



Green Energy Product Update

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NPPD Board of Directors
Customer & Corporate Services
Committee Meeting
May 2025

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Objectives

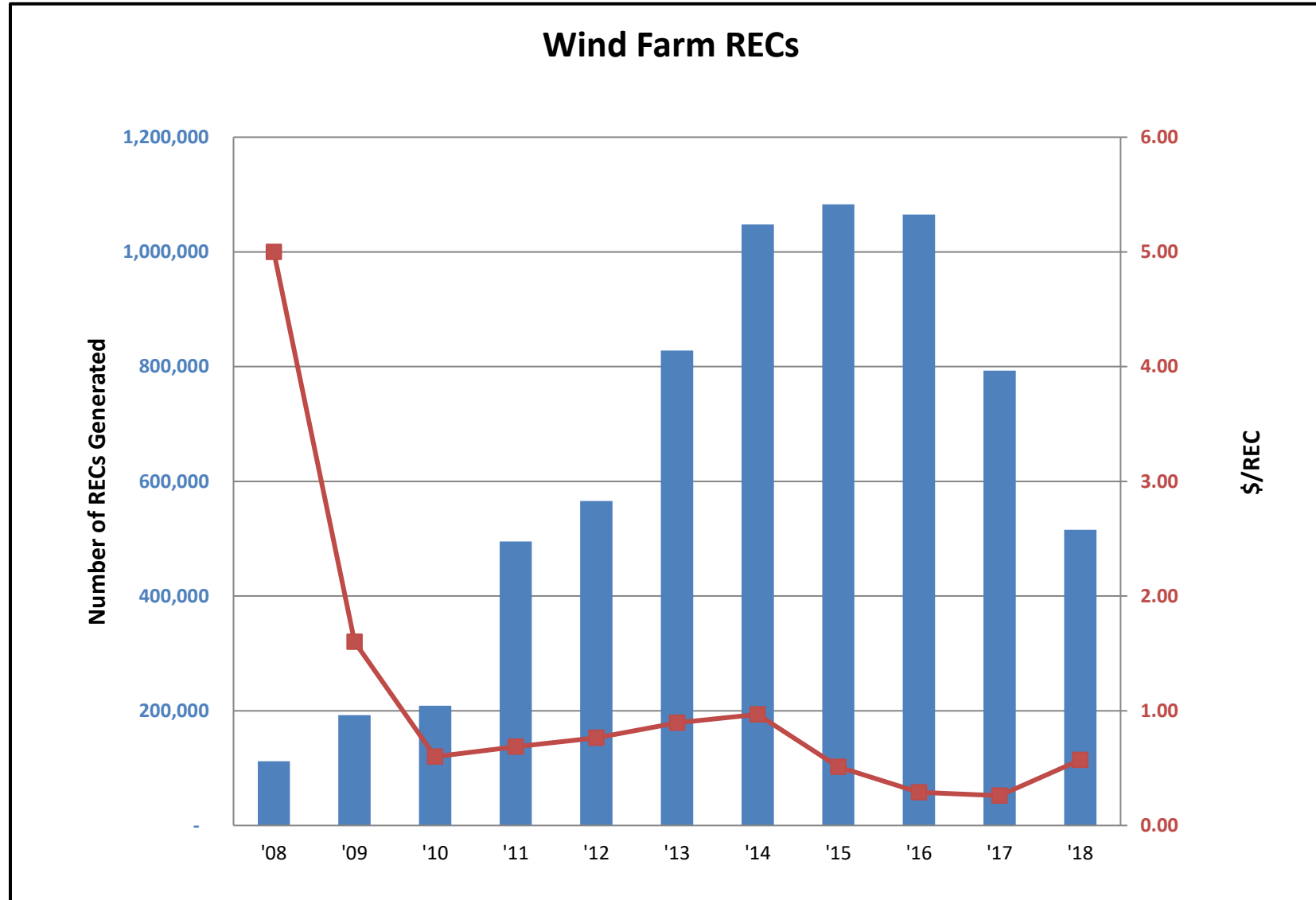
- Share with NPPD Board Customer & Corporate Services Committee plans to seek input from Wholesale Customers on a potential sale of Renewable Energy Credits (RECs) from the repowered Steele Flats Wind facility.
- RECs are the renewable attributes associated with wind, solar, and other renewable generation.
- One REC = 1000 KWh or 1 MWh of renewable energy attributes.
- NPPD has received requests to purchase RECs.

History of NPPD REC Sales

- From 2008 to 2018, NPPD Sustainable Energy sold wind RECs twice per year through a Request for Quote.
- In 2017 the decision was made to reduce REC sales to zero by 2020 (Board goal of 10% renewable would go into effect).
- In 2018 the decision was made to no longer sell RECs outside of NPPD customers.
- Total revenues from sales of RECs during this time frame was approximately \$4.6M for 6,907,523 RECs (average \$.67/REC).

History of NPPD REC Sales

(Cont'd)



History of Green Rate Sales

Green Rate Schedule (Wholesale SPP No. 7)

- **In effect May 2013 – February 2021**
 - Four (4) customers participated (Loup, Custer, Wayne, NPPD Retail)
 - Green Energy Rider Rate Schedule passed through provisions to NPPD Retail customers in 100 kWh/month blocks
 - Total revenue \$97,049

Green Rate Schedule (Wholesale SPP No. 7) (cont'd)

- **Rate for green energy blocks
(premium paid over and above GFPS energy rates):**
 - A charge equal to the difference between 1) the forecasted weighted average cost for NPPD's existing portfolio of wind resources; and 2) the average annual GFPS energy rate excluding fixed costs
 - Rates varied from \$21/block to \$18/block over time
- **Reasons for terminating program**
 - Program little used with declining participation
 - Rate higher than other utility offerings for RECs
 - Maintaining the program requires NPPD resources to manage/administer Service Agreements and Service Schedules for each new block purchase, track blocks and expiration dates, retire RECs, billing, etc.
 - Customers have more opportunities for renewable generation (e.g., QLG, community solar, net metering, direct REC purchases)

Green Rate History Schedule

Customer		2014		2015		2016		2017		2018	
		Blocks	Revenue	Blocks	Revenue	Blocks	Revenue	Blocks	Revenue	Blocks	Revenue
A	B	C	D	E	F	G	H	I	J	K	L
1	Retail	4	\$ 540	14	\$ 2,794	14	\$ 3,192	14	\$ 3,192	14	\$ 3,192
2	Loup	10	\$ 1,530	10	\$ 2,245	10	\$ 2,280	10	\$ 2,280	10	\$ 2,280
3	Custer	10	\$ 2,160	41	\$ 9,272	36	\$ 8,208	36	\$ 8,208	36	\$ 8,208
4	Wayne	-	\$ -	-	\$ -	-	\$ -	-	\$ -	3	\$ 627
Totals		24	\$ 4,230	65	\$ 14,311	60	\$ 13,680	60	\$ 13,680	63	\$ 14,307

Customer		2019		2020		2021		2022		Grand Total
		Blocks	Revenue	Blocks	Revenue	Blocks	Revenue	Blocks	Revenue	
A	B	M	N	O	P	Q	R	S	T	U
1	Retail	14	\$ 3,192	14	\$ 3,192	14	\$ 266	-	\$ -	\$ 19,560
2	Loup	10	\$ 2,280	10	\$ 2,280	10	\$ 190	-	\$ -	\$ 15,365
3	Custer	34	\$ 7,752	34	\$ 7,752	34	\$ 7,752	4	\$ 76	\$ 59,388
4	Wayne	3	\$ 684	3	\$ 684	3	\$ 684	3	\$ 57	\$ 2,736
Totals		61	\$ 13,908	61	\$ 13,908	61	\$ 8,892	7	\$ 133	\$ 97,049

Potential REC Sale Concept

- NPPD is proposing to sell only RECs from new sources or incremental RECs related to incremental energy produced as a result of repowering (Steele Flats).
- NPPD will not sell RECS from existing renewable facilities.
- Potentially sell RECs for six month blocks two times per year.
- Communicate to all customers planned REC sales.
- Sales be made via auction process giving all customers equal opportunity to purchase.

Proposed Timeline

Assumes each step is approved

April 29 - Presented to EPC

May 8 - Present to Customer & Corporate Services Committee high level plans to discuss with Wholesale Customers

May 22 - Share proposed plan with Wholesale Customers

June 19 - Provide NPPD Board plans for sale of RECs including customer feedback

June - Develop listing of interested REC buyers

July/August - Issue Notice of RECs for sale to all potential buyers for SFIE

August/September - Sell RECs via auction (auction details to be developed)



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Questions

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