Hello, customers and teammates!

I have the pleasure of filling in for Tom this month as he attends a Nuclear Energy Institute Board meeting and Nuclear Energy Assembly in Washington, D.C. Last week’s Board meeting was a fitting example of the many ways teammates consistently generate and deliver safe, reliable, affordable and sustainable power. Our teammates exemplify our values, mission and vision in meaningful ways that benefit our customers every day, and it shows in each Board meeting topic.

Because safety is a foundational value for NPPD, I’d like to start there today. Teammates declared May 3-10 Safety Awareness Week, during which time supervisors should have shared a new video diving more deeply into this important value. Please keep safety discussions going within your teams, especially considering seasonal safety concerns. I know I’ve heard many, from avoiding wasps and bees, wearing proper personal protective equipment while operating machinery, especially lawn mowers, and driving attentively as the number of children outside increases as school lets out.

Board members heard an update on NPPD’s continued promotion of energy efficiency and beneficial electrification incentives alongside wholesale customers under the umbrella of our EnergyWiseSM program. The incentives we provide help save energy and reduce the cost to serve load during peak times, enhancing reliability through products like our time-of-use rates which incentivize overnight charging of electric vehicles. They help keep rates affordable for our customers and improve their bottom line, while supporting our generation mix and reducing carbon emissions. And now, with the Inflation Reduction Act and Infrastructure Investment and Jobs Act, we’re in the process of identifying further federal and state incentives that will bring additional value to our customers.

Learn more about NPPD’s available incentives on energywisenebraska.com.

Next, Board members learned about a new methodology for establishing a minimum balance for NPPD’s Retail Rate Stabilization Fund. Historically, we have used a different methodology to identify an operating range based on a percentage of revenues. The team proposed the introduction of a minimum balance that will allow for flexibility of the balance according to identified risk factors like catastrophic events, market disruptions, or loss of major load. This will help NPPD maintain stable rates, ensure sufficient funds to support operations and mitigate any unexpected circumstances. If approved at next month’s Board meeting, this new District policy and standard will be effective immediately.

Because market conditions can pose a risk to operations, it was good timing for Board members to hear an update on current market conditions within the Southwest Power Pool. Not only is load and energy consumption within the footprint increasing, but so is carbon-free energy – primarily wind and solar, and demand response. The footprint has realized changes in its fuel mix over the last year, with reductions in energy from diesel fuel oil, gas and coal, and wind generation has actually surpassed coal generation. The SPP footprint is also experiencing increasing congestion, particularly in southwest Missouri and southeast Oklahoma.

To better manage these developments, new recommendations for market operations were proposed in 2022, including changes to congestion hedging mechanisms, considering limitations on virtual trading during emergency conditions, and improving situational awareness of transmission upgrades and the process of reassessing projects, among others. NPPD is highly engaged in these ongoing efforts to ensure intended improvements are achieved in a manner that is equitable to SPP members.

The SPP report indicated substantial value for its members in the realm of $3.7 billion for 2022 savings and benefits relating to load sharing, efficiencies, economic operation, grid resiliency, reliability and more.

Now, onto NPPD’s financial performance. The surplus for April was $3.7 million due to favorable variances for fuel and O&M expenses, partially offset by an unfavorable variance for purchased power. We are projecting a year-end 2023 surplus of $15.5 million.

The Board reviewed final route selections for Kearney and Scottsbluff 115-kV transmission line projects. NPPD always strives to pick routes with the least amount of impact, and these routes were determined based on social, environmental and engineering criteria and feedback from the public during a previous series of open houses for each project and subsequent public hearings. Letters on the final routes were sent to affected landowners last week.

Tom congratulated teammates for two major accomplishments last week. The first was for being recognized by the Electricity Information Sharing and Analysis Center, or E-ISAC, for a workshop NPPD co-hosted with the Lincoln Electric System in April. The workshop taught utility-based participants how to better protect the physical security of their assets by assessing risk and making informed, cost-effective decisions. The E-ISAC is an information sharing organization between government and private industry managed and run by the North American Electric Reliability Corporation, of which we are a member.

Meanwhile, for the third consecutive award cycle, NPPD earned the Diamond level Reliable Public Power Provider, or RP3 designation, from the American Public Power Association. The RP3 designation recognizes public power utilities that demonstrate peak levels of safe, reliable and efficient operation of their electric system and commitment to employees, customers and communities they serve. The Diamond level is the highest a utility can receive.

Tom credited the entire NPPD team for these efforts, noting these successes do not just happen, except through teammates’ dedication to best serve our customers and pursue operational excellence every day. I echo these sentiments, and know our customers are appreciative of all you do to maintain your focus not just on their energy needs but also the complex and varied products and services you provide for them that improve their quality of life.

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

Courtney