

## January 2024 Board meeting – John McClure’s Post-Board Script

Hello, customers and teammates!

Many of you might recall Tom Kent dubbed 2023 the year of fun. Well, he has officially coined 2024 as the year of opportunity, and there’s no shortage of reasons why. For one, we are experiencing unprecedented load growth in our customer communities, and as a result, we will expand our energy portfolio over the next several years. Second, our customers are diverse, and finding ways to add value to their lives and businesses requires us to create flexible solutions to their needs using technology and innovation. And third, we are doing some incredibly exciting things to further develop our engaged, skilled workforce who can drive those solutions home and commit to everyday excellence.

At the end of the day, though, our goal as a public power organization remains centered on delivering safe, reliable, sustainable power to customers and keeping their costs competitive and affordable.

As we know, Mother Nature sometimes likes to throw a wrench in these efforts, as we’ve seen over the last week as snow, high winds and below freezing temperatures moved in across the region. Thank you to all our teammates who ensured NPPD could safely and reliably meet these challenging conditions and our customers’ energy needs to keep them comfortable in their homes and keep their businesses steadily operating.

Winter is in full swing, so please continue to make informed decisions to protect your safety and that of your fellow colleagues if you must work outdoors or travel. We’ve already had one slip on the ice this year that resulted in an OSHA recordable injury. If you don’t have traction footwear, please speak to your supervisor or a member of the Safety department to ensure you have the right personal protective equipment to manage the wintry conditions. Additionally, continue tracking your behaviors via the Safety Rewards & Recognition program. This will ensure we continue toward our pursuit of safety excellence and interdependence.

Last week’s Board meeting kicked off with a vote on Board officers. Director Jerry Chlopek will be our Board chair, and Director Wayne Williams our first vice chair for the second term in a row. Meanwhile, Director Chris Langemeier was voted second vice chair, and Director Aaron Troester was selected again as secretary. They will do an excellent job in leading our Board forward as we meet the opportunities 2024 has in store for us.

Though the books aren’t officially closed on 2023, a soft close for the month of December resulted in a deficit of \$1.6 million due partly to lower-than-anticipated firm sales. 2023 closed with a preliminary surplus of \$72.1, signifying yet another year of strong financial performance as a result of our excellent operating performance.

The second session of the 108<sup>th</sup> Legislature kicked off Jan. 3. This will be a short, 60-day session. Through last week, 375 bills have been introduced, and NPPD is quite busy reviewing these bills for any that may impact public power. Hearings will begin Jan. 22. The Board approved this year's legislative and regulatory resolution last week, which lays out policy principles from NPPD's Board. Throughout the session, our legislative team will work closely with senators, legislative staff, the Pillen Administration and other stakeholders to advocate for our interests.

Several nuclear-related topics were discussed in the Board meeting. Cooper Nuclear Station is performing well and currently at more than 400 consecutive days online. Until the recent slip on ice, teammates had worked more than 875 days OSHA recordable-event free and more than 225 days human performance-event free. Within the last month, the plant performed a scheduled downpower to 60% to replace a main turbine stop valve limit switch, all safely and error-free. This is a great example to all of us to work together to ensure all projects are completed injury- and error- free.

Planning for Cooper's refueling outage 33 continues, and the Board approved Framatome, Inc. to support refueling floor services and non-destructive examination testing for the next two outages.

In addition, the Board was provided results of a decommissioning study completed last year for Cooper. NPPD conducts these studies once every five years to provide financial assurance that should we consider retiring the plant in the future, we have adequate funds to do so. The study, which was last completed in 2019, included three categories of decommissioning costs and four possible scenarios for shutdown that included two different timeframes – 2034 and 2054. Results revealed that estimated costs have increased approximately 4.5% per year as compared to the 2% we anticipated in 2019.

NPPD collects decommissioning funds annually in its external decommissioning trust fund. At the Board meeting, our financial team proposed the addition of an internal decommissioning trust fund to better align with the industry while providing more flexibility for accessing funds, something that will be voted upon at next month's meeting. The team will determine annual monetary collection requirements as part of its 2025 rate outlook using the updated study and the most recent fund balance.

As we set our sights on big-picture organizational goals with customers in mind every step of the way, our wish for teammates is that you identify meaningful personal and professional goals that excite and inspire you so you can make 2024 your best year yet.

Until next time, stay healthy, stay safe, and stay warm.

John