Hello, customers and teammates!

This month, we welcomed Director Chris Langemeier to the NPPD Board. Providing an overview of NPPD’s stakeholders and Board responsibilities was timely in helping Director Langemeier and our other newer Board members better understand these unique and diverse constituencies and how NPPD can best work to remain our customers’ utility of choice.

Being that utility of choice relates directly to Strategic Directive 04 on cost competitiveness and our goal to be in the top quartile within our annual wholesale power cost benchmark. 2022 marked the third consecutive year we’ve been in that top quartile, which is attributed to teammates’ ongoing cost control efforts and excellent operational performance. Keeping our units steadily generating allows us to take advantage of market prices and be dispatched regularly, improving our competitiveness while we saw the cost of other utilities increase in 2022.

A presentation was given on NPPD’s Integrated Resource Plan, or IRP. The IRP is used to provide insight into the best approach for adding generation resources to meet future native load requirements, while also minimizing costs and risks. It is aligned with our vision, mission, and strategic directives, and considers reliability, resiliency, cost competitiveness and sustainability goals, including meeting our net zero carbon goal by 2050. While the IRP does help guide our path forward, it isn’t a hard-and-fast, step-by-step action plan.

The team has worked to update the IRP since late 2021 by inputting numerous variables, running 54 different cases in the model, analyzing results, and gathering feedback from our customers and other stakeholders. While exploring options for existing and new or alternative generation, the plan considered cost, risk, carbon emission levels, operating flexibility, and capacity needs.

Concerning our current generation resources, the IRP recommends pursuing a second relicensing at Cooper Nuclear Station, which remains a carbon-free, reliable, resilient, and diverse generating option. At Gerald Gentleman Station, it’s recommended we continue to operate on coal, which is currently cost-effective for customers, while continuing to evaluate carbon capture and sequestration solutions at the site.

Meanwhile, at Sheldon Station considerations include further analyzing the option to restore the plant to natural gas as a primary fuel, as well as continuing to pursue required modifications to remain compliant with environmental regulations.

Small modular reactors were not selected as a future generation option for now given their projected cost and lack of commercial operating experience, but we remain dedicated to completing preliminary siting studies and other needed steps to be ready to deploy small modular reactors when this technology becomes a more proven and cost-effective resource.

Additional actions include reviewing the size and focus of our energy efficiency and demand response programs, as well as earlier installation of renewable generation to take advantage of beneficial opportunities that may come out of the Inflation Reduction Act.

And, because we’re seeing significantly more load growth than we’ve recently experienced, we are developing a two-phased approach to add generating resources over the next four years, while also considering additional capacity purchases within the Southwest Power Pool.

Specific projects and capital requirements for us to serve this growing load have not yet been determined. However, financing these projects in a way that allows us to best manage the impact to rates will require us to consider a new wholesale power contract with customers. The current contract expires in 2035.

If approved by the Board in September, the IRP will be filed with the Western Area Power Administration, and we will move forward with analyzing next steps.

Outstanding results of the 2023 Nebraska Lineworkers Rodeo were shared at the Board meeting. The highly competitive rodeo was held in Broken Bow in mid-July and hosted by Custer Rural PPD, with 66 competitors engaging in six events. NPPD sent 10 line technicians to the rodeo, including father and son team, Chad Sedlacek of Norfolk and Mason Sedlacek of Scottsbluff. Mason took the top spot in the competition, and NPPD’s team earned first or second place in all six events, which is exceptional. The team hopes to continue their success next spring at the national American Public Power Association rodeo. Congratulations, to the NPPD team and all the participants in the rodeo!

Financially, NPPD continues to perform well, with a July surplus of $7.5 million due to favorable variances for off-system sales, purchased power and interest income. Year-to-date, the surplus is $50.7 million, with a forecasted year-end surplus of $46.1 million.

To date, NPPD has experienced 12 OSHA recordable Injuries, nine DART injuries and seven preventable vehicle accidents in 2023. With the flurry of end-of-summer activities and as school begins, I know there is a lot on your mind and on your plate. That’s why it’s critical we work together to hold each other accountable for our safety. Use that questioning attitude, and if you see something risky, please say something. Clearing mental and physical distractions and focusing on your single task at hand greatly minimizes risk. Please make your own safety and that of your teammates your first priority.

Until next time, stay healthy, and stay safe.

Tom