



Power with Purpose Update October Open Committee Meeting

October 19, 2021



Updates

- Natural Gas Generation Project
- Solar Strategy
- Sarpy Southwest Transmission Project

Natural Gas Generation Project & Fuel Supply Update

- On September 22, OPPD executed a contract with Zachry Group for the Engineer, Procure, and Construct (EPC) of our two new natural gas generation facilities and their associated substations
- Preliminary grading is underway at both Turtle Creek Station (TCS) and Standing Bear Lake Station (SBL) and continues through 2021
- Metropolitan Utilities District’s board authorized approval of ground lease and main extension agreement on October 6; approval to occur with finalized gas supply agreements
- Community engagement
 - Meet with City of Papillion for project update (TCS)
 - Attend annual Rambleridge Homeowners Association Meeting in November (SBL)

| Project Schedule | Milestone (Past/Future) |
|-------------------------------|-------------------------|
| TCS Earthwork Begins | August 2021 ✓ |
| SBL Earthwork Begins | September 2021 ✓ |
| EPC Contractor Award | September 22, 2021 ✓ |
| SBL & TCS Construction Starts | Quarter 1, 2022 |
| SBL Commercial Operation | May 1, 2023 |
| TCS Commercial Operation | August 18, 2023 |

Information as of October 7, 2021

Standing Bear Lake Station Preliminary Grading



As of October 6, 2021

Turtle Creek Station Preliminary Grading



As of October 6, 2021

Solar Strategy

- Where We've Been
- What We've Learned
- Where We're Going

Where We've Been

- Issued first utility-scale solar sourcing in November 2019
 - Proposals received indicated a variety of projects across Nebraska in varying stages of development
- Executed Platteview Solar PPA in Spring 2021
 - This is the first utility-scale solar PPA for OPPD and the State of Nebraska!!
- Closed out first phase of sourcing in Summer 2021

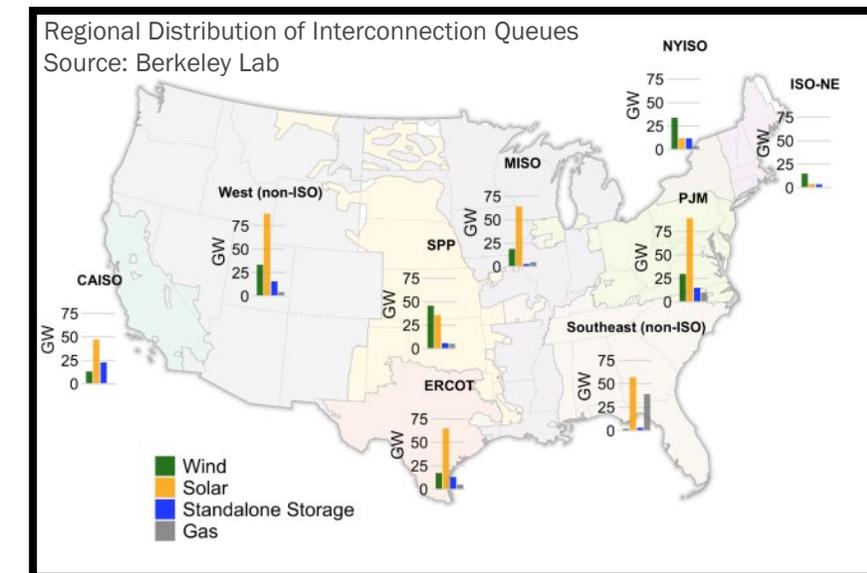
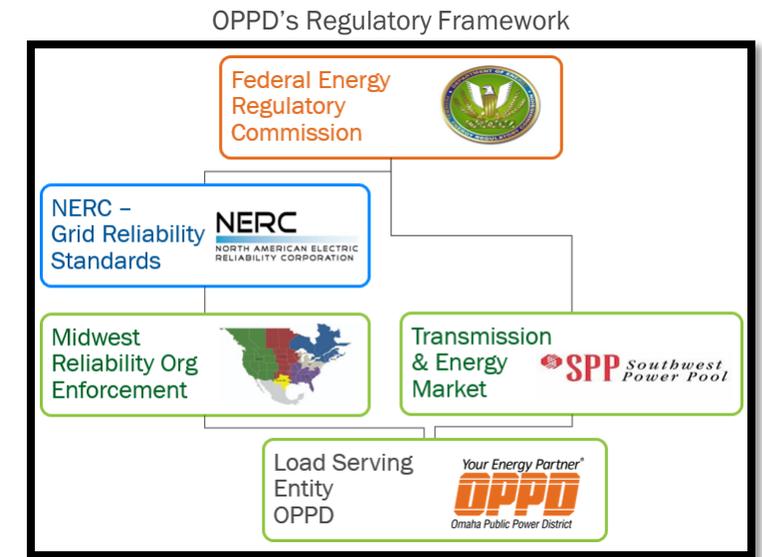


What We've Learned

- Compiled numerous lessons learned across the project team, focusing on:
 - Business strategy
 - Sourcing, negotiations, and contracting
 - Generator Interconnection (GI) process complexity
 - Community and Stakeholder
- Key challenges to first phase of solar sourcing:
 - Solar industry and supply chain experienced significant challenges in 2020 – 2021
 - State, federal, and FERC policy constraints
 - Evolving solar regulations for local planning and zoning jurisdictions
 - Generator interconnection process has a significant backlog, adding significant risk to projects

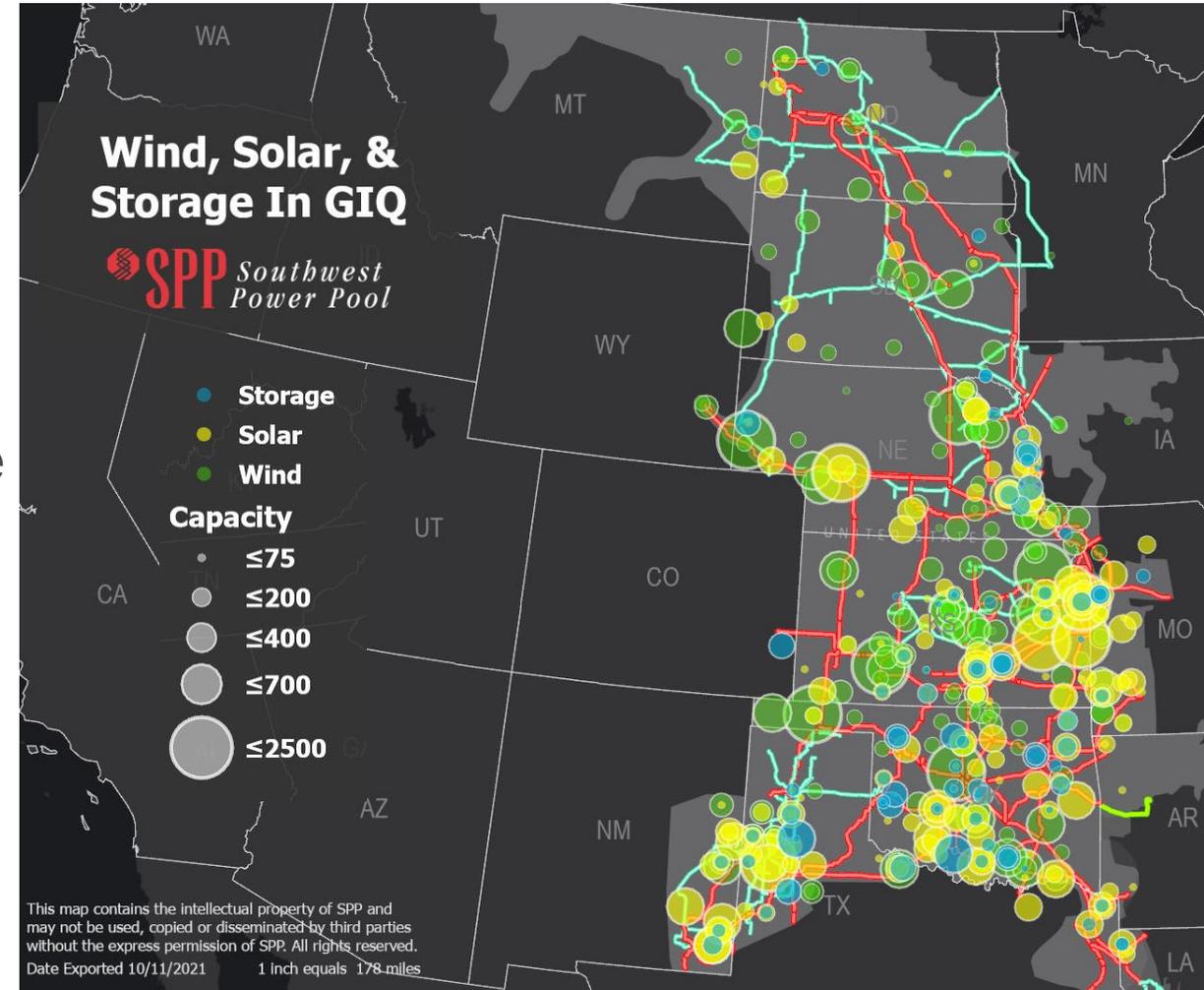
National Challenges with Generation Interconnection to the Transmission System

- OPPD is an owner and operator of the Bulk Electric System, and has a regulatory obligation to comply with federal requirements
- OPPD is required to comply with federal interconnection processes for new generation
 - Processes ensure reliability and “Open Access” of the transmission grid
- Interconnection study backlogs have formed across the country, resulting from:
 - Increasing volume and magnitude of interconnection requests from developers of emerging technologies
 - Paradigm shift is a significant challenge for the current FERC policy landscape



Impacts of the GI Backlog

- FERC-regulated GI processes have multi-year backlogs of requests
 - Study results dictate transmission expansion costs for new generators
- Impact to PwP Solar
 - Proposals received in solar sourcing were impacted by the backlog with an unknown cost risk
 - Potential interconnection cost risk unclear until study process is completed (multi-year)
- OPPD is developing strategies to reduce these risks for solar projects



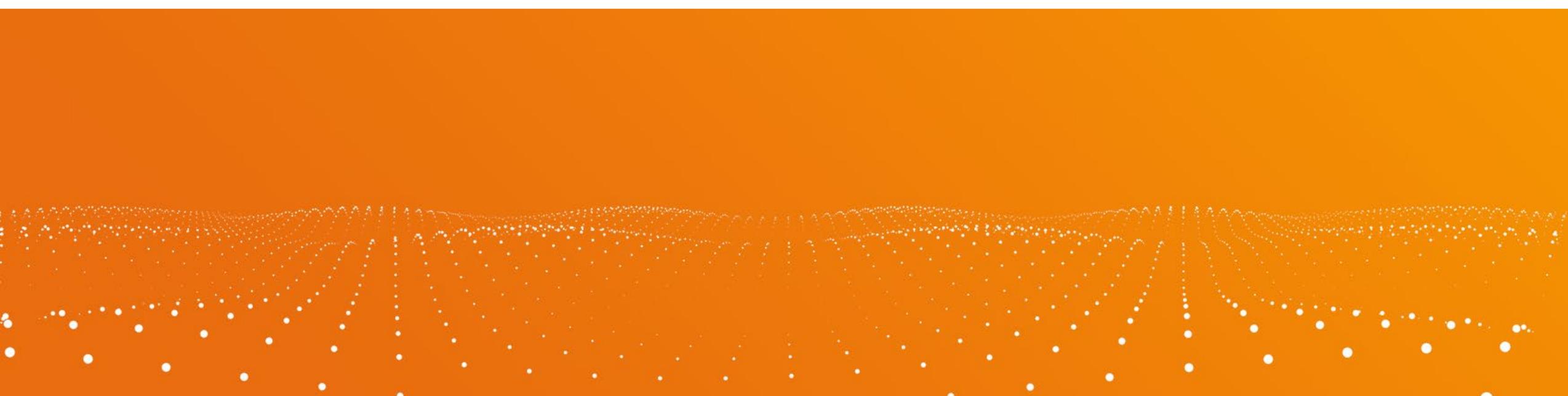
Where We're Going



Where We're Going

- Continue commitment to the November 2019 BOD resolution
 - Cease coal operations at North Omaha Station by end of 2023
 - Projects initiated to support fuel conversion of North Omaha Station by spring 2024
- Pursue a GI strategy that mitigates uncapped risks
 - OPPD is actively engaged with regulatory bodies (FERC, SPP) to understand best mitigation strategies to interconnect generation and serve load
- Incorporate evolving energy policy changes in remaining solar projects
 - Federal infrastructure proposal may benefit OPPD's solar projects
 - FERC's Advanced Notice of Proposed Rulemaking (ANOPR): Building for the Future Through Electric Regional Transmission Planning and Cost Allocation and Generator Interconnection

PwP Solar 2.0 Strategy



Next Steps: Q4 2021

- Adapt strategy and timeline in alignment with any policy changes (as needed or required)
 - Incorporate any impacts from federal, FERC, SPP, or local policy changes
- Continue solar education and advocacy
 - Meet with Community Leaders
 - Continue support of local planning and zoning efforts
- Project development strategy
 - Research options that mitigate Generator Interconnection risks
 - Conduct financial, technical, and legal due diligence, including execution risk assessments
 - Layout sourcing strategy for projects

Sarpy Southwest Transmission Project Public Hearing



SSWTP - Public Hearing

Objective - Allow directly impacted landowners to learn about next steps and ask questions about the project and the easement acquisition process.

- Agenda
 - Project Overview
 - Property Owner Rights
 - Construction
 - Comments, Q&A
- Attendance
 - 27 Attendees*
 - 23 in-person, 4 virtual
- Q&A Themes
 - Negotiations, offers, appraisals
 - Alignment selection
 - Compensation methodology

*Independent participants not including OPPD & HDR team members

What We've Done

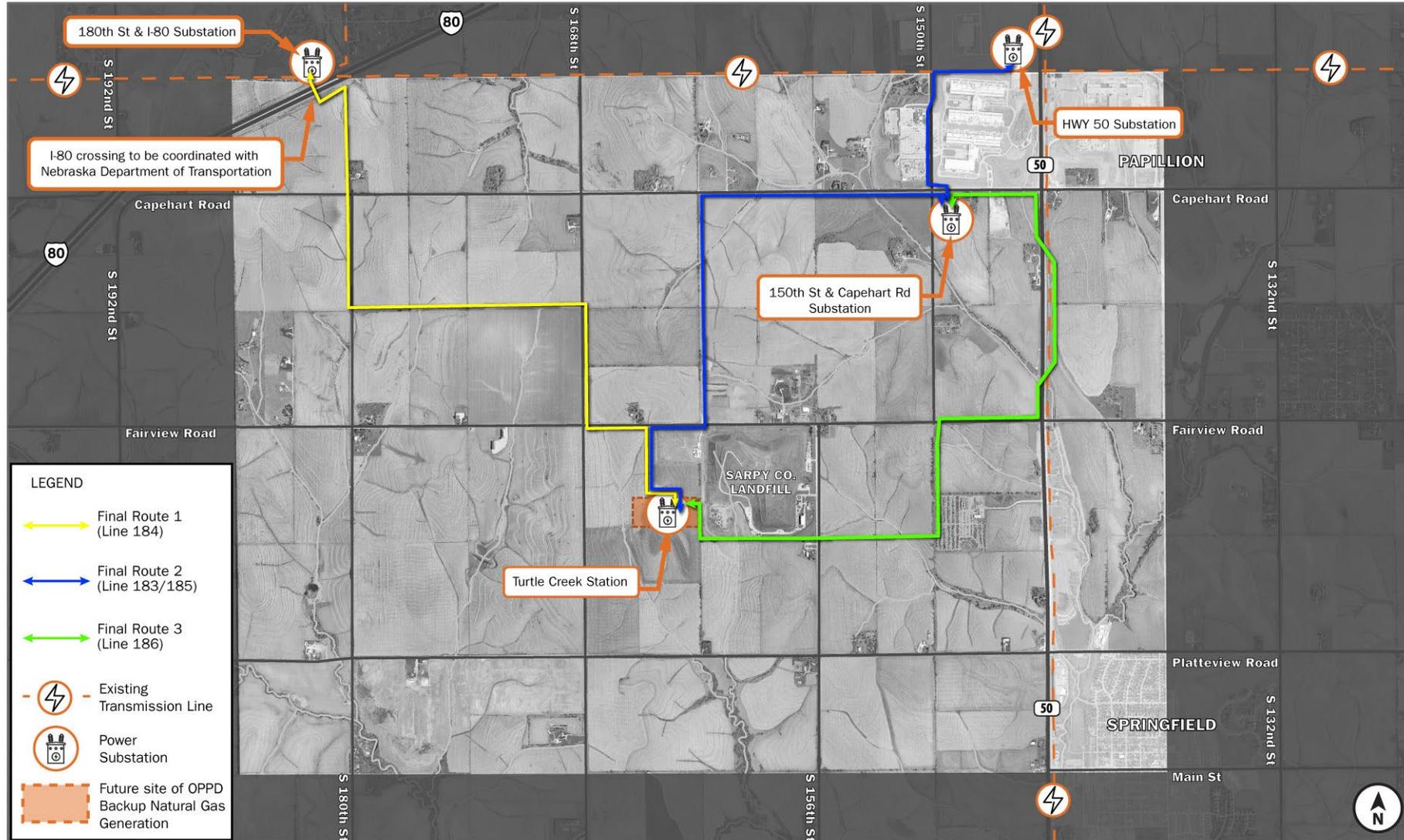
- ✓ November 2020 – February 2021
Phase 1: Identify Study Area and Environmental Constraints
- ✓ January 26, 2021
Phase 1: Online Public Meeting
- ✓ February 2021 – March 2021
Phase 2: Route Segment Analysis
- ✓ March 30, 2021
Phase 2: Online Public Meeting
- ✓ April 2021 – May 2021
Phase 3: Route Alternative Analysis
- ✓ May 2021
Final Route Announcement

Where We're Going*

- May 2021 – January 2022
Engineering/Design/
Right-of-Way Activities
- October 5, 2021
Public Hearing
- October 2021 – October 2022
Procurement
- November 2021 – March 2022
Easement Acquisition
- May 2022 – June 2023
Construction
- May 2023 – December 2023
Property Restoration and
Project Closeout

**All dates are subject to change and may differ from previous versions*

Final Route Alignments



Sarpy Southwest Transmission Project

Final Route Alignments
September 2021