

February 2024 Post-Board Video with Tom Kent

Hello, customers and teammates,

For the past 54 years and counting, we've successfully served customers and stayed true to our vision and mission. Yet, we've recently seen incredible change and progress in our industry that keeps us reaching for new energy solutions and evolving just as quickly as our customers.

The amount of load growth we're expecting through 2027 totals more than 800 megawatts. This load growth is due in part to ag- and data-driven industry coming into the state and calling many of our wholesale customer communities home. And, it is one major driver of several decisions made at this month's Board meeting.

Directors approved an amended capital budget that recognizes the need for expanded generation resources. It includes the funding necessary to put into motion new generation projects that will bring more than 680 megawatts of generation on-line in the next few years that complements our current resource mix, further improves our diversity, and ensures we meet Southwest Power Pool resource adequacy requirements.

As part of these efforts, the Board also approved an engineer's certificate for a 50-megawatt battery energy storage system at the Ainsworth Wind Energy Facility, and an agreement for 50-megawatts of battery storage at the Steele Flats wind facility. NPPD will also add new dual-fuel combustion turbines and dual-fuel reciprocating internal combustion engines to our fleet by the summer of 2027, which are fast-starting, efficient, and flexible.

You should have already seen a few communications on these items, including a press release and the go-live of a new page devoted to the topic at nppd.com/generation. Please take a few moments to review the site and learn more specifics about our journey ahead.

In addition, because carbon-free nuclear energy is such a valuable resource within NPPD's overall energy mix, the Board approved proceeding with a license renewal project at Cooper Nuclear Station that would allow the plant to run for another 20 years, from 2034 to 2054. Though there are several additional projects planned to improve plant reliability to support this extended operation, a feasibility study identified no issues that would prevent successful Nuclear Regulatory approval of the license renewal application. This is largely due to our extremely dedicated and skilled team keeping the plant operating safely and reliably every day.

In other Board news, directors approved a resolution documenting that NPPD has exercised an opt-out provision found within the Federal Energy Regulatory Commission Order 719 which permits aggregation of demand response resources. As a reminder, a load participating in demand response can be called upon to reduce electricity usage depending on system conditions. Examples include irrigation load control, certain industrial processes, or data

centers and crypto-mining facilities. The opt-out provision prevents third-party aggregators from offering demand response services to NPPD's retail customers. This is important, because NPPD has a demand response pilot program and related rates in place for retail and wholesale customers that allows us to bring financial benefits and alternative services and opportunities to our customers, while providing NPPD with potential capacity benefits.

The Board also learned of a Climate Pollution Reduction Grant from the Environmental Protection Agency in which the Nebraska Department of Environment and Energy was awarded \$3 million in January 2023. Using the funding, NPPD will support the Nebraska Department of Environment and Energy in developing and implementing a Priority Climate Action Plan that will help the state reduce its greenhouse gas emissions. The Nebraska Department of Environment and Energy is currently seeking public feedback on the plan, which is due to the Environmental Protection Agency on March 1st. NPPD will also work with the Nebraska Department of Environment and Energy to develop a more complex plan called the Comprehensive Climate Action Plan that will complement the Priority Climate Action Plan and will not be due until mid-2025.

Unaudited financial results for 2023 were shared at the meeting, which included a total year end surplus of \$67 million. Last year was NPPD's sixth highest surplus in history, with off-system sales revenues a key contributor to the surplus.

As for NPPD's current safety performance, our teammates have documented one OSHA recordable injury, one DART injury, and two preventable vehicle accidents to date. If you want a great example of safety excellence, look no further than the Doniphan Control Center team, who in January marked more than 2,000 days, or five and a half years, worked safely. The team exemplifies our goal of safety interdependence in the way they communicate among one another to mitigate safety risks and always watch out for each other. What an achievement to celebrate, and something we can all take to heart to improve our overall safety culture and individual safety behaviors.

In closing, I want to thank teammates for their willingness to embrace these times of growth and change. Your skills, knowledge, and engagement in our journey ahead are contributing to the evolution of public power in Nebraska to ensure we maintain our values while powering our customers' lives now and well into the future.

Finally, just a quick reminder that due to our new Board meeting schedule in 2024, there will be no meeting in March.

Until next time, stay healthy, and stay safe.

Tom