MINUTES OF REGULAR MEETING OF THE BOARD OF DIRECTORS OF NEBRASKA PUBLIC POWER DISTRICT OCTOBER 12-13, 2022

(Marginal Index for Informational Purposes Only)

A meeting of the Board of Directors of Nebraska Public Power District was held at the Columbus General Office, Columbus, Nebraska, beginning at 4:17 p.m. on Wednesday, October 12, 2022.

In compliance with state law, legal notice announcing the date, hours, location, and availability of the agenda for the meeting was published on the District's corporate website, nppd.com, and also in the following newspapers on or about October 6, 2022:

LEGAL NOTICE PUBLISHED PRIOR TO THE MEETING

- (1) Columbus Telegram, Columbus, Nebraska;
- (2) Kearney Hub, Kearney, Nebraska;
- (3) Lincoln Journal Star, Lincoln, Nebraska;
- (4) Norfolk Daily News, Norfolk, Nebraska;
- (5) North Platte Telegraph, North Platte, Nebraska;
- (6) Omaha World-Herald, Omaha, Nebraska;
- (7) Scottsbluff Star-Herald, Scottsbluff, Nebraska;
- (8) York News-Times, York, Nebraska.

This notice was also e-mailed to each member of the Board of Directors.

Chair Chlopek called the regular meeting to order at 4:17 p.m. on Wednesday, October 12, 2022, and directed the roll be called:

Jerry L. Chlopek, Melissa S. Freelend, Bill C. Hoyt, William D.

Johnson, Charlie C. Kennedy, Edward J. Schrock, Gary G.

Thompson, Aaron D. Troester, Wayne E. Williams

Absent: Fred L. Christensen, Mary A. Harding

constituting a quorum of the Board of Directors.

Present:

Chair Chlopek announced that there was a posting of the Open Meetings Act and copies of the Board agenda at the entrance of the conference room, for anyone wishing to examine those documents.

President and Chief Executive Officer Thomas J. Kent provided an update on safety and system operations.

ROLL CALL, 4:17 P.M., OCTOBER 12, 2022

ANNOUNCEMENT OF POSTING OF OPEN MEETINGS ACT AND AGENDA

REPORT ON SYSTEM AND SAFETY STATUS It was moved by Director Freelend and seconded by Director Kennedy that the Board go into Executive Session at 4:19 p.m. to protect the public interest and discuss competitive and proprietary information, personnel matters, pending and potential litigation, and receive legal advice. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Freelend, Hoyt, Johnson, Kennedy,

Schrock, Thompson, Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None

Absent: Christensen, Harding

Whereupon the Chair declared the motion carried.

Chair Chlopek announced the executive session was ended at 5:25 p.m., during which nothing was discussed beyond the items declared: competitive and proprietary information, personnel matters, pending and potential litigation, and receive legal advice.

The meeting was recessed at 5:25 p.m., to reconvene on Thursday, October 13, 2022, at the Columbus General Office.

OCTOBER 13, 2022

Chair Chlopek called the regular meeting to order at 9:50 a.m. on Thursday, October 13, 2022, and directed the roll to be called:

Present: Jerry L. Chlopek, Melissa S. Freelend, Mary A. Harding, Bill C.

Hoyt, William D. Johnson, Charlie C. Kennedy, Edward J. Schrock, Gary G. Thompson, Aaron D. Troester, Wayne E.

Williams

Absent: Fred L. Christensen

constituting a quorum of the Board of Directors.

Director Christensen entered the meeting shortly after roll call.

Chair Chlopek announced that there was a posting of the Open Meetings Act and copies of the Board agenda at the entrance of the conference room, for anyone wishing to examine those documents.

MOTION (CARRIED): GO INTO EXECUTIVE SESSION AT 4:19 P.M. TO PROTECT THE **PUBLIC INTEREST, DISCUSS COMPETITIVE AND** PROPRIETARY INFORMATION. **PERSONNEL MATTERS, PENDING AND POTENTIAL** LITIGATION. AND RECEIVE LEGAL **ADVICE**

EXECUTIVE SESSION ENDED AT 5:25 P.M.

MEETING RECESSED AT 5:25 P.M.

ROLL CALL, 9:50 A.M., OCTOBER 13, 2022

ANNOUNCEMENT OF POSTING OF OPEN MEETINGS ACT AND AGENDA Guests at the meeting included Darin Bloomquist, Nebraska Electric G&T; Mark Kirby, Butler Public Power District; Bob Beatty, KBR Rural Public Power District; and Matt Fritz, Niobrara Valley Electric Membership Corporation.

GUESTS WELCOMED TO MEETING

As a follow-up to a presentation made in June regarding NPPD's Integrated Resource Plan (IRP), Resource Planning and Risk Manager James R. Fehr provided a progress update and discussed the schedule for the IRP that NPPD must submit to the Western Area Power Administration (WAPA) in 2023. As part of the process, NPPD is utilizing a software program, Capacity Expansion, and has run several modeling scenarios with a combination of factors including decarbonization, load, and market, and has also run scenarios with different sensitivities including high energy efficiency, demand response, small modular nuclear reactors, carbon capture and sequestration at GGS, and license extension at CNS. Staff is in the process of analyzing the modeling results and has begun development of a draft report. Impacts of the Inflation Reduction Act will be incorporated once more clarification is obtained and understood regarding the recent legislation.

IRP UPDATE

Dr. Brad Lubben, Extension Associate Professor at the University of Nebraska-Lincoln, discussed Nebraska's agricultural economy including impact, outlook, and directions.

UPDATE ON NEBRASKA'S AGRECULTURAL ECONOMY, IMPACT AND OUTLOOK

There were no public comments.

PUBLIC COMMENTS

Chair Chlopek asked for discussion of any consent agenda items, which included the following:

CONSENT AGENDA

- Minutes of September 7-8, 2022, Regular Board Meeting
- December 2022 Regular Board Meeting scheduled for December 7-8, 2022, in Columbus (November 2022 Regular Board Meeting previously scheduled for November 9-10, 2022, in Columbus)
- Ratification/Confirmation of Signatures of Staff Members
- August 2022 Summary of Disbursements

Chair Chlopek asked whether any Directors desired any items on the consent agenda to be placed on the regular agenda and voted on separately. There were none.

It was moved by Director Harding and seconded by Director Hoyt that all items on the consent agenda be approved as listed above. Votes were cast and recorded as follows:

MOTION (CARRIED): APPROVE CONSENT AGENDA Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

Whereupon the Chair declared the motion carried.

A recess was taken from 10:44 to 10:58 a.m.

President and Chief Executive Officer Thomas J. Kent read an excerpt from NPPD's "Principles for Excellence in Corporate Performance" pocket guide.

A video depicting accomplishments achieved by the District during the third quarter of 2022 was shown.

President and Chief Executive Officer Thomas J. Kent provided an update on NPPD employee staffing levels, and presented the Report on Retirements and Former District Employee Rehires which is on file with the Assistant Secretary and attached and made a part of these minutes.

Mr. Kent recognized retiree Brad Bailey and his wife, Lorinda, who were in attendance.

Pricing and Rates Supervisor R. Scott Jackson provided information regarding the two new federal standards that were recently added to Public Utility Regulatory Policies Act of 1978 (PURPA) as part of the Infrastructure Investment and Jobs Act of 2021 (IIJA): 1) Demand Response Practices; and 2) Electric Vehicle Charging Programs. Utilities with total annual retail sales of 500,000 MWh or greater are required to consider these standards. As a qualifying utility, NPPD must formally begin the consideration process within one year of the law's enactment, or by November 15, 2022, and must complete the consideration process of the new standards within two years of the law's enactment, or by November 15, 2023. Mr. Jackson provided an overview of each new standard and reviewed a schedule to meet the consideration deadline for NPPD's final determination on the two standards. The following resolution was recommended for formal commencement of the consideration process:

RESOLUTION NO. 22-30

WHEREAS, the Infrastructure Investment and Jobs Act of 2021 (IIJA) amended the Public Utility Regulatory Policies Act of 1978 (PURPA) by adding two new PURPA standards to be considered for adoption; and

WHEREAS, the two new PURPA standards are: Demand Response Practices and Electric Vehicle Charging Programs; and

RECESS

REPORT ON THIRD QUARTER 2022 PERFORMANCE

EMPLOYEE COUNTS, RETIREMENTS AND REHIRES FOR OCTOBER 2022

RESOLUTION
NO. 22-30
(ADOPTED): ADOPT
RESOLUTION AND
COMMENCE
CONSIDERATION OF
2 PURPA
STANDARDS

WHEREAS, the District, as a non-regulated utility with annual retail sales in excess of 500 million kWh, is required to consider the new standards for adoption; and

WHEREAS, the District's Board of Directors has the responsibility to undertake such consideration and determination consistent with statutory requirements including the opportunity for one or more public hearings; and

WHEREAS, management is hereby directed to develop and recommend to the Board of Directors, a process consistent with applicable state and federal law by which the Board can consider and make determinations on the two new PURPA standards.

NOW, THEREFORE, BE IT RESOLVED that management is directed to develop a timeline and process for review and approval by the Board that will allow the Board to consider the two new standards and make a determination on whether to adopt, modify or reject such standards in a manner consistent with the requirements of applicable state and federal law.

It was moved by Director Johnson and seconded by Director Hoyt that the foregoing resolution be adopted. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

Whereupon the Chair declared Resolution No. 22-30 adopted.

Pricing and Rates Supervisor R. Scott Jackson provided an update on the proposed Wholesale Demand Response Resource (DRR) Rate Schedule (Special Power Product No. 11), applicable to wholesale customers for use with their retail customers. DRRs include controllable load and behind-the-meter generation, are treated similarly to generation resources, and can be bid into and compensated by the Southwest Power Pool (SPP) market and, if dispatched, would be expected to curtail.

NPPD is proposing development of a DRR program due to interest and requests from customers. Mr. Jackson discussed preliminary recommendations for remaining program provisions, including the process to select pilot participants, minimum floor/ net market revenue sharing and distribution, and adjustments to eliminate double compensation.

NEW WHOLESALE DEMAND RESPONSE RESOURCE RATE SPECIAL POWER PRODUCT UPDATE The remaining schedule includes continued conversation with wholesale customers; providing a proposed rate schedule to wholesale customers in November, with requests for a rate hearing due in December; Board consideration of the proposed new wholesale and retail DRR Rate Schedules in January 2023; and, if approved, the rates would become effective date of February 1, 2023; the dates for Board consideration and effective date of the proposed rates could change if a rate hearing is requested.

A lunch recess was taken from 11:42 a.m. to 12:30 p.m.

Account Manager Joni J. Davis reviewed proposed revisions to five corporate investment policies: 1) Investment Policy for the NPPD Active Employee Hospital-Medical Benefit Trust; 2) Investment Policy for NPPD Hospital-Medical and Employee Life Insurance Benefit Trust for Employees in Disability Status; 3) Investment Policy for the NPPD Medical and Life Benefits Trust for Employees in Retirement Status; 4) Investment Policy for Revenue Funds and Certain Special Funds of NPPD; and 5) Investment Policy for the NPPD CNS Decommissioning Funds. The Board will be asked to consider the proposed revisions to the investment policies in November and, if approved, would become effective January 1, 2023.

RECESS

PROPOSED

CORPORATE

INVESTMENT

POLICIES

REVISIONS TO NPPD

President and Chief Executive Officer Thomas J. Kent provided a look-ahead of upcoming items for the October 27-28 Board Retreat and the November 2022 Board meeting.

BOARD AGENDA LOOK-AHEAD

No governmental affairs update was provided.

GOVERNMENTAL AFFAIRS UPDATE

During the time designated for Directors' comments and questions, Director Harding reported on her attendance at the Rocky Mountain Electrical League 2022 Fall Convention. Directors Thompson and Johnson commented on the 2022 Nebraska Open and the funds raised over the 31 years the tournament has been in existence, to provide scholarship monies to Nebraska's community colleges.

DIRECTORS'
COMMENTS

The Nuclear Committee of the Whole, chaired by Director Johnson, met Thursday, October 13, 2022, from 12:55 to 1:11 p.m. during the Board of Directors meeting. Executive Vice President and Chief Nuclear Officer John A. Dent, Jr., provided an update regarding Cooper Nuclear Station, including status of the Fall 2022 Refueling Outage.

NUCLEAR COMMITTEE OF THE WHOLE

Director Harding, Chair of the Energy Supply Committee, reported that the Energy Supply Committee met Thursday morning, October 13, 2022.

ENERGY SUPPLY COMMITTEE REPORT The Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Production) contained two items: 1) Agreement with Sargent & Lundy, LLC, which provided for engineering, environmental, drafting, and project management services to design modifications to the bottom ash transport water system to meet the Environmental Protection Agency Effluent Limitation Guidelines Part 423 Rule (Sheldon Station); and 2) Agreement with Baker Hughes Holdings, LLC, which provided for a preliminary engineering study for the post combustion carbon FEED chilled ammonia process for flue gas carbon capture from GGS Unit 2.

It was moved by Director Harding and seconded by Director Christensen to approve the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Production). Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None

Absent:

Whereupon the Chair declared the motion carried.

Director Harding, Chair of the Energy Supply Committee, reported that Director of Generation Strategies and Research John H. Swanson requested funding in the amount of \$125,000 from the Domestic Energy Research and Application Initiative, to engage the law firm of Holland & Knight for assistance with drafting a concept paper to be submitted to the Department of Energy as part of a grant application for the Midcontinent Clean Energy Hydrogen Hub (MCH2).

It was moved by Director Harding and seconded by Director Freelend to approve funding of \$125,000 from the Domestic Energy Research and Application Initiative, for legal services in support of a grant application to be submitted to the Department of Energy for the Midcontinent Clean Energy Hydrogen Hub (MCH2). Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

Whereupon the Chair declared the motion carried.

MOTION (CARRIED):
APPROVE REQUEST
FOR APPROVAL OF
PROCUREMENTS
FOR SERVICES,
EQUIPMENT AND/OR
MATERIALS FOR
ITEMS \$500,000 AND
ABOVE (ENERGY
PRODUCTION)

MOTION (CARRIED):
APPROVE
DOMESTIC ENERGY
RESEARCH AND
APPLICATION
INITIATIVE FUNDING
FOR LEGAL
SERIVCES IN
SUPPORT OF A DOE
GRANT
APPLICATION FOR
MCH2

Director Harding, Chair of the Energy Supply Committee, reported that the Committee also heard reports on the following matters:

1) Energy Supply monthly generation performance; 2) Energy Supply look-ahead for November 2022; 3) Preliminary 2023 Irrigation Water Delivery and Storage Water rate recommendations; and 4) and Water Supply.

ENERGY SUPPLY COMMITTEE REPORT

Director Williams, Chair of the Customer and Support Services Committee, reported that the Customer and Support Committee met Thursday morning, October 13, 2022.

CUSTOMER AND SUPPORT SERVICES COMMITTEE

Accounting Manager Joni J. Davis presented financial performance measures for August 2022, as well as the monthly financial report, which indicated that operating revenues from electric sales were \$8.7 million over budget for the month, and \$79.5 million over budget year to date. Firm electric sales were \$11.7 million over budget for the month, and \$32.6 million over budget year to date. Other electric sales were \$3.0 million under budget for the month, and \$46.9 million over budget year to date. Total operating expenses were over budget by \$15.9 million for the month, and \$12.2 million over budget year to date. The balance of the regulatory liability for unearned revenues as of August 31, 2022, was \$272.8 million. This balance represents surplus net revenues to be applied as credits against revenue requirements in future rate periods.

AUGUST 2022 FINANCIAL STATEMENTS

It was moved by Director Williams and seconded by Director Harding that the August 2022 Financial Statements be accepted, as presented. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None

Absent:

Whereupon the Chair declared the motion carried.

Accounting Manager Joni J. Davis also shared preliminary financial results for September, reporting that the District experienced a deficit of \$1.4 million for the month, resulting in a projected year-end surplus of \$60.8 million.

During the Customer and Support Services Committee meeting, Vice President of Energy Delivery Arthur R. Wiese reviewed the following Capital Projects Report:

PRELIMINARY FINANCIAL RESULTS FOR SEPTEMBER 2022 Report No. ED-1 Capital Projects \$500,000 and above

not specifically identified in the Budget that require approval by the Board for the period September 1, 2022, through September 30, 2021 – 2021 Capital

Additions Budget.

It was moved by Director Williams and seconded by Director Johnson that Capital Projects Report No. ED-1 be approved for the period September 1, 2022, through September 30, 2022, which included Capital Project C/10515, Replace Reactor Breaker 3330 (Pauline Substation). Votes were cast and recorded as follows:

MOTION (CARRIED): APPROVE CAPITAL PROJECTS REPORT NO. ED-1

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

Whereupon the Chair declared the motion carried.

During the Customer and Support Services Committee meeting, Vice President of Energy Delivery Arthur R. Wiese reviewed the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Delivery), which included a five-year agreement with Hawkeye Helicopter, LLC, for a pilot and helicopter to perform aerial inspections of the District's transmission lines.

It was moved by Director Williams and seconded by Director Christensen to approve the Request for Approval of Procurements for Services, Equipment and/or Materials for Items \$500,000 and Above (Energy Delivery). Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None

Absent:

Whereupon the Chair declared the motion carried.

MOTION (CARRIED):
APPROVE REQUEST
FOR APPROVAL OF
PROCUREMENTS
FOR SERVICES,
EQUIPMENT AND/OR
MATERIALS FOR
ITEMS \$500,000 AND
ABOVE (ENERGY
DELIVERY)

Benefits Manager Brenda M. Sanne presented management's proposed Employee Benefit Plan and outlined the following recommendations for 2023: 1) Increase employer share of hospital/medical plan premiums by 7.5% (employee share of the increase 0%); 2) Increase dental plan premiums by 4% for both employer and employee; and 3) Increase employer Health Savings Account (HSA) contributions for employee-only and family tiers for low and lower high deductible health plans.

It was moved by Director Williams and seconded by Director Kennedy to approve the 2023 Employee Benefit Plan changes, as presented. Votes were cast and recorded as follows:

Voting Aye: Chlopek, Christensen, Freelend, Harding, Hoyt,

Johnson, Kennedy, Schrock, Thompson,

Troester, Williams

Voting Nay: None
Abstaining: None
Present But Not Voting: None
Absent: None

Whereupon the Chair declared the motion carried.

Director Williams, Chair of the Customer and Support Services Committee, reported that the Committee also heard reports on the following matters: 1) Final Report on June 2022 storm damage procurements; 2) Energy Delivery look-ahead for November 2022; 3) Transmission Projects; 4) Retail Business Unit performance; and 5) Annual review of District Identity Theft Prevention Program Procedure.

Director Thompson, Chair of the Board Governance and Strategic Planning Committee, reported that the Board Governance and Strategic Planning Committee met Wednesday afternoon, October 12, 2022.

The Committee reviewed several Board Governance policies: 1) BP-BL-01, Board-President and Chief Executive Officer Relationship and Delegation; 2) BP-BL-02, Board-Key Staff Relationships; 3) BP-BL-03, District Policies Overview; and 4) BP-BL-05, Unity of Control. Director Thompson indicated that changes would be proposed to policies BP-BL-02 and BP-BL-03 due to the end of the support services agreement between NPPD and Entergy, for management oversight services at Cooper Nuclear Station. The Board will be asked to formally consider changes to these two policies in November.

The Committee also discussed the agenda and other logistics for the October 27-28 Board Strategic Planning Retreat.

MOTION (CARRIED): APPROVE 2023 EMPLOYEE BENEFIT PLAN CHANGES

CUSTOMER AND SUPPORT SERVICES COMMITTEE REPORT

BOARD GOVERNANCE AND STRATEGIC PLANNING COMMITTEE REPORT Director Freelend, Chair of the Budget Committee, reported that the Budget Committee met Wednesday afternoon, October 12, 2022. Director of Finance and Financial Planning Donna K. Starzec presented a summary of the preliminary 2023 Revenue and Expense, and Capital Projects Budgets. President and Chief Executive Officer Thomas J. Kent and other members of the senior management team provided the details of their area's 2023 proposed budgets with the Committee. The proposed budget reflected an overall 0% change in wholesale base rates, and a one-year Production Cost Adjustment (PCA), returning \$33.9 million to customers. With regard to Retail rates, no changes were proposed for base rates and a one-year PCA returning \$5.0 million (excluding Large Industrial Service (LIS) rates) to customers. The 2023 budget will be presented to the full board for their consideration of approval in November.

BUDGET COMMITTEE REPORT

There being no further business to come before the Board, the meeting was duly adjourned at 1:47 p.m.

ADJOURNMENT 1:47 P.M.

	/s/
	Jerry L. Chlopek, Chair
Minutes approved at	·
the meeting of	/s/
November 9-10, 2022	Janette H. Modelski, Assistant Secretary

REPORT ON RETIREMENTS AND FORMER DISTRICT EMPLOYEE REHIRES OCTOBER 2022 BOARD MEETING

<u>RETIREMENTS</u>

- 1. Duane P. Mulligan, Custodian I, General Office, Columbus, was employed December 16, 2003, and is retiring as of November 30, 2022.
- 2. Joseph F. Albracht, Engineering Specialist IV Production, General Office, Columbus, was employed December 16, 1987, and is retiring as of December 31, 2022.
- 3. Kim J. Anville, Human Resources Business Partner II, Cooper Nuclear Station, Brownville, was employed May 3, 1999, and is retiring as of December 31, 2022.
- 4. Bradley G. Bailey, Transmission System Control Operator, Control Center, Doniphan, was employed February 16, 1991, and is retiring as of January 31, 2023.

REHIRES

In accordance with the Board motion approved in February 1988, employees reemployed by the District within one year of their termination date (Including those rehired directly or indirectly as a consultant) require approval of the President. Pursuant to that Board motion, Mr. Kent has approved these rehires:

Ronald Shaw was hired on September 4, 1984, and retired from the position of Shift Manager – FIN SRO at CNS on June 23, 2020. Ronald was rehired on September 27, 2021, as a Temporary Work Control Center Specialist at CNS; the temporary position ended January 28, 2022. Ronald was rehired effective September 14, 2022, as a Temporary Outage Support Worker at CNS.

Steven Rezab was hired on December 8, 1986, and retired from the position of Senior Staff Health Physicist at CNS on November 18, 2021. Steven was rehired effective September 12, 2022, as a Temporary Outage Support Worker at CNS.

Laci Ludwig was hired on June 1, 2021, as a Temporary Map-Board Project Contactor at Doniphan; the Temporary position ended April 29, 2022. Laci was rehired effective September 12, 2022, as a Settlement Analyst I at Doniphan.