



THE WIRE



CURRENT NEWS FROM THE ELKHORN RURAL PUBLIC POWER DISTRICT

July 2024

Serving the Elkhorn River Valley since 1940

Volume 33, Number 7

IMPACT OF RECENT EPA RULES



From the GM - Mark Johnson

In keeping with the mission to provide our customers with safe, reliable, cost-effective electricity, the board of directors uses a political action plan to monitor and engage in issues at the state and national level that may affect our customers and our ability to

fulfill our mission.

On April 25, of this year, the Environmental Protection Agency (EPA) released four major new regulations for the electric industry, including a much-anticipated rule to cut emissions from power plants. This sweeping move has raised significant reliability and affordability concerns for electric utilities nationwide.

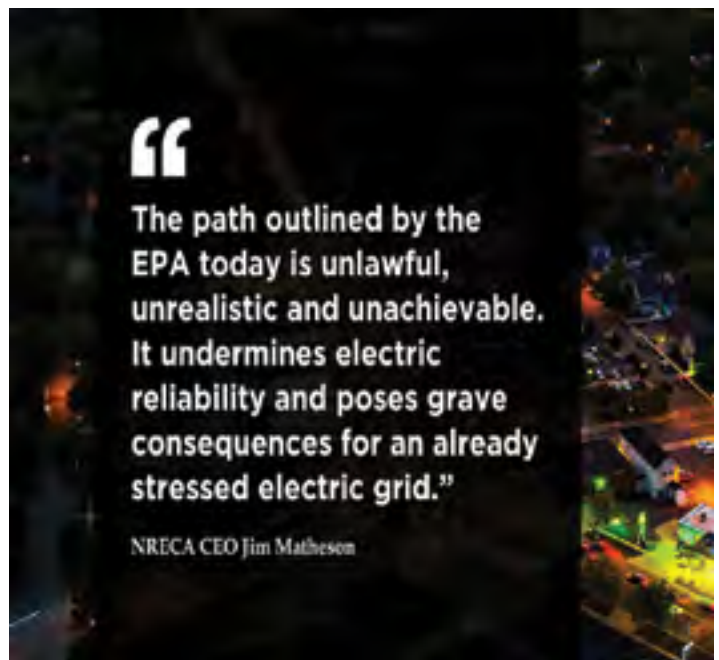
“The path outlined by the EPA is unlawful, unrealistic, and unachievable,” said Jim Matheson, CEO of the National Rural Electric Cooperative Association (NRECA). “It undermines electric reliability and poses grave consequences for an already stressed electric grid.”

The power plant rule specifically targets existing coal and new natural gas plants, mandating them to install carbon capture and storage (CCS) technology. This technology is not yet reliable or commercially available. The implications of this rule are profound, as it will likely force the early closure of electricity generation sources that are currently available 24/7. Additionally, it will impede the construction of new natural gas plants, adding to existing challenges in maintaining a stable power supply.

The timing of these regulations is particularly troubling, as electric utilities are already grappling with a surge in demand for electricity due to factors such as transportation electrification and the rapid expansion of data centers to support artificial intelligence, e-commerce, and cryptocurrency.

Under the new rule, existing coal-fired power plants that plan to operate past 2039 must install CCS to capture 90% of emissions by 2032. Similarly, new natural gas plants that operate more than 40% of the time will be required to install CCS and capture 90% of their carbon emissions by 2032. These standards, heavily reliant on unproven CCS technology, are set to undermine electric reliability across the board.

Ultimately, the courts will decide whether this new EPA ruling is lawful. There have already been several organizations challenging these new rules. NRECA filed suit against the EPA in the U.S. Court of Appeals for the D.C. Circuit. They also requested the courts to stay the rule. If granted, this request will temporarily halt the rule from taking effect until the courts have had a chance to review the legality of the rule. In addition to the various energy industry challengers, Nebraska’s Attorney General announced they were joining a coalition, of likeminded states, to file lawsuits against the EPA. **continued on page 4**



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NRECA CEO Jim Matheson

2023 FINANCIAL RECAP



Carmen Christensen, CFO

It's summertime! Time for enjoying the pool, sunshine, and spending time with family and friends outdoors. But here at Elkhorn RPPD it is anything but the lazy days of summer! We are busy finding ways to fulfill the mission of ERPPD:

to provide SAFE, RELIABLE, COST-EFFECTIVE electricity for ALL customers.

While enjoying that nice cold popsicle, enjoy reading an update on ERPPD's financials for 2023. Our total revenue for 2023 was \$32,158,672. Revenue comes from three sources: operating, interest, and misc./other income (see the graphic to the upper right). The sale of electricity, the energy you purchase, is where 98% of our revenue is generated. The other 2% is from interest income and other miscellaneous revenue.

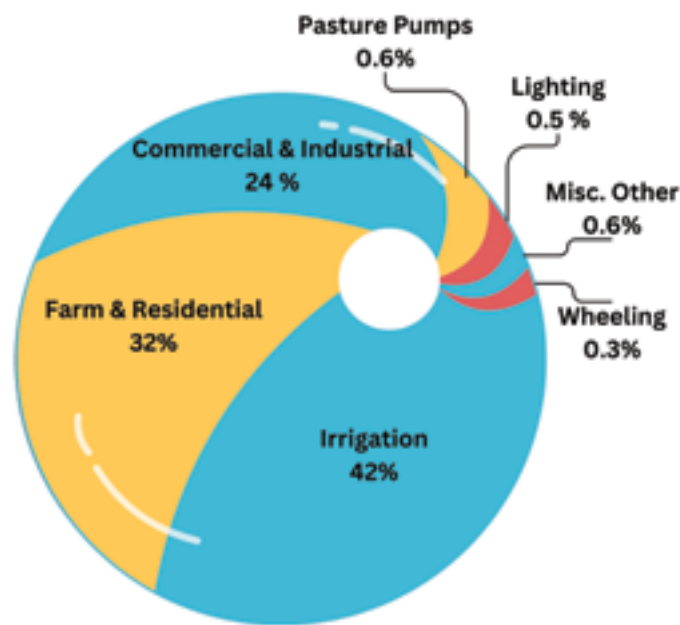
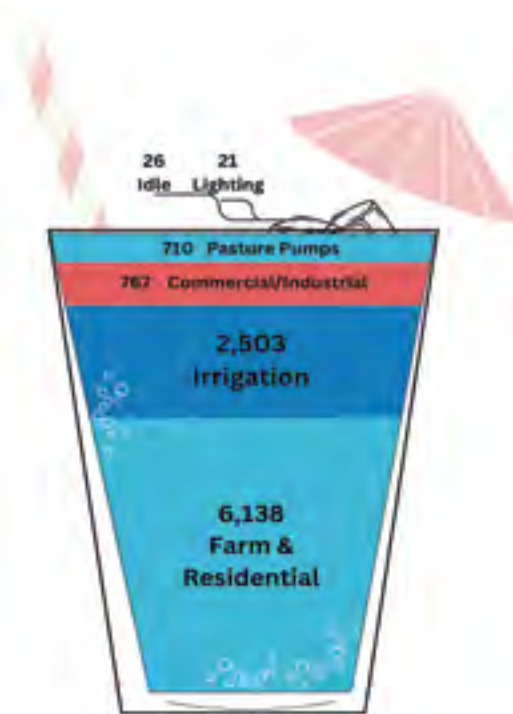
As you are splish, splashing and having fun playing in the pool or sitting under a nice shade umbrella enjoying a refreshing drink, you may be wondering since 98% of our revenue is from the sale of electricity, who uses it? The beach ball (below) breaks down



where the operating revenue is generated. As you can see, we have a diverse customer base, and as the graphic indicates about 75% of our operating revenue is generated by two rate classes.

Even though irrigation is the largest source of revenue, it is the second largest class of customers, coming in a distant 2nd to farm and residential (see the umbrella drink above).

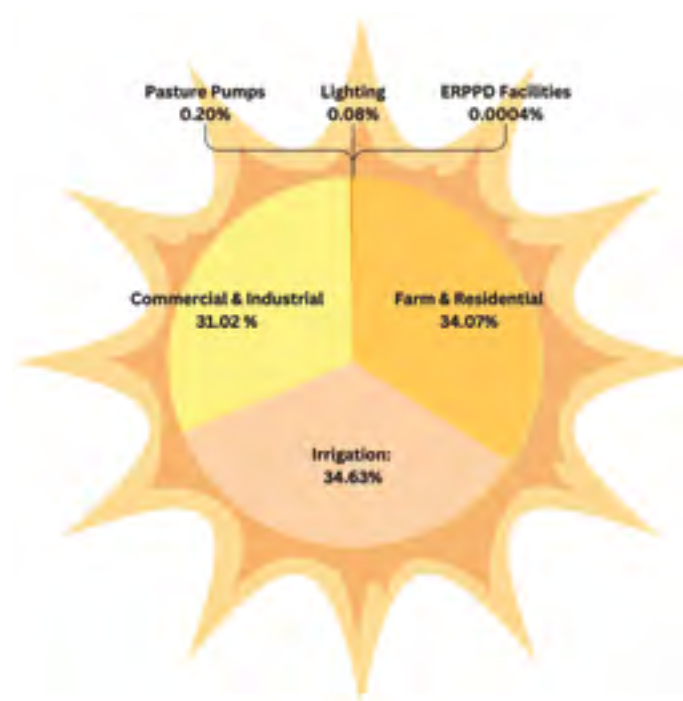
Whether you are enjoying the fresh air outside or trying to stay cool inside from the hot sunshine, our kWh usage sun graphic (top right on page 3) shows that our top three customer classes use



about the same amount of kWh and account for about 99% of the total kWh sales. Total kWh for 2023 was 327M, this was about a 9% decrease from the record setting year of 2022, but still the second largest in history.

After all that sun, you may want to cool off. A great way to do that is by jumping in the pool! The cool pool graphic, below, shows ERPPD's cost to provide you electricity. When you break this down and think of a dollar bill, 70 cents of every dollar of revenue goes toward the purchase of electricity from our wholesale providers. The other 30 cents covers all the other expenses, which includes our safety programs, payroll, benefits, interest, taxes, and maintenance programs; for example, vegetation management, pole testing, etc.

Total expenses for 2023 were \$29,705,837. Our margins at the end of 2023 were \$2,452,835. As public power, we do not pay dividends to investors, we reinvest our margins back into our distribution system for the benefit of all our customers.



Make sure for all your summer fun, you remember safety first and have your safety equipment close at hand. Elkhorn RPPD's number one priority is safety for all of our customers and employees. As mentioned above, we have maintenance and safety programs in place, to not only keep you safe but also to keep the lights on. While the weather can sometimes wreak havoc, our reliability factor for 2023 was 99.98%!

The directors and employees at Elkhorn Rural Public Power District are committed to fulfilling our mission of providing safe, reliable, cost-effective, electricity to all customers.

We hope you have a safe, great summer and enjoy spending time with your family and friends!



IMPACT CONT. FROM PAGE 1

Public Power Districts and rural electric cooperatives deliver power to 42 million Americans. It's our responsibility to meet our consumer's energy needs, and to do so, we must have reliable electricity available. The new EPA regulations threaten this reliability, posing a significant risk to the stability of the nation's power supply at a time when the demand for electricity is only increasing. Balancing environmental goals with the practical needs of grid reliability is essential for the future of our energy landscape.

We at ERPPD understand the critical need to keep the lights on at a cost that local families and businesses can afford. While the transition to clean energy technologies is important, it must be balanced with generation sources that are consistently available to ensure a reliable electric grid. We continue to support "all-of-the-above" energy policies that are inclusive of all the resources available to meet energy needs. Being able to utilize a diverse mix of both renewable and nonrenewable generation resources is crucial to providing reliable and cost-effective electricity.

Pole Testing



Sundance Power Pole Inspections (Sundance PPI), out of Colorado, will be doing pole inspections in July, August and September. They will be working on all four circuits around sub 3 near Elgin; west circuits from sub 17 on Highway 70; and west circuits on sub 30 north of Neligh.

Pole inspections consist of visually examining the pole, doing a sound test by hitting it with a hammer and digging around the pole to see if there is decay underground. Poles that show signs of advanced decay are marked for removal, before mother nature causes an outage. This helps keep Elkhorn's reliability at 99+%.

Sundance inspectors will be identifiable with reflective vests and the Sundance logo (above). The inspectors move from pole to pole using 4-wheelers and trucks. Please be alert when driving and slow down if you need to pass them.

THE PEOPLE OF PUBLIC POWER IN NEBRASKA



PHOTO COURTESY OF NPPD & THE OMAHA STATE BY DON SCHUBERT/DEFEET & BILL BOCK

For 36 years, Gerald Gentleman served the Platte Valley Public Power & Irrigation District as general manager. During his service, he took an active role in statewide expansion and the merger of Nebraska Public Power Systems, Consumers Public Power District and Platte Valley to become today's Nebraska Public Power District. Gerald Gentleman station that bears his name was opened in 1979. The groundbreaking ceremony is pictured left. Source: NPPD



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SCAN ME

General Manager: Mark Johnson
CFO/Office Manager: Carmen Christensen
Operations Manager: Todd Knutsen

Board of Directors

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- Hunter Frisch, Director

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- Tim Means, Secretary
- Jerrell Dolesh, Director
- Rod Zohner, Director

Subdivision III

- Joe Thiele, Vice President
- David Hoefer, Director
- Raymond Payne, Director

ERPPD offices will be closed

Thursday July 4,

in observance of

Independence Day.

Have a safe and fun 4th of July!