



Moody/Underwood

RESOLUTION NO. 6582

WHEREAS, to achieve its mission to provide affordable, reliable, and environmentally sensitive energy services to its customers, the Omaha Public Power District ("OPPD") needs a reliable and resilient electric power grid, including a mix of generation resources capable of supporting local resource adequacy; and

WHEREAS, OPPD is experiencing historic customer load growth, upwards of approximately 100 megawatts ("MW") per year, with a currently expected increase of 1,050 MW of peak demand growth above its base load forecast for 2032; and

WHEREAS, OPPD must meet increased regulatory requirements for generation capacity reserve margins and proactively plan for anticipated changes; and

WHEREAS, OPPD has the responsibility and obligation to serve its customer-owners; and

WHEREAS, OPPD management has completed and presented to the Board of Directors a comprehensive generation resource planning study based on complex modeling scenarios and, in order to maintain affordable, reliable and environmentally sensitive energy services, recommends approval of the Near Term Generation Resource Plan generally described on Attachment A to this Resolution, consisting of new on-site fuel storage equipment, renewable generation assets and/or purchases, energy storage facilities, and dual fuel-capable electrical generation assets and supporting infrastructure, including fuel conversion related equipment and services, fuel supply, including substation and transmission and distribution infrastructure; and

WHEREAS, the Near Term Generation Resource Plan specifies a cost effective, reliable, resilient resource expansion to serve our community that is consistent with OPPD's Strategic Directive 2 (Rates), 4 (Reliability) and 7 (Environmental Stewardship); and

WHEREAS, OPPD management estimates that with all planned resources in service the renewable generation resources acquired through the Near Term Generation Plan will produce approximately ninety percent (90%) of the total energy generated from the identified facilities; and

WHEREAS, net emissions are projected to continue their decline as OPPD remains committed to its previously announced plan in Resolution 6518 to retire North Omaha Station Units 1, 2, and 3, and refuel Units 4 and 5 from coal to natural gas, with the possible addition of non-emitting energy storage assets at the North Omaha Station; and

WHEREAS, the Board of Directors will continue to use prudent financial decision-making in its review and approval of future corporate operating plans and establishment of rates that are fair, reasonable, and non-discriminatory and will continue to ensure system cost is allocated to customers based upon how they use the system; and

WHEREAS, the Board of Directors finds that the Near Term Generation Resource Plan complies with the strategic directives of the Board of Directors, advances Board Resolution No. 6351 for the planned renewable generation assets, and provides flexibility to procure generation resources needed to meet OPPD's near-term load growth requirements; and

WHEREAS, the Board of Directors finds that, due to extensive and growing lead times required to engineer, procure and construct new generation assets, it is prudent to provide OPPD management with the authority promptly to commence the planning, engineering, procurement and construction processes for the necessary generation resources to enable timely and reliable electric service to all customers now and into the future; and

WHEREAS, the Board of Directors finds that it is prudent to provide OPPD management with greater flexibility to mitigate material financial and operational risks from price volatility, address project feasibility and known construction schedule challenges, manage the long lead time of the Regional Transmission Organization's generation interconnection queue process and potential long-lead time and expensive networked transmission expansion requirements, and adapt to customer load ramp schedules; and

WHEREAS, the District's Engineer has certified that the contracts that will be required for the acquisition of the new on-site fuel storage, renewable generation, energy storage, and dual fuel capable electrical generation equipment and supporting generation, emissions equipment, fuel supply and/or fuel conversion related equipment and services, substation, and transmission and distribution infrastructure to implement OPPD's Plan involve technologically complex and unique equipment with varying designs and operational capabilities coupled with a challenging sourcing environment that will require a competitive negotiated contract process to enable OPPD to obtain optimal pricing and cost efficiencies, optimize integration with other plant systems, and provide appropriate risk mitigation; and

WHEREAS, the District's Engineer has further certified that it is impractical and not in the public interest to utilize the statutory sealed bid process for the Near Term Generation Resource Plan; 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 this infrastructure sourcing strategy without sealed bidding; and

WHEREAS, recognizing the importance of transparent communication and oversight, the Board acknowledges that effective monitoring of and regular updates on the Near-Term Generation Resource Plan is important for customer visibility and awareness.

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

1. The Near Term Generation Resource Plan as described on Attachment A hereto is hereby approved; and
2. The System Management and Nuclear Oversight Committee shall, no later than October 31, 2023, leverage the Board's current policy governance framework to establish a process by which the Board will exercise its duty of oversight of the Near Term Generation Resource Plan execution through the identification of key performance indicators and subsequent targets, and monitoring of progress; and
3. This resolution updates Resolution No 6351 and 6422, relating to the acquisition of the renewable assets, and Resolution No 6518, relating to North Omaha Station, and will guide the District's near term resource acquisition strategy; and
4. The Engineer's Certification requesting that the Board authorize management to negotiate and enter into one or more contracts to provide all engineering, procurement, and construction of on-site fuel oil storage assets, substation, transmission and distribution infrastructure, generation assets and facilities, emissions equipment, fuel supply and/or conversion related equipment and services, and other infrastructure, and to negotiate and enter into other necessary contracts to meet the District's anticipated generation resource needs outlined in this resolution through a combination of on-site fuel oil storage, dual fueled generating facilities, energy storage facilities, renewable generation facilities, and/or to acquire capacity and output from renewable generation facilities, without compliance with the sealed bidding provisions of Sections 70-637 to 70-641 of the Nebraska Revised Statutes, is hereby approved, and management is authorized and directed to negotiate and enter into the necessary contract or contracts to implement the Near Term Generation Resource Plan described on Attachment A, subject to review and approval of the final contract(s) by the District's General Counsel; and
5. 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.



Attachment A

Near Term Generation Resource Plan

Introduction

Total Anticipated Generation Resources, through 2032: Approximately 2.5 gigawatts ("GW") of new generation construction

The resources listed below are in addition to currently announced projects, including Platteview Solar (81 MW), Turtle Creek Station (450 MW combustion turbines), and Standing Bear Lake Station (150 MW reciprocating internal combustion engines)

Resources (Nameplate or Peak Tested Capacity)	Range of Incremental Additions (MW)
Renewable Generation*	1,000 – 1,500 MW
Energy Storage**	Approximately 125 MW
Dual Fuel Combustion Turbines***	600 – 950 MW
Demand Response	Minimum of 32 MW
On-site fuel oil storage for year-round accreditation for approximately 320 megawatts (MW) of existing natural gas-fueled generation assets	Approximately 320 MW

Definitions

*"Renewable Generation" may include any generation assets that do not use coal, natural gas, fuel oil, or nuclear fuel, but are anticipated to be mainly wind and solar energy assets. The Renewable Generation may be owned by OPPD and/or acquired through purchased power agreements. Renewable generation is stated in terms of net facility alternating current output.

** "Energy Storage" refers to equipment, such as utility-scale battery equipment, that captures energy produced at one time for use at a later time. Energy storage is stated in terms of 4-hour duration equivalent. The power rating and duration of individual facilities may vary.

*** Dual Fuel Combustion Turbines are stated in terms of summer max generating capability consistent with testing requirements for accreditation.

Infrastructure Included in Near Term Generation Resource Plan

The resources described in the table above and authorized by this Resolution include all necessary contracts, facilities, infrastructure, assets, equipment, real estate, permits, products, purchases, services and fulfilling all requirements necessary for new on-site fuel storage, renewable generation assets and/or purchases, energy storage, and dual fuel-capable electrical generation assets, emissions equipment, supporting infrastructure, including fuel conversion related equipment and services, fuel supply, substations and transmission and distribution infrastructure.

ENGINEER'S CERTIFICATION

Omaha Public Power District (OPPD) has performed an analysis to determine generation technologies to achieve its mission to provide affordable, reliable, and environmentally sensitive energy services to its customers, including maintaining a reliable and resilient power grid capable of achieving local resource adequacy with a generation resource mix that provides adequate summer and winter accredited capacity. The analysis demonstrates that an integrated generation project that includes combinations of renewable energy resources such as photovoltaic (PV) solar facilities and wind energy facilities, dual-fueled (natural gas and fuel oil) generation equipment, such as combustion turbines, energy storage equipment, such as utility scale batteries, and the addition of onsite fuel storage at certain existing OPPD natural gas plant sites, including conversion-related equipment and services, for year round accreditation of existing natural gas-fueled generation assets will appropriately meet the growing OPPD customer electric load and capacity needs, increase seasonal resource adequacy requirements, and maintain acceptable levels of resiliency and reliability while optimizing affordability and environmental sensitivity. This resource mix directionally aligns with OPPD's Pathways to Decarbonization study and Power with Purpose initiative.

OPPD intends to enter into contracts to design, engineer, procure, construct, own and operate and/or to acquire output from PV solar facilities and wind facilities of varied capacity at location(s) yet to be determined and fulfill all requirements, activities and purchases necessary in OPPD's discretion to enable the full utilization of such facilities including but not limited to supporting generation-related and electric substation, distribution and transmission infrastructure equipment.

OPPD intends to enter into contracts to design, engineer, procure, construct, own and operate and/or to acquire output from energy storage equipment and/or facilities of varied capacity at location(s) yet to be determined and fulfill all requirements, activities and purchases necessary in OPPD's discretion to enable the full utilization of such facilities including but not limited to supporting generation-related equipment, energy storage equipment, and electric substation, distribution and transmission infrastructure equipment and purchases.

OPPD intends to enter into contracts to design, engineer, procure, construct, own and operate dual-fueled simple cycle combustion turbine electric generation assets and facilities, including the associated local fuel transportation infrastructure and enter into one or more contracts to construct onsite fuel storage, and the conversion to dual fuel of existing natural gas-fueled generation assets and fulfill all requirements, activities and purchases necessary in OPPD's discretion to enable the full utilization of such facilities. OPPD will solicit proposals from qualified contractors, suppliers and counter parties for the desired mix of renewable PV solar and wind generation, energy storage, dual-fuel combustion turbine generation, dual-fuel conversion facilities, and onsite fuel storage resources and fulfill all requirements, activities and purchases necessary in OPPD's discretion to enable the full utilization of such facilities including all necessary supporting generation-related equipment, fuel storage equipment, energy storage equipment, and electric substation, distribution and transmission infrastructure equipment.

Renewable energy resources may be sourced through an engineer, procure, and construct (EPC) or other competitive contracting process, or through purchased power agreements. OPPD intends to utilize an EPC contracting process to source the dual-fuel generation assets, and potentially other assets, in order to have a single point of responsibility for all performance, engineering, procurement, and construction tasks. OPPD will solicit competitive proposals from qualified contractors and may contract with one or more major equipment suppliers or EPC contractors depending on the planned generation portfolio and project risk mitigation strategies. A negotiated contract process is necessary to provide the appropriate project details for OPPD to evaluate the contractors' plans and capabilities, allowing selection of the contractor(s) that provide(s) the best value for OPPD and its customer-owners.

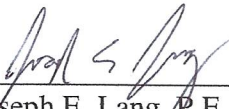
The undersigned certifies that use of the sealed bidding requirements of Nebraska statutes, specifically Nebraska Revised Statutes 70-637 to 641, is impractical and not in the public interest for the following reasons:

- As explained further below, the equipment needed for this project is technologically complex and unique.
- The design of each PV solar facility, wind facility, and energy storage equipment/facility is unique to the location at which it is sited. Substantial design and engineering work is required to integrate the PV systems, wind systems, and energy storage systems into the existing environment, topography, and existing conditions at the project sites, including the necessary interconnection requirements. Various tracker and mounting designs, PV modules, inverters, and other appurtenant equipment can be used to complete a project, all of which have unique characteristics that must be fully understood when integrating them into a viable project with maximized annual energy production. OPPD highly desires electric system ancillary services as part of this project, such as voltage support and frequency control. These services may not be a familiar aspect to all potential contractors, which may introduce a need for significant communication between OPPD and prospective bidders.
- The dual-fueled combustion turbine electrical generation equipment, fuel conversion-related components, and onsite fuel storage equipment is technically complex and requires integration with other plant systems to optimize performance and to obtain equipment/generating station performance guarantees.
- A negotiated contract process will allow OPPD to take advantage of an EPC contractor's expertise to optimize power plant design and construction requirements through contractor communications during the negotiation phase.
- A negotiated contract provides the proper mechanism to develop optimal pricing, terms, and conditions with acceptable contractual risk mitigation.

- Contracting expediency is of utmost importance to obtain long lead time generation items and supporting equipment. Such equipment includes but is not limited to power transformers and generation turbine equipment.
- The Southwest Power Pool (SPP) generation interconnection process is severely backlogged and contributes to the uniqueness of generation projects that have certain status within that process to work toward obtaining a generation interconnection agreement (GIA). A GIA is required under the SPP Open Access Transmission Tariff to permit the injection of energy into the electrical grid and wholesale energy market.

Pursuant to Section 70-637 of the Nebraska Revised Statutes, the Board of Directors is requested to approve this Engineer's Certification and authorize Management to negotiate and enter into contracts to provide all design, engineering, procurement, and construction services for photovoltaic solar facilities, wind facilities, energy storage facilities, natural gas-fueled generating facilities (with dual-fuel capability), and the associated local fuel transportation infrastructure, onsite fuel storage equipment, and fulfill all requirements, activities and purchases necessary in OPPD's discretion to enable the full utilization of such facilities including but not limited to all necessary supporting generation-related equipment, and electric substation, transmission and distribution infrastructure related to the generation and capacity resources, without use of the sealed bidding provisions of Sections 70-637 to 70-641 of the Nebraska Revised Statutes.

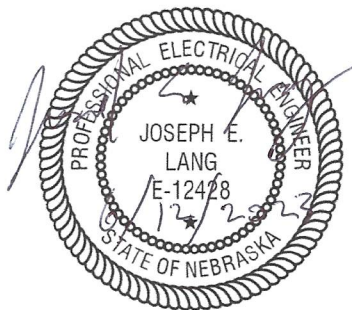
I, Joseph E. Lang (Licensed Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.



Joseph E. Lang, P.E.

E-12428
License No.

6/12/2023
Date





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June 12, 2023

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

RE: Near Term Generation Project - Engineer's Certification

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Joseph E. Lang, P.E., a registered professional engineer in the State of Nebraska employed by the District. Mr. Lang's Certification explains that the District has conducted a detailed analysis to determine near-term generation needs to serve growing customer load, maintain a reliable and resilient power grid, and address increased regulatory margins for capacity. He further explains that the District intends to enter into contracts to design, procure, construct, own and operate various generation, transmission, and related facilities, to include renewable energy facilities or power purchases, dual-fueled natural gas generation facilities, and energy storage. Mr. Lang certifies that the use of the statutory sealed bidding process would be impractical and not in the public interest, and sets forth the reasons supporting that Certification.

Section 70-637 of the Nebraska Revised Statutes authorizes the District's Board of Directors, by a two-thirds vote, to approve an Engineer's Certification for technologically complex projects for which sealed bidding would be impractical and not in the public interest, and to authorize the District to enter into a contract or contracts to complete the project. The District is required to advertise its intention to enter into any such contract in three (3) issues of a newspaper 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. Lang's Engineer's Certification complies with Section 70-637 and is in a form that is appropriate for approval by the District's Board of Directors. Therefore, the Board of Directors may approve the Engineer's Certification and authorize Management to negotiate and enter into the necessary contract(s) for the near term generation resources and related equipment and services as described in the Certification and proposed Board resolution. We recommend that any such contract(s) be subject to review and approval by the District's general counsel.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Stephen M. Bruckner", written in a cursive style.

Stephen M. Bruckner
FOR THE FIRM

SMB/sac
3018267



Board Action

BOARD OF DIRECTORS

August 15, 2023

ITEM

Near Term Generation

PURPOSE

Authorize Management to negotiate and enter into contracts for the sourcing of the recommended portfolio to meet future load growth in an affordable, reliable and environmentally sensitive manner.

FACTS

1. Dating back to the beginning of 2023, OPPD has provided multiple and consistent closed session and open board updates to discuss the historic load growth in our communities which exceed the load growth from Power with Purpose.
2. Power with Purpose assets provide critical accredited capacity and electricity, as well as support reliability and resiliency and provide generation diversity for customer owners. These assets are projected to meet our immediate needs, but more load growth is projected.
3. While OPPD has been sourcing the Power with Purpose resources for the community, a number of changes have occurred. Over the last few years, planning reserve margins have increased, as well as the frequency and severity of both regional advisories and emergency energy alerts. Additionally, there is a projected decline in Southwest Power Pool regional resource volumes that may contribute to alerts in the future. Finally, peak demand increases are forecasted, and challenges persist related to constructing and interconnecting new resources as well as likely incremental planning reserve margin increases. The confluence of these circumstances requires more electric supply resources for OPPD customers.
4. OPPD presented a recommendation in May 2023 guided by our regulatory obligation, mission and strategic directives to ensure sufficient energy supply is available for the future of our community. OPPD seeks Board action to authorize Management to negotiate and enter into contracts for the sourcing of the recommended portfolio.

ACTION

Authorization by the Board to negotiate and enter into contracts for the sourcing of the recommended portfolio to meet future load growth and energy needs with accredited capacity generation sources and maintain system reliability and resiliency. Authorization shall include all necessary contracts, facilities, infrastructure, assets, equipment, real estate, permits, products, purchases, services and the fulfillment of all requirements necessary for on-site fuel storage, renewable generation assets and/or purchases, energy storage, and dual fuel-capable electrical generation assets, and supporting infrastructure, including fuel conversion related equipment and services, fuel supply, substations and transmission and distribution infrastructure.

RECOMMENDED:

DocuSigned by:

Bradley Underwood

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Bradley R. Underwood

Vice President – Systems Transformation

APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:

L. Javier Fernandez

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L. Javier Fernandez

President and Chief Executive Officer

BRU:cmk

Attachments: Engineer's Certificate
Legal Opinion
Resolution