Hello, customers and teammates!

Welcome to 2023! An exciting year lies ahead, one carefully mapped out with NPPD’s two-year Strategic Plan and a focus on continuous improvement. In the spirit of New Year’s resolutions comes the opportunity for NPPD’s team to set new goals for a safe and productive year both individually and within your business units. Staying abreast on decisions made and updates given at our monthly Board meetings offers another intentional way to tie your own goals into NPPD’s major initiatives, allowing you to connect more personally with our five strategic priorities, as well as our vision, mission and values.

This all requires equally committed leadership and guidance starting at the Board level. I am pleased to welcome four new members to NPPD’s Board, including David Gale, Sue Fuchtman, Ron Mogul, Jr., and Derek Rusher. In the last month, they have been engaged in learning about NPPD, public power and the path forward we are carving alongside our customers. Our industry is complex, yet the engagement and conversation I’ve witnessed from them makes me confident they will take what they’re learning and provide valuable insight into our future direction. Led once again by Chair Jerry Chlopek and working in cohesion with the executive management team, this group maintains their commitment to put our customers first.

NPPD’s Strategic Plan points the way toward providing best quartile rates while maintaining reliability and resiliency and pursuing decarbonization goals and strong, long-term customer relationships. Our Integrated Resource Plan, or IRP, process is a perfect example of how each aspect of this goal – including reliability, affordability, sustainability and resiliency – must be balanced for us to achieve success. As the state’s largest energy generating utility, assessing our generation is essential in helping NPPD identify the existing and new resources we need to continue powering Nebraskans’ lives in this well-rounded manner. While our IRP does not provide an exact path forward, it does offer directionally correct guidance into the best approach to add future resources. This information ensures NPPD can meet future load requirements while balancing affordability, reliability, and resiliency and achieving our net-zero carbon emission goal by 2050.

NPPD will begin sharing its draft IRP plan with the public this week. We will also host four in-person sessions and one hybrid virtual session across the state this March to gather feedback, which is a vital part of our process. A final report will be completed in the third quarter of this year, with board approval this September. Expect to hear much more on this topic soon.

The 108th Legislature session kicked off Jan. 5 and will be 90 days. More than 337 bills have been introduced already, and NPPD’s subject matter experts and legislative team are pouring over these bills to ascertain which might impact public power. Using NPPD’s recently approved Regulatory Policy Resolution will help us designate our stance on pertinent bills. Hearings begin Jan. 23. With 16 new senators out of 49 total in the body, NPPD has a significant opportunity to educate these important stakeholders on why public power remains a vital resource to the state.

Last week, Marsh Senior Vice President and Chartered Property Casualty Underwriter Mark Lathrom led a discussion on the current state of insurance markets and their impact on the energy industry, touching on the significance of environmental and other factors during financial-related decision-making. Being attentive of these factors will help NPPD better navigate financial challenges like insurance costs while lowering any direct impact to customers and managing business risk.

Speaking of finances, the month of November closed with a surplus of $3.2 million due to favorable off-system sales, partially offset by an unfavorable purchased power variance. NPPD’s year-end surplus for November was $73.3 million due to favorable variances for firm and off-system sales, as well as O&M expenses, though this was partially offset by unfavorable fuel and purchased power variances. A preliminary close was completed for 2022. These numbers will change as we await information to make additional adjustments. The preliminary close is showing results very close to the November forecast for 2022. Though not quite as high as last year’s all-time record surplus of $144.6 million due to the February 2021 cold weather event, ending 2022 with a surplus around $70 million is a compelling story to share and speaks to the dedication of NPPD’s entire team in being budget conscious and keeping our generation resources operating safely and reliably to meet customer needs.

With that in mind, I am pleased to report Cooper Nuclear Station is 510 days OSHA recordable event-free, and 1,885 days human performance event-free. The plant recently received an award of excellence from the Institute of Nuclear Power Operations, which was presented during last week’s meeting. Well done, team!

Though we are only a few weeks into the new year, NPPD’s safety performance remains excellent with zero reported safety incidences. Let’s keep this momentum going with the continued launch of Core 4, a human performance tool designed to help teammates focus on four main priorities: job site reviews; self-checks; procedure-use and adherence; and verification and validation. Use these tools available to you. They were first proven at CNS to help teammates more strategically fulfill our goal of being “Safer Together, Every Time.” They work if *you* work at them.

Finally, there are some exciting projects underway at NPPD. First, the Board approved a new pilot project for wholesale customers that will allow them to bid controllable load into the Southwest Power Pool’s Integrated Market. Six participants and one irrigation demand response resource may sign up for the year-long program. The program builds upon that already in place for Retail customers, which has been slightly revised and was also approved at last week’s meeting.

While several capital projects were approved by the Board, one of note includes a new campaign at CNS in 2025 to move eight canisters of used fuel into dry fuel storage on-site.

With daily focus and behaviors to be the best of the best in the industry, the sky is the limit for NPPD’s teammates. We can accomplish all the goals that lie ahead and exceed customer expectations if we collaborate in a spirit of respect and inclusivity, seek innovation and creative problem-solving, and embrace change with flexibility and openness.

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

Tom