



Williams/Via

**RESOLUTION NO. 6531**

**WHEREAS**, the Sarpy County Station Unit 4 (“SC4”) was inspected and damage on the “A” power turbine was found to require repair to enable the unit to operate at full capacity; and

**WHEREAS**, the District’s Engineer has certified that the original equipment manufacturer, Mitsubishi Power Aero LLC (“Mitsubishi”), is the only available source of supply for these repairs due to the technologically complex and proprietary design of the equipment; and

**WHEREAS**, pursuant to Nebraska Revised Statute Section 70-637 (as amended), and upon approval of the Engineer’s Certification by the Board of Directors, the District may negotiate and enter into a contract or contracts related to such project without sealed bidding.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Omaha Public Power District that:

1. The Engineer’s Certification that Mitsubishi, the original equipment manufacturer, is the only available source of supply for the parts and technical expertise needed to repair the SC4 “A” power turbine is hereby approved.
2. Management is hereby authorized and directed to negotiate and enter into the necessary contract or contracts with Mitsubishi to supply parts and specialized services for the repair of the SC4 “A” power turbine, subject to review and approval of the final contract(s) by the District’s General Counsel.
3. The notice required by Nebraska Revised Statutes Section 70-637 shall be published in the Omaha World Herald, or other similar newspaper of general circulation.



# Board Action

## BOARD OF DIRECTORS

October 18, 2022

### ITEM

Sarpy County Station Unit 4A Power Turbine Repairs

### PURPOSE

Provide services to repair Sarpy County Station Unit 4A power turbine.

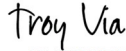
### FACTS

- a. The Sarpy County Station Unit 4 was inspected in September, 2022 and the 'A' power turbine was found to have damage requiring repairs.
- b. The equipment has been removed from service, reducing the unit's output capacity and system reliability function capability by half, until repaired.
- c. The needed refurbishment, design modification, and repair work is proprietary and only the original equipment manufacturer (OEM), Mitsubishi Power Aero LLC, is known to have the tooling, proprietary parts, and expertise to perform the necessary repairs.
- d. The District's engineer has certified the proprietary nature of the work and that the OEM is the only available source of supply for this work.


### ACTION

Approval of the Engineer's Certificate and authorization for Management to negotiate and enter into a contract with Mitsubishi Power Aero LLC for repair of the Sarpy County Station Unit 4A power turbine.

#### RECOMMENDED:

DocuSigned by:  
  
 181187221FA24AE...  
 Troy R. Via  
 Vice President – Utility Operations and  
 Chief Operating Officer

#### APPROVED FOR BOARD CONSIDERATION:

DocuSigned by:  
  
 AC399FDCE58247E...  
 L. Javier Fernandez  
 President and Chief Executive Officer

TRV:bjl

Attachments: Letter of Recommendation  
 Engineer's Certificate  
 Legal Opinion  
 Resolution



## MEMORANDUM

**DATE:** October 13, 2022

EPND-2022-012

**FROM:** S. A. Eidem

**TO:** T. R. Via

**SUBJECT:** Sarpy County Station Unit 4 "A" Power Turbine Repairs

### 1.0 GENERAL

OPPDP utilizes regular internal inspections to detect conditions that, if not addressed, could lead to catastrophic failure of major components. Sarpy County Station Unit 4 (SC4) was removed from service in late September 2022 to perform this planned internal inspection. The inspection revealed the 'A' power turbine to be in a degraded condition requiring removal from service to avoid further damage according to the original equipment manufacturer (OEM) recommendations.

SC4 is limited to half output capacity until the 'A' power turbine is repaired and reinstalled. The power turbine is planned to be sent to the OEM, Mitsubishi Power Aero LLC (formerly Pratt & Whitney Power Systems, Inc.), for disassembly, evaluation and refurbishment. Additionally, recommended upgrades per existing service bulletins will be completed as part of the scope of work to mitigate the reliability risk of other known issues with this equipment.

OPPDP relies upon the fully rated generation capacity output from Sarpy County Station Unit 4 to meet our obligations within the Southwest Power Pool integrated market as well as support local system reliability. Until the power turbine is repaired, the unit can only operate at half capacity, approximately 24 MW. Following repairs to the power turbine, the unit will be returned to service at full capacity.

Compliance with the sealed bidding requirements of the Nebraska Statutes is impractical and not in the public's best interest. Mitsubishi Power Aero LLC, the original equipment manufacturer, has proprietary information regarding repair of these components. They are the only vendor with the

tooling, proprietary parts, and technical expertise to perform the necessary repairs.

2.0 RECOMMENDATION

An Engineer's Certificate of the above statements has been prepared. Approval of that Certification is recommended. We request the Board of Directors to approve the Engineer's Certification and to authorize management to negotiate a sole source contract with Mitsubishi Power Aero LLC for the repair of the SC4 'A' power turbine.

*Scott A. Eidem*

S. A. Eidem, P.E.  
Director, Engineering Services  
Utility Operations

## ENGINEER'S CERTIFICATION

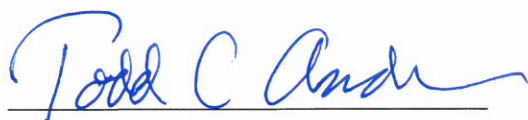
Sarpy County Station Unit 4 was taken out of service for routine inspection on September 21<sup>st</sup> 2022. During the inspection, it was discovered that damage on the 4<sup>th</sup> stage outer air seals of the 'A' power turbine was in a degraded condition for which the original equipment manufacturer (OEM), Mitsubishi Power Aero LLC (Mitsubishi), recommends removal from service to avoid further damage and make necessary repairs. To prevent catastrophic failure and follow OEM recommendations, the power turbine has been removed from service and needs to be fully inspected and repaired. As long as the power turbine is out of service, Sarpy County Unit No. 4 will only be able to generate electricity at half capacity.

The undersigned, a Nebraska professional engineer employed by the Omaha Public Power District certifies the following:

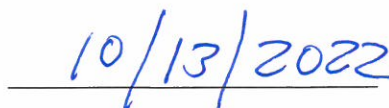
- The repair of the power turbine requires special tooling, proprietary parts, and technical expertise. As the OEM, Mitsubishi (formerly Pratt & Whitney Power Systems, Inc.) has the tooling, proprietary parts, technical expertise to properly repair the equipment
- Mitsubishi, as the OEM, is the only available source of supply for these repairs due to the technologically complex and proprietary design of the equipment
- Additionally, it is important to address reliability risk in a timely manner to restore Sarpy County Unit 4 to full capacity

Pursuant to Section 70-637 of the Revised Statutes of Nebraska, the Board of Directors is requested to approve this Engineer's Certificate and authorize management to negotiate and enter into a contract with Mitsubishi Power Aero LLC to repair the Sarpy County Station Unit No. 4 'A' power turbine without compliance with the sealed bidding requirements of Sections 70-637 to 74-641 of Revised Statutes of Nebraska.

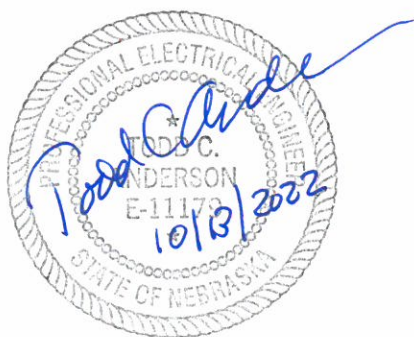
I, Todd C. Anderson (registered Professional Engineer in the State of Nebraska), certify the above to be true and correct to the best of my knowledge and belief.



Todd C. Anderson, P.E.



Date





**FRASER STRYKER**

PC LLO

LAWYERS

500 ENERGY PLAZA  
409 SOUTH 17TH STREET  
OMAHA, NEBRASKA 68102-2663  
TELEPHONE 402.341.6000  
TELEFAX 402.341.8290  
WWW.FRASERSTRYKER.COM

STEPHEN M. BRUCKNER  
DIRECT DIAL: 402.978.5225  
SBRUCKNER@FRASERSTRYKER.COM

October 13, 2022

Omaha Public Power District  
444 South 16<sup>th</sup> Street  
Omaha, NE 68102

RE: Engineer's Certification for repair of Sarpy County Station Unit No. 4 power turbine

Ladies and Gentlemen:

We have reviewed the Engineer's Certification of Todd C. Anderson, P.E., a professional engineer employed by the District. Mr. Anderson's Engineer's Certification explains that Sarpy County Station Unit No. 4 was inspected in September 2022 and found to have damage on the fourth stage outer air seals of the 'A' power turbine.

Mr. Anderson's Engineer's Certification certifies that Mitsubishi Power Aero LLC (formerly, Pratt & Whitney Power Systems, Inc.) ("Mitsubishi") is the original equipment manufacturer for the Unit No. 4 and is the only available source of supply for the parts and services needed to repair the power turbine. He further certifies that Mitsubishi has proprietary information, tooling, parts, and technical expertise that make it the only available source for the performance of the necessary repairs.

Section 70-637(6) of the Nebraska Revised Statutes authorizes the District to purchase replacement parts or services for generating units from original equipment manufacturers without advertising for sealed bids, upon appropriate certification by an engineer for the District. In our opinion, Mr. Anderson's Engineer's Certification meets the requirements of Section 70-637(6) and may be approved by the Board of Directors.

Section 70-637(6) requires that a written statement containing the Engineer's Certification and a description of the purchase from the original equipment manufacturer must be submitted to the District's Board of Directors for approval at the next scheduled meeting of the Board. After receipt of the Certification, but not necessarily before the Board review, the District must publish notice of such purchase once a week for at least three (3) consecutive weeks in one or more newspapers of general circulation in the District and in any other periodicals that may have been selected by the Board.

October 13, 2022

Page 2

The District may proceed to complete this sole source purchase subject to compliance with Section 70-637(6) as outlined above. We recommend review and approval of the contract with the manufacturer by the District's General Counsel.

Very truly yours,



Stephen M. Bruckner  
FOR THE FIRM

SMB/sac  
2898655