for non-payment vs the average disconnect notice amount.

# Timing of Reconnections after Disconnect for Non-Pay



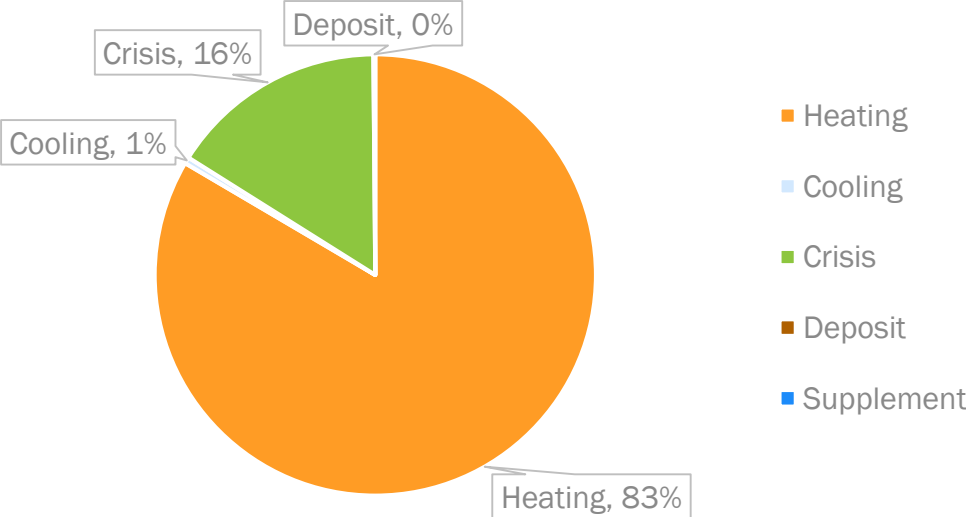
\*\*2021 Data is YTD

# Energy Assistance June 2021 YTD

Funding Source	June 2021 YTD	Average Benefit	Distinct Accounts	# of Payments	2020 Year End Total
Energy Assistance Program	\$129,603	\$307	422	422	\$377,571
COVID Relief Programs	\$1,505,126	\$364	3,598	4,076	\$1,641,914
LIHEAP	\$2,534,442	\$469	5,167	5,403	\$5,846,198
Other Agencies Assistance	\$971,261	\$298	2,603	3,257	\$1,489,902
Total	\$5,143,432*	\$391	10,542	13,158	\$9,355,585

\*YTD 2020, OPPD had received a total of \$2,814,501 in Energy Assistance Payments

## LIHEAP Distribution



Douglas County COVID-19 Utility Assistance Program	5/31/2021
Completed Applications*#	3,246
Approved Applications^	2,000
Average benefit	\$500
Total Dollars Granted	\$1,000,000

\*Total applications completed for the program.  
 #Electronic applications processed when program closed on 5/7/2021.  
 ^Customers approved for the Douglas County COVID-19 Utility Assistance Program.



# Reporting Item

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Legislative and Regulatory Update

### PURPOSE

To provide an update on 2021 state and federal legislative matters and regulatory matters

### FACTS

- a. Nebraska’s 107th Legislature began on January 6, 2021 and ended on May 27, 2021.
- b. The 117<sup>th</sup> Congress began on January 3, 2021 and is expected to end January 3, 2023.


### ACTION

Reporting item

#### RECOMMENDED:

DocuSigned by:  
  
 48058A9ADE8A409...  
 \_\_\_\_\_  
 Lisa A. Olson  
 Vice President – Public Affairs

#### APPROVED FOR REPORTING TO BOARD:

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 \_\_\_\_\_  
 L. Javier Fernandez  
 President and Chief Executive Officer

Attachment: State and Federal Legislative Update



# Legislative Update 8/10/2021

Tim O'Brien, Director – Economic Development & External Relations

# State Legislative Update



# 2021 Nebraska Legislative Calendar

## Nebraska's 107th Legislature

- January 6<sup>th</sup> – Legislature convened at 10 am
- January 20<sup>th</sup> – Last day of bill introduction
- January 25<sup>th</sup> – All day public hearings begin
- March 4<sup>th</sup> - Date to complete committee hearings, except Judiciary Committee on introduced bills
- March 10<sup>th</sup> – Deadline for Speaker priority requests
- March 12<sup>th</sup> – Deadline for designation of Committee and Senator priority bills (extended)
- March 12<sup>th</sup> - Judiciary Committee hearings to be completed
- March 15<sup>th</sup> – Full-day debate
- May 27<sup>th</sup> – Sine die
- Interim Studies – August and September
- Special Session on Redistricting – September 13-30

# 2021 Legislative Resolutions - Interim Studies

LR & Current Status	Summary
LR 23 Erdman	Interim study to examine the progress of natural resources districts in fulfilling their originally intended purpose. Includes a study of flood control
	<i>5/20/21 Referred to Natural Resources Committee</i>
LR 34 Slama	Interim study to examine the structure and funding of the Nebraska Environmental Trust. OPPD has received \$600,000 for battery storage, butterfly and EV charging station grants over the years
	<i>5/20/21 Referred to Natural Resources Committee</i>
LR 83 M. Hansen	Interim study to examine the gubernatorial appointment process of members to boards, commissions and similar entities
	<i>5/20/21 Referred to Executive Board</i>
LR 102 Wishart	Provide the Legislature take steps to combat the climate and ecological crisis
	<i>4/22/21 Referred to Natural Resources Committee</i>
LR 106 Kolterman	Interim Study to monitor underfunded defined benefit plans administered by political subdivisions as required by 13-2402.
	<i>5/20/21 Referred to Nebraska Retirement Systems Committee</i>

# 2021 Legislative Resolutions - Interim Studies

LR & Current Status	Summary
LR 136 Brewer	Interim Study to examine and evaluate the causes, costs, and impacts of rolling electrical power outages during the extreme weather events of February 2021
	<i>5/20/21 Referred to Natural Resources Committee</i>
LR 147 J. Cavanaugh	Interim study to examine the transfer of state-owned property to local political subdivisions
	<i>5/20/21 Referred to Transportation and Telecommunications Committee</i>
LR 193 De Boer	Interim study to examine broadband mapping and broadband speed testing in Nebraska
	<i>5/20/21 Referred to Transportation and Telecommunications Committee</i>
LR 199 Slama	Interim study to examine the creation of rural economic development program
	<i>5/20/21 Referred to Banking, Commerce and Insurance Committee</i>
LR 202 HHS Committee	Interim study to examine federal legislation regarding COVID-19 pandemic assistance
	<i>5/20/21 Referred to HHS Committee</i>

# 2021 Legislative Resolutions - Interim Studies

LR & Current Status	Summary
LR 211 Lowe	Interim study to examine issues related to adopting construction codes
	<i>5/20/21 Referred to Urban Affairs Committee – Hearing scheduled 8/6/21</i>
LR 234 Friesen	Interim study to examine issues related to the regulation and taxation of electric vehicles
	<i>5/20/21 Referred to Transportation and Telecommunication Committee</i>
LR 246 NR Committee	Interim study to examine issues within the jurisdiction of the Natural Resources Committee
	<i>5/26/21 Referred to Natural Resources Committee</i>

# Federal Legislative Update



# Bipartisan Infrastructure Package

- HR 3684 – 3000+ pages
- Summary – <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/28/fact-sheet-historic-bipartisan-infrastructure-deal/>
- 350 amendments to the package have been filed
- \$550 billion in new spending
- primarily focuses on investments in roads, bridges, public transit, electric grid, electric-vehicle charging stations, drinking-water lines, broadband, permitting reform, wildfire and drought mitigation, and more.
- Issues remain in the House
  - Has to be paired with Reconciliation Package
  - Does not go far enough



# Bipartisan Infrastructure Package

Major provisions of interest:

- \$73 billion on upgrading the nation's power infrastructure
- \$7.5 billion for building out a national network of electrical vehicle charging stations.
- \$50 billion+ on improving the resiliency of U.S. infrastructure to protect against droughts, floods and other natural disasters, as well as cyberattacks.
- \$21 billion on cleaning up polluted areas, including money to reclaim abandoned mines and cap orphaned gas wells.
- \$65 billion in improving access to broadband internet.

# Federal Update

- Reconciliation Package for the rest of President Biden's infrastructure not included in the Bipartisan Infrastructure Package
- Also likely included in Reconciliation Package
  - House Energy & Commerce Committee's Leading Infrastructure for Tomorrow's America Act (H.R. 1848 LIFT America Act) introduced March 11<sup>th</sup>.
  - H.R. 848, the GREEN Act (renewable energy tax incentives).
  - H.R. 1512, the CLEAN Future Act (Clean Energy Standard) – the basis for the House Climate Package.
  - Human infrastructure
- Debt Ceiling
- Continuing Resolution for government funding
- Cyber Security Legislation
- 7,530 bills introduced in the 117<sup>th</sup> Congress as of August 5<sup>th</sup>
- Federal bill tracker included.



# DRAFT 8/13/21 Agenda

## OPPD BOARD OF DIRECTORS REGULAR BOARD MEETING Thursday, August 19, 2021 at 5:00 P.M.

*Attend in person at Omaha Douglas Civic Center, 1819 Farnam Street,  
2<sup>nd</sup> Floor – Legislative Chamber, Omaha, NE 68183*

*Public may attend remotely by going to [www.oppd.com/BoardAgenda](http://www.oppd.com/BoardAgenda) to access the Webex meeting link and view instructions.*

### **Preliminary Items**

1. Chair Opening Statement
2. Safety Briefing
3. Guidelines for Participation
4. Roll Call
5. Announcement regarding public notice of meeting

### **Board Consent Action Items**

6. Approval of the June 2021 Comprehensive Financial and Operating Report, June 2021 Meeting Minutes and the August 19, 2021 Agenda
7. Approval of New Retirement Fund International Equity Manager – Resolution No. 64xx
8. Rate 483 Net Metering Limit Increase to 100 kW – Resolution No. 64xx
9. SD-9: Resource Planning Monitoring Report – Resolution No. 64xx
10. RFP 5895 – 161-13.8-13.8kV 56MVA Transformer – Resolution No. 64xx
11. RFP 5896 – 161-13.8-13.8kV 75MVA Transformer – Resolution No. 64xx
12. North Omaha Station Auxiliary Boiler – Engineer’s Certificate to Negotiate – Resolution No. 64xx
13. Nebraska City Unit 1 Air Heater Basket Materials – Engineer’s Certificate – Resolution No. 64xx
14. Cass County Unit 1 and Cass County Unit 2 Direct Air Injection – Engineer’s Certificate to Negotiate Materials and Services – Resolution No. 64xx

### **Board Discussion Action Items**

15. Revision to Corporate Officer Compensation Adjustment – J. A. Comstock, Vice President – Customer Service – Resolution No. 64xx
16. Appointment of Interim Chief Financial Officer – Resolution No. 64xx
17. [to be determined]

*[Continued next page]*

Please use the link below to find all committee and board agendas, materials and schedules. Board governance policies and contact information for the board and senior management team also can be found at [www.oppd.com/BoardMeetings](http://www.oppd.com/BoardMeetings).



## **DRAFT 8/13/21 Agenda**

### **Other Items**

18. Electric System Evaluation & Modernization Strategic Initiative Update (60 mins) – T. R. Via, Vice President – Energy Delivery
19. July 2021 Storm Outages and Response – Initial Report (30 mins) – T. R. Via, L. A. Olson and J. A. Comstock
20. President's Report (30 mins)
21. Opportunity for comment on other items of District business
22. Adjournment

Please use the link below to find all committee and board agendas, materials and schedules. Board governance policies and contact information for the board and senior management team also can be found at [www.oppd.com/BoardMeetings](http://www.oppd.com/BoardMeetings).



# Board Work Plan



# Board Work Plan Process

1. Board member requests Senior Corporate Governance Specialist to add topic to Parking Lot
2. At the next regular monthly All Committee meeting, the Board as a whole discusses with SMT Parking Lot items to move to Board Work Plan. The following steps occur once an item is moved to the Work Plan:
  - a. Evaluate and determine resource requirements and availability of resources to complete research, etc. [Board Chair/Committee Chair/CEO]
  - b. Confirm proposed steps and timing of when work will be reasonably completed [Board Chair/Committee Chair/CEO]
  - c. Insert “Target Completion Date” on Board Work Plan [Senior Corporate Governance Specialist]
  - d. Provide regular updates to Board and public on items [Committee Chair]
  - e. If assignment of a particular topic to a standing committee is unclear, determine if an ad hoc committee should be created [Board Chair]
3. When appropriate, topic moves from Board Work Plan to SMT agenda for Board meeting Report (Discussion or Presentation), or Action

*Note the process outlined in Step 2 is iterative and could repeat for many months before going to Step 3 for Board presentation and/or action.*

2021 Agenda Planning Calendar

**BOARD IDENTIFIED WORK PLAN PRIORITIES**  
(as of 8/13/21)

TOPIC	ACKNOWLEDGED	CMTE	SMT	STATUS	STATUS DESCRIPTION	TARGET COMPLETION DATE
SD-11: Economic Development Policy Revision <i>(Next monitoring report 11/16/21)</i>	1/19/2021	PI	Olson	Work In Progress	Yoder shared notes with PI Cmte on 2/9/21; PI Cmte consensus on 3/9/21 that other Board work and policy revisions should be prioritized at this time; The PI Cmte intends to reconsider the potential prioritization of SD-11 and SD-13 in late 2nd/early 3rd quarter 2021; 5/11/21 PI Cmte members will review SD-11 documents and target June/July for pre-cmte discussion; 6/8/21 PI Cmte consensus to put SD-11 on agenda for discussion at Board Governance Workshop, <b>scheduled for October 5</b>	
SD-13: Stakeholder Outreach & Engagement <i>(Next monitoring report 12/14/21)</i>	1/19/2021	PI	Olson	Work In Progress	Yoder shared notes with PI Cmte on 2/9/21; PI Cmte consensus on 3/9/21 that other Board work and policy revisions should be prioritized at this time; The PI Cmte intends to reconsider the potential prioritization of SD-11 and SD-13 in late 2nd/early 3rd quarter 2021; 5/11/21 PI Cmte members will review SD-13 documents and target June/July for pre-cmte discussion; 6/8/21 PI Cmte consensus to put SD-13 on agenda for discussion at Board Governance Workshop, <b>scheduled for October 5</b>	
SD-9: Resource Planning Policy Revision <i>(Next monitoring report 8/17/21)</i>	8/26/2020	SM	Fisher / Fernandez	Work In Progress	System Committee (Mollhoff, Williams, Moody & Yoder) discussion 12/3/20; Met 1/7/21; Met 1/25/21; per 3/31/21 meeting, Williams spoke with Bogner and Burke re scope, prioritization and timing; SMT discussed on 5/12.	
SD-2: Rates Policy Revision <i>(Most recent monitoring report approved 6/15/21; next monitoring report tentatively June 2022)</i>	8/26/2020	FIN	Fernandez	Work In Progress	Finance Cmte discussed 4/2/21; Management will provide a proposal to replace the 5-year no-general rate increase language in the current SD-2. <b>The Committee Chair provided proposed language to address the concept of affordability in SD-2, which was discussed at the July 1 and August 4 pre-cmte meetings; Committee discussion will continue at next pre-committee scheduled for September 3.</b>	
SD-4: Reliability Policy Revision <i>(Most recent monitoring report approved 4/13/21; next monitoring report tentatively April 2022)</i>	8/26/2020	SM	Via	Not Started	System Committee to propose revisions related to resiliency. Awaiting external guidance from SPP et al.	

**BOARD IDENTIFIED WORK PLAN PRIORITIES -  
COMPLETED**

TOPIC	ACKNOWLEDGED	CMTE	SMT	STATUS	STATUS DESCRIPTION	TARGET COMPLETION DATE
SD-7: Environmental Stewardship (Next monitoring report 10/19/21)	1/19/2021	SM	Fisher	Completed	Revise policy to include statement on climate change; System Cmte discussed proposed language 3/10/21; System Cmte reviewed and finalized changes 3/31/21 and recommended to Board during 4/13/21 meeting; Public comment period through Friday, May 14; Discussed during 5/18/21 All Cmtes meeting; Board approved 5/20/21	5/20/2021
BL-5: Unity of Control Policy Revision	8/26/2020	GOV	Focht	Complete	Proposed revisions reviewed by Gov Cmte 9/10/20; Gov Cmte determined more review required; Board approved 12/9/20	12/9/2020
BL-7: Delegation to the President & CEO	8/26/2020	GOV	Focht	Complete	Revise policy with regard to communication from CEO; Board approved 9/17/2020	9/17/2020
GP-4: Agenda Planning	8/26/2020	GOV	Focht	Complete	Revise policy to include development of a Board Work Plan; Board approved 9/17/2020	9/17/2020
BL-9: Delegation to President & CEO - Local, State and Federal Legislation and Regulation -- Legislative Resolution	2019	PI	Olson	Complete	Discussed in PI Cmte and with full Board in August and September 2020; referred back to PI Cmte for further review; 10/13/20 All Committee meeting determined to include topics of interest in OPPD's annual legislative agenda and the PI Cmte and Board would receive timely updates on emerging issues and positions.	10/13/2020



2021 Agenda Planning Calendar

**PARKING LOT - For Board Discussion**

TOPIC	SUGGESTED BY	ACKNOWLEDGED	STATUS
SD-1: Strategic Foundation Monitoring Report Discussion and Refinement	Yoder	2/12/2021	4/13/21 All Cmtes discussion: Yoder, Burke and Focht discussed SD-1 monitoring report 4/14/21; Per 5/13/21 Governance pre-cmte, <b>SMT will share revised format of monitoring report with the Cmte; Per 7/2/21 pre-cmte, Yoder/Focht will update committee on discussion during 8/12/21 pre-cmte</b>
Governance discussion re: handling of concepts that span multiple SDs	Yoder	2/12/2021	4/13/21 All Cmtes discussion: Yoder to define potential scope for discussion with Governance Committee; Per 5/13/21 Governance pre-cmte, to be considered as a topic for the 2021 Governance Workshop
Ad Hoc Committee on Market Transformation	Gov Workshop discussion	8/26/2020	4/13/21 All Cmtes discussion: Paused; SD-9 potential revisions may address part of this topic



# Reporting Item

## BOARD OF DIRECTORS

August 17, 2021

### ITEM

Power with Purpose Report

### PURPOSE

Provide updates on the Power with Purpose project for August 2021.

### SOLAR FACTS

1. Continued support of requirements for Conditional Use Permit for the Platteview Solar Project in Saunders County.

### FUEL SUPPLY FACTS

1. Natural gas supply infrastructure agreements are being finalized with Metropolitan Utilities District (MUD) for the Standing Bear Lake Station and Northern Natural Gas (NNG) for the Turtle Creek Station. The gas supply agreement with MUD for Standing Bear Lake Station is being coordinated with a land lease for the site.

### NATURAL GAS FACTS

1. The Engineer, Procure, and Construct (EPC) bids for both the Turtle Creek and Standing Bear Lake Stations' generation facilities and substation infrastructure have been received and are being evaluated internally. Preliminary bid review meetings with all three suppliers have been completed and negotiations are in progress.
2. Ames Construction, Inc. will be conducting preliminary earthwork at both the Turtle Creek and Standing Bear Lake Station sites commencing in August.
3. An air quality construction permit application for Standing Bear Lake Station has been submitted to the Nebraska Department of Environment and Energy (NDEE).
4. A project update on Turtle Creek Station was provided to the City of Papillion on July 29, 2021.
5. Technical assessments of both natural gas project sites continues to be conducted.

### ENERGY DELIVERY FACTS

1. Detailed design is under way for the transmission and substation assets that will connect the new gas generation facilities to the existing grid.
2. Right of Entry discussions are taking place with landowners associated with the Sarpy Southwest Transmission Project to enable access to properties for survey and environmental assessment efforts.

#### RECOMMENDED:

DocuSigned by:

*Mary J. Fisher*

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Mary J. Fisher

Vice President – Energy Production and Nuclear Decommissioning

#### APPROVED FOR REPORTING TO BOARD:

DocuSigned by:

*L. Javier Fernandez*

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L. Javier Fernandez

President and Chief Executive Officer

MJF:sae

Information as of July 30, 2021

# Power with Purpose Open Session August 2021 Update

August 17, 2021



# Power with Purpose Updates

- Natural Gas Generation Project and Fuel Supply
- Stakeholder Outreach and Communication

# Natural Gas Generation Project & Fuel Supply



# Natural Gas Generation Project & Fuel Supply Update

- Major equipment selection
  - Contract executed with Siemens Energy, Inc. for two, simple-cycle combustion turbines, SGT6-5000F
  - Contract executed with Wärtsilä for nine reciprocating internal combustion engines, 18V50DF
- Air Permitting
  - An air quality construction permit application for Standing Bear Lake Station has been submitted to the Nebraska Department of Environment and Energy (NDEE)
  - Submittal of an air quality construction permit application for Turtle Creek Station is pending
- Fuel Supply
  - Natural gas supply infrastructure agreements are being finalized with Metropolitan Utilities District (MUD) for the Standing Bear Lake Station and Northern Natural Gas (NNG) for the Turtle Creek Station
  - The gas supply agreement with MUD for Standing Bear Lake Station is being coordinated with a land lease for the site

# Natural Gas Generation Preliminary Earthwork Sourcing Progress

- Earthwork RFP developed with OPPD subject matter experts from Energy Production and Energy Delivery in concert with Owner's Engineer for projects
- Scope is preliminary grading at sites for Standing Bear Lake and Turtle Creek Stations to prepare for major construction by EPC vendor
- Final grading will be done by EPC vendor
- Ames Construction Inc. awarded contract

Earthwork RFP Schedule Item	Milestone
Earthwork RFP Development	May-June 2021 ✓
Issue Earthwork RFP #5904	June 22, 2021 ✓
SBL & TCS site visits w/ Vendors	June 29, 2021 ✓
Earthwork Proposals Due	July 12, 2021 ✓
Earthwork Contractor Award	July 30, 2021 ✓
Earthwork Construction Begins	August 2021

# Natural Gas Generation Engineer, Procure, and Construct (EPC) Sourcing Progress – Part 2

## Reminder of EPC Two-Part Process

- Part 1 Request For Qualifications (RFQ): Determine EPC vendors that meet qualifications (financial, technical, managerial) and select shortlist of vendors
  - **Black & Veatch, Kiewit, and Zachry**
- Part 2 Request For Proposal (RFP): Send RFP to selected qualified EPC vendors from RFQ process
- EPC RFP issued April 16<sup>th</sup> to Black & Veatch, Kiewit, and Zachry
- Proposals received on June 28<sup>th</sup>
- Evaluation of proposals in progress

EPC RFP Schedule Item	Milestone (Past/Future)
EPC RFP Development	Nov 2020 – Apr 2021 ✓
Issue EPC RFP	April 16, 2021 ✓
RFP Overview Meeting w/ Vendors	April 26, 2021 (virtual) ✓
SBL & TCS site visits w/ Vendors	May 4, 2021 ✓
EPC Proposals Due	June 28, 2021 ✓
EPC Contractor Target Award	August-September 2021
SBL Commercial Operation	May 1, 2023
TCS Commercial Operation	May 31, 2023

*Information as of August 12, 2021*



# Stakeholder Outreach and Communication

Phase III  
Engage with Directly Impacted and Interested



# Stakeholder Outreach and Communication

## Turtle Creek Station

- Met with City of Papillion
- Update letter sent to residents on grading/construction and reminder of OPPDCommunityConnect

## Standing Bear Lake

- Email sent to OPPD employees living near site - heads up regarding update letter
- Update letter sent to residents on grading/construction and reminder of OPPDCommunityConnect
- Slated to attend annual Rambleridge Homeowners Association Meeting (November)

## Solar

- Continued education and advocacy



# Appendix



# Power with Purpose – Where We Are

