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 (SBLS) 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

<table>
<thead>
<tr>
<th>Project</th>
<th>Milestone</th>
</tr>
</thead>
<tbody>
<tr>
<td>TCS Earthwork Begins</td>
<td>August 2021</td>
</tr>
<tr>
<td>SBL Earthwork Begins</td>
<td>September 2021</td>
</tr>
<tr>
<td>EPC Contractor Award</td>
<td>September 22, 2021</td>
</tr>
<tr>
<td>SBL &amp; TCS Construction Starts</td>
<td>Quarter 1, 2022</td>
</tr>
<tr>
<td>SBL Commercial Operation</td>
<td>May 1, 2023</td>
</tr>
<tr>
<td>TCS Commercial Operation</td>
<td>August 18, 2023</td>
</tr>
</tbody>
</table>

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
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 version
Final Route Alignments

Sarpy Southwest Transmission Project
Final Route Alignments
September 2021

LEGEND

- Final Route 1 (Line 164)
- Final Route 2 (Line 163/165)
- Final Route 3 (Line 186)
- Existing Transmission Line
- Power Substation
- Future site of OPPD Backup Natural Gas Generation