Hello, customers and teammates!  
  
At NPPD, we value transparency in all matters, including the process of decision-making. I was pleased with the open dialogue of our Board members at this month’s meeting relating to NPPD’s legislative policy. Every person on our team, at every level of the organization, has unique perspectives that are valuable because they lead to diversity of thought and overall, a stronger, more collaborative culture. A questioning attitude is welcome at NPPD, and I am appreciative that our Board members seek a full understanding of the issues while considering the input and recommendations of our management team as we make decisions in the best interest of our customers and organization.   
  
We say it often, but our industry is rapidly transforming. While some of this revolves around legislative and regulatory changes, we’re also pursuing unprecedented technological advancement that may impact nearly all areas of operation. Balancing these changes to meet customers’ electrical needs without compromising cost or reliability is an ongoing opportunity, and one that certainly takes everyone’s input.   
  
NPPD regularly analyzes future load growth, and the Board learned more about that last week as we explored assumptions for our upcoming rate outlook plan. Load projections are significantly higher in the 2026-2029 timeframe than what we had anticipated last year. Contributing to this growth are the Inflation Reduction and Infrastructure Investment and Jobs Acts, which are accelerating the deployment of multi-industry projects relating to electrification, clean hydrogen and carbon capture and storage.   
  
The high load scenario created in NPPD’s draft Integrated Resource Plan, or IRP, assumes approximately 450 megawatts of additional load in the coming years, which based on our latest load projections is closer to the expected growth we are likely to see in the coming years. The good news is new load brings new revenues which can benefit NPPD and its customers who are seeing projects develop within their service territories. As we address the resources needed to meet our customers’ load demands 24-7, there are several factors we must consider, including customer demand response program participation and resource adequacy requirements, such as the Southwest Power Pool’s Planning Reserve Margin. This margin is increasing from 12 to 15% this summer to adequately cover resource adequacy needs in the region based on results of their most recent study.

This is a conversation that will continue in depth over this year with all stakeholders as we finalize our IRP, complete production modeling and potential impacts of increased future load and identify new generation needed within our mix and what the best resources might be.   
  
As for the latest in state legislative proceedings, Board members learned that of the 812 bills introduced this season, more than 100 relate to public power. NPPD relies on its legislative policy to determine which bills should be actively supported, opposed, or monitored. To date, we’ve had several subject matter experts and colleagues within the Nebraska Power Association testify in various hearings. Being only one-third of the way through the session, we expect to stay actively involved in relevant hearings and other communications with senators and stakeholders. Please review the Governmental Affairs Legislative Report within the Board presentations for details on specific bills of interest.

Last year’s financial performance was discussed in depth at last week’s meeting. For the month of December, NPPD experienced a $5 million surplus, ending the year with a total surplus of $73.8 million. This was the third highest surplus in NPPD history due primarily to favorable variances for revenue and Operations & Maintenance costs, which were partially offset by higher purchased power and fuel costs. 2023 is off to a strong year financially. Although firm sales were under budget, there was a surplus of $6.8 million in January due primarily to favorable variances for off-system sales, purchased power and fuel costs.  
  
The Board heard an update from Cooper Nuclear Station’s Safety Review and Audit Board, which identified zero nuclear safety issues at the plant. However, there are always opportunities for improvement as the organization strives to be the best of the best. The team will work to close gaps to ensure the continued reliability of equipment and safety to the public, including participating in industry benchmarking and exploring continuous improvement within human performance and preventative maintenance areas.  
  
Speaking of safety, the weather this time of year can be misleading, with warmer sunny days melting the snow and ice only to freeze it overnight. Black ice is almost impossible to spot, and the weather can turn on a dime. Make sure you are dressing in layers and wearing protective gear as necessary to safely navigate our parking lots and comfortably work outdoors, as well as when you’re driving to and from various sites. To date, NPPD has documented one OSHA recordable DART injury and three preventable vehicle accidents. While wearing proper personal protective equipment may seem like small things to do to protect yourself, it can and does prevent bigger injuries from taking place.   
  
And, as always, keep that questioning attitude at the forefront of everything you do.

Until next time, take care of each other, stay healthy, and stay safe.

Tom