Report of Management

The management of Omaha Public Power District (OPPD) is responsible for the preparation of the following financial statements and for their integrity and objectivity. These financial statements conform to generally accepted accounting principles and, where required, include amounts which represent management's best judgments and estimates. OPPD's management also prepared the other information in this Annual Report and is responsible for its accuracy and consistency with the financial statements.

To fulfill its responsibility, management maintains strong internal controls, supported by formal policies and procedures that are communicated throughout the company. Management also maintains a staff of internal auditors who evaluate the adequacy of and investigate the adherence to these controls, policies and procedures. OPPD is committed to conducting business with integrity, in accordance with the highest ethical standards, and in compliance with all applicable laws, rules and regulations. A Code of Ethics has been adopted for the Senior Executive and Financial Officers and the Controller, stating their responsibilities and standards for professional and ethical conduct.

Our independent auditors have audited the financial statements and have rendered an unmodified opinion as to the financial statements' fairness of presentation, in all material respects, in accordance with accounting principles generally accepted in the United States of America. During the audit, they considered internal controls over financial reporting as required by generally accepted auditing standards.

The Board of Directors pursues its oversight with respect to OPPD's financial statements through the Finance Committee, which is comprised solely of non-management directors. The committee meets periodically with the independent auditors, internal auditors and management to ensure that all are properly discharging their responsibilities. The committee reviews the annual audit plan and any recommendations the independent auditors have related to the internal control structure. The Board of Directors, on the recommendation of the Finance Committee, engages the independent auditors who have unrestricted access to the Finance Committee.

Timothy J. Burke
President and Chief Executive Officer

L. Javier Fernandez
Vice President and Chief Financial Officer

Independent Auditor's Report

BKD
CPAs & Advisors

Board of Directors
Omaha Public Power District
Omaha, Nebraska

We have audited the accompanying financial statements of the business-type activities and the fiduciary activities of Omaha Public Power District (OPPD), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise OPPD's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activities of OPPD, as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2020 OPPD adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements*, and Governmental Accounting Standards Board Statement No. 97, *Certain Component Unit Criteria*, and *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, pension and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise OPPD's basic financial statements. The statistics as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statistics have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

BKD, LLP

Omaha, Nebraska
March 18, 2021

Management's Discussion and Analysis (Unaudited)

USING THIS FINANCIAL REPORT

The Financial Report for the Omaha Public Power District (OPPD or Company) includes the Management's Discussion and Analysis, Financial Statements, Notes to Financial Statements, Required Supplementary Information and Notes to Required Supplementary Information. The Financial Statements consist of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; the Statement of Cash Flows; the Statement of Fiduciary Net Position; and the Statement of Changes in Fiduciary Net Position. The Financial Statements have been prepared in accordance with generally accepted accounting principles (GAAP) for governmental entities. Questions concerning any of the information provided in this report should be directed to Investor Relations at *finfo@oppd.com*.

Management's Discussion and Analysis (MD&A) – This unaudited information provides an objective and easily readable analysis of OPPD's financial activities based on currently known facts, decisions or conditions. In the MD&A, financial managers present both short-term and long-term analyses of the Company's activities. The MD&A should be read in conjunction with the Financial Statements, Required Supplementary Information and related Notes. This document contains forward-looking statements based on current plans.

Statement of Net Position – This statement reports resources with service capacity (assets) and obligations to sacrifice resources (liabilities). Deferrals result from outflows and inflows of resources that have already taken place but are not recognized in the financial statements as expenses and revenues because they relate to future periods. Net Position is the residual interest in the Company. On the Statement of Net Position, the sum of assets and deferred outflows equals the sum of liabilities, deferred inflows and net position. This statement facilitates the assessment and evaluation of liquidity, financial flexibility and capital structure.

Statement of Revenues, Expenses and Changes in Net Position – All revenues and expenses are accounted for in this statement. This statement measures the activities for the year and can be used to determine whether the revenues, rates, fees and other charges are adequate to recover expenses.

Statement of Cash Flows – This statement reports all cash receipts and payments summarized by net changes in cash from operating, noncapital financing, capital and related financing, and investing activities.

Statement of Fiduciary Net Position – This statement reports the financial resources available for pension and other postemployment benefits (OPEB).

Statement of Changes in Fiduciary Net Position – This statement reflects the additions, deductions and changes in net position restricted for pension and OPEB.

Notes to Financial Statements (Notes) – These Notes provide additional detailed information to support the financial statements.

Required Supplementary Information and Notes to Required Supplementary Information – This information provides additional detailed disclosures as required by the Governmental Accounting Standards Board.

ORGANIZATION

OPPD is a fully integrated, publicly owned electric utility governed by an elected board of eight directors. The Company serves an estimated population of 849,000 in a 13-county, 5,000-square-mile service area in southeast Nebraska.

FINANCIAL POSITION

The following table summarizes the financial position as of December 31 (in thousands).

Condensed Statements of Net Position	2020	2019	2018
Current Assets	$ 828,170	$ 745,334	$ 826,594
Other Long-Term Assets and Special Purpose Funds	1,951,864	2,020,172	2,045,828
Electric Utility Plant	2,654,227	2,597,532	2,525,344
Total Assets	5,434,261	5,363,038	5,397,766
Deferred Outflows of Resources	216,438	307,043	224,275
Total Assets and Deferred Outflows	$ 5,650,699	$ 5,670,081	$ 5,622,041
Current Liabilities	$ 404,704	$ 386,296	$ 503,327
Long-Term Liabilities	3,623,490	3,860,436	3,775,836
Total Liabilities	4,028,194	4,246,732	4,279,163
Deferred Inflows of Resources	302,080	176,927	183,405
Net Position	1,320,425	1,246,422	1,159,473
Total Liabilities, Deferred Inflows and Net Position	$ 5,650,699	$ 5,670,081	$ 5,622,041

Total Assets and Deferred Outflows

Total Assets in 2020 increased $71,223,000 or 1.3% over 2019, primarily due to an increase in Current Assets from more Investments held as short-term and higher Cash and Cash Equivalents, as well as increases in Electric Utility Plant from additional capital spending. This was partially offset by a decrease in the Special Purpose Funds from less Investments held as long-term.

Deferred Outflows of Resources in 2020 decreased $90,605,000 or 29.5% from 2019, primarily due to decreases in the unrealized pension and OPEB losses.

Total Liabilities, Deferred Inflows and Net Position

Total Liabilities in 2020 decreased $218,538,000 or 5.1% from 2019, primarily due to a decrease in the Decommissioning Liability as a result of work completed and decreases in the Pension and OPEB Liabilities based on the most recent actuarial results.

Deferred Inflows of Resources in 2020 increased $125,153,000 or 70.7% over 2019, primarily due to the implementation of the new lease accounting standard and increases in the unrealized pension and OPEB gains.

Net Position in 2020 increased $74,003,000 or 5.9% over 2019 based on results of operations.

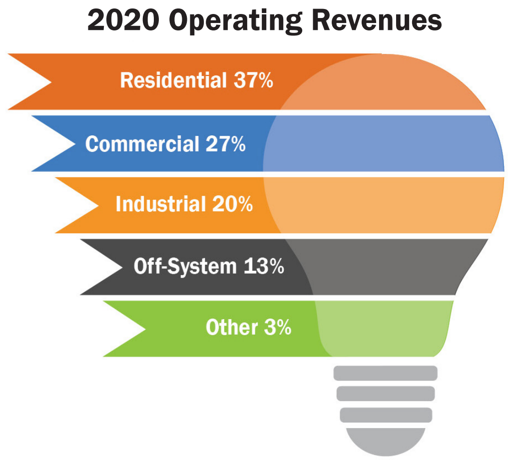
RESULTS OF OPERATIONS

The following table summarizes the operating results for the years ended December 31 (in thousands).

Condensed Statements of Revenues, Expenses and Changes in Net Position	2020	2019	2018
Operating Revenues	$ 1,083,901	$ 1,160,719	$ 1,156,933
Operating Expenses	(1,002,569)	(1,047,274)	(1,033,833)
Operating Income	81,332	113,445	123,100
Other Income (Expenses)	(7,329)	(26,496)	(54,366)
Net Income	$ 74,003	$ 86,949	$ 68,734

Operating Revenues

The following chart illustrates 2020 operating revenues by category and percentage of the total.

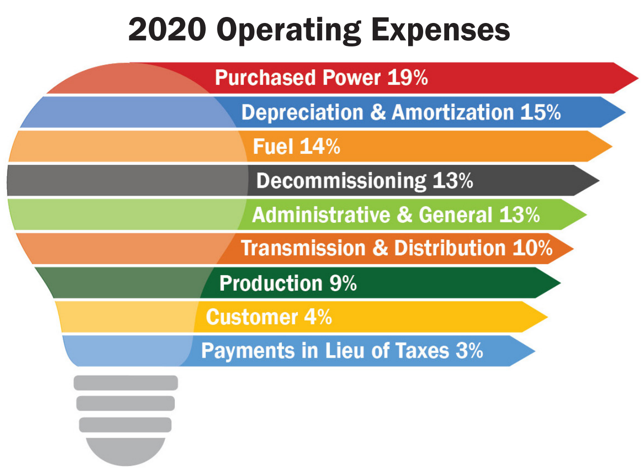


2020 Compared to 2019 – Total operating revenues were $1,083,901,000 for 2020, a decrease of $76,818,000 or 6.6% from 2019 operating revenues of $1,160,719,000.

- Revenues from retail sales decreased $66,046,000 or 6.8% from 2019, primarily due to a decrease in the revenue related to the Fuel and Purchased Power Adjustment (FPPA).
- Revenues from off-system sales decreased $10,227,000 or 6.9% from 2019, primarily due to decreased energy prices in the marketplace.
- Other Electric Revenues include connection charges, late payment charges, leases, wheeling fees and miscellaneous revenues. These revenues decreased $545,000 or 1.5% from 2019, primarily due to a reduction in late payment charges as these charges were temporarily suspended for part of 2020 to address customers' financial hardship resulting from the COVID-19 pandemic. This decrease was partially offset by an increase in revenue from leases as a result of the implementation of the new lease accounting standard.

Operating Expenses

The following chart illustrates 2020 operating expenses by expense classification and percentage of the total.



2020 Compared to 2019 – Total operating expenses were $1,002,569,000 for 2020, a decrease of $44,705,000 or 4.3% from 2019 operating expenses of $1,047,274,000.

- Fuel expense decreased $16,678,000 or 10.3% from 2019, primarily due to a reduction in pollution remediation costs and reduced generation at the peaking stations.
- Purchased Power expense decreased $16,862,000 or 8.2% from 2019, primarily due to lower energy prices in the marketplace.

- Production expense decreased $16,169,000 or 15.4% from 2019, primarily due to lower maintenance expenses as a result of fewer scheduled maintenance outages.
- Transmission and Distribution expense increased $5,125,000 or 5.6% over 2019, primarily due to increased reliability and resiliency work, including tree trimming.
- Customer expense decreased $129,000 or 0.3% from 2019, primarily due to a temporary suspension of customer collection activities.
- Administrative and General expense increased $5,909,000 or 4.8% over 2019, primarily due to increased payroll costs which was partially offset by decreased employee benefit costs.
- Depreciation and Amortization expense increased $6,661,000 or 4.6% over 2019, primarily due to an increase in electric utility plant assets.
- Decommissioning expense decreased $12,969,000 or 9.1% from 2019, primarily due to decreased funding of the Decommissioning Trust.
- Payments in Lieu of Taxes expense increased $407,000 or 1.2% over 2019, due to higher retail revenues in incorporated areas of the service territory.

Other Income (Expenses)

2020 Compared to 2019 – Other income (expenses) totaled ($7,329,000) in 2020, a decrease of $19,167,000 from 2019 income (expenses) of ($26,496,000).

- Interest Expense decreased $10,136,000 or 12.7% from 2019, primarily due to lower interest rates.
- Loss on Reacquired Debt Using Existing Resources decreased $8,482,000 or 88.1% from 2019, primarily due to less reacquired debt.
- Investment Income including Decommissioning Funds decreased $7,961,000 or 15.3% from 2019, due to lower fair market value adjustments.
- Allowances for Funds Used During Construction (AFUDC) increased $3,681,000 or 78.6% over 2019, due to higher construction balances subject to AFUDC.
- Products and Services – Net decreased $351,000 or 12.3% from 2019, due to fewer completed projects. Products and services include energy information systems, ground loop heat exchanger systems, thermal conductivity testing, ECO 24/7 services and residential surge protection.
- Other – Net increased $5,180,000 or 147.8% over 2019, primarily due to an increase in revenue from insurance proceeds and grants from the Federal Emergency Management Agency (FEMA) related to the 2019 flood event.

Net Income

Net income was $74,003,000 for 2020 compared to $86,949,000 in 2019. Discretionary changes to the Decommissioning and Benefits Reserve resulted in operating revenues and net income decreasing $21,000,000 and $17,000,000 in 2020 and 2019, respectively.

CAPITAL PROGRAM

The Company's electric utility plant includes production, transmission and distribution, and general plant facilities. The following table summarizes the balance of electric utility plant as of December 31 (in thousands).

	2020	2019
Electric utility plant	$ 4,726,802	$ 4,586,990
Accumulated depreciation and amortization	(2,072,575)	(1,989,458)
Total electric utility plant – net	$ 2,654,227	$ 2,597,532

Electric system requirements, including the identification of future capital investments, are reviewed annually to ensure current and future load requirements are serviced by a reliable and diverse power supply. Capital investments are financed with revenues from operations, bond proceeds, investment income and cash on hand.

The following table shows actual capital program expenditures for the last two years and budgeted expenditures for 2021 (in thousands).

	Budget	Actual	
Capital Program	**2021**	**2020**	**2019**
Transmission and distribution	$ 143,990	$ 106,861	$ 137,774
Production	192,539	49,100	39,995
General	33,470	41,172	28,532
Total	$ 369,999	$ 197,133	$ 206,301

Actual and budgeted expenditures for 2019 through 2021 include the following:

- Transmission and distribution expenditures include various circuit, substation, and transmission projects to facilitate load growth and reliability, such as the Fiber Network Expansion Project to upgrade the fiber optic networks for substation communications, the Transmission and Distribution Improvement Program, which focuses on cable, conductor, and pole replacements, and the Light Emitting Diode (LED) Street Light Conversion Project.
- Production expenditures include equipment to maintain reliability, enhance efficiency and comply with environmental regulations. Actual and budgeted expenditures included costs for the Power with Purpose initiative that was approved by the Board of Directors in 2019 to add new generation that will be required to maintain energy generation and capacity requirements. Power with Purpose projects accounted for the increases in this category.
- General plant expenditures include fleet vehicles, construction equipment, business technology equipment and software applications. Budgeted expenditures include telecommunications equipment and business technology upgrades.

Details of the Company's electric utility plant asset balances and activity are included in Note 5 in the Notes to Financial Statements.

CASH AND LIQUIDITY

Financing

Sufficient liquidity is maintained to ensure working capital is available for normal operational needs and unexpected, but predictable, risk events. OPPD's liquidity includes cash, marketable securities and a line of credit. Debt offerings also provide a significant source of liquidity for capital investments not funded by revenues from operations.

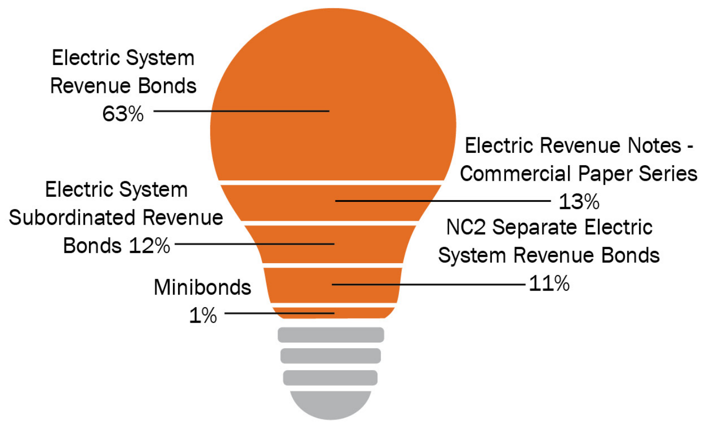
The financing plan optimizes the debt structure to ensure capital needs are financed, liquidity needs are achieved and the Company's strong financial position is maintained. The 2021 financing plan anticipates the issuance of approximately $125,000,000 of new Electric System Revenue Bonds to support capital projects.

OPPD increased its outstanding Commercial Paper from $230,100,000 to $250,000,000 in 2020. The proceeds of $19,900,000 along with a cash contribution of $4,165,000 were used to fully refund the 2014 Series DD Electric System Subordinated Revenue Bonds. Principal repayments of $47,390,000 of Electric System Revenue Bonds, $825,000 of Electric System Subordinated Revenue Bonds, $3,495,000 of Nebraska City Station Unit 2 (NC2) Separate Electric System Revenue Bonds, and $149,500 of Minibonds were made in 2020.

The Company has two Credit Agreements in place. The first Credit Agreement for $250,000,000 expires on January 1, 2023. The second Credit Agreement for $75,000,000 was executed on May 1, 2020 with an expiration date of April 30, 2021. The first Credit Agreement supports the Commercial Paper Program, and both Credit Agreements provide additional sources of working capital, if needed. There were no amounts outstanding under either Credit Agreement as of December 31, 2020 or 2019.

The following chart illustrates the debt structure and percentage of the total as of December 31, 2020.

2020 Debt Structure



Details of the Company's debt balances and activity are included in Note 7 in the Notes to Financial Statements.

Debt Service Coverage for Electric System Revenue Bonds

Debt service coverage for the Electric System Revenue Bonds was 3.09 times and 3.50 times in 2020 and 2019, respectively. OPPD's senior lien bond indenture provides that additional bonds may not be issued unless estimated net receipts for each future year shall equal or exceed 1.4 times the debt service on all Electric System Revenue Bonds outstanding, including the additional bonds being issued. Transactions in 2020 and 2019 for the NC2 Separate Electric System were not included in the calculation because the Electric System Revenue Bonds are not secured by the revenues from the NC2 Separate Electric System. The Company is in compliance with all debt covenants.

Debt Ratio

The debt ratio is a measure of financial solvency and represents the share of debt to total capitalization (debt and net position). This ratio does not include the NC2 Separate Electric System Revenue Bonds since this debt is secured by revenues of the NC2 Separate Electric System. The debt ratio was 56.6% and 58.7% at December 31, 2020 and 2019, respectively.

Credit Ratings

High credit ratings allow the Company to borrow funds at more favorable interest rates. Both quantitative (financial strength) and qualitative (business and operating characteristics) factors are considered by the credit rating agencies in establishing a company's credit rating. The credit ratings received from Standard & Poor's Ratings Services (S&P) and Moody's Investors Service (Moody's), independent bond rating agencies for the latest bond issues, were among the highest ratings granted to electric utilities and confirm the agencies' assessment of the Company's strong ability to meet its debt service requirements. S&P and Moody's affirmed OPPD's senior lien debt and subordinated ratings, and both have stable outlooks for OPPD's credit ratings.

The following table summarizes credit ratings in effect on December 31, 2020.

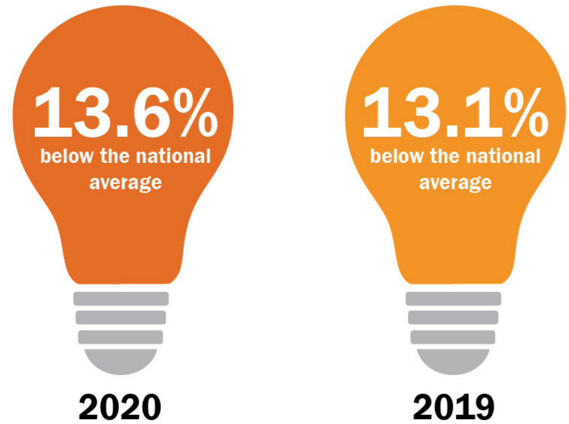
	S&P	Moody's
Electric System Revenue Bonds	AA	Aa2
Electric System Subordinated Revenue Bonds	AA–	Aa3
Electric System Revenue Notes – Commercial Paper Series	A–1+	P–1
Minibonds*	AA–	Aa3
NC2 Separate Electric System Revenue Bonds (2015A, 2016A)	A+	A1

** Payment of the principal and interest on the Minibonds, when due, is insured by a financial guaranty bond insurance policy.*

COMPETITIVE AND REGULATORY ENVIRONMENT

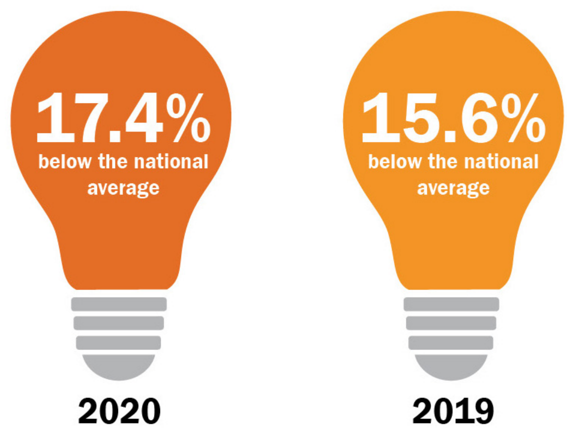
Electric Rates

Electric rates – Residential



The Company strives to manage costs to align with the mission of providing affordable, reliable and environmentally sensitive energy services to our customers. Residential customers paid an average of 11.40 and 11.30 cents per kilowatt-hour (kWh) in 2020 and 2019, respectively. The national average residential cents per kWh according to the Energy Information Administration (EIA), U.S. Department of Energy, was 13.20 for 2020 (preliminary year-to-date December 2020) and 13.01 cents per kWh for 2019. Based on the EIA data, OPPD residential rates were 13.6% and 13.1% below the national average for 2020 and 2019, respectively.

Electric rates – Retail



Retail customers paid an average of 8.81 and 8.90 cents per kWh in 2020 and 2019, respectively. The national average retail cents per kWh according to the EIA, was 10.66 for 2020 (preliminary year-to-date December 2020) and 10.54 cents per kWh for 2019. Based on the EIA data, OPPD retail rates were 17.4% and 15.6% below the national average for 2020 and 2019, respectively.

There were no general rate or FPPA rate adjustments in 2020 and 2019. In addition, there were no general rate or FPPA adjustments implemented in January 2021. The Company has committed to no general rate adjustments for five years through December 2021.

Energy Risk Management

OPPD participates in the wholesale marketplace with other electric utilities and power marketers. The Company must be able to offer energy at competitive prices and maintain reliability to successfully compete in this market. Energy market prices may fluctuate substantially in a short period of time due to changes in the supply and demand of electricity, fuel and environmental-related commodities. Policies provide guidelines for transacting in the marketplace with the intent to mitigate market risk. A cross-functional risk committee is responsible for identifying, measuring and mitigating various risk exposures related to power marketing and fuel purchase activities.

Fuel expense represents a significant cost and affects the ability to generate and market competitively priced power. To maintain a diverse portfolio of power supply, OPPD uses various fuel types for generation. Fuel policies were established to mitigate volumetric and price risk associated with the forecasted use of fuel for OPPD's generation.

Environmental Matters

Environmental matters can have a significant impact on operations and financial results. OPPD complies with all applicable local, state and federal environmental rules and regulations. The items mentioned below include proposed, enacted or enforceable laws, rules and regulations.

Coal Combustion Residuals (CCR) – In April 2015, the Environmental Protection Agency (EPA) promulgated technical requirements for the CCR rule that impacted landfills and surface impoundments for the safe disposal of coal combustion residuals under Subtitle D of the Resource Conservation and Recovery Act. The regulations provide design criteria, operating criteria, groundwater monitoring requirements, closure requirements, and recordkeeping and notification requirements associated with CCR landfills and surface impoundments. The regulation became effective in October 2015, and OPPD is in compliance with the requirements. OPPD continues to assess and implement compliance strategies associated with this regulation by required dates, and will continue to monitor changes in the regulation and evaluate compliance options as new information is available. In May 2019, OPPD notified the Nebraska Department of Environment and Energy (NDEE) that it had initiated Assessment of Corrective Measures (ACM) for the North Omaha Station (NOS) landfill. The intent is to have a selection of remedy by the end of the second quarter of 2021. The cost of compliance is not expected to be material at this time. The Nebraska City Station Unit 1 (NC1) landfill completed final closure activities in the fall of 2020 and will be proceeding to post closure sampling. In December 2020, OPPD also entered ACM for the NC2 landfill. The Company is currently in the process of assessing corrective measures for the NC2 landfill. The intent is to have a selection of remedy by the end of third quarter of 2021. The cost of compliance is not expected to be material at this time.

Regional Haze Rule (RHR) – The RHR requires the states, in coordination with the EPA, the National Park Service, U.S. Fish and Wildlife Service, the U.S. Forest Service, and other interested parties, to develop and implement air quality protection plans to reduce the pollution that causes visibility impairment. The first state plans for regional haze were due in December 2007. Comprehensive periodic revisions to these initial plans are currently due in 2021, 2028, and every 10 years thereafter. OPPD received a Regional Haze information request from the NDEE in Spring 2020 for use in their preparation of a State Implementation Plan (SIP) submittal. The information request asked OPPD to assess potential emission control technologies against four statutory factors for NC1. OPPD provided an initial response to the information request in November 2020 and is planning on providing additional information to NDEE during the first quarter of 2021. NDEE must submit the SIP to the EPA no later than July 31, 2021. The cost of compliance is not expected to be material at this time.

316(b) Fish Protection Regulations (316(b)) – In May 2014, the EPA issued the final rule under Section 316(b) Rule of the Clean Water Act. The final rule went into effect in October 2014. Facilities are required to choose one of seven options to reduce fish impingement. Facilities were also required to study the effects of entrainment and develop compliance strategies. All required studies were submitted to the NDEE in June 2019 for review. In June 2020, the NDEE agreed that the risk to endangered and threatened species and cost to benefit of entrainment reduction do not outweigh the cost of implementing the proposed technologies, including fine-meshed screens. The NDEE further agreed that the existing Cooling Water Intake Structure technology is the Best Technology Available (BTA) for entrainment. In December 2020, OPPD submitted to the NDEE the BTA determination for impingement as required under the 316(b) rule. This submittal stated that OPPD intends to install and operate Coarse Mesh Modified Traveling Screens with a Fish Return at Nebraska City Station (NCS) and NOS Units 4 and 5 intake structures. The BTA determination for entrainment and the compliance strategy and implementation timeline for impingement will be included in the renewed National Pollution Discharge Elimination System permits, expected to be issued in the first quarter of 2021. The cost of compliance is expected to be $19,400,000 for NOS and NCS combined.

RESOURCE PLANNING AND GENERATION UPDATE

Southwest Power Pool (SPP) Integrated Marketplace and Transmission Planning

OPPD is a transmission-owning member of SPP, and all of OPPD's transmission facilities are under the SPP Open Access Transmission Tariff (OATT). In addition to tariff administration services, SPP also provides reliability coordination services, generation reserve sharing, energy market services, balancing authority services and planning authority services.

OPPD actively participates in the SPP energy markets. The market mechanism rewards low-cost, flexible and reliable providers of electricity. OPPD is in competition with other generation owners to serve load across the SPP footprint.

As the regional transmission expansion planning authority, SPP works with its members and stakeholders to develop transmission projects needed in the footprint to meet the reliability, economic, and public policy needs. One of SPP's transmission projects in the OPPD service territory is the Sarpy Transmission Project, which was energized in March 2020. This project involved the construction of a new high-voltage substation and 6.5 miles of transmission line consisting of both 345-kilovolt (kV) and 161-kV facilities co-located on common tower structures. The project was required to provide the necessary capacity and reliability to support new and expanding businesses and residential growth in the area including multiple large data centers. An additional supporting project included the 2.5-mile rebuild of an existing 161-kV transmission line to higher capacity.

Generation Update

In October 2019, OPPD announced the Power with Purpose initiative to add new generation that supports anticipated load growth, the retirement of NOS units 1, 2, and 3 and the conversion of NOS units 4 and 5 to natural gas. The new generation solution includes utility-scale solar of 400-600 megawatts (MW) with up to 600 MW of backup modernized natural gas generation. In November 2019, the Board of Directors granted approval for competitive sourcing of the utility-scale solar and natural gas generation.

The sourcing for the utility scale solar generation began in November 2019 and is currently underway. In order to meet the 400-600 MW of solar generation, OPPD intends to enter into multiple power purchase agreements for energy from multiple sites in Eastern Nebraska.

In September 2020, OPPD announced the locations and capacity of two natural gas backup generation facilities with onsite secondary fuel storage capability. The Standing Bear Lake Station in Douglas County is co-located with a Metropolitan Utilities District facility. This site will produce approximately 100 to 150 MW using reciprocating internal combustion engine assets. The Turtle Creek Station is located in Sarpy County. This second site will produce approximately 450 to 500 MW using two simple-cycle combustion turbine assets. The sourcing for these natural gas generation assets began in September 2020. The exact size of each facility will be determined as the sourcing process continues. In October 2020, the Nebraska Power Review Board unanimously approved the applications for these new natural gas generation facilities finding that they serve public convenience and necessity, are economical and feasible, and are without unnecessary duplication of facilities.

Renewable Capability including Purchased Power Contracts

Renewable portfolio standards are currently mandated in several states but not in Nebraska. In November 2019, the Company established a goal to conduct all of its operations in a manner that strives for net zero carbon production by 2050. OPPD is currently studying pathways to meet this goal as part of a Strategic Initiative titled *Pathways to Decarbonization*. OPPD's renewable generation resources includes a mix of wind, solar, hydro, and methane gas. As of December 31, 2020, the Company had 1,064.4 MW of renewable generation capacity primarily through purchase power agreements.

Fort Calhoun Station Decommissioning

In 2016, the OPPD Board of Directors approved a recommendation by management to cease operations at the Fort Calhoun Station (FCS). The station ceased operations on October 24, 2016 and began the decommissioning process. FCS is being decommissioned using the DECON process, which provides for the immediate decontamination and dismantling of the nuclear systems and structures. OPPD contracted with EnergySolutions LLC (ES) to provide technical support during the completion of the DECON process. OPPD retains the license and management responsibility for the facility, while benefitting from the advisory services provided by ES. During 2020, FCS moved all spent fuel to the Independent Spent Fuel Storage Installation (ISFSI), and the ISFSI became operational in June 2020. Also in 2020, legacy large components were shipped off-site for disposal, and the diesel generators were removed.