

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: --Committee. I'm Senator Tom Brandt from Plymouth, I represent the 32nd Legislative District, and I serve as Chair of this committee. The committee will take up the bills in the order posted. This public hearing is your opportunity to be part of the legislative process and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name, spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer, if they wish to give one. We will be using a five-minute light system for all testifiers. And let me ask now, how many people are planning to testify today? Raise your hands. We'll be using a three-minute-- we'll be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining. And the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard. It is just part of the process, as senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room. Such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8:00 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included on the official hearing record, but only those testifying in person

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

before the committee will be included on the committee statement. I will now have the committee members with us today introduce themselves, starting on my left.

CLOUSE: Yes, good afternoon. Stan Clouse, District 37: Shelton, Gibbon, and Kearney in Buffalo County.

DeKAY: Barry DeKay, representing District 40, which consists of Holt, Knox, Cedar, Antelope County, northern part of Pierce and northern part of Dixon County.

MOSER: Mike Moser, District 22: Platte County and most of Stanton County.

RAYBOULD: Jane Raybould, Legislative District 28, which is central Lincoln.

JUAREZ: Good afternoon, everyone. Senator Margo Juarez, District 5, Omaha.

BRANDT: Also assisting the committee today on my right is our legal counsel, Cyndi Lamm. And to my far left is our committee clerk, Sally Schultz. And I will have our pages introduce themselves today and tell us where they're from.

TERESA WILSON: Hello, my name is Teresa Wilson, and I'm PR major [INAUDIBLE] the University of Nebraska-Lincoln.

ESTEN HYDE: Hello, my name is, my name is Esten Hyde, I'm a business law major at UNL, and I'm from Auburn, Nebraska.

BRANDT: OK. And with that, we are ready to do our first nomination today, and I'm going to-- is it Tassia Falcon de Silva? How did I do?

TASSIA FALCON da SILVA STEIDLEY: It is a big name.

BRANDT: She is going for a reappointment to the Environmental Control Council, term June '25 to June of '29. It's a four-year term, and she fills the position of minority populations. Ms. Falcon lives in Lincoln, has a master's in environmental technology management, and is currently employed at Divert, Inc. as an environmental engineer specialist. There were no online comments for or against or ADA testimony. Welcome. Please tell us something about yourself.

TASSIA FALCON da SILVA STEIDLEY: Thank you very much. My name is Tassia Falcon da Sylva Steidley. Do I need to spell it? First name, Tassia, T-a-s-s-i-a, and last name, F-a-l-c-o-n d-a S-i-l-v-a S-t-e-i-d-l-e-y, and I'm here today for my reappointment for Nebraska Environmental Quality Council where I serve as the representative for minority populations. First, I want to say good morning. Thank you for being here, for the opportunity to continue serving on the Nebraska Environmental Quality Council. It is truly an honor to be reappointed, and I'm grateful for the trust placed in me to represent minority populations across the state. This reappointment is meaningful not only on a personal level, but also because it reflects Nebraska's commitment to ensuring that environmental decision-making includes diverse voices. Voices that bring different lived experience, different stories with environmental burdens, and different perspectives in what a sustainable future should look like. As someone who represented the minority communities, I care with me the understanding that environmental quality is not experienced equally. Some communities face greater exposure to pollution, fewer resources to adapt, and limited access to the decision-making tables where solutions are shaped. My role on the council is to help ensure that our policies, permits, and programs reflect fairness, transparency, and accountability for all Nebraskans. Over the past term, I have seen firsthand how complex and interconnected our environmental challenges are, from air quality and water protection to waste management and emerging technologies. But I have also seen the power of collaboration. When regulators, industries, communities, and advocates work together, we create solutions to continue that work with great-- even greater focus. [INAUDIBLE] data-driven decisions, equitable outcomes, and clear communication that helps every Nebraskan understand not just what we do, but why it matters. Environmental stewardship is not only about compliance, it's about safeguarding public health, strengthening our communities, and preserving the natural resources that define our state. Now, I would like to share a bit about my journey and what brought me here. I was born and raised in Brazil. That's where my story truly begins. Brazil shaped my values: respect for natural resources, resilience, and a deep appreciation for community. It is also where I met my husband, Shane. We met in college, and in one of those bold, love-driven decisions, he moved to Brazil and studied soft engineer there so we could be together. After three years of dating and both us graduating, we got married. Shortly after, Shane received a job offer in Scottsdale,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

Arizona, which opened the door for my journey in the United States. We moved there in 2008, and in 2012, I proudly became an American citizen. During this time, I began my career in environmental protection as an air quality inspector for Maricopa County. While working full-time, I pursued my degree in environmental technology management at ASU, completed in 2014. Later that year, we moved to Waverly, Nebraska. And that's where my professional path really expanded. I had, had the privilege, privilege of working across government agencies, manufacturing and innovative tech companies, experiences that have given me a 360-degree understanding of environmental compliance. I began my Nebraska career at the Department of Environmental Quality, supporting the development of air regulation and state implementation plans. From there, I served as environmental health specialist with the Lincoln and Lancaster County Health Department, inspecting facilities, writing permits, and helping facilities to improve compliance. I later joined Tyson Food as a complex environmental manager, overseeing air, water, and waste programs. After that, I moved into environmental leadership roles at Monolith and now Divert, Inc. where I lead in state and local permitting for new facilities across the country. Covering zoning, land use, air, storm water, waste, and more. Across all these roles, one thing has remained constant, my commitment to protect environmental quality while supporting responsible growth and innovation. I'm data-oriented, collaborative, and driven by the belief that environmental compliance is just not about regulations. It's about people, public health, and the future we are building. From Brazil to Nebraska, from government to industry, my journey has been shaped by hard work, opportunity, and deep sense of purpose. I'm proud of the path that have brought me here, and I'm honored to continue contributing to environmental stewardship in this state I now call home. Nebraska has been my home for 12 years now. In that time, I have made long-- lifelong friends, welcomed my two daughters into the world, built roots that run deep. This state has shaped my family's history in ways I could never have imagined when I first arrived. I'm deeply humbled by the opportunity to give back to Nebraska, a state that has given me so much. Well, thank you again for this opportunity. I look forward to work alongside my fellow council members, agency staff and the public to try to advance environmental quality in a way that is inclusive and responsible and forward-looking. Together we can

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

ensure that nebraska remains a place where community, regardless of background, can thrive.

BRANDT: LOK, let's see what we've got for questions. Senator Clouse.

CLOUSE: Yes, thank you, Senator Brandt. Thank you for being here. And congratulations on being an American citizen. Question, you know, with the wide range of the issues you've worked with, what do you think are the one or two largest environmental issues we have as a state?

TASSIA FALCON da SILVA STEIDLEY: Yeah, I figured that you would be asking that question. I did prepare an answer for that.

CLOUSE: You can just say water or air.

TASSIA FALCON da SILVA STEIDLEY: That is fine. Well, so I think the two major issues that I can see, it's obviously the air quality and nitrates that we are facing. And how we can move forward, you know, with the regulations, bringing the farms into a compliance while also treating, because we are working in proactive and responsive for the nitrate solution. So it is a very delicate issue that we need to put all the heads together. And as history, like we have been doing, it's not working very well, so we need to change a little bit things, how we do things. But at the same time, we need to be aware about how much the farmers in the value and how much they do. It's a very delicate issue, but we need to see better results. We need to be more proactive instead of being so responsive. Because treating nitrates, as you know, it's not cheap. And if you want to put this technology everywhere, it's gonna be the way to go. So we need you to do both ways. And the second issue, I would say, is the energy, shortage in the energy and how we can power better Nebraska in a more sustainable and reliable way. I think my-- the way that I can contribute for that to make sure all the energy projects and permitting, they are sustainable and make sure they're not impact our resources and community.

CLOUSE: Thank you.

TASSIA FALCON da SILVA STEIDLEY: Yes.

BRANDT: Senator DeKay.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

DeKAY: Thank you for the-- you have quite a journey to get from Brazil to where you are today. I appreciate your story and on-- you know, how long were you with Monolith or are you still involved with Monolith?

TASSIA FALCON da SILVA STEIDLEY: I have been in Monolith, I think a little bit shorter than three years. I think it was like almost three years that I was there. I'm not involved directly with Monolith, although I still carry on professional relationship with everybody there.

DeKAY: OK. Appreciate it. Thanks again for sharing your story.

TASSIA FALCON da SILVA STEIDLEY: Thanks.

BRANDT: Any questions on this side of the table?

HUGHES: Thanks for being here.

BRANDT: Who are you?

HUGHES: I snuck in. Jana Hughes, District 24: Seward, York, Polk, and a little bit of Butler County.

BRANDT: And I guess on your opening, maybe, maybe I missed it. What brought you to Nebraska? Was it school?

TASSIA FALCON da SILVA STEIDLEY: Kids. So my husband and I decided to have kids and to raise them close to family. So we just dropped everything there and just came to Nebraska and found a life here, and that has been the best decision I have made so far.

BRANDT: Well, you picked a great spot to do it.

TASSIA FALCON da SILVA STEIDLEY: Sure [INAUDIBLE].

BRANDT: Thank you for your testimony. You can go ahead and, and sit back down, and we'll continue the hearing. Are there any proponents? Proponents? Any opponents? Opponents? Anyone in the neutral capacity? Neutral? There were no comments online, and the hearing has closed for Tassia. And so our next nominee is Alden Zuhlke. It's a reappointment to the Environmentally Control-- Environmental Quality Council to run from June of 2025 to June of 2029, a four-year term. It fills the position of livestock industry. Mr.-- I've got, is it Zu-ley

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

[PHONETIC] or Zulkey [PHONETIC]? I've got two different spellings on my sheet.

ALDEN ZUHLKE: It's Zuhlke.

BRANDT: Zuhlke. Lives in Brunswick and is a retired farmer. Online comments: one proponent, no opponents, no neutral and no ADA testimony. Please tell us about yourself.

ALDEN ZUHLKE: OK, my name is Alden, A-l-d-e-n, and Zuhlke, Z-u-h-l-k-e. I've been on the council for, I believe, early 2000s. I've been on multiple years. I'm not going to go into a long, long spiel. I have been married almost 45 years to this young lady back here. We have got 4 boys and 1 daughter and 13 grandkids, ages 1 to 15. So that's our activity level, as much as we wanted to be involved with those kids. And the environment's part of everything that they do and we do. And I've had the opportunity to get around most of the state of Nebraska. So as you mentioned, Plymouth, I, I know Gale Pohlman from Plymouth. Senator Dekay, we're only about 30 miles apart. Omaha, I'm familiar with issues there over the years with-- in all of the areas where the environment is involved. So I would prefer just to entertain. I did testify, you know, a year ago we put, you know, we were DEQ, then we brought the Department of Energy into the department. And then last year we brought to the Natural Resource Committee into it. So I testified neutral last year on by half-- behalf of the council. I've served as chairman of the council five or-- four or five years now, so I've got a, a long background with the council. So, again, I would just as soon entertain questions from you.

BRANDT: Well, let's see what we've got for questions.

ALDEN ZUHLKE: OK.

BRANDT: Senator Hughes.

HUGHES: Thank you, Chair Brandt. Thanks for coming in Mr. Zuhlke. So you're-- you've already served four. This is a redo of another four years, correct?

ALDEN ZUHLKE: Yeah, I've been on, I believe, 16 to 18 years.

HUGHES: Oh, 16, you're like, you are old school.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

ALDEN ZUHLKE: Yeah, I, I, I came into it in the middle of an appointment.

HUGHES: OK. What makes you keep coming back?

ALDEN ZUHLKE: I--

HUGHES: It must be a better job than this one that we're in.

ALDEN ZUHLKE: You know, you had a bill on county zoning that was just, I happened to watch some of the discussion on it.

HUGHES: Yeah.

ALDEN ZUHLKE: You know, what's happened over the years, we've gone from somebody being the main-- somebody, they, they talked about it. I mean, you go back to the 90s, the hog industry was really a focus of environment. I mean we were dealing with lagoons and on down the list, we were being accused of everything, everything, you know, we were ruining the environment of the state of Nebraska. We got through that period and somebody brought up, you know now we, we're more worried about windmills than we are feed yards and, you know, and it's a give and take. But basically I've been on just to represent the livestock industry. I got a good background in the livestock industry besides the hog industry and because, because they're, you know, they interconnect. We need to get rid of the waste in a, in an organized way and create value off of it, the way we've been doing it the last few years.

HUGHES: Very good. Well, thanks for serving.

ALDEN ZUHLKE: You bet.

BRANDT: Other questions? Senator DeKay.

DeKAY: Thank you. First of all, thank you for the years of service that you've had on this board. You answered one of my questions in your opening, just a follow-up. From your time traveling the state, would you agree that District 40 is the best and most beautiful district in the state of Nebraska?

ALDEN ZUHLKE: You know, western Nebraska, you know, I love it. You know, there's not a lot of us out there, but there is an enormous

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

amount of good people out there, and there's a lot of good environment out there. It's, it's very special. The state's really-- yeah.

DeKAY: I concur. Thank you.

ALDEN ZUHLKE: Yeah.

BRANDT: OK, any other questions? Senator Clouse.

CLOUSE: Yes, thank you, Senator. He started it, so I guess I have a question. Are the environmental issues better-- or worse upstream or downstream from his operation?

ALDEN ZUHLKE: Well, that's debatable at the time, too. You know, we did live through that 2019 flood, and he was a lot closer to it than I was. But I would have never dreamed we would have seen the environmental challenges that that brought about here when it's going on six years ago in March. I mean, that was devastating, and it, it's still recovering, actually, from the amount of bridges and everything that was taken out. I would add, you asked a question. You know, the hardest thing about any of this is to determine what's, what's the front-runner or whatever. And if-- I'll just-- the AltEn deal at Mead, I don't know how many of you are familiar with that, but that's been a real challenge. You know, and I personally don't, on the council, we don't deal with that hand-to-hand. But, but I think the agency has done as well as it can, and I'm very proud of her, the people that work for us. It's not been easy. The other one that kind of stays, it's been a new discussion, is the PFAS. And I'm not going to be an expert on PFAS, but it's, it's something that doesn't seem like it should be too big of a deal. But if, if it starts showing up in places that we don't want it to show up, it could, you know, that's just how fast your challenges could change. And really that comes back to you as the legislators because you're the ones that create the legislation that our council has to deal with, so.

BRANDT: Any other questions? Yeah, we create the legislation on your recommendation.

ALDEN ZUHLKE: Well, and the agency, I mean, we work together really well.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: So are you the only livestock member on this? The commission's got 17 members, is that correct?

ALDEN ZUHLKE: Yeah, in terminology, I'm the only livestock. But there's other people with livestock on the council, but they're just representing a different area.

BRANDT: Do you see anything unique to livestock being on the council?

ALDEN ZUHLKE: You know, the council, when you talk about unique, all the areas are unique. I mean, you know, if I'm going to have a discussion about livestock, forgive me, Tass-- the one that just was up here, you, know, she's got a whole different background than I do. But she's got a really good background, I mean she's got a national background of, of things that when I bring up PFAS and something like that, she's, she's maybe already done some permitting in some of those areas that I have no idea how you would permit through it. So yeah, you know, I mean, we're just fortunate that there's that many members. I mean it's, I know I've got-- I've asked the physician to give us an update on cancer and stuff in the state of Nebraska here because we, we don't always have the right answers. We know nitrates might be part of it, but we don't always have the total answer, and it's always confusing because cancer rates are different. You know, now I'm getting into a longer discussion. But seriously, one county might have all these numbers and the next county just right next to theirs, exact different numbers. So it's always putting that stuff together is always the challenge.

BRANDT: I guess as a farmer and in this position and, and formerly the vice chairman of his ag committee, in Nebraska, the future will be livestock and we're going to see some real opportunity for dairy and possibly chickens and things outside of cattle and hogs. Hopefully we can continue those. But I want to see us have a good opportunity in this state so that these rural areas can grow. Because that's economic health for our rural areas. Do you agree with that?

ALDEN ZUHLKE: Well, yeah, I mean, I think the numbers of dairies were down like 77 dairies in the state of Nebraska right now. Out of 93 counties, you know, that's not-- we don't want that number to go down any. The hog production, I was state president back in 2001, and the rate we were declining, they told us, you now, by 2010, you will not need to worry because we were losing numbers so fast that we were

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

going to-- the state was going to be completely out of hogs, that was just based off the numbers out there. But we got that turned around and it's stabilized. You know, we're, we're still not growing a lot, but at least we, I think we're sitting in a three-- two to three, four million on our hogs, which is with 1.7 million people, you know, that's about two hogs per person. So we should be able to handle that many hogs in the state. But and then you can go on through the rest. I mean, you know, we're dependent on the feed yards and the cow-calf operations out there. There's no doubt about that.

BRANDT: OK. Oh, one more question. Senator DeKay.

DeKAY: Thank you. You brought up dairies. A quick question, quick answer, dairy, dairy operations are down. The amount of cows, dairy cows available for milking, are those numbers stable? Are they up or are they down too?

ALDEN ZUHLKE: Well, what I'm a little closer to is the number of calves that come into the state of Nebraska right now from dairies outside the state. You know, and I'm not going to give you-- but, you know, up in our district there, I believe there's probably, I could pretty much tell you there's 10,000 to 15,000 calves that come in there on a regular basis to be backgrounded. And they're all coming out of dairies. And I don't know. I think most of those dairies are all out of state that those animals are coming in. And so it's been quite an, quite an opportunity for quite a few of the people up in the area there.

DeKAY: OK. Thank you.

BRANDT: All right, thank you.

ALDEN ZUHLKE: OK.

BRANDT: Let's see if we have any other people to testify. You can go ahead and take a seat.

ALDEN ZUHLKE: Thank you.

BRANDT: Yep. Any proponents? Proponents? Any opponents? Opponents? Anyone in the neutral capacity? Seeing none, and we already said what the online message was. We will go to our-- that will close the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

hearing on Mr. Zuhlke and we'll open with our first bill, LB1026, Senator Storm. You're welcome to present.

STORM: You all ready?

BRANDT: Yep.

STORM: OK. Thank you very much, Chairman Brandt, and members of Natural Resources. For the record, I'm Jared Storm, it's J-a-r-e-d S-t-o-r-m, and I represent Legislative District 23. And I'm here today to introduce LB1026. And I'm passing out a letter from the Governor here that supports both of my bills. So I'll let you read that. LB1026 would prevent all electric suppliers from decommissioning electric generation facilities if that supplier has customers waiting for electric service, except in the following four cases: their retirement is mandated by the state or federal law, the facility is mechanically unsafe to operate, the facility is damaged beyond repair by natural disaster, or if the operation of the facility has become uneconomical. With the current boom in AI and data centers sweeping across the country, the demand for generation has also increased. Likewise, many of our public power districts have previously indicated that their need for additional generation capacity is also increasing. It would therefore seem counterproductive to shut down perfectly good and functional generation facilities. Furthermore, the policy of the state is for public power districts to provide the citizens of this state with adequate and reliable electric service at as low a cost as possible. Shutting down functional and needed generation goes directly against the policy of this state. If a district needs more generation capacity and decides to shut down a facility, it reduces the overall generation capacity, which in turn means they will need to replace that lost generation with another new facility. This in turn would needlessly raise the electric rates for the customers, which once again is in direct conflict with the policy of the state. One such example of, of an electric supplier choosing to retire a perfectly functional generation unit is a recent situation involving OPPD and the North Omaha Station generation units. OPPD has indicated previously in different settings that the decision to retire the facility was based largely on environmental reasons and impacts to the local community. However, an assessment done by the Electric Power Research Institute, EPRI for short, examining the human health and environmental risk assessment for the North Omaha Station found, and I quote, the results of this study show that air toxic risk from NOS

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

units four and five in its current configuration are below these thresholds for adverse effects and does not pose a significant risk to the public or environment. The EPA also sets national ambient air quality standards for public health protection, including protecting the health of sensitive populations such as asthmatics, children, and the elderly. These standards are area-based and NOS is in-- current configuration operates in an area in compliance with these standards, including recent revisions to the standards for additional health protection. The report even further disproves the claims of health and environmental risk as the risk assessment used the maximum potential emission from the North Omaha Station and states: the assessment would overestimate risk if actual emissions were less. So basically, they overestimated emissions and it's still acceptable to their standard. Another concern I have when discussing the retirement of generation facilities is the loss of high-paying, usually union jobs. In some cases, these facilities are the main employers in their communities, and a potential loss of these jobs could be devastating as we have seen in similar situations involving Tyson-- the Tyson closer in Lexington. Ultimately, while some opponents to this bill might argue that, that this is taking away local control, I would argue that the legislator created public power and, when doing so, mandated that our public power districts provide reliable and affordable electricity. Shutting down generation for environmental goals goes direx-- directly against that mission. I ask for the committee's support on LB1026 and its advancement to General File, and I will answer any questions you may have.

BRANDT: Let's see what we've got for questions. Senator Hughes.

HUGHES: Thank you, Chair Brandt. Thanks for coming in, Senator Storm. That plant that you mentioned, the North Omaha plant, did they end up shutting it down?

STORM: No, it's still operational.

HUGHES: And why not?

STORM: Because it's been proven that it's, it's like I said, the EPRI study they did on it proved that it doesn't cause any environmental hazards to anyone.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

HUGHES: Right. So I guess my, my question then would be kind of I feel like the exceptions you mentioned make sense, that's why they shut down the nuclear plant, was it was economically--

STORM: Right.

HUGHES: --not feasible, you know if a natural disaster, whatever. I'm just wondering is this a you're creating a bill to for a problem that maybe doesn't exist because just the example you listed, they ended up not doing it because of the said reasons that they shouldn't do it, which their board ultimately, you know, figured out, but--

STORM: Right. We need affordable electricity in, in this state. And, you know, it's-- this is an economic development issue. People are-- companies and corporations are coming to states for low-cost energy, and that's, that's good for Nebraska. And it makes no sense to shut down generation for any reason, unless those four that I mentioned, makes no since to do that. If you have an environmental agenda to do that, then that hurts the state of Nebraska and people are get hammered by property taxes. The cost of everything is going up. Why would we want to increase the, the cost of electricity? We wouldn't want to do that, would we? So that's the whole point of this bill is we need, we need more power. We're going to need even more power. And, you know, we've gone to-- I went to one, and I can't remember it, but one setting we had where I think the power plants came in and talked to us about the future need for electricity is only going to increase for the state dramatically. So we're going have to figure out how we're gonna meet that need. So why would we close a plant or any plants unless it meets that four criteria?

HUGHES: But I guess that's what I'm going with. I don't think we are, but.

STORM: What's that?

HUGHES: I don't think we're going there. I mean, we all know, this committee more than anything, the power needs coming.

STORM: Yeah.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

HUGHES: And I just don't, I just am saying, I don't think this bill is necessary just because these companies are not-- they're not gonna shut it down unless it's [INAUDIBLE].

STORM: There is a push to shut the north Omaha one down. That's why the Attorney General is, you know, there is a push to do that. That's one--

HUGHES: But you're right, the need for electricity is like--

STORM: Oh, yeah.

HUGHES: --crazy, so.

STORM: I would say it's one of the top economic drivers for the state is going to be affordable power.

HUGHES: And it's not just our state, it's the nation, so yeah. Thank you.

STORM: Yeah.

HUGHES: Thanks for coming in.

BRANDT: Other questions? I guess I've just, I've-- in on page 5 of your bill, which is basically your bill, so the, the first sentence says an electric supplier shall not retire, shut down, cease operation of or substantially alter the operation of any electric generation facility or privately-developed renewable energy.

STORM: Sure.

BRANDT: So basically you're saying they can't shut down a windmill or a solar farm or anything that exists today.

STORM: Yep. That's exactly right. That's the way it is. And we need all the power we can get. So this would cover everything. Not just coal-fired power plants, but this would be any type of generation that's in, in production, we couldn't close it down, unless--

BRANDT: Unless it meets one of the four criteria. So basically it seems to me that what your bill is doing, and correct me if I'm wrong,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

is setting up the criteria for the local board to follow to adjust their power generation?

STORM: Yeah, I mean, it's like I said, in the state statute, you know, we need to have reliable and affordable power. So that's what we're following to do that.

BRANDT: OK. Senator Juarez has got a question.

JUAREZ: Thank you, OK. So I just want to make sure that I understand here what you said previously. You-- did you say that you would not shut down a facility for environmental issues?

STORM: Well, the four criteria is mechanically unsafe, uneconomical to operate, mandated by state or federal law, damaged by natural disaster. But if someone comes in and just says, we want to shut this down because we don't like coal, then that's what we're talking about. Or someone says, I don't these windmills over here, I'm gonna shut them down. You couldn't do that either.

JUAREZ: OK, but how are we going to measure the impact that a facility may have on the health of the residents who are-- who live near it?

STORM: So that would be, like I talked about, EPRI, which is the-- let me get back to my--

JUAREZ: Electric Power Research Institute.

STORM: Yeah, Electric Power Research Institute. You know, they, they come and do environmental risk assessments, and they did for North Omaha, and it was within the standards of it's not a risk for what they came up with. So there is a nonprofit agency out of California that goes around and does assessments on, on power generation sources like that to see if there's--

JUAREZ: OK, so--

STORM: --a risk to the people.

JUAREZ: --if it said it was a risk, OK? Let's hypothetically say it was a risk. Which one of these four is that going to follow under?

STORM: I would say possibly state or federal law mandated. I'm sure there's standards. I don't exactly know the exact answer, but I would

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

I'm there's standard set by the federal laws that would show if it doesn't meet the environmental standards that it should.

JUAREZ: OK, I would really like to try to see if we could get more specifics on that to make--

STORM: OK.

JUAREZ: I want to be assured that the community is protected.

STORM: Well and OPPD would make sure the community is protected, too, on that.

JUAREZ: Oh, I question that. Thank you.

BRANDT: OK, any other questions? Senator, would you introduce yourself first?

CONRAD: Hi, I'm Danielle Conrad. Senator Storm, I had a chance to listen to your opening, but I wanted to just follow up.

STORM: OK.

CONRAD: So you're pitching this legislation as an answer to the affordability crisis. Your solution to a family affordability crisis is to allow for continued pollution in north Omaha?

STORM: No, well, so we went through that.

CONRAD: That's what you said.

STORM: Well, no, I said that there's standards that EPRI, the environmental-- we'll go back to the--

JUAREZ: Electric Power Research Institute.

STORM: Yeah, Research Institute-- measures whether or not, if it's within the standard to make sure that the air quality is OK. And it is. So I don't see that there's pollution from the North Omaha facility.

CONRAD: And who funded this study that you're citing?

STORM: It's a non-profit out of California.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

CONRAD: And who are their sources?

STORM: Yeah, I don't know who funded it. I don't know. But I just know it's a non-profit based out of California.

CONRAD: Did you actually have a chance to look at health concerns that were published by the Douglas County health director on point?

STORM: I've heard about it, but I haven't.

CONRAD: You didn't care to research them for your bill impacting that community?

STORM: Haven't done that, but I heard about that.

CONRAD: Speaks for itself. Thank you, Senator.

STORM: OK.

BRANDT: All right, I see no other questions. Senator Clouse.

CLOUSE: Thank you. So, on that line, I think it would fall under the, the economics of it, because if you had to make significant changes or follow the directions of the health director, and it would, depending on what the, the remedy is, it can be very, very expensive, which then come into it's not cost-effective.

STORM: Sure.

CLOUSE: So to answer the health issues, if that was proven, then that's what that would do, is that correct?

STORM: Yeah.

CLOUSE: It would be more economical to meet the requirements.

STORM: Sure, yeah. Absolutely.

CLOUSE: Thank you.

BRANDT: All right, are you going to stick around to close?

STORM: Sure, I'll be here for the next bill, too.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: All right, let's go to the first proponent. Proponents. Are there any proponents? You're a proponent? OK. Opponents. Welcome.

ZEKE ROUSE: Hello. Chairperson Brandt, and members of the Natural Resources Committee, good afternoon. My name is Zeke Rouse, that's Z-e-k-e R-o-u-s-e, and I serve as a policy analyst and lobbyist with Spark, a non-profit organization based in Omaha focused on revitalizing disinvested neighborhoods. Though we are based in Omaha, Spark's impact is growing statewide. This year, we'll be hosting three developer academies across Nebraska in Fremont, Norfolk, and of course Omaha to train and equip local developers. I'm here today in opposition to LB1026, which, of course, would prohibit electric utilities from retiring or significantly altering operations of generation facilities, except under narrow circumstances. In practice, this bill could delay the long-overdue retirement of the north Omaha coal plant, a facility that has polluted nearby neighborhoods for decades and continues to harm community health. In a 2025 community survey of 131 north Omaha residents conducted by Bold Nebraska, nearly half, 48.9% reported smelling smoke in the air and 42.7 noticed bad odors around their homes. Over 93% said their neighborhood's environmental health has not improved or has gotten worse, and nearly 69% believe north Omaha has not been treated fairly in decisions about pollution and energy. These findings highlight what residents have been saying for years. North Omaha deserves clean air and a real seat at the table when it comes to decisions that affect their future. At Spark, we've seen firsthand the community's continued concern and the growing collaboration to address it. Spark's north Omaha community advisory board includes a member who lost her son to complications related to asthma. We have also collaborated with the Douglas County Health Department on a grant application to install air quality monitors along the North Omaha Trail. Just recently, we met with Dr. Christina Kitzinger from the University of Nebraska Medical Center, who is leading a project through EASIERe, E-A-S-I-E-R-e, to monitor indoor air quality in the homes of elderly residents in north Omaha. The project is providing free air-quality devices and programmable thermostats, helping identify when air inside homes becomes unsafe to breathe. Spark is exploring ways to support this effort, including hosting an air-- outdoor air monitor at our office and connecting residents interested in participating. Regarding some of the statements that the Senator brought up with the EPA, I wouldn't like to note that the EPA has stated that they will stop factoring in human

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

lives saved when setting rules on air pollution and calculate only what it costs businesses. Additionally, the research mentioned from the Electric Power Research Institute is funded by the Electric Utility Industry, so I would cast doubt on the reliability of this research. Public power is built on local control, transparency, and service to the community needs, and this bill undermines those values. For these reasons, Spark respectfully urges the committee to oppose LB1026 and support an effort that strengthens public health and local decision-making in Nebraska's energy future. Thank you for your time and consideration.

BRANDT: OK, let's see what we've got for questions. Senator Clouse.

CLOUSE: Thank you, Senator Brandt. Thank you for being here. When you say it smells like smoke, have you been around a coal plant to see what the odor is?

ZEKE ROUSE: Sorry?

CLOUSE: Have you been round a coal plants to see what the odor is?

ZEKE ROUSE: I personally have not been around a coal plant, I'm just citing the survey that was done from the north Omaha residents by Bold Nebraska.

CLOUSE: OK, are there other facilities in Omaha that-- or north Omaha that burn things, incinerate, any of that, are you aware of?

ZEKE ROUSE: There could be, yes.

CLOUSE: So when they say it's smoke, that's, that's pretty--

ZEKE ROUSE: This isn't necessarily siding just the OPPD power district.

CLOUSE: OK, thank you.

BRANDT: Other questions? Seeing none, thank you.

ZEKE ROUSE: Thank you.

BRANDT: Next opponent. Come on up.

JASON ROSENKRANZ: Chairman Brandt, members of the Natural Resources Committee, my name is Jason Rosenkranz, J-a-s-o-n R-o-s-e-n-k-r-a-n-z, and I serve as the director of resource planning and risk for Nebraska Public Power District. Thanks for the opportunity to testify today in opposition to LB1026 on behalf of NPPD and the Nebraska Power Association. I respectfully offer this testimony based on almost 19 years of utility experience, with eight of those being directly responsible for resource planning and related responsibilities. I'm a member of the Southwest Power Pool's supply adequacy working group. I hold bachelor's and master's degrees in engineering and also a master of energy business degree. LB1026, while well-intentioned, with a-- has a sincere concern for ensuring that Nebraska utilities have sufficient resources available to serve future load growth. However, the provision that prohibits a utility from altering or retiring an existing generation station when there is prospective load awaiting service would have unintended consequences and counterproductive measures. This bill would unnecessarily constrain utilities from making prudent, optimized decisions regarding their generation portfolios, decisions that I believe are best left to the governing body and professional management for the individual utility. Nebraska utilities already engage in highly-sophisticated integrated resource planning, IRP processes, designed to specifically ensure reliable service at the lowest reasonable cost. These planning efforts evaluate current and future load growth, existing and candidate resource performance, fuel supply, environmental regulations, market conditions, and system reliability needs over the long-term. Additionally, significant stakeholder involvement is involved in these processes. Utilities use specialized software to help make these decisions. They model and simulate thousands of potential resource combinations. Under a wide range of scenarios. The purpose of this work, obviously, is to identify the optimal mix of generation, storage, and demand-side resources, as well as market purchases, to reliably serve existing and anticipated load. The prohibition contemplated in LB1026 risks undermining these planning processes by substituting a rigid statutory framework for, instead of evidence-based decision-making. Utilities are already accountable to regulators, governing boards, and regional reliability organizations to ensure that sufficient capacity exists to serve new load. These safeguards appropriately balance reliability, flexibility, and cost-effectiveness. If we prevent utilities from making these kinds of prudent decisions, we may lock us into older assets that are no longer

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

optimal. So for these reasons, I appreciate the intent behind LB1026, but I respectfully urge the committee not to advance the bill. Thanks for your time and consideration. I'd be happy to answer any questions.

BRANDT: OK, let's see what we've got. Wow, I'm the only one. This is, this is unusual. Usually my committee is pretty chatty. So what penalty is there in the bill if, if this would pass and, and you violated one of these four conditions, what's the penalty?

JASON ROSENKRANZ: The penalty, as I understand it, looking at the language. Well, the penalty, I guess there is no penalty named other than, of course, the requirement for the governing board to pass a resolution stating which reason they have chosen for the shutdown.

BRANDT: Yeah.

JASON ROSENKRANZ: So.

BRANDT: Yeah, I was kind of looking at that, too. I didn't really see any penalty to a generation-- a generator if you would violate one of those four counts. Do you?

JASON ROSENKRANZ: Yeah, I guess, you know, the other thing that I would offer here is that looking at condition D, continuing operation of the facility is uneconomical. The economics of a decision like this are very complex. And there is no absolute measure of economic viability. It's only when you consider it to another alternative can you determine whether what's in front of you is uneconomical. And in order to do that, as I said previously, utilities are making 50 and 60-year decisions, and so we have to look at a wide variety of possible futures that might unfold. And so that's why we take care with these complex processes to really examine the uncertainties around these long-term complex decisions.

BRANDT: OK. Senator Clouse.

CLOUSE: Thank you, Senator Brandt. So along that line of thinking, Jason--

JASON ROSENKRANZ: Yeah.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

CLOUSE: --we would assume that OPPD is making that same decision to keep it running for the long-term so that they can get replacement power. Is that correct?

JASON ROSENKRANZ: I--

CLOUSE: I know you can't speak to that.

JASON ROSENKRANZ: Yeah, I can't speak to OPPD, but I assume they have planning processes that are very similar to ours in terms of their complexity and the types and kinds of software used, as well as their stakeholder engagement process.

CLOUSE: So when people are saying shut it down, there is a process that NPPD goes through that we assume OPPD does the same process.

JASON ROSENKRANZ: I can assume they do very similar processes. Any specific questions about how they do that would be best answered by OPPD.

CLOUSE: Thank you.

JUAREZ: I have another question.

BRANDT: Yes, Senator Juarez.

JUAREZ: So in regards to your comment about how the economic analysis is really complex, do you actually use computer programs that help you with that analysis? Could you give me a little bit more background on what tools that you use?

JASON ROSENKRANZ: Yeah, certainly. At NPPD, we use a program called PLEXOS, which is an energy modeling software. It's actually what's called a mixed integer linear programming solver, which takes into account a variety of inputs that vary over time. So things like load and fuel, market prices, existing unit performance, candidate unit performance, environmental constraints. And the goal of these programs is to serve the load and meet the capacity requirements at the lowest possible cost. So depending on the inputs that you give this software. The solver, the mathematical solver is designed to produce a resource mix that is the lowest cost. That's what's known as its objective function. So because we don't know what the future holds, we run dozens and dozens of scenarios of possible futures and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

then look at decisions that are common in order to give us some confidence that the decisions that are right front of us are robust under a variety of possible futures.

JUAREZ: OK. So tell me what, what department is involved with looking at this analysis? I mean, are managers involved besides technical experts in the company? Who actually is involved with that?

JASON ROSENKRANZ: Yeah, in our-- so our IRP process at Nebraska Public Power District unfolds over about a year and a half timeframe. We begin by gathering inputs about our assumptions for the future, developing scenarios that we want to model looking at our existing fleet versus candidate resources that may be opportunities to either add or replace existing units. And in doing that, we call on subject matter experts within NPPD, but then we also engage external experts as well. It's not uncommon for utilities even to outsource or partner with management consultants to do integrated resource planning work due to the expertise that they bring to the table, you know, from a broad industry perspective. And then as we gather those inputs and begin to get results, we start to communicate them to the broader group of stakeholders to get their reactions to the initial results. So our customers and other stakeholders, we hold public meetings to describe our findings and get their feedback. And then if there are other scenarios we want to model before we publish the report, that's what we would take the stakeholder input and do.

JUAREZ: OK, thank you.

BRANDT: Senator Moser.

MOSER: So is one of the criteria that you look at in figuring out your energy mix the dispatchability of the source of power, something that you can use to shave peaks and serve unusual loads and that sort of thing?

JASON ROSENKRANZ: Yeah, exactly. So when we input the load that we expect to serve over the long-term, that load has a shape that varies over time, and the model is designed to essentially identify the resources that are best to serve that load in the, in the peak times, in the low times. It, it tries to find the lowest overall cost, recognizing that your load varies over time. So, yes, dispatchability is, is one of the characteristics that's considered in that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

optimization, because the other thing that's at play here is the interaction with the Southwest Power Pool integrated market. So, the model allows the, the resource portfolio to either buy or sell energy from the integrated marketplace as well, subject to constraints that we place on it, so that just say doesn't buy all of its energy from the market.

MOSER: So if the energy source that you lean upon is dispatchable, then it could have a higher value to the power that it generates, because buying power when you have to is expensive?

JASON ROSENKRANZ: Generally, it looks at the market economics of the variable cost of the unit, so what type of fuel it burns and how much fuel it has to burn to create energy.

MOSER: Some of the costs are fixed and some are--

JASON ROSENKRANZ: Some are fixed, some are varied.

MOSER: Depending on how much you generate.

JASON ROSENKRANZ: Exactly.

MOSER: Is that one of the four things that Senator Storm's bill suggests we--

JASON ROSENKRANZ: Well, what I would suggest is that, you know, condition D, you know, continuing operation of the facility is uneconomical. That's exactly the kind of question that integrated resource planning is designed to answer for a utility. So it's things we're already doing. And it's essentially a comparison of what you have and what you need versus what are the universe of possibilities out there in terms of resources to choose from.

MOSER: OK. Thank you.

BRANDT: I see no other questions. Thank you for your testimony.

JASON ROSENKRANZ: Thank you.

BRANDT: Next opponent. Welcome.

SHELLEY SAHLING-ZART: Thank you. Good afternoon, Senator Brandt, members of the Natural Resources Committee. For the record, my name is

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

Shelly Sahling-Zart, Shelley, Sahling-Zart, S-a-h-l-i-n-g-Z-a-r-t, I'm vice president and general counsel for a Lincoln Electric System, the municipal electric utility serving Lincoln and the surrounding area. And I am here today on behalf of LES in opposition to LB1026. This is a, this is an interesting topic and an interesting bill. We are faced with a lot of challenges right now, but what this bill does is go to the heart of one of the major cornerstones of public power, which is local control. We have locally-elected and appointed boards who spend a lot time with us, with the staff on these issues. We go through lots of planning analysis, just like Mr. Rosenkranz went through. We spend a lot a time with them. And then we spend a lot of time in public meetings with the public trying to educate folks. We're under a lot transparency rules. We try to be as transparent about the decisions as we can. This bill takes that decision away from those local boards, and frankly, from the local staffs like Mr. Rosenkranz and his team, or the LES team, who spend a lot of time modeling and looking at the resource mixes we're going to have, not in the next 2 years, but the next 2 years, the next 5 years, the next 10 years, and the next 20 years. And we've had a lot of things that have impacted that and changed that, so that's gotta be a dynamic process, and we're always trying to adapt and change. This bill is a difficult one. One, it's got a lot of vague terms. You asked what the penalty is. The penalty is a lawsuit. There's a lot of vague terms, what's uneconomic? If my board makes a decision that we're closing a plant because it's uneconomical, I'm not really sure what that means, but I bet there are a whole lot of people in our service area that would have varying ideas about that. And it just takes one lawsuit and we spend years of litigation. In the meantime, we are not bringing new resources. It slows down the process of bringing on the very resources that we need. We are under the rules of the Southwest Power Pool. We have got to have enough resources to meet our peak demand plus a reserve margin. Have to. If you retire a unit, you still have to meet that requirement. So you still need something in its place. This bill isn't asking about what's in its place, it's more concerned about something coming offline. But we still have to meet their requirement. I'd also draw your attention to Section 70-1034 that we passed a couple of years ago. It addresses decommissioning of dispatchable units over hundred megawatts. There are things we have to do. We have to talk to the Power Review Board. We have talk about a plan. Eventually, we're going to have to hold a hearing. That was more addressing the impacts to displaced workers should you close a plant down. It's not like we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

don't think about these things. We've got a lot of really great men and women that work in public power who dedicate their careers to doing this. I've been doing this a long time. I've been doing this for 37 and a half years. And I got to tell you, I remember when folks on the left were pushing us into renewables, and I can tell you that a few years later, people on the right were pushing us into renewables for economic development. These are tough issues. We need to have some better discussions about this.

BRANDT: Let's see what we've got for questions.

SHELLEY SAHLING-ZART: You bet.

BRANDT: Senator Hughes.

HUGHES: Thank you, Senator Chairman Brandt. Thanks for coming in, Ms.-- call you Shelley. What's the-- it's two, it's two last names, sorry.

SHELLEY SAHLING-ZART: Sahling-Zart.

HUGHES: Sahling-Zart. I was like Zahling-Zart? OK, sorry. Did you want to add anything else to finish?

SHELLEY SAHLING-ZART: You know, there's just a presumption in some of the discussion here that a dis-- that a dispatchable unit is going to be replaced with something less reliable. And so that's the point I was trying to make on the planning reserve margins that we have to put in place. We've got to meet those, those requirements. We have to do that every day of the year. But the resource decisions we make, whether it's to close a plan or whether it is to build one, those don't get made overnight. Those, those go through those integrated resource planning processes that Mr. Rosenkranz addressed. Those plans take years in the making. Right now, I will tell you, the LES administrative board has one of the earliest decarbonization goals in the state, 2040. It's a goal, it's aspirational. We're looking at plans to, to get there. But we made a major resource decision last summer for 100 megawatts of natural gas. Unanimous vote of our board to add natural gas. Why? Those planning reserve margins at the Southwest Power Pool. Some of the planning reserve requirements changed. So reliability, affordability, those things are always gonna be the North Star. So our board unanimously voted to approve us going forward with natural gas generation. So I think there's a lot of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

concern that-- I get some of it on some level, but I think when it really comes down to it, we've got a lot folks, both our staffs, and frankly, our boards at the end of the day, are gonna make the right decisions on behalf of customers.

HUGHES: Thank you.

BRANDT: Senator Moser.

MOSER: So, how many years have you worked for LES?

SHELLEY SAHLING-ZART: 37 and a half.

HUGHES: And a half.

MOSER: Seems longer.

SHELLEY SAHLING-ZART: Don't I know it. Well, you know, LES is celebrating its 60th anniversary this year, and I've worked for more than half of it. So that says a lot.

MOSER: Yes, I'm just teasing you.

SHELLEY SAHLING-ZART: You got one more session of me, just so you know.

MOSER: Yeah, so you don't have an eight-year prohibition against running, and you can keep working, keep getting sharper as you go?

SHELLEY SAHLING-ZART: Yeah, no.

MOSER: Do you think that the issues that his bill was trying to address here are more of a problem for LES than somebody who's got fewer customers [INAUDIBLE]? I mean, LES has a little denser customer base, I would assume, or do you have a lot of ag territory too?

SHELLEY SAHLING-ZART: No, we don't have a lot of ag. What I would tell you is I think what the bill is getting at is not as significant of a concern as it should be. Again, with the local control, you know, you all make a lot of decisions people don't like, right? You make a lot of decisions people do like. And at the end of the day, you don't like them, you're gonna hear about it. If we make decisions people don't like, we're also gonna hear it. But those decisions are made, you now, locally. Our board members live here, they work here, they're

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

accessible. You know, LES, we have a dual level of approval. I've got two former city councilwomen sitting at the table. You know, we have lots of local accountability. I, I just, I don't know. I think-- I don't know what all has gone on in OPPD. I know they've had lots of meetings. I know that they have lots of people show up at their, at their public meetings. That's what that process is for. And at the end of the day, you're going to make some decisions people like, and you're gonna make some decisions people don't. But does that make it a bad decision? I don't know. If the lights are on, probably not a bad decision, it's just one that wasn't popular.

MOSER: If the heat is on.

SHELLEY SAHLING-ZART: If the heat's on.

MOSER: You can sit around in the dark.

SHELLEY SAHLING-ZART: Yeah.

MOSER: But the cold can be nasty.

SHELLEY SAHLING-ZART: Yep.

MOSER: Thank you.

BRANDT: Let me ask you this. Is all of LES's power produced in the state of Nebraska?

SHELLEY SAHLING-ZART: No.

BRANDT: So as an example, you, you have some windmills in another state, is that correct?

SHELLEY SAHLING-ZART: We have power purchase agreements in other states, yes.

BRANDT: So how does--

SHELLEY SAHLING-ZART: We have coal in other states.

BRANDT: How does, how does this language affect generation in another state?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

SHELLEY SAHLING-ZART: Well, not all of our generation is in another state, though.

BRANDT: No, but I mean if you shut down, if you would choose to shut down those windmills in another state, is that subject to this legislation?

SHELLEY SAHLING-ZART: No, it's not. But we don't own those windmills, we have power purchase agreements for those windmills. But for example, it would affect our local gas generation. But, you know, the other thing I look at is if you have a-- we have an interest in the Gerald Gentlemen Station. We get-- we have a 8% participation contract in the Gerald Gentlemen Station. If NPPD someday we're going to decide to fuel switch and convert that from coal to natural gas, I'm not sure that's allowed under this bill.

BRANDT: Because?

SHELLEY SAHLING-ZART: It's a significant alteration, but it says you can't do a significant alteration unless it meets one of these criteria. It's not mandated. It wouldn't be because it's mechanically unsafe. It wouldn't be because the facility is damaged. And whether it would be uneconomical, I don't know.

BRANDT: OK. All right, thank you for that explanation. I see no other questions. Thank you for your testimony. Next opponent. Any other opponents?

JOHN HANSEN: Mr. Chairman, good afternoon, members of the committee. For the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I am the president of Nebraska Farmers Union and also their lobbyist. And Senator Moser, I've only been doing this job for 36 years. And I, I have learned a little while I've been working in this job about one of the things that my organization helped create, which is public power, and we've also supported the creation of NRDs. So we as an organization have been a strong supporter of local control, even when our local control partners sometimes do things that we disagree with. We still believe the, the three basic or four basic ways that you can make decisions that impact people's lives, which is federal control, state control, local control or, in the absence of that, money. That of all the different kinds of control, that local control is far and away the best because it is the kind of control that has far and away

the best chance up front in the decision-making process of having the best feel for what it is that the community that they serve wants to do and is in their best interest to do. And they're by far the entity that has the best chance of bearing the, the heat and the consequences of decisions that they make in the off-chance It might not have been the right decision and that they need to change it. The farther you get away from a problem, the easier it is to not understand it and ignore it. President Eisenhower talked about the business of farming and how easy it got when you were a thousand miles away from the cornfield and your plow is a pencil. And so as I look at this bill, I believe that it unnecessarily undermines local decision-making. That's why we elect people to our public power boards. It's their job to gather that information. It's their job to rely on their subject matter material experts in their shop, listen to what the public has to say and weigh a whole lot of really complicated, and a lot of times, changing and conflicting variables in the equation. These are not simple things and so in my 36 years, I've seen, I've seen the economic, relative to one of the criteria, the economic feasibility of a particular major generation source in Nebraska go from a milk cow that was producing huge profits, to barely breaking even, to maybe losing some money. And so it goes up and down in the pool relative to other costs. And so at the point of which you look at this set of criteria, I think that the better set of criteria is the one that the local officials already use, and that we do not believe that there is now a substantial problem that needs to justify the undermining of local control in order to attempt to solve. And with that, I would end my testimony, and be glad to answer any questions, if I could.

BRANDT: All right. Questions? Senator Moser.

MOSER: Well, the reason for me teasing Ms. Sahling-Zart is I've listened to her testify so many times on different bills, and I'd say the same thing applies to your testimony. No, I think it's good, though, because there's continuity there, is what I'm getting at. I keep hearing the same themes from the power companies every time a senator comes up with a new idea on how we're going to reinvent the wheel. And so I appreciate your experience and Ms. Sahling-Zart's experience and I respect their opinions, even though I did kind of kid her a little bit for being a long time in there.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JOHN HANSEN: It's been my experience that when you kid her, you better watch out.

BRANDT: OK, any other questions? I don't see any, John. Thank you for your testimony.

JOHN HANSEN: You bet. Thank you.

BRANDT: Next opponent. Welcome.

KAY CARNE: I don't have 38 years of experience, and I'm just a volunteer. My name is Kay Carne, K-a-y C-a-r-n-e, and I am representing CCL Omaha, a volunteer-led chapter of a national group that advocates for fair economic and effective policies to address environmental issues. We have over 600 supporters in the Omaha area. And I first wanted to thank you, Chairperson Brandt, Vice Chair Barry DeKay, Senators Clouse, Conrad, Hughes, Juarez, Moser, and Raybould, for your time and talents that you share as part of this committee. LB1026 adds, as you've heard, unnecessary step to an already rigorous planning process for public utilities. We're some of those citizens that have been educated by our utility. We know that integrated resource plans, power supply plans, and numerous other studies, modeling, and requirements from the Southwest Power Pool are done to figure out each utility's generation. These plans have a great deal of technical expertise and guidance from state statute, input from rate-payers, and finally, they're approved by the local governing body. They include rigorous load forecasts so that all serious customers are served. All these planning efforts lead to electric power reliability and affordability to maintain compliance with state statutes and the requirement to keep the power flowing. To point of this measure, generation is only one component of a complicated integrated system. So putting your thumb on the scale to maintain aging or inefficient generation will likely have adverse effects, such as a less diverse, less resilient portfolio, and likely higher costs. In summary, despite the best intentions of this bill, it would be counterproductive. Nebraska ranks in the top five for power reliability, so why do we feel that a change is necessary?

BRANDT: OK, let's see if we have any questions. Not seeing anything. Thank you for your testimony.

KAY CARNE: All right. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: Next opponent. Any more opponents? Welcome.

AL DAVIS: Good afternoon, Chairman Brandt, members of the Natural Resources Committee. My name is Al Davis, and I lobby for the 3,300 members of the Nebraska chapter of the Sierra Club. Most of you know that. I'm passing around my testimony, but I want to tell you that I--

BRANDT: Could you spell your name for the record?

AL DAVIS: I can. A-l D-a-v-i-s. I am passing around my testimony, but I didn't have time to proof it this morning, so I didn't go through the spell-checker. So it's full of errors, because I'm a fast typer, but not an accurate one. So I'm here today to oppose the advancement of LB1026, which imposes obligations on public power and developers of renewable energy, which are troublesome to us. And we urge the committee to kill the bill. The bill imposes regulations on the power industry, which is vague and could be problematic. LB1026 establishes barriers to the industry should it wish to shut down a publicly-owned plant or a privately-owned facility if there are customers who need electrical service. This is a very open-ended imposition on the industry which is unlikely to be shutting down any facility as long as there is demand for power. Decisions to close facilities aren't made lightly, so there would be ample time to find substitute power once an announcement has been made. Is this a solution seeking a problem? We don't know exactly what is being asked for here. If there's one customer waiting for power, does that mean the facility cannot be shut down? If a private developer comes to the end of his contract with public power and wants to sell power to another purchaser, will he be forbidden to enter into a different contract due to this clause? And the language in the bill is problematic also. What does the word "uneconomical" mean? Will economical mean the lowest possible cost for power or will a plant be required to lose money before a shutdown can be implemented, and what would happen if you had a, a new plant, but it was going to be more, more expensive to construct than the old one? So lots of unanswered questions. I, I think all these need to be fleshed out, and this just is not a good bill. Nebraska power generators have done a masterful job balancing demand with supply and providing Nebraska with some of the cheapest power available to the nation. I can tell you that because I come from the western part of the state where we get our power from the Denver metropolitan and out of the Wheatland area of Wyoming, and it's much more cost than yours. I just have one final question. Would we still have a buggy whip

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

industry if something like this had been imposed on the industry years ago? Or would we all be tethered to a telephone line still? The bill is unnecessary, is full of vague definitions, and should not be advanced. Thanks.

BRANDT: OK, let's see if we have questions. Not seeing any, Senator. Thank you for your testimony.

AL DAVIS: Thank you.

BRANDT: Next opponent. Welcome.

KRISTAL STONER: Thank you. Thank you, Senator Brandt. My name is Kristal Stoner, it's spelled K-r-i-s-t-a-l S-t-o-n-e-r, and I'm vice president of the National Audubon Society. I oversee the Great Plains Office, which includes the state office here in Nebraska, and I'm here to testify on behalf of the 12,000 members of Audubon who live here in the state of Nebraska in opposition to LB1026. Just as a background, our organization is a conservation organization, and we do our work through the lens of birds. So we take our cues from those birds are changing to what's happening in the environment. That tells us something about the environment that we also need and that we share. So Audubon Great Plains or Audubon generally, strongly supports the development of renewable energy in Nebraska. And that includes wind and solar as a necessary tool for addressing climate change, which we see as one of the greatest threats to our bird populations. And two-thirds of our North American bird species are currently at risk of extinction if we do not slow the increase in global temperatures. So that's why we are in favor of renewable energy when it's sited in the right locations. We've already seen things like heat waves, increasing severe storms, and other environmental impacts that are impacting our local communities, but also certainly our birds and our wildlife species. Solar and wind are increasingly affordable sources of energy, and it's homegrown energy. It's something that we can look at in terms of our sustainability. So while LB1026 does have reasons which have been discussed at length that makes a lot of sense, I guess from our perspective, we're looking at it that it's just far too emitting. There are the unknowns, there are the new technologies that are yet to be developed that we do not know about. And this bill, as it is currently written, would preclude us from investigating those, those future technologies that haven't been developed that could reach value systems that we have that's beyond just the affordability, or could be

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

solving problems that we haven't quite uncovered yet. So we see this as unnecessarily restrictive, doesn't support innovation, and it doesn't support new solutions that are yet to be developed. And we see this, that this could be a significant barrier to deploying new renewable energy or other technologies in Nebraska. So we respectfully urge that you reject LB1026, and I thank you for the opportunity to testify.

BRANDT: OK. Let's see if we have any questions. Seeing nothing, thank you for your testimony. Any more opponents? Opponents? Anybody to testify in the neutral capacity? Neutral? Senator Storm, you're welcome to close. And while he is walking up here, online, we had 13 proponents, 81 opponents, no one in the neutral, and no ADA testimony.

STORM: All right, thank you. I'm just going to keep it simple. So, you know, this bill basically says that we are going to need to keep our generation that we have and we'll need future generation. So we can't close down plants unless there's a, a valid reason why we can do that, because we're going to need the energy for economic development. And with that, I'll answer any questions if you have any.

BRANDT: OK. Questions? I don't see any. So you just as well not move.

STORM: Stay here.

BRANDT: Yeah. We'll move now-- and that closes our hearing on LB1026. And Senator Storm, as soon as she changes that, you are welcome to open on LB1027.

STORM: All right. Chairman Brandt, members of the Natural Resource Committee, for the record, I'm Jared Storm, J-a-r-e-d S-t-o-r-m, and I represent Legislative District 23. I'm here today to introduce LB1027. This bill is about fairness. Currently, all Nebraska public power utilities are required to go in front of the Power Review Board, or the PRB, to get approval to build electric generation. They must go through a hearing and get approval. However, private, out-of-state, and even foreign-owned companies do not have to do the same. All they have to do is fill out a three-page, pre-made form letter, and turn it into the PRB. If Nebraska public power utilities, our utilities must go-- our utilities must go through the PRB, then the out-of-state, foreign-owned ones should too. It's only fair. These companies are taking advantage of Nebraska's lax laws, which are prioritizing these

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

private companies over our own public utilities. All they, all they are doing is competing with their public utilities, raising prices in the Southwest Power Pool, and congesting transmission lines, all making money to send out of Nebraska. This bill also requires these private companies to sign a power purchase agreement with the Nebraska utility for the output of electricity that is generated. In 1933, Senator George Norris led the charge in the Unicameral that our electric utilities should go 100% owned by the public and that we were not going to allow for-profit electrical utilities. This provision ensures our state remains a public power state and that they are not directly competing against private for-profit companies. In fact, when our public power system was created, one of the main arguments for it was to eliminate competition between electric suppliers. Specifically, in the Nebraska Revised Statutes, Chapter 70-1001 states, and I'm gonna read this verbatim here: In order to provide the citizens of the state with adequate and reliable electric service at as low overall cost as possible, consistent with sound business practices, it is the policy of this state to avoid and eliminate conflict and competition between public power districts, public pool-- power and irrigation districts, individual municipalities, registered groups of municipalities, electric membership association, and cooperatives in furnishing electric energy to retail and wholesale customers, to avoid and eliminate the duplication of facilities and resources which result there from, and to facilitate the settlement of rate disputes between suppliers of electricity. So why now are we going backwards and letting private out-of-state business compete directly against our public power utilities? It is time all utilities go through the same process. This bill does that. I ask for the committee's support of LB1027 and its advancement to General File. I will answer any questions you may have. Thank you.

BRANDT: All right, let's see what questions we've got. I guess you stated this will-- what's going on will increase the price of power for the Southwest Power Pool. Can you explain to me how that happens when the SPP bids for electricity every five minutes and the low bid wins?

STORM: So I-- can you repeat that again? Let me--

BRANDT: Well, you made a statement that what's going on increases the cost of power to the Southwest Power Pool. Maybe I misunderstood.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

STORM: Because from what I understand, I'm not an expert on this, but what I understand is they have to take the least expensive power in the pool and use that, correct?

BRANDT: That's my understanding also.

STORM: Which is green energy, which is windmill solar power, because it's offset by subsidies, the way I understand that. Correct?

BRANDT: Could be. I don't-- I guess--

STORM: So that's the way I understand that.

BRANDT: I'm asking you.

STORM: So then that increases the cost of the other utilities, such as the nuclear facilities, other plants that have to fill in the gaps with that so.

BRANDT: I think SPP just looks at just the cost, how the cost gets there.

STORM: OK. Well, when it's purchased.

BRANDT: Whether that, that entity is-- whether they're subsidized or not, I don't think is, is a factor. The other question I had was the fiscal note there was \$7,500. Is that just coming out of the General Fund?

STORM: I don't know. I'll have to get back to you on that.

BRANDT: OK, maybe on your close you can, you guys can look at it.

STORM: Yeah, we'll-- closing we can look into that.

BRANDT: Any other questions?

STORM: Oh, hold on a second.

BRANDT: And that's, that's fine. It can wait till the close. You're going to be here for close?

STORM: OK, I'll get an answer for you. Yeah, I'll be here.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: OK, let's go into the hearing then. Thank you, Senator Storm. First proponent. Who do we have for proponents? Welcome.

JAMES DUKESHERER: Thank you. Good afternoon, Chairman Brandt and committee members. My name is James Dukesherer, J-a-m-e-s D-u-k-e-s-h-e-r-e-r, I'm the director of government relations at the Nebraska Rural Electric Association, NREA, that's testifying today in support of LB1027. The Nebraska Rural Electric Association represents 35 rural public power districts and electric cooperatives throughout the state. The more than 1,000 dedicated employees of our system serve 240,000 meters across nearly 90,000 miles of line. In 2010, the Legislature passed and the Governor signed into law, LB1048, which established a protocol for the Power Review Board for the approval of certified renewable export facilities. For the first time, Nebraska allowed private developers to build renewable energy for export within Nebraska's all-public-power state. In the original LB1048, certified renewable exports facilities were required to have power purchase agreement and receive Power Review Board approval. Later, in 2016, LB824 was adopted, removing the requirement for a PPA and exempting these projects from Power Review Board approval by only requiring notification to the Power Review Board 30 days prior to construction. LB1027 returns proper Power Review Board oversight to these statutes and ensures that any private projects that are developed are in direct partnership with public power through a power purchase agreement. When public power seeks to construct a power plant, even a renewable project, we have to show to the Power Review Board that the project will, one, serve public convenience and necessity, two, that the project can most economically and feasibly supply the electric service resulting from the proposed construction, and three, that the projects will not introduce an unnecessary duplication of facilities to our system. In short, we have to prove that the project is needed and we're going to construct it in a way that protects our system and the Nebraska rate-payers. It's logical to us that private developers are held to the same standards. In fact, LB1261, that'll be heard here later today in this committee, dealing with large privately-owned private generation, employs the same standards for private generation that LB1027 seeks to employ. There's no exception from Power Review Board oversight, and there's a requirement for a PPA in that bill. One more note I'll make before I finish here. I'll mention that what I think is an oversight on page 11 in the bill, that the PPA must be with a public power district. That would exclude a power purchase

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

agreement with any municipalities, electric cooperatives, and I suspect that's an oversight in the bill that could be easily fixed. So with that, thank you for your time, and, and I'd take any questions you may have.

BRANDT: All right, questions? Senator Hughes.

HUGHES: Thank you, Chairman Brandt. Thanks for coming in, Mr. Dukesherer. So you said when this started, when the original thing was set up for these type of entities in 2010, they had to go in front of the Power Review Board. And then in 2016, I think you said they go that-- that piece got taken away. The exemption was made. Can you give us a history on why that was from your understanding?

JAMES DUKESHERER: As I recall, there, there was a study that was done by a group that's called the Brattle Report, and there wasn't as much development as others would have liked to have seen. At the time, as I remember it, there were a lot of discussion about Nebraska should look more like Iowa. Look at all the development of wind and renewables going on in Iowa. Why aren't we like Iowa? And so we, we established the exceptions under LB1048, Senator Chair-- or the chairman at the time would have been Senator Langemeier. And then a few years went by, and I think that development wasn't moving as fast as some would like. And so there was a study being done, and the Brattle Report said that we could remove additional barriers. And so the Legislature, under Chairman Schilz, at the time moved forward with LB824, which removed those barriers. And that's how you got to existing law--

HUGHES: So just basically that you can get it to the-- get it up faster, essentially, is kind of--

JAMES DUKESHERER: Without red tape.

HUGHES: OK, thank you.

BRANDT: Did that work?

JAMES DUKESHERER: There has been quite a bit of renewable energy development in the state for sure.

BRANDT: So you were talking about power generation. Does NREA have anything to do with power generation?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JAMES DUKESHERER: We have a lot to do with power generation in the sense that we purchase power from our wholesale providers, and the cost of power and the reliability of power certainly has an impact on all of our members. But we do not own generators.

BRANDT: OK, and then I guess, what's the minimum amount that would be subject to this bill? One meg, ten meg, kilowatt?

JAMES DUKESHERER: Power Review Board oversight I believe deals with anything carrying 700 volts and more on transmission and in any generation by an electric supplier.

BRANDT: Any generation. So--

JAMES DUKESHERER: There's certain exemptions in statute dealing with certain types of special generation, depending on which, which statutes you were filing under. But generally speaking, public power bills, we have to go to the Power Review Board.

BRANDT: But, I mean, farmer that's got a windmill, homeowner's got solar panels, those would be--

JAMES DUKESHERER: Those statutes apply to electric suppliers in the state of Nebraska, not, not individuals.

BRANDT: All right. Senator Hughes.

HUGHES: Sorry, I just thought of one more question. So when you said that happened in 2016, they removed that red tape and there was an increase in it.

JAMES DUKESHERER: I think that's fair to say.

HUGHES: OK. We're just hearing a lot about how we need like crazy amounts of energy going forward, you would think then it might not make sense to put this back in place if it would potentially slow down potential energy generation. I mean, would you-- do you know what I'm saying?

JAMES DUKESHERER: I'll just comment that, that inner-- generation mix is a larger issue than any one type of generation.

HUGHES: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JAMES DUKESHERER: Of course, it's a regional question and NREA would support an all-of-the-above energy strategy. No doubt about that. But it's about balance. So too much gas in the system and you affect the price of gas and you cause the price of, of energy to go up. Too much renewables into the system, you can cause an energy imbalance, you could have reliability concerns on the system. So it's not just about one or the other. So we believe that a power purchase agreement, that with power-- with public power, an approval process through the Power Review Board, that that establishes a system, which is not anti-renewables. It's not anti-wind but it creates that balance, it allows us to proceed forward with, with development but in a thoughtful manner that includes public power.

HUGHES: OK, thanks.

BRANDT: I see no other questions. Thank you. Wait, wait. Senator Juarez.

JUAREZ: I'm sorry. I'd like to know, if this bill passes, would neighboring states be more economically appealing for investment than our state?

JAMES DUKESHERER: I suppose that would be on a case-by-case basis. If a private developer were able to secure a power purchase agreement with the Nebraska utility, that would certainly be in everybody's benefit. They could likewise do that today in another state, but, but in a sense, you're correct, this would say that without that power purchase agreement, you would not be able to generate in the state of Nebraska as a private developer and sell it as a, we would call it, a merchant generation. So if they didn't have a power purchase with somebody else in, in Nebraska or in another state, they would probably move to another state to, to put that project in as merchant generators.

JUAREZ: OK, thank you.

BRANDT: Now I see no other questions.

JAMES DUKESHERER: All right. Thank you.

BRANDT: Thank you for your testimony. Next proponent. Any more proponents? Moving on. Opponents. Anybody opposed to this bill?

STEVEN DICKERSON: Hello, my name is Steven Dickerson, S-t-e-v-e-n D-i-c-k-e-r-s-o-n, I'm representing the Students for Sustainability. We're a group of high-schoolers, Nebraska-based people from all over the state. We talk about environmental action through policy communications and community engagement. And we oppose LB1027 as in its current form because we do think it would limit Nebraska's energy generating capacity. Over the past few years, we've gotten heavily involved with energy generation and energy policy, and as we all are aware of, there has been a significantly notable increase in how much electricity we need. I think we can all agree on that. And so adding more restrictions to us seems wrong at this time, right? We're adding additional barriers. And it's important to note that already we face regulations from the federal, state and local levels, as well as grid operators. Southwest Power Pool has regulations as well. So I think there's already a lot of regulation surrounding these renewables and the fact that it's also only renewables, right, that we're targeting in this too. We need a diverse energy portfolio at this point in time if we want to, right? We have this increasing demand. We need to make sure that reliability is, is front of mind. Additionally, sustainability is not one-dimensional to the environment. I think Senator Hughes and Senator Juarez made really strong points with we're talking about, you know, the economic impacts of this as well, right? We can't just look at this through an environmental standpoint, through an energy standpoint. Let's think about jobs. The Bureau of Labor Statistics still has wind and solar technicians, service technicians, as the fastest-growing job in the nation. And Nebraska has the possibility to harness that. And I think we talk a lot about brain drain too. We're seeing our young people leave. I'm a high-schooler. I may leave, I'll probably come back because I enjoy this state. But I want to see my, my fellow youth as well be able to have careers here. And I think that we have renewable energy as this opportunity to really expand our reach in the energy area. And so I think at this moment in time, it just doesn't make sense. We also see all the revenues we get from renewable energy as well, nameplate capacity tax and such. So I think when we're looking at, you know, you can't look at this in a silo, right? When you're looking the larger scale, I think it's important to look beyond the environmental and energy costs of this as well. So please consider the job market and the economy and brain drain as well when you're thinking about this.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

And for that reason, I ask you to respectfully oppose LB1027. Thank you.

BRANDT: All right, let's see what we've got for questions. Senator Clouse.

CLOUSE: Yes, thank you for being here. Are you old enough to run for office?

STEVEN DICKERSON: I, I am 18 years old, so I believe there's a few offices you can run for. At the moment, I'm not interested, though.

CLOUSE: I just want to tell you, thank you. It was, it was a good testimony, and you're to be commended, and I appreciate the work you're doing.

BRANDT: OK. Thank you.

STEVEN DICKERSON: Thank you.

BRANDT: Next opponent.

DAVID BRACHT: Chairman Brandt, members of the committee, thank you again for giving me the opportunity here. Good afternoon, my name is David Bracht. That's spelled D-a-v-i-d, last name spelled B-r-a-c-h-t. I'm an attorney with Kutak Rock and a registered lobbyist with Catalyst Public Affairs. I'm testifying in opposition to LB1027 today on behalf of Invenergy, LLC and NextEra Energy Resources, LLC, both of which have active-- been active in wind and renewable energy development for more and 10, nearly 15, years here in Nebraska. I'm going to deviate from this, this, my written testimony to hit a few points that were made here, but it really starts out with some of the questions that Senator Hughes asked. In my background, I've, I've spent my entire career in economic development, first as an ag banker, then as a lawyer. And in connection with that, was heavily involved initially in the early 2000s in ethanol, and then also with wind. And, in fact, one of my clients was the first to get a project approved, although it wasn't under the LB1048 because we had to get to an exception. Because as good as that 2010 legislation was, and I think the prior testifier made a good note, it focused on export but it had some regulatory barriers that just didn't fit the way these projects are developed. And then I had the opportunity to be appointed as the director of the Nebraska Energy Office, which today is part of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

Department of Water, Energy, and Environment. And in that role, I got to testify before this committee and, and maybe one of you even in-- maybe not, given the years, I guess not, 8 years is longer than-- 10 years ago, for LB824. And that was important then, and the fact was brought up just now, you'll see in my testimony that when I started at that, we were at 810 megawatts. We are at 3,522 megawatts. What that means to the state of Nebraska and the citizens is about \$15 million a year in personal-- in real property taxes in those rural communities, probably about \$21 million a in taxes overall. This is a way to have energy produced here in Nebraska where Nebraskans benefit. It is definitely part of a one of-- one of all, and it's unclear to me what problem this bill is solving. Because it's really just taking us back to where we were even before LB824. So with that, I might just let you ask questions on the topics that you find most important.

BRANDT: Let's see if we have questions.

DAVID BRACHT: Or not.

BRANDT: Or not. Thank you for your testimony.

DAVID BRACHT: I guess that means I testify too often.

BRANDT: Or you testified too well. Next opponent.

KEVIN CONNOT: Good afternoon, Chairman Brandt, members of the Natural Resources Committee. My name is Kevin Connott, K-e-v-i-n C-o-n-n-o-t. I'm a resident of Dixon County, former school board member, and I work in economic development with a focus on renewable energy. We have seen the benefits of renewable energy in our community since the construction of the Rattlesnake Wind Project in 2018. I've tried to follow renewable energy in Nebraska over the years, and there were several bills that were passed that led to development in the state. I have much appreciation for the senators that pushed the industry early on, and want to share with you some of the benefits of wind energy development in our school and our county. LB1027 seems to revisit the benefits LB824 passed by the Legislature in 2016. I remember being here in the Capitol that day and listening to floor debate when at that time the Dixon County Rattlesnake Creek project was in development and was mentioned numerous times on the floor that day. LB824 in 2016 provided a level playing field that put our state in a position to capitalize on renewable energy because, at that time, we

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

were behind compared to other adjacent states. I've always understood that we had an extra layer of regulation when compared to the other states. In Dixon County, and particularly the Allen school district, we have solved the property tax problem by lowering the general fund levy at the school by 40% since that time. Rattlesnake Wind Project was built in 2018 and started paying taxes soon after. The nameplate capacity tax of \$1.1 million per year and the nearly \$500,000 of property taxes countywide have allowed the Allen school district to lower the general levy from a high of 92 cents per \$100 of valuation to just over 50 cents presently. For example, that is an annual savings of \$4,000 on \$1 million of land valuation, and a savings of \$400 annually on a modest house assessed at \$100,000. We have made a dent in property taxes because of this project. Overall, we still in this state have a property tax issue that continues to haunt us, and we should not say no to solutions of any kind. I have breezed through the integrated resource plans of Nebraska utilities and some others, including MidAmerican Energy to the east. Our utilities seem to focus on an all-of-the-above approach with various generation sources. And renewable energy is a significant part. There is no magic bullet, as no source of generation is clean, cheap and fully dispatchable. According to the annual Lazard's Levelized Cost of Energy report, wind and solar are the lowest cost on an unsubsidized basis and are cleaner. The cost of integrating intermittent resources into the generation mix is called firming cost, and even when factoring that in, renewable energy has a part.

DeKAY: Mr. Connot, could you wrap up in a sentence or two?

KEVIN CONNOT: Absolutely. Thank you for your time here today, and I welcome any questions.

DeKAY: Thank you. Are there any questions for the testifier? Seeing none, thank you.

KEVIN CONNOT: I would direct your attention to the sheet showing the property tax relief. Thank you again for your time.

DeKAY: Thank you. Next opponent.

DAVID LEVY: Good afternoon, Vice Chair DeKay, members of the Natural Resources Committee. My name is David Levy, it's D-a-v-i-d L-e-v-y, and I'm testifying today in opposition to LB1027 on behalf of BHE

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

Renewables and Ranger Power. LB1027 would subject wind and solar projects to a process that almost no other land use has to go through. Specifically, it would require state approval via the Nebraska Power Review Board. As you heard, state law required something similar to this until 2016. Since the Legislature removed this regulatory burden, private companies have invested billions of dollars in Nebraska. Those billions of dollar have resulted in tens of millions of new property taxes paid and tens of million of dollars in new sales taxes paid, tens of millions of dollars in payments directly to landowners, numerous jobs and other investments. You already heard about the approximately \$20 million of annual new property tax revenue, including nameplate capacity tax revenue that these projects generate. LB1027 would introduce, introduce substantial risk and time to the permitting process. There are already over 50 steps to permit a wind or solar project. This includes a local land-use process that includes numerous public hearings and opportunities for public input at the local level. That's local control. That is what we-- something we hear about in this body, in this building all the time. This bill also would make Nebraska less competitive as to its neighbors who have lower regulatory burdens. Less competitive for energy development and less competitive for all types of development. As you've heard, we need electricity and we're gonna need more electricity. As you also heard, wind and solar are the cheapest forms of new generation. We need that for economic development in our state. The power purchase agreement requirement in LB1027 legislate-- legislates a business model. Developers work closely with utilities on the interconnection process to interconnect the project to the grid. Utilities are involved and aware of projects early and thoroughly through that process. Nebraska utilities are often the buyer of the output of wind or solar facility, but there's no reason to mandate that. Lastly, the approval standard that this bill would return wind and solar projects to in Chapter 70-1014, was written in the 1960s for publicly-financed fossil fuel plants. It may not work. It would not work for wind or solar projects. Simply throwing those into the regulatory soup with everything else makes no sense. I was here in 2010 when we-- when the Legislature passed LB1048. We negotiated for hours and hours and hours and hours with the utilities to come up with a comprehensive program that worked for wind and solar projects, really wind projects at that time, worked for the utilities, worked to developers to some extent, and worked for the Power Review Board. To just simply kind of wipe all that away and then wipe away what was done in 2016, it's not that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

simple. You can't just go back to the way it was. And with that, I'll stop and be happy to answer any questions. Thank you.

BRANDT: OK, yeah. Thank you, Mr. Levy. Let's see what we've got for questions. So will this stop renewables in the state of Nebraska if this bill were to pass?

DAVID LEVY: I can't say categorically that it would, but it would drama-- I can confidently say it would dramatically slow the development of renewable energy in this state, and I think it would push that investment to neighboring states pretty quickly.

BRANDT: And the advantage neighboring states have is they are non-public power?

DAVID LEVY: No, the advantage neighboring states have is they have lower regulatory burdens, they have more certainty into the process. There's, there's just less risk in developing in other states. We already see that today, even with the good, streamlined process that we have. If we go back to 2010 or 2015, that is going to accelerate that fleeing of capital from Nebraska to neighboring states.

BRANDT: OK. I don't see any other questions. Thank you for your testimony.

DAVID LEVY: OK. Thank you.

BRANDT: Next opponent. Welcome.

RICHARD LOMBARDI: Thank you. My name is Richard Lombardi, Richard Lombardi, I'm appearing on behalf of a group called the Advanced Power Alliance, which is the regional trade association serving the Great Plains from Texas up to us that's involved with the Southwest Power Pool. And we represent primarily the renewable energy industry in this corridor. And our members have been involved for the last 18 years in removing barriers with regard to the Legislature and public power as to how we can expedite the development of solar, wind power and battery technologies in Nebraska. We oppose this bill because we really like what the Legislature has done. You have-- probably in no other area of economic development has the Legislature has a big as impact as it does, did in this area. And the work that was done by other people that sat in those seats has made a huge, huge difference in bringing \$7 billion of investment in primarily rural areas of the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

state, saving over 2 billion gallon-- 2 billion gallons of water a year, providing the partners that we have. There's not a project built in the state that is not with a private landowner. And the people that are fortunate to, we get to work with, can at least go to bed at night knowing that they have a steady stream of income that is going to be coming into their family, their business, for the next several decades. It's a very successful piece of legislation that works really well, and of all the changes that have been made during that period of time, this-- the changes that are-- basically this bill is a repeal of, of the work that was done on LB824. Those-- that has had the biggest, most successful impact of generating the \$7 billion investment, and this is the gift that keeps on giving. We're about ready to see an incredible explosion of solar across this state because of the things that have been in the pipelines. And as the previous testifiers had said, this is a, a huge asset for the state. We are so fortunate in the state to have the type of wind and the solar that, that is available here, and the commercialization that's going on now is quite remarkable. But it is all because actually the Natural Resources Committee in the Nebraska Legislature removed some significant barriers that has had a tremendous effect. And I just sent out to you both where solar projects are in the state and where the wind projects are. Because that map wouldn't look like that if the Legislature hadn't passed this previous legislation.

BRANDT: OK, questions? I see no questions, Mr. Lombardi.

RICHARD LOMBARDI: Thank you.

BRANDT: Thank you. Next opponent. Welcome.

AL DAVIS: Senator Brandt, members of the National Resources Committee, my name is Al Davis, A-l D-a-v-i-s. I'm the contract lobbyist for the 3,300 members of the Nebraska chapter of the Sierra Club. The Sierra Club has been one of the leading non-government agencies most focused on clearing hurdles and opening opportunities for the development of a renewable energy industry in Nebraska. Due to Nebraska's public power status, the state missed out on many of the early renewable development opportunities, and it took several different legislative modifications to provide a platform where the industry could grow. Today, the renewable industry has provided billions of dollars of direct investment in Nebraska through numerous wind and solar projects. Those dollars translate into nameplate capacity taxes, which

have contributed to significant reductions in property taxes as the projects came online, and are a bright spot in the economics of rural Nebraska. Additionally, millions of dollars are remitted to landowners every year through rental agreements. We are strenuously opposed to the rules and regulations imposed in LB1027. The bill really returns us to the past when the industry was not well known and did not have a significant footprint in the state. The renewable industry has been a bright spot in the ag economy for several years in areas where it is installed, and Nebraska is one of the lucky states which really has tremendous potential in both solar and wind. Specifically, there is no clear reason why a developer would need to revisit the Power Review Board for approval of a project or sell the product only to our public power entities. Renewable projects proceed through a lengthy and costly process to be certified, including a lengthy wait in the Southwest Power Pool. Local residents also have the ability to weigh in on projects with their planning and zoning committees and through the board of supervisors. And Nebraska's public utilities will be providing the transmission for wind and solar projects, so there's ample supervision. Nebraska's public power industry is already one of the largest buyers of cheap, affordable and clean private power from private developers in the state. Renewable energy has stepped into Nebraska's power mix to fill a niche which would have been a necessary requirement for public power to meet new demands. To meet that demand, our public power entities would have needed to construct new gas, oil or coal plants or produce their own renewable energy. Public power has benefited by these partnerships, not been hurt by them. Battery storage is also becoming less expensive, opening the door to a combination of renewable battery combination, which will address the concerns of many over reliability. And why should the renewable industry be forced to sell only to Nebraska public power districts when they have opportunities elsewhere? This is clearly stacking the deck against renewable development. The state is seeing a massive demand for new energy. Renewables can play a role in that process if we don't impose burdens on them which are onerous and make Nebraska noncompetitive. I just wanted to say I was here in 2016 in your seat at the time that those rules were put in place. We had tremendous meetings over and over and again with all the different constituents of public power. We decided that, that because we'd done the Brattle Report, which was my bill, which identified things that could be changed to bring the industry into the state, we did those things and

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

this is what has happened. So to go backwards is just not a good idea, and I urge you to please indefinitely postpone the bill. Thank you.

BRANDT: All right, let's see what we've got for questions. So what was the genus of the bill in 2016?

AL DAVIS: So it removed the-- this onus on the Power Review Board. That was really the primary goal of that at the time.

BRANDT: So were they using the power review board to prevent renewables from coming to the state?

AL DAVIS: I wouldn't say that. But, but the Brattle Report identified a bunch of things that could be done to smooth and, and make the transition easier.

BRANDT: WOK. Well, I see no other questions. Oh, wait. Senator Moser.

MOSER: Greetings.

AL DAVIS: Greetings.

MOSER: You've been around the block a few times too here.

AL DAVIS: I've been here many times.

MOSER: Yes, and you heard Senator Clouse's question to the young man who did a nice job in his presentation. And do you find working as a lobbyist more or less fulfilling than having been an elected official?

AL DAVIS: That's a loaded question.

MOSER: It, it won't be held against you.

AL DAVIS: Both have their frustrations. I enjoyed this work. You know, I like, I support the cause, I liked the cause. So I enjoyed it. But I enjoyed my time in your seat too.

MOSER: And there's no term limits for lobbyists.

AL DAVIS: Right. You can get exhausted. I'm getting to that point.

MOSER: If you do a good job, you can be doing it 37 and a half years, right.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

AL DAVIS: I'll be way up there by that time.

MOSER: Thank you.

AL DAVIS: Thank you

BRANDT: All right, thank you. Next opponent.

KAY CARNE: Hello again, my name is Kay Carne, K-a-y C-a-r-n-e, and I'm representing CCL Omaha, a volunteer-led chapter of a group working on fair economic and effective policy to address environmental issues. According to the U.S. Energy Information Administration in 2024, wind energy provided Nebraska 32% of its electricity, with only coal providing more, at 43%. Looking more broadly, Nebraska is part of the Southwest Power Pool, SPP, which produced 38% of its electricity from wind in '24, more than any other source. Let's not forget, electricity is critical for everyday operations of all businesses, farms, and the productivity of all people in Nebraska, and wind energy provides about a third of that power right now in a clean, sustainable and cheap manner. When I look at the grid status dashboard this morning for the U.S., moving at-- looking at 8:00 a.m., SPP was producing 58% of its electricity from wind at a price of \$3.71 a megawatt hour. A megawatt hour. Comparing that to New York at the same time, 8:00 a.m., which only has about half the load of SPP, New York's cost was \$329 per megawatt hour, and its source was dual fuel at the time. This is consistently-observed scenario, and I think that we are making the smarter choice here in the Midwest from a generation perspective. We have the 15th-largest installed capacity of wind in the country. And I won't reiterate the economic benefits from property taxes and nameplate capacity tax. Enacting a policy like LB1027 to slow or halt growth in this important energy industry would not make economic sense right now. So looking at the details of LB1027, when I read it, it appears that the current approval process of the Power Review Board is to provide a check on public entities using public money and to coordinate across different power entities in the state when building expensive generation with public money. The goal-- that goal is irrelevant when private renewable developers are investing private money. The risk of loss is on the developer. So if the concern is foreign-owned entities, then direct this bill at foreign-owned entities only. Secondly, what is the point of requiring that renewable energy owners enter into a power purchase agreement with a public power district? The industry has been working well for a decade

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

without this requirement, providing affordable electricity for us. Our group has heard that some public utilities don't like the price of a particular project, and so they will pass on the project. So if a wind developer wants to sell into Southwest Power Pool and the Nebraska power districts don't want to buy that power, why, why would we restrict that? So please oppose LB1027, considering the loss of tax revenue for the state, the impact of increased electricity rates for Nebraskans without cheap wind energy, and ceding local control on these, these projects.

BRANDT: OK, let's see if we've got some questions. Senator Juarez.

JUAREZ: Thank you. OK. You said you represent CTL, Omaha.

KAY CARNE: CCL, Omaha.

JUAREZ: And what does CCL stand for?

KAY CARNE: Citizens Climate Lobby. We're a national organization with over 200,000 volunteers across the country, and I'm representing the Omaha chapter which has about 600 supporters.

JUAREZ: And how long has the chapter existed, would you estimate?

KAY CARNE: Probably 15 years.

JUAREZ: 15 years. And could you tell me the website that you were talking about when you were looking at those dollar figures this morning?

KAY CARNE: Yeah, so it's called grid status. I think it's gridstatus.io. It shows the different regional transmission organizations and the price of power, and how their power is being produced with which source. It has a really cool dashboard that, you know, shows you prices and what generation is, is being used on a five-minute basis.

JUAREZ: Thank you.

KAY CARNE: One of the utilities might have more detail.

BRANDT: All right. I see no other questions. Thank you for your testimony.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

KAY CARNE: All right, thank you.

BRANDT: Next opponent. Welcome.

JOHN HANSEN: Members of the committee, again, this afternoon. My name is John Hansen, J-o-h-n, Hansen, H-a-n-- H-a-n-s-e-n. I'm the president of the Nebraska Farmers Union, who has been proudly serving family farm and ranch agriculture for 112 years. We have just a handful less than 4,000 farm and ranch families that we represent. We have been a champion of value-added agriculture. And what is that? That is those things that adds value to what we already own, produce, or control. And so of all the things that has been done in the state of Nebraska, in the world of rural economic development, and I have worked in that sphere for 52 years, either as a public official or the head of a farm organization, some of the things we have done that are the most effective things that we have found, especially when you look at the amount of dollars that come out of taxpayers' pockets to start with, is value-added agriculture that involves renewable energy. And so that means biodiesel, that means bio-- all the bios relative to fuels, including all the different blends of ethanol. It also includes wind and solar. And so as you think about agriculture and the success of the state's largest single industry, we're successful because we sell more than we consume. We export. We are the seventh-leading ag-producing state in the country in cash marketings, as of 2023. And I will remind you that we sell a lot more hay, a lot more cattle, a lot more popcorn, a lot and more dry edible beans, a lot more soybeans, a lot more sugar beets, a lot more potatoes, go down the list. We export what we produce with our natural resource base in excess. And so what this bill would do, based on my understanding of the situation and having been one of the people who was involved in a very widespread, very diverse, stakeholder-driven negotiation that went on in both of the previous bills in 2010 and 2016, and that is that agriculture and our wind resources, we have the third-best wind resources in the country, we have the ability to be able to export our excess capacity and help grow rural communities, increase farm income, increase property tax values, and all of that. We look at this bill, and what this bill does is undoes all of those hours and hours and hours of negotiations with all those stakeholder groups and would take us back to what was not working before. We don't need to go there. There's nothing positive to be gained by that. We do not have a now-known problem that we're fixing with this bill. This bill represents, in our view, is anti-renewable energy, is anti-value-added

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

agriculture. It solves no known problem, and we'd ask the committee not to move it forward or consider it further. Thank you very much for your time and attention.

BRANDT: Questions? I see none. Thank you for your testimony. Next opponent. Welcome.

KRISTAL STONER: Hello. Thank you, Senator Brandt and members of the committee. My name is Kristal Stoner, spelled K-r-i-s-t-a-l S-t-o-n-e-r, and I'm vice president of the National Audubon Society, oversee the Great Plains and-- our Great Plain's office and the Nebraska state office. And I'm here in opposition, representing the 12,000 members of Audubon that live in the state of Nebraska, opposition to LB1027. So I don't know how many members of the committee are birders or waterfowl hunters, but I want to tell you about the northern pintail, which is a waterfowl species that migrates through our state. It's a very familiar, very iconic, you can identify it easily. It's one of those two-thirds of these birds that we're concerned about, as our climate is changing, that is gonna be losing its habitat. It needs rivers, it needs wetlands. And not just in this state, but as it migrates up and as it migrate south, those wetlands, those grassland structures are gonna change. And so that's why we're concerned about our energy sources. That's why were concerned about, as our climate is changing, it's telling us something about our environment. And so that's why the National Audubon Society is very much supportive of renewable energy when it is placed in the right locations. And Nebraska has made meaningful progress over the last decade to really expand this renewable energy. And we oppose this because this is really going to take us backwards, as we've heard from so many other people today already who have said it will take us backward into a regulatory environment that is not favorable to renewable energy. It puts up hurdles that have previously been addressed, and we don't need to go back in time. So we believe that this state should continue to build on the progress of what we have accomplished over the last 10 years. All of these projects take a very long time to go into, go into place through all the planning requirements. So we shouldn't put up more barriers, we shouldn't go back in time. So I respectfully urge the committee to reject LB1027.

BRANDT: OK. Any questions? Senator Juarez.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JUAREZ: Thank you. So you mentioned about the wetlands in your speech. And I wondered how do you designate something as a wetland? Does it really take a lot of analysis to have that designation?

KRISTAL STONER: Yeah, there's several different criteria. It's about the soil type, and it's about the presence of water, and it's about the vegetation that grows there. So there is different criteria, especially through the wetland-- or through the NRCS that have wetland delineations to determine if it's a wetland or not.

JUAREZ: OK, thank you.

BRANDT: I see no other questions. Thank you for your testimony.

KRISTAL STONER: Thank you.

BRANDT: Next opponent. Any more opponents? Anyone to testify in the neutral capacity? Senator Storm, you're welcome to close.

STORM: All right, thank you. Can answer your one question here, Senator Brandt, about the \$7,500 is from the cash fund to the PRB, and that's for meetings they're anticipating to have. So that's what that's from--

BRANDT: OK.

STORM: --on the fiscal note. All I'm going to say is this is about fairness. So it ought to be a level playing field for public and public power and private development. You know, we're the only public power state in the United States. So we-- I heard all this about private development coming into Nebraska. It's great. So now they get an easier road to develop their private generation on here compared to the public power. It goes directly to what our state has stood for. So I'm just looking for an even playing field. So with that, I'll answer anymore questions.

MOSER: Questions for Senator Storm.

STORM: OK.

MOSER: Seeing none, thank you.

STORM: Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

MOSEER: So do we have online comments? Let's see, LB1027. We have 2 proponent online comments, 75 opponent comments, 1 neutral, and no ADA testimony. So that will bring us to LB1261, Senator DeKay, welcome.

DeKAY: Ready? Good afternoon Vice-Vice Chairman Moser and members of the Natural Resources Committee. For the record, my name is Senator Barry DeKay, spelled B-a-r-r-y D-e-K-a-y. I represent District 40 in northeast Nebraska. I am here today to introduce LB1261. Nebraska has long benefited from our unique public, publicly-owned electric system. Our all-public-power model has consistently delivered low-cost electric rates, high reliability, and broad public benefits for nearly 100 years. Public power is a cornerstone of economic development which has supported our state's growth for generations. It is a system we should fight to preserve and will preserve under this bill. Our nation is facing unprecedented challenges in building the electric generation and transmission infrastructure needed to meet the needs of extremely large industrial customers. This is not just an issue here in Nebraska, it is a nationwide challenge. Industrial projects with unprecedented needs for power, greater than 1,000 megawatts, are emerging. These industries provide an opportunity for Nebraska, for growth, for jobs, and of all the economic opportunities that come with them. These large industrial companies offer a significant economic potential, but their large energy demands and expedited expectations for interconnection could place extraordinary pressure on Nebraska electric utilities and electric customers. LB1261 would establish a narrow, carefully-defined exception in statute that allows public power entities to partner contractually with privately-owned generation developers serving large industrial loads greater than 1,000 megawatts. For a point of reference, Lincoln Electric System serves all of the 300,000 customers in the industry and the city of Lincoln. Their system peaks at about 800 megawatts in the summertime. LB1261 allows for the construction and development of a large 1,000-megawatt or larger privately-owned thermoelectric generation plants under a model that would ensure public power retains exclusive retail service rights, and maintains wholesale supply obligations. Under this bill, the privately-owned generation plant would enter into a power purchase agreement with public power, and public power would deliver elect-- electricity to the large industrial customer through their current wholesale and retail obligations. The large industrial customer would pay all of the related system costs and all the infrastructure upgrades needed to provide their service. LB1261

includes a number of provisions intended to make clear the intent of the bill and to preserve our public power model. The bill would require that generation be co-located with the industrial customer. The generator would have to go through the same Power Review Board approval process that public power has to go through when they build generation. The bill strictly preserves the public power's exclusive right to serve a customer at retail, and prohibits the industrial customer from reselling the electricity. To protect such a large investment and ensure that these projects can receive the financing they will need, the bill exempts privately-owned generation plants of 1,000 megawatts and greater from condemnation. There is also a sunset provision included in the bill. Large industrial loads have stated that they would like to be up and running in as little as 18 months. Worldwide supply chain constraints, permitting requirements, and regional transmission interconnection requirements often preclude public power from meeting such a short timeframe. They say this bill is needed because private entities think that they can do this faster. LB1261 would allow them to do so, but it includes a sunset provision so if a time passes and shows this is to be untrue, we will revert back to the existing law. If we find that LB1261 spurred economic development, diverted risk away from Nebraska's electric consumers, all while keeping our public power model intact, we can look to extend the bill with future legislative review. Finally, let me be clear, LB1261 does not dismantle, diminish, or disrupt public power. I will state here that any efforts to dismantle the narrow exemptions within LB1261 and any efforts to open the door to smaller privately-owned generation and retail choice in Nebraska should be forcibly opposed. This legislation ensures all Nebraskans continue to receive the affordable, reliable, and secure electric-- electricity service that public power provides while also bringing in the generation necessary to serve these large industrial loads. With that, I would like-- I would be happy to try to answer any questions. But I will add there are people behind me from the public power and others who may have answers to the questions in their testimony. I will say this does strengthen and protect public power to the fullest. Thank you for your time.

MOSER: OK. For LB1261, we had 1 proponent testimony, 7 opponent, and 1 neutral and no ADA testimony. Members of the committee, any questions? Senator Conrad.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

CONRAD: Thank you, Senator Mummer-- Moser. Senator DeKay, why are you bringing this bill? Is it for a specific company or project?

DeKAY: Not that I know of. There are companies out there that have the ability to generate electricity, to provide that electricity, and it could bring economic development for different companies that want to do business and promote economic good in the state. And it does take the pressure off of utilities like OPPD, LES, NPPD to have to put that rate pressure on rate-payers to pay for generation that they may or may not see in their homes and smaller businesses.

CONRAD: OK, that wasn't really responsive. But your contention to this committee is that you've had no discussions in preparation for this bill with a specific company on a specific project?

DeKAY: Not prior to today. No.

CONRAD: Oh, what discussions did you have today?

DeKAY: I did-- I've talked to some people that may--

CONRAD: What people?

DeKAY: They will be coming up to testify later.

CONRAD: Do they represent a specific company or project?

DeKAY: They would be representing a project. They-- obviously, they would be a specific company. I'll let them introduce themselves when they get here.

CONRAD: OK. Who asked you to carry this bill?

DeKAY: As I stated in the stated address, Governor Pillen asked me to carry it. I agreed with the caveat that I would carry it on the provision that we have the comfort level and the protections to keep public power intact as a way to have that business model today.

CONRAD: So what guardrails did you insist upon when crafting this legislation? What originally did the Governor pitch to you in regards to this bill?

DeKAY: They just asked me if I would carry the behind-the-meters generation bill, and I said yes. And with that, the next step forward

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

was having a direct conversation with the CEOs of the public power districts, the general manager and lobbyists of NREA, to have full transparency that they were totally involved in the project, that they had a comfort level with it, and that they knew that they were fully protected under our public power, power models we exist today.

CONRAD: OK, so I'm glad you noticed that your rhetoric or narrative surrounding this legislation includes labeling it as a behind-the-meter kind of project or measure. Is that really accurate? Because it seems to me like we're allowing perhaps a private company to generate and sell power, which is a direct contrave--

DeKAY: They're not setting--

CONRAD: Excuse me. Which is a direct contravention of our public power structure.

DeKAY: They're not going to be selling the power. They may be contracting possibly with another company that because they're not developing--

CONRAD: So there's no--

DeKAY: They're not going to be--

CONRAD: So there's no financial benefit to it when they make those contacts?

DeKAY: The benefits for them will be that they will be up and running to be able to run their whatever data center, whatever they're running, and they will have the ability to have-- they think, to have that ability to that amount of generation available to them. This will not be able to bring in other entities to work around public power to sell and bring in privately-owned investors to do that. This protects public power to the fullest.

CONRAD: But you noted in your response that this would allow certain large users to generate their own power and then also contract that away, i.e. sell that to other users.

DeKAY: No, no, this is-- this will be specific to a project that's being built and it's not being aggregated out to any other company.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

This will be any generation will be specifically to the industry that it's being built for.

CONRAD: But can't they do that now? Why do you need a bill?

DeKAY: They could, but this, this brings also in-- they could be, if you want to call it an island, when you have interconnection agreements, interconnection agreements. They can do that on their own now and they're not having to-- if they're solely encapsulated with themselves, have their own generation mix, don't have to rely on a utility company for backup generation for them. They can do that already in statute already in law.

CONRAD: Right.

DeKAY: So this does bring it so that they have the ability-- and if, and if there are excess generation, it will be sold back to the utility and into the marketplace at wholesale value and retail. And it's not-- and it keeps, it keeps private-owned investors from being able to do that. It's still controlled by public power, 100%.

CONRAD: OK, I'm not sure I'll agree with that assessment, but is there an eminent domain component to your legislation?

DeKAY: The only thing that might be considered intimate [SIC] domain is, and that would be contractually with the companies coming in, if they're purchasing land and if they are purchasing adjacent property to build a facility on. That's all I know about that point.

CONRAD: OK, and then I think this opens up a broader conversation about long-going public dialogue in Nebraska, and that's also playing out in our sister states and on the federal level. But it really gets to the heart of the extractive nature of these data centers and how they come in and utilize tax incentives, they create very little jobs, and they are a huge user of water and electricity. And, you know, that really hurts residential consumers in their utility bills. And it's driving and spiking costs up higher. So we have made these public policy choices to give corporate welfare to these large corporations. Now they're coming in and taking advantage of our reliable, affordable power, and you want to give them some more sweetheart deals with this bill.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

DeKAY: Absolutely not. This is the crux of the bill. This brings in generation. So they are building it, they're paying for all the costs of it. They're doing all the infrastructure costs. They're putting it together so that burden is not placed on the ratepayers of the state of Nebraska that can utilize another thousand megawatts of public power for other e-entities within their public power district. So it's putting absolutely no pressure on rate-payers in Nebraska.

CONRAD: OK, quick question. Do you think these data centers or crypto or other large users like that, huge users, right? Do you think that they have an extractive nature to society or do you think that they're net benefit for Nebraska?

DeKAY: I can't answer that. I don't know what the crux of all their business dealings are and how it's going to impact on a national level. But I will say this. [INAUDIBLE] with crypto bills, Senator Clouse had one last year, that contractually they work so they're not going after-- generation when peak generation has an irrigation systems. They shut down those-- they shut down that facility and they're not even using one kilowatt of electricity during those irrigation systems and stuff like that. It levels out the peak, and when it comes back up on winter and spring before irrigation starts, they run those-- that crypto and then they shut it down when large peak seasons come into play.

CONRAD: Does your bill make it easier or harder for large data centers to locate in Nebraska?

DeKAY: It would probably make it more feasible for them to look at Nebraska. Obviously, I don't think Nebraska is going to be the nation leader. You can build in the east coast in Maryland and Virginia that are obviously farther ahead in data center technology and infrastructure than Nebraska is, and I think that's probably going to the "Silicon Valley," if you want to say it that way, of data centers across the nation. This just gives more options to a very few entities to be able to have the opportunity to locate to the Midwest.

CONRAD: OK. I have one more question. Senator, I know that you have worked very hard to be protective of both the spirit and intent of Nebraska's unique approach to power issues, namely just our pride in being a public power state. This seems to me to be an exemption or exception that you could really-- that, that swallows the rule, that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

you can drive a truck through. I know that you're sigh-- trying to pitch it as a small exception or exemption, but really doesn't it just drive a stake in the heart of public power and allow for large, extractive users to take advantage of our reliability and affordability and drive up costs on customers?

DeKAY: No, it's not going to drive up the cost on the customer.

CONRAD: What's the guarantee that it won't?

DeKAY: The crux of putting this bill together, like I say, when it was offered to me, the first phone calls I made were to the public power district CEOs, their representatives, Nebraska Rural Electric Association. We were totally transparent with each other throughout the whole process. They crafted the bill to protect public power from the beginning to the end. It was an umbrella that's going to protect all the way from the generation, the transmission, all the way down to the distribution center-- systems of Nebraska. And in regards to if it's a data center or whatever that comes into place, I have no idea if it would be Google, whatever, if that-- if they're cheap, reliable sources, that might take down their input costs. It might make to their end-use, their prof-- their, their products a little cheaper to who they're pitching their, their products to.

CONRAD: Thank you, Senator. Thank you, Senator.

MOSER: Senator Hughes.

HUGHES: Thank you, Senator Moser-- not Vice Chair Moser.

MOSER: Thank you.

HUGHES: Thanks for bringing here, Senator DeKay. OK, so a-- there's a company that needs large power usage, wants to come to Nebraska. We stated yesterday-- and they want to build their own generation just for themselves. They can do that today. We don't need any change in law. They can do their own system hooked onto themselves. How I, and this is my question, how I'm reading this is do these company-- because it says they don't-- they want to be insured that eminent domain can't be used by our NPPD, OPPD to take over their, their own the generation that they built. Is that the biggest crux of this bill, is that it protects them, they feel like, from our public power taking it over? Or is it that that company builds their own generation has

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

excess? If they set up a, an agreement they can push back into the grid any excess that they've generated?

DeKAY: They would have--

HUGHES: Which is it? Or is it both?

DeKAY: The eminent domain, that would be contractual probably more in the context of land acquisition. That's going to be up to those companies to purchase, get their own land. But when it comes to interconnection agreements, yes, today they can, they can be on their own, absolutely, today. But then that precludes being able to have interconnection agreements with the utility companies that they're doing business with. So this bill, what it does, it puts the hammer in the hands of public power to approve, disapprove any projects coming forward. If they see a project that they do not like, they can put the brakes on day one and stop it with no questions asked.

HUGHES: But, I mean, maybe I'm reading this wrong. It says no consumer-owned utility providing wholesale or retail electric service-- that's like an NPPD or OPPD, right?

DeKAY: Yes.

HUGHES: --in Nebraska shall exercise the power of eminent domain to acquire a privately-owned electric generation facility that is constructed to provide electricity to an industrial customer. So like the number one thing in here is that-- I mean, that's my question. Is there a fear that these, if this comp-- because the company can come today, build their data center, build whatever, build their own power, they can do it. Is there a fear they won't do that because they feel like our public power will take them over? Is that, am I--

DeKAY: That might be a question for--

HUGHES: I'm gonna ask that later. OK, thanks.

MOSER: Senator Clouse.

CLOUSE: Yeah, thank you, Senator Moser. Just a couple of questions that, you know, as I'm reading through this, of course that, that Senator Hughes referred to says any load over a thousand megawatts. So

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

all the, all the power districts are in agreement with this as it's written?

DeKAY: Absolutely.

CLOUSE: OK. And the reason we're doing this is speed to market, correct?

DeKAY: Do what?

CLOUSE: The reason that we're doing this is speed to market. That's why they can come in and--

DeKAY: Yeah.

CLOUSE: Which, I get it, but I was also-- I've been told for a long time that nobody can go to speed to market any faster than our public utilities can. Because, I mean, that's just what I've always been said-- no, we're doing the best we can. And it can't be done.

DeKAY: And that's the purpose of the sunset clause in this. I feel public power has the best access to the equipment they need to build the infrastructure for the generation. And that these companies, if they so desire and they have the ability to, to come up within 18 months, we can't say no, that we can do it. If they have those channels for that, that's up to them to work that out with the power company that they're dealing with, whether it's OPPD, NPPD, or LES.

CLOUSE: OK, well that was my main concern, they're all agreement as written, no changes to this.

DeKAY: No changes to it. This bill is going to go forward on its own. And this bill was drafted together with the legal counsels of the three utility companies, LES, OPPD and NPPD.

CLOUSE: OK. Thank you.

DeKAY: Yep.

MOSER: I have a question, Senator DeKay. So currently, there are limits on how much power a customer can backfeed into the NPPD or LES or whatever system, correct?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

DeKAY: Yes.

MOSEER: Does this undo that?

DeKAY: No, it would still stay at 25 kilowatts.

MOSEER: That's the most that they could sell back in over what they bought?

DeKAY: Yeah. Yes.

MOSEER: [INAUDIBLE].

DeKAY: They sell it to the NPPD. NPPD buys it from them, 25 kilowatts, and then sells it back to them at the hotel-- retail process.

MOSEER: And there's no difference in the, we're not putting any constrictions on what the utility pays for the power?

DeKAY: Well, it would be wholesale price, whatever--

MOSEER: Wholesale. They're not going to get credit against their retail bill.

DeKAY: The buying-- that what you're talking about, possibly they're, they're selling it back to the public power or to say NPPD at approximately 3 cents, and they're buying it back at 9 cents. So ask me if they're making money on that, that's up to them to determine how they run those numbers.

MOSEER: So you said that your bill is going to help developers, give them more flexibility in how they provide power to their, whatever plan they're having or using, building, whatever they're making? Or is it, does this tip the table toward the power companies or is it a fair playing field that the developers--

DeKAY: It should be a level playing field because, number one, the companies that want to do this, there's only a handful that are-- maybe two hands full of companies that are going to be going above a thousand megawatts. That's why the floor is set there. But it gives them the opportunity to have their own generation, but it also helps out the public power that's a thousand megawatt the generation that we don't have to build a-- any kind of power plant to meet the needs. That takes that pressure off of those utilities, gives-- and gives

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

them the ability to resell thousand megawatts to smaller entities within their service territory.

MOSER: OK, some of the public power, the power companies are going to testify today?

DeKAY: They're here. I'm sure they are.

MOSER: OK. Yes, Senator Conrad.

CONRAD: Thank you, Senator. Senator, just one more question as I'm trying to understand your bill. Because I think we all support public power. We already recognize that people can generate their own behind-the-meter stuff. So I'm still not quite understanding what you're trying to do with this bill. And it seems like a rather broad departure from our public power structure. So help, help me. I'm new to this committee, so I'm an enthusiastic student, not an, not an expert. Let's say under your bill, does this allow company X to build a dual generation gas plant next to a super data center, but then essentially it's having the public power entities waive their right to that power so that company X can sell it on the private market? Is that what you're trying to open the door to here?

DeKAY: No. Absolutely not. Company X comes in and builds their generation net. Any ex-- they can use it within their company. Any excess, they would be obligated to sell back to public power at the wholesale rate and then it's sold at the retail value. So this keeps the door closed on private investors being able to come in and circumvent around the public power model.

CONRAD: OK, thank you. Thank you.

MOSER: All right, thank you. Any other questions for committee members? Thank you, Senator. Appreciate it. Anyone here to speak in support? Welcome.

KENNY ZOELLER: Thank you, Senator Moser and members of the Natural Resources Committee. My name is Kenny Zoeller, that is spelled K-e-n-n-y Z-o-e-l-l-e-r. I serve as the director of Governor Jim Pillen's Policy Research Office. I'd like to thank Senator DeKay for introducing LB1261 on behalf of Governor Pillen. LB1261 is a prime example of Nebraskans coming together to analyze a problem and work together to find a solution. This bill relaxes Nebraska's eminent

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

domain laws that surround public power generation with a very tightly-crafted exemption. The goal of this legislation is to allow private investment for new large-load generation or otherwise known as hyperscalers. Specifically, LB1261 alters the existing authority given to public power utility districts to exercise eminent domain on privately-developed electricity generation facilities. The existence of eminent domain authority in current law is understandable given the need to preserve our state's unique public power system. We do not want private generation supply and retail power carte blanche. However, the specific change in LB1261 allows for privately-funded generation facilities to be constructed for hyperscaler single-user entities as long as they, one, produce over 1,000 megawatts at a single site. Two, are co-located on or adjacent to a large industrial customer and receive approval from the Nebraska Power Review Board. Three, the parties have executed a long-term power purchase agreement with the public power district in which they are located. Four, the industrial customer agrees to pay all fees and costs to upgrade equipment on the public power district grid related to their new service load. And five, privately-owned electric generation facility will only be used to serve the large industrial partner. The language of this bill was carefully crafted with input from all Nebraska public power districts, the NREA and Tenaska. The bill before you today is specifically structured to allow Nebraska to capitalize on opportunities in the electric generation space that did not exist three or even four years ago, but seeks to protect public power at large. Large electric loads are being sought all across the country, and indeed globally, as data centers, sustainable aviation fuel plants, on-shoring of manufacturing plants are built out. It is imperative that we do not lose the AI race to foreign adversaries who are building new electric generation capacity at rates almost unfathomable a decade ago. In summary, LB1261 is an important flexibility to our unique public power structure to keep Nebraska competitive in the electric generation field. Our future economy depends on the ability to quickly construct large-load infrastructure. LB1261 will allow for this while shielding the average payer from having to foot the bill of that generation capacity, which will broadly benefit a private company. The bill has no fiscal impaction or fiscal note, and we are-- and we see this as a win-win for all Nebraskans. So I thank you for your time. I'd be happy to answer any questions that you might have.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

MOSER: Senator Hughes.

HUGHES: Thank you, Senator Moser. Thanks for coming in, Mr. Zoeller. So I think maybe then you've answered it. Big companies like this could build today and be on an island, build their own energy source, whatever, but these companies don't want to do that. They want to be able to sell their excess back on the grid, right? That's why this bill is brought. And we need to say they can do that without our, our public power taking it over through eminent domain on just these entities. Is that-- in other words, these companies will not come to Nebraska unless they can do excess back to the grid.

KENNY ZOELLER: So if I think I could, it might take me a little bit to answer your question.

HUGHES: Yeah, go ahead. Take your time.

KENNY ZOELLER: [INAUDIBLE] the purpose of this bill. So yes, today we do have behind the-- behind-the-meter agreements with our public power entities for certain users. However, if you take a look at the sheet that I passed out specifically the top graph, this is from the global energy monitor organization online that I pulled. And what we are facing today globally is a shortage in terms of certain turbines specific to gas. In the future, with small module nuclear reactors coming online or other investments in nuclear facilities, there will be a shortage in terms of where companies or organizations are want to-- going to want to dedicate those resources. So because we've seen a massive spike in power demand, not just in Nebraska, but globally, There are limited amount of resources, whether it be turbines or other entities. So private companies are taking a look at Nebraska's law, which is unique from the standpoint of, if they have an agreement with NPPD, not only could NPPD condemn that, but our current statute allows for OPPD or LES to condemn that generation source. So would, would that ever happen? Most likely no. But if you were a large private user, you're not going to take that risk.

HUGHES: You'd want that guarantee in statute that they could--

KENNY ZOELLER: You want that guarantee because you're in line with everyone else, including our public power entities, to try to get turbines or try to get investment into SMRs, so.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

HUGHES: OK, thank you.

MOSER: Senator Conrad.

CONRAD: Thank you, Mr. Zoeller. So just to level set here, Nebraska is already home to dozens of large data centers under existing law because of favorable conditions. Corporate welfare, favorable environment, and affordable, reliable energy to really be the drivers behind those siting decisions. So what existing structure and our natural assets are already recruiting these, I guess, preferred tool of economic development for the Governor? Why, why on earth do we need to make another change?

KENNY ZOELLER: Well, if I could, data centers are not the preferred tool of Governor Jim Pillen. In fact, he is, is known--

CONRAD: Then why are you pushing a bill this session to--

KENNY ZOELLER: He is known--

CONRAD: --to make it easier to facilitate more data centers?

KENNY ZOELLER: He is known as frankly an adversary to data centers from a nationwide standpoint. The difference that this bill does is that you and I would not be paying for the generation for those data centers being built. Governor Jim Pillen wants private companies to pay for that generation, plain and simple. This bill would allow those data centers, if we had this in place previously, depending on the amount of power that they use, to bring their own generation to bear instead of forcing rate-payers to build that generation for them. And the Governor's first and foremost task is to make sure that we have a competitive economic environment for all large-scale users because there's also entities such as sustainable aviation fuel plants, large-- large-scale manufacturers that would also potentially qualify for this, have them come to the state of Nebraska, bring their own private generation, and make sure that protect our rate-payers, specifically residential and existing commercial users, which would continue to be some of the lowest rates in the country thanks to our public power partners.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

CONRAD: Yeah, so in putting together this legislation, what, what entities in the private-- in private industry asked you to make this change and bring forward this bill? Who drove those discussions?

KENNY ZOELLER: In the private sector, I would say no one. These, these have been--

CONRAD: There is no discussions with the Governor's team or the Governor with any private entity? This is solely driven by public power, is your contention?

KENNY ZOELLER: I think specific--

CONRAD: Do, do you want to walk that back or clarify that?

KENNY ZOELLER: No, what you asked is.

KENNY ZOELLER: The origination of this legislation frankly started with conversations that the Governor has regularly had with, with public power starting about two years ago. Throughout those discussions, and I'll apologize to them afterwards since they were private, but Tom Kent, CEO of NPPD, continually told us, and rightfully so, that we have the ability to do this now. But the Governor kept on pushing in terms of, well, what are some tweaks and changes that we can do to, to be competitive in terms of making sure that we have investment. From private entities, whether it be sustainable aviation, fuel plants, manufacturing companies that are looking to locate in Nebraska that could bring hundreds or if not thousands of jobs, and make sure that we are competitive to make sure we can provide them power while still respecting our public power system we have. And this is what this bill does. Public power still has a veto from the standpoint of you have to have a, a power purchase agreement with the public power entity. This bill is a slight tweak that allows us to-- that allows public power to essentially pick and choose which projects fit within our system. Because I think from the state of Nebraska standpoint, we have been extraordinarily successful with our public power system and making sure our, our power rates both residential and commercial continue to be top five lowest in the country. So from the Governor's standpoint, he's going to respect the expertise from public power companies to make sure that if there is an opportunity for us to bring private generation to bear that's going to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

benefit rate-payers, benefit Nebraskans, then he's going to be supportive of it. And that's what this legislation does.

CONRAD: OK, so what kind of company, what's the profile for like a company X that can provide this kind of dual generation?

KENNY ZOELLER: It, it, frankly, it, it depends. I mean, there's entities, public entities that have announced such as Citronix down in Falls City that are looking to do sustainable aviation fuel plant, along with some other value-added ag sources. You know, a couple of years ago, when there was a significant amount of funds from the federal government to on-shore certain manufacturing chip components, those were companies that, you know, chose other states due to a variety of different reasons, but those are the type of companies that, that could bring private generation to bear. Ethanol companies within the state of Nebraska. And then large-scaler, hyperscaler users such as companies that own and operate data centers also are entities that could bring private generations to bear.

CONRAD: OK, so your contention is, is that this legislation would potentially benefit a variety of different users and isn't brought on behalf of any one project or company?

KENNY ZOELLER: That's correct.

CONRAD: Thank you.

JUAREZ: I have a question, please.

MOSER: Senator Juarez.

JUAREZ: I'd like to know what the concept that you're presenting here, and can it help to provide power for a commuter train?

KENNY ZOELLER: Senator, I don't know, I'm not very familiar with the power usage of a commuter train. So I would have to, I would have to research that. Hypothetically, if a commuter train, commuter train in a private entity that was to operate that in the state of Nebraska had over a thousand megawatts of usage, then yes, theoretically that, that company could come in and provide private generation for the use of that commuter train. So long as public power, they have the purchase

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

agreement with public power, they go through the five steps that are mentioned in the law.

JUAREZ: OK, I'd like to encourage you to take a look at that, please.

KENNY ZOELLER: OK.

JUAREZ: Thank you.

KENNY ZOELLER: Will do. Thank you.

MOSER: No further questions? Thank you very much.

KENNY ZOELLER: Yeah, thank you. Appreciate you all.

MOSER: Any other supporters? Welcome.

JAVIER FERNANDEZ: Thank you. Good afternoon.

MOSER: [INAUDIBLE] late in the afternoon.

JAVIER FERNANDEZ: That's OK. Well-caffeinated. Good afternoon, Senator Moser, members of the Natural Resources Committee. My name is Javier Fernandez, that's J-a-v-i-e-r F-e-r-n-a-n-d-e-z, and I am the president and CEO of the Omaha Public Power District. I'm here today to testify in support of LB1261 as written. We believe this bill offers a carefully tailored way to promote economic development while preserving the high reliability and low rates that public power has delivered to, to Nebraska. LB1261 would allow mega-industrial power users to build their own generation plants under a contract with a public power provider and subject to approval from the Nebraska Power Review Board. This bill includes safeguards to protect the interests of Nebraskans and ensure that large industrial users pay all the relevant costs and fees associated with their project and its operation. This bill will provide Nebraska with-- public power utilities an additional tool to meet the load growth of mega-economic development projects. At OPPD, the amount of growth we are seeing is unprecedented. For example, we have recently seen industrial load project requests that are greater than 1 gigawatt, 1,000 megawatts, nearly a third of the entire consumption of OPPD customers today. And these potential customers seek service to begin within a few years. Clearly, there is a need for more generation, and we are moving as quickly as the supply chain and regulations allow. This is where

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

LB1261 can help in the immediate future. When the Governor's Office approached us to address this challenge, we were happy to collaborate on a Nebraska-focused solution, but not in a way that would weaken the high reliability and low rates that have been the hallmark of the successful public power model in place for nearly a century. We believe this bill will facilitate valuable partnerships between public power districts and private generation developers while maintaining public power's role and strengthening our ability to serve Nebraskans. If terms of the legislation are met for a project, public power entities would waive the use of eminent domain over privately-owned generation, removing an obstacle we believe is necessary to finance private generation facilities. This would help the rising need for power generation in Nebraska and the development of very large load facilities. The December 31 of 2031 sunset date ensures this bill will serve only the immediate supply chain needs we now face. I want to emphasize that our support for this bill hinges on it remaining narrowly-tailored. We are here to serve the needs and interests of our fellow Nebraskans. Any amendments or other legislation that weaken cost protections, threaten local control, incentivize private generation development or industrial customers that utilize it, including involving sales and use tax, or expand eligibility beyond very large industrial customers, would create unacceptable risks for our customer-owners and force us to reconsider our position. Public power utilities work hard every day to meet unprecedented demand for electricity across all customer classes. And we're always looking for ways to adapt, improve, and serve our fellow Nebraskans. Our all-public-power system has delivered some of the lowest rates and highest reliability in the country, and we believe this bill will provide another tool to help Nebraska's economy thrive in the immediate future. In closing, OPPD supports the advancement of LB1261 as long as it maintains the important safeguards necessary to protect Nebraskanans. Thank you, and I'm happy to answer any questions.

MOSER: Questions from committee members? Senator Conrad.

CONRAD: Thank you for being here. You mentioned there were certain concessions or components of the legislation that are requisite to gain your support, and you pointed to the sunset provision in particular. Why was that timeframe utilized? Why is that important to you?

JAVIER FERNANDEZ: Thank you for, for the question. Let me expand on that because there, there are two main problems we're facing today with regard to these large users. One has been discussed before, which is a supply chain issue. The demand for generators, turbines, transformers, large equipment is, is tapped. Right? What used to take 18 months to deliver, today we're talking 5, 6, 7 years, because we're not only competing with other utilities nationwide, we're competing with utilities all over the globe. And so the 2031 date is a very specific date that, that addresses the short-term supply issue that we have today. We believe that in five years, and this is an estimate that we all arrived to with my colleagues in public power, we thought, OK, let's solve for that short-term issue. But this shouldn't be a long-lasting supply chain issue. But the other very, very important piece here, which is not necessarily addressing the date, but very, very important here is size. I mentioned 1,000 megawatts, it's about a third of OPPD's total load today. We have and we, we are serving data centers, as Senator Conrad accurately shared earlier. We have received requests from some of those customers for at least 1,000 megawatts. Some of those ideas range in the 3,000-megawatt range. 3,000 megawatts, that is OPPD. So this other issue that we're trying to address is one of risk, appropriate risk alignment. Where you have someone who is that large, we've never really encountered something like this. Our public power model, and I would say the utility, electric utility model in the United States, was never designed to serve something that big. So even if we had all the equipment, which we don't, the question becomes, should we be the ones building something that large for some-- for a user that is that large and then putting the rest of the Nebraskans at risk? And I would say the answer is a sound-- resounding no. So this is one of the other reasons why we're, we're supporting this, to say, well, there's a way for us to allow and welcome economic development. We have an obligation to serve any customer who requests service from our district, but from a risk management perspective, this is one, one very large project that we would rather have a private developer entering into an agreement with a private user. They can reap the benefits, but they would also be the ones who are at risk, putting their own capital at risk, isolating the rest of Nebraskans from that risk. I answered another question, but they are kind of tied together.

CONRAD: So in your community, serving some of these extraordinarily large users have contributed to a lot of pressure on supply and

demand, and has been a major driver in running up utility rates for your consumers. I think, what, beyond 6% average rate hike for residential consumers in your jurisdiction just this year? So rather than running headfirst into an expansion of this extractive dynamic, why shouldn't we instead pursue strategies like a pause or a moratorium locally or nationally to get our head around whether or not we want to increase residential utility fees, to generate AI power with no jobs that we're subsidizing through corporate welfare. Why is this the solution instead of taking a more cautious approach in general to understand the societal and the fiscal cost and benefit? Because your rate-payers are already, are already on the hook for a lot higher costs in an affordability crisis because of how you're serving large users to their detriment.

JAVIER FERNANDEZ: Thank you for the question. I'm going to try to address it in, in pieces. One, I don't disagree, but I respectfully will say I'm not in a position to determine policies for economic development in the state. Right? What type of industries should come or not come that's up to this body, my board of directors. But that is, is an active question that I, I welcome. And I think it's a healthy discussion to have. From my perspective, it's very, very important for me to clarify that we have a very rigorous cost of service that we, we follow every single year. We have our board members come in, we have very lengthy conversations with them where we have-- we are obligated to have a cost-causation principle where we allocate all of the costs of the district to the users of the, of the system. The 6.3% average rate increase that you mentioned that was approved by the board of directors in December, it's, it's the average rate increase. In that rate increase, there were the largest industrial customers, which might be the same ones that you're referring to. Their rate increase was in the double digits because they are driving higher investments to the system.

MOSER: They're driving costs.

JAVIER FERNANDEZ: Driving higher investments, which drive higher costs. But the rest of the population also experiences a rate increase because we have to modernize the grid. We are required today by the Southwest Power Pool to have significantly more power generation standing idle in the coldest days of the winter, something that we've never, never been required to do. From a reliability perspective, that's a fantastic thing to do, but it also drives costs. So for the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

average residential user, they're using the same amount of power they were using five years ago, but today they have to pay a higher bill because we have more machines ready to kick in to keep the power on when we need it the most. So that is a very, very important principle of cost-causation that we have to make sure that there is no cross-subsidization between customer classes, and it's one that our board members really dive deep into that because they have the same concern and they want to make that they are portraying to their constituents that, that the cost and the rate increases for them are fair, reasonable, and not discriminatory.

CONRAD: Yeah, thank you. And then I just have another question right now. What projects or private companies have you been in discussion with in regards to this legislation, and for what purposes and projects?

JAVIER FERNANDEZ: Thank you for the question. Unfortunately, I have to maintain privacy with our customers. I can-- I'm not in a position to disclose names or megawatts. That's what we do, we do that with all customers. But I will tell you, they're very large customers. You've probably seen them around. They are very likely in the data center category. We have received, over the course of the past three or four years, we've received between five and six requests that are 1,000 megawatts or higher. Those have come and gone, but we have today customers who are very serious about this. They've asked us to build generation to serve a load for at least 1,000 megawatts, up to potentially 3,000, and they need that in three years. Of course, we have an obligation to serve. We can never say no, but we have to say, well, this is, this is the timeline that we can realistically serve. When that customer comes to us and says, hey, I have someone, I found someone who has engines, who has transformers, they have them ready to go. That's when my role is to serve the customer. And so we engage in conversations with the customer and say, OK, well, if you're, if you have your equipment, if you have a way to generate your own power, let's figure out a way to make that happen without opening this up to private competition in the state of Nebraska.

CONRAD: So just to clarify, you won't tell us what private companies or pro-- projects were contemplated in pushing for this legislation. Is that your personal preference? Is that because of an NDA? What is your reluctance to be transparent with this committee based upon?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JAVIER FERNANDEZ: It is our board policy. We never, in public, we never disclose names and details of customers, whether it's a residential customer or a large industrial customer, for privacy reasons and to maintain that customer privacy.

CONRAD: So--

JAVIER FERNANDEZ: But I would be happy to, to talk to you in private. And we can disclose--

CONRAD: I mean, I could also just perhaps file a public records request of your schedule to figure out who you're meeting with. Because you work for a public entity, you are highly paid with all public dollars.

JAVIER FERNANDEZ: Mm-hmm.

CONRAD: You're here pushing legislation that you claim is going to benefit your rate-payers on behalf of private companies and large projects, but you won't tell us who is behind those discussions.

JAVIER FERNANDEZ: I wish I could.

CONRAD: That stands in sharp contrast to our open-government approach in Nebraska. And I think George Norris would be rolling over in his grave.

JAVIER FERNANDEZ: I wish I could, but we take customer privacy information very, very important, very, very carefully. And I, I am in no position to disclose that today. And I appreciate the frustration, but customer information, privacy is important regardless of the size of the customer.

CONRAD: Thank you. Thank you, Senator.

MOSER: Let me ask you a question-- and Senator Clouse, I'll get back to you-- while we're still hot on this topic. So you're required to provide power to customers. That's part of the public power model.

JAVIER FERNANDEZ: Yes.

MOSER: And if what they want to do is kind of crazy, you can't tell them no, currently.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JAVIER FERNANDEZ: Nope.

MOSER: And if you think that the risk of them, the market turning on them, all of a sudden maybe bitcoin isn't worth \$10,000 a bit or whatever it is, then you might have a lot of excess capacity with no way to get your money back.

JAVIER FERNANDEZ: Correct.

MOSER: So having a customer put that money up front to build that or provide that equipment is a safeguard for you. It's kind of an insurance policy.

JAVIER FERNANDEZ: Correct.

MOSER: And would you have competitors that are all jockeying to try to build a-- write a contract with OPPD to buy big sums of electricity? And whoever comes up with the best plan might make the most money? So is that a reason that you don't want to disclose what-- you might have competitors trying to get power from you at the same time, and you don't want to disclose inside secrets.

JAVIER FERNANDEZ: No, I think this is, this is a fair question. We-- the reason we don't share information by customer specifically, it's, again, it's a policy that we have. And we, we maintain privacy of the customers. I can't tell you how much power a customer A, B, C is using today. We have all the information, our board is privy to that information, but for me to release that information would be akin to releasing how much, how much power any of the residential customers are using. That's, that's my understanding and that has been the standing position with the board. When we talk with board members in public sessions, we, we oftentimes are very careful not to share private customer data.

MOSER: Myself, I don't have the suspicion that we're doing something to benefit some corporate welfare customer myself. I think the market has just exploded. There are so many ways for people to use power. When George Norris was thinking of public power, there was no Bitcoin. There were no data centers. I mean, this is a whole new era.

JAVIER FERNANDEZ: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

MOSER: Let's take Senator Clouse--

CLOUSE: Yes, thank you.

MOSER: [INAUDIBLE].

CLOUSE: Thank you for being here. I always have to dumb things down just to make-- so what I envision is going on here is that there's a large customer has contacted you, there's a location they're interested in. You do a really quick, and this drives Mr. Rosenkranz nuts, a quick IRP. You take a look at that and say, oh wow, this is not cost-effective. We're not gonna do this. What's our alternatives? They come back and say, well, we'll do this, but we don't want your IRP to show in five years that it's cost-effective, now you're gonna come take this from us with eminent domain. Is that kind of in a nutshell what's kind of--

JAVIER FERNANDEZ: A little bit. So we, the customer asked for, for power, we have to provide it. And we, we will utilize that cost-of-service model to make sure that that customer is paying their fair share within their-- the way they're using the system. Regarding the, the condemnation or the eminent domain piece, that's an, that's an important piece, and it's been discussed in previous conversations. Today, we don't need legislation. A private company doesn't need legislation changed to build their own behind-the-meter generation. This is similar to a backup generation. If it's behind the meter, it doesn't connect into the grid, you can do whatever you want. Make no mistake, when you have very large power users, they, they don't want behind-the-meter reliability. There is a benefit of in-front-of-the-meter network reliability, the network that we've been building for the past 100 years. This is where if this generator were to connect in front of the meter today, we have the, the right and almost the obligation to condemn that generator and back into the public domain. This is the, the piece that we understand is the barrier for private capital to invest in, in those generators. And I think it's a fantastic protection, except for when we have a project that is of this magnitude where the risk capital for the utility is not very tolerant for, for something that large, and we don't have the equipment to finance, to build this thing. That is where we would-- the bill as written we would waive that condemnation for that particular project on a single site serving one single customer of 1,000 megawatts or greater, so long as the entirety of that generation

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

is covered by a contract and the local consumer-owned utility, OPPD or any other public power, we are the sole retail provider or wholesale provider to, to that utility. We are always in the middle. And that, that is incredibly important. That, again, that protects that public power piece. Bring your own capital, you can operate that. But we, we are in the middle. Senator Conrad, you asked a question earlier about the user. Can the user resell electricity? There's a specific sentence in the bill that says it prohibits the user from the resale of electricity, because that's a fantastic point. We need to make sure that no one, not the developer, the owner of the generator or the user can circumvent these and sell electricity back into the grid without us being there.

CLOUSE: And I'm going to, again, assume that you're sitting there now, but we're going to hear the same thing from NPPD, from LES, went through the same processes. And that's why you're jointly agreeing that this is the right way to do it.

JAVIER FERNANDEZ: Except there, they will be more eloquent than me.

MOSER: Other questions?

JUAREZ: Yes.

MOSER: Yes, Senator Juarez.

JUAREZ: Thank you for being here. I just have a, a couple questions, and just because I don't thoroughly understand the control of the board and your position with OPPD. So I'd like to come and testify here today on this bill, is this something that you have to discuss with your board first and get approval by them to come and testify?

JAVIER FERNANDEZ: Yes, so I have a delegation of authority from, from my board for positions like these, legislative positions. On bills of this importance, my practice has been to, to talk to my board. So I have had extensive conversations with board members all these past couple of weeks. We've actually had a large conversation about this topic about a month ago. So I have had the opportunity to talk to board members about this bill and get their feedback. The board is not required to vote on, on our positions, because again, I have the delegation. But it's very, very important for me to know where the

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

board's mind is around this piece of legislation, and that's what I've done.

JUAREZ: OK, so in the end though, it is your decision if you want to come and testify on the bill, right?

JAVIER FERNANDEZ: Correct.

JUAREZ: OK, thank you. And then my other question is, do you see any drawbacks to the state in regards to this bill? Is there something that you're concerned about?

JAVIER FERNANDEZ: Yes, I, I am concerned about a few things. But thank you, that's a fantastic question. There are two, two elements that, that concern me. In a way, I think that concern exists with or without this bill. One of them is, as we're all pursuing more renewable generation, which is taking a lot longer to, to get here in Nebraska, permitting and other reasons, we're also trying to build natural gas generators. It is, is a fuel that allows us to maintain reliability in the system. As we're integrating renewables, we're not building coal generation. We really can't build nuclear generation fast enough. So natural gas becomes very, very important. Today, there is no legislation needed for anyone to build a behind-the-meter generator, and very likely would be a gas generator. So with all of these demands for electricity and economic development and prosperity, also comes a crowding effect, effect on natural gas. And this is something that we've talked about. We, we will need natural gas pipelines and volume of molecules flowing through the gas system for all of us to continue to operate. I believe that risk exists with or without this bill, right? As, as private companies build their own generators, they're going to use the same gas that we would use for our, our facilities. I believe it that is a topic that the state of Nebraska has to address, and frankly the country as a whole, on gas regulations and incentivizing that investment. The other one, Senator Conrad mentioned earlier, the use of water. Again, I'm not an expert and I'm not going to opine on that, but there are other resources in addition to electricity that large facilities like these use. So I, I trust in the process of the Nebraska Legislature, and we have very good institutions that will look into those issues and what are the permitting requirements to establish such a large outfit. If they're going to use a natural resource like water that may be scarce on, on one side, but not on the other side. So those are, those-- I want to

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

be very transparent. Those are issues that come with growth, the scarcity of resources is something that we have to be very aware of.

JUAREZ: Thank you.

JAVIER FERNANDEZ: Yeah.

MOSER: OK, other questions?

CONRAD: Yeah, thank you. I had some follow-up questions based on Senator Juarez's questions. So what concerns did your board express to you about this measure?

JAVIER FERNANDEZ: We talked about exactly that. OK, what, what happens to, to natural gas? What happens to water? The other concern was transmission. And I believe that one is, is very well mitigated in the language, but that was part of the feedback I got from the board. So if you, you get a, a user of this size, it's not only necessary for them to bring their own generation. To the extent that they want to connect into the network, they're gonna be using the same transmission system that all of us are using. So very, very important for us to have the language in here to say you will also be responsible for paying all the transmission infrastructure associated with that, that bill. That was a great feedback I got from, from board members. I think board members and myself and my, my team, we initially we were concerned about, hey, well, waiving condemnation rights is not great. Right? Is this, as you said, are we opening the door to erode public power in Nebraska? And if this is not written the way it is written, we could very well do that. That's why I was-- I emphasize that this bill, we're in support of this bill as written. It's a very tailored bill, but it could be modified and that would be, we would be opposed to any of these. We have today, the, the beauty of this is we have history. The previous bill, I think, or two bills before, they talked about renewable generation. We have now over 10 years of history where we have conceded the right of eminent domain for those generators, for a very narrow, very tailored purpose, and it works. But we have to be very, very careful, and I think that the concern is as this bill moves forward, we're going to have to very careful to protect that language going forward because there will be others who may want to come in and erode that language because we have something very special in Nebraska. It's no coincidence that we are, we have the third best reliability and third best rates in the nation, and that's because of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

power-- public power. So I think that that's something precious that we need to preserve, and that another concern going forward is make sure we're going to have to look at these and protect this language going forward.

CONRAD: And the language itself, it's a short bill. It's not particularly long. I mean, it may be a page and a half. Which is interesting in and of itself. But it, it specifically notes on page 3 in lines 29 through 31 essentially that the consumer-owned utility or utilities with this private entity or generation facility or whatever can waive the decision to get that extra energy back. Who is-- how does the waiver operate? Is it at the CEO level? Is it at the board level? What is the criteria for the decision on the waiver?

JAVIER FERNANDEZ: Thank you for that. That's--

CONRAD: But doesn't that really provide just kind of a sneaky way to break up public power altogether? If you waive, then what? Then it's on the private market, right?

JAVIER FERNANDEZ: I don't think that's what the, the language necessarily means. But let me, let me address that. I have talked to some of the conversations I've had with my board. This would be a very large, very important contract, and the understanding I have with my board is we have authority today to sign contracts, purchase-- power purchase agreements and other similar contracts, and we do that on a regular basis. All of our wind facilities, solar facilities, we have that, that type of contractual obligation. The understanding and the conversations I've had with board members very clearly about this is were this bill pass and were approved the way it is written, the intention from my board is to specifically call out this section in the statute and say, for these type of contracts, we will require board approval. So then adds another layer of checks and balances for my board to agree what contract are we about to enter for these types of--

MOSER: It gives you some protection.

JAVIER FERNANDEZ: Gives me some protect-- gives me a lot of protection, and it's very, very important to know that you have the governing body overseeing that. That is particular to OPPD, and that's

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

something that we would, we would likely pursue shortly after this bill if passes as written.

MOSER: You don't see any political subcurrent?

CONRAD: Actually--

MOSER: Oh, I'm sorry.

CONRAD: Senator, I know you're engaged in the conversation as well, but typically we--

MOSER: I thought you were done. You were reading the phone. Sorry.

CONRAD: I actually am able to multitask, so.

MOSER: Yeah, we all have to do that.

CONRAD: So do we need to put some sort of guardrail or prohibition in the language because it's pretty murky here in regards to the waiver and when that can happen?

JAVIER FERNANDEZ: You know, I'm going to defer, if it's OK with you. I think one of the-- the speaker right behind me or two speakers are behind me is the general counsel for NPPD and he may be-- he's a lawyer. He will have probably a better answer for me. I would--

CONRAD: Great, thank you. Thank you, Senator.

MOSER: OK, other people with questions from the committee? Thank you very much.

JAVIER FERNANDEZ: Thank you for having me.

MOSER: Next supporter for LB1261. Welcome.

EMEKA ANYANWU: Thank you. Good afternoon, Senator Moser and senators of the Natural Resources Committee, thank you for having me here today. My name is Emeka Anyanwu, E-m-e-k-a, last name A-n-y-a-n-w-u. I am the chief executive officer of Lincoln Electric System here in Lincoln, Nebraska. I have been at LES for two years, but I spent nearly a quarter century as a utility professional. I appreciate the opportunity to sit in front of the committee today and testify in support of this legislation. In summary, LES believes this bill

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

provides a path for effective public-private partnership to seize opportunities that can grow the state's economy, and that it has an appropriately thoughtful approach to addressing short-term challenges without causing long-term harm to our public power model. Therefore, Lincoln Electric Systems supports LB1261. LB1261 promotes partnership and flexibility in meeting our energy needs. LES has experience in building mutually beneficial relationships with large users. We've partnered directly with our newest large industrial customer to add over 700 megawatts of new nameplate capacity to serve its load. LB1261 sets forth a public-private partnership approach that could deploy private capital to invest in major assets that can serve load and bring economic opportunity to the state. The bill also ensures utility system operators have direct input and, and that the addition of assets is done in such a way that doesn't compromise our financial or operational stability or Nebraska's public power model. Through this, we could bring in skilled and well-situated partners who would add their resources and expertise to help us achieve our goal-- our energy goals. This partnership is about adding value to our state's economy, and other add-on provisions that suggest incentives or other things are misguided and unacceptable. LES's support of this bill requires that this committee and the rest of the Legislature reject any and all such efforts. LB1261 is a thoughtful and flexible way to address short-term supply chain challenges and rapid emergence of large loads. LB1261 would allow private sector partners with access to major equipment in a challenging supply chain environment to deploy those assets to show unusually large loads over 1,000 megawatts, larger than LES's current all-time peak demand, that are interested in locating in Nebraska. It avoids capital exposure to utilities and protects existing public power rate-payers from the capital carrying costs and risks associated with these major investments. Provides opportunity to address constraints in the short term while ensuring we don't overcommit to approaches that harm public power and rate-payers in the long term. With that in mind, LB1261 as written does what it needs to do. It doesn't require nor will LES support any amendments to the bill as written. In the energy age, being in the top five in electric service reliability and cost is a winning strategy. One of the hallmarks of public power has been that it is one of our manages for economic growth and vitality, a legacy this bill helps us protect and continue. LES and our public power colleagues believe that we can and will navigate the supply chain constraints and growing demand effectively, and continue to be successful in the long term at

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

building Nebraska's energy and economic future. For these reasons, LES asks-- respectfully asks the Natural Resources Committee to advance LB1261 as drafted. Thank you.

MOSER: Thank you. Questions for-- yes, Senator Conrad.

CONRAD: Thank you for being here and sharing your perspective on this legislation. I'm not sure I've ever heard such a, a statement in my 12 years in the Legislature. Preemptively, you won't support any amendments to this legislation, is that your position? You don't even know what the amendments are, you just won't support the Legislature's ability to take in public feedback at the public hearing and make any changes to this measure? It's a take it or leave it from LES's perspective.

EMEKA ANYANWU: I think from our perspective, what we think--

CONRAD: How is that respectful to this process?

EMEKA ANYANWU: What we think, what we think we have tried to do here is to be collaborative and in drafting something thoughtful and care-- and carefully so that we do not create any unintended consequences. We, we don't want this to get away from us. We don't want to, to lose control of our efforts to protect public power. And so that's, that's the position that we've taken.

CONRAD: So would you rather have the bill as is or not have the bill?

EMEKA ANYANWU: Again, as I said, I think if the bill is to be changed, if there are any attempts to add things to it or change the intent or the approach of the bill, we would not be able to support that.

CONRAD: So it's not really needed.

EMEKA ANYANWU: I think we have-- we have again tried to create an opportunity for us to bring in, as I said, private capital to help us meet our state energy goals.

CONRAD: And what private entities have you had conversations with about this legislation?

EMEKA ANYANWU: So in our conversations, we work with public power partners. You heard how you mentioned Tenaska. That's really the only

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

other entity that I've been involved with or LES has been involved with talking about this.

CONRAD: Thank you very much.

EMEKA ANYANWU: Thank you.

MOSER: Other questions? Senator Raybould.

RAYBOULD: Yes, thank you, Mr. Anyanwu. Isn't it pretty customary and normal if we have a large end user not to have them disclose who they are?

EMEKA ANYANWU: Thank you for that question, Senator. I think that is, that's a fair point, yes. That's true. What, what is often the case in economic development activities is customers of all kinds who are looking for opportunities will want to keep their activities confidential. They are, are looking in different places. They're trying to do assessments of what is in their best interests. And it, it makes sense for them to protect their, their activities so that they can do that effectively. And again, as Javier said, there are also privacy concerns when it comes to sharing customer information. Much like OPPD, LES, we take that very seriously. And so it is-- we definitely do not share that kind of information in public forums.

RAYBOULD: I just happened to think of the Google development in, in Lincoln. And I mean, I think that was probably one of the worst-kept secrets of them coming to Lincoln, which, you know, we were clearly the beneficiary of that. But I can understand why there is a level of, of confidentiality at this point.

EMEKA ANYANWU: Yes, it's, it is not unusual, Senator.

RAYBOULD: Thank you.

MOSER: Other questions? Thank you very much, sir. Appreciate your appearance here today.

EMEKA ANYANWU: Thank you.

MOSER: Yes, thanks. More supporters? Welcome.

ALYSSA CLEMSEN ROBERTS: Thank you, Senator Moser and the Natural Resources Committee. My name is Alyssa Clemeon Roberts, A-l-y-s-s-a

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

C-l-e-m-s-e-n R-o-b-e-r-t-s, I am the General Manager of Dawson Public Power District from Lexington, Nebraska. I am honored to be here today representing the Nebraska Rural Electric Association, which represents 35 rural public power and electric distribution utilities serving most of rural Nebraska. We are here today to support LB1261 as written, and I thank those that spoke before me about the specifics of this bill. We would like to make two additional points. First, as you know, our board is in town and we met yesterday. We had extensive discussions on this bill and voted to support its passage. Make no mistake, this bill is opening a private door in our all-public-power state. It was a difficult discussion and vote. We are uncomfortably comfortable with the narrow scope and carefully-drafted language of LB1261. And we believe this bill provides adequate protections for public power. We caution the Legislature to not let this open the door or turn into a slippery slope, allowing additional private electric generation to erode our public power model, leading us down a road to retail choice for Nebraska's electric consumers. LB1261 as is, assists the development of large generation facilities while keeping the public power model that has served Nebraska so well intact. Second, our support is contingent. We urge the Legislature to not adopt any subsidies for the private generators to compete against our public power generators. Public power provides the third-lowest rates in the nation and we are proud to be ranked the third-highest for reliability in the state of Nebraska. Building large and new generation takes time, and we stand ready to meet the needs of our customers. If a private company thinks they can provide this service faster and cheaper, LB1261 gives them the ability to do so while protecting public power and what we have here. I would be remiss if I didn't share, I have worked for public power and nonprofit utilities all of my adult life with the exception of four years in the United States Navy. It's an honor to do what I do, and it's an honor to be here today. I have never had the privilege of working in a state that's wholly served by public power. We have something special here and we have to protect it, and that's why I'm here speaking to you today. So thank you for your time and support of LB1261. I'm proud to be here today serving public power in the state of Nebraska, and I'm happy to answer any questions you may have. Thank you.

MOSER: Questions for the testifier.

JUAREZ: Yes.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

MOSER: Let's take Senator Juarez.

JUAREZ: I just have a quick question, and I'm just trying to think of the reality of a bill on the floor in the Legislature. So it has been emphasized by others besides you, the bill being as it is right now. So when we go on the floor, if it got that far, and people are putting amendments, trying to put amendments on it, I guess, one of us needs to stand up and emphasize that nothing can be done to this bill whatsoever. It has to pass as it's written right now, is that correct?

ALYSSA CLEMSEN ROBERTS: Yes, Senator, that is correct.

JUAREZ: OK, thank you.

MOSER: Senator Hughes was first, I think.

HUGHES: Thank you, Senator Moser. Thanks for coming in, Ms. Clemesen Roberts. So you said you had a discussion with your, your group yesterday, your board, I guess. And what-- could you say the vote after you, when you were talking about this, like what the--

ALYSSA CLEMSEN ROBERTS: I'm assuming I can, it was a, a public meeting. The vote was--

HUGHES: I can look it up.

ALYSSA CLEMSEN ROBERTS: --22 to 9, and there was a lot of discussion.

HUGHES: OK, and the biggest opposition of the 9 was?

ALYSSA CLEMSEN ROBERTS: That it cracks the door open on public power.

HUGHES: Putting the camel's nose under the tent. Hate that expression.

ALYSSA CLEMSEN ROBERTS: I didn't know that one.

HUGHES: OK. No, thank you for coming in and thank you for sharing it. And I, I think it does hold pretty tight as well, so appreciate it.

ALYSSA CLEMSEN ROBERTS: Thank you.

MOSER: All right. Thank you very much for your testimony. We appreciate that.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

ALYSSA CLEMSEN ROBERTS: Thank you.

MOSER: Any more supporters? Welcome.

CHRIS LEITNER: Well, thank you. Good afternoon, Senator Moser, members of the Natural Resources Committee. My name is Chris Leitner, and that's spelled C-h-r-i-s L-e-i-t-n-e-r. I grew up on a farm south of McCook and am now the president and CEO of Tenaska, and I'm here today to support LB1261. First, I would like to thank the author, Senator DeKay, for bringing forward this important legislation. I also want to acknowledge and thank Governor Pillen and his staff for their leadership in sponsoring and advancing this bill. Their dedication to Nebraska's growth and progress is evident. Finally, I'd like to recognize the public power partners who work to bring this concept to fruition. The spirit of cooperation amongst all parties has been key to bringing us to this point. Allow me to briefly introduce Tenaska. We are a privately-owned independent energy company headquartered in Omaha. Founded in 1987, we're privately-owned and have grown to include regional office in Dallas, Denver, Philadelphia, Boston, Houston, Calgary, and Vancouver. We employ more than 800 people with approximately 350 based in Omaha. Forbes has consistently recognized Tanaska as one of the largest private companies in the United States. Tanaska is engaged in all aspects of power generation and energy marketing. Our operating fleet of power plants includes approximately 7,000 megawatts of natural gas and renewable generation, and we have developed, managed, or operated over 23,000 megawatts nationwide. We are currently advancing more than 9,000 megawatts of new natural gas-fired generation and energy storage projects across the U.S. Our Nebraska-based employees are proud to contribute both to our state and our national footprint. We have a longstanding and robust relationship with public power in our state, and we are particularly excited to continue to work hand-in-hand with our public power partners here in Nebraska in a way that honors both our state's and Tenaska's rich heritage while creating new opportunities that leverage Nebraska's unique and innovative public power model. I am confident that together we can create new energy opportunities for our state that will benefit Nebraskans for generations to come. The journey to LB1261 has involved extensive cooperation, collaboration, and compromise. The bill is forward-thinking. It clarifies existing practices and statutes, providing much-needed certainty for energy projects. This clarity is essential for attracting financing and ensuring that new investments move forward efficiently and responsibly. Importantly, LB1261 supports

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

the reliability and resilience of Nebraska's energy system while keeping affordability and rate-payer protections at its core. At the sa-- by creating a stable environment for energy infrastructure investment, LB1261 will help attract billions of dollars in new capital to Nebraska, supporting jobs and strengthening our communities. In closing, I urge the committee to support and advance LB1261. To reiterate, this legislation presents a collaborative, forward-looking approach to meet Nebraska's growing energy needs and economic ambitions. And Tenaska is committed to being a strong partner in building Nebraska's energy future. Thank you for your time and consideration, and I'm happy to answer any questions.

BRANDT: Well, thank you, Mr. Leitner. Senator Moser.

MOSER: We traded seats again.

BRANDT: Oh, yeah, I'm back.

MOSER: The boss is back. So might you be one of the companies that this bill was tailored for?

CHRIS LEITNER: I don't know if I would say tailored for. We are certainly a privately-held company that isn't part of the public power infrastructure currently and likely into the future. We are working with large loads nationwide, and we would be part of potentially bringing some those loads to the state. Yes.

MOSER: Thank you.

BRANDT: Senator Hughes.

HUGHES: You are who I want to ask my question to.

CHRIS LEITNER: OK.

HUGHES: So companies can come today that are large-load right now, build their own power, build their data center or whatever it is off, off, off our meter, off the grid. Will they not do that because they want to be able to sell excess back? Is that the guarantee they want?

CHRIS LEITNER: I mean ult--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

HUGHES: Because you deal with these companies, right? That's, I mean, you're talking a ton of companies about this so.

CHRIS LEITNER: We do. And look, this is a unique, as we've all said, a very unique model in the state of Nebraska.

HUGHES: Well, we're the only one, we are the only--

CHRIS LEITNER: Right, but there are similar models, but truly the only state of public-- full public power. They want-- what these large loads would like to see is when we're talking about bringing generation online and doing so quickly, these projects will start as behind-the-meter projects. That is something that we know, that's the only way we can move-- that we and they can move as quickly as they need to, to do from a development perspective. Ideally, those projects will then ultimately connect to the transmission system. The safeguard in place is the requirement for us as a public entity, for our customer, as a-- excuse me, us as a private entity, our customer as also a private entity, the safeguard is we have to work with public power before we can ultimately interconnect to the grid. That interconnection will have benefits we believe, and I think public power would agree, to both sides. First, as a large-load customer, when there is excess generation on a grid, public power will have an opportunity to sell that excess generation to load.

HUGHES: Right.

CHRIS LEITNER: And when that large load has excess generation, you know, that was otherwise behind the meter--

HUGHES: I think the answer is they will not come unless they have the capability to hook into our grid, and that's what we're ensuring today with the--

CHRIS LEITNER: Ultimately, that's the, that's the bottom line.

HUGHES: And that's, I mean, it's fine-- I think it's a good-- I think this is good.

CHRIS LEITNER: Yeah, no, ultimately the bottom line is they do need to be interconnected to the grid.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

HUGHES: They need to be interconnected grid. They can't be with our structure today. And that's what we're trying to--

CHRIS LEITNER: Inter--

HUGHES: --carve out a very, very small piece to allow it, which will be beneficial to us, because that maybe gives us extra power that we didn't have to pay to get generated.

CHRIS LEITNER: We believe that to be the case.

HUGHES: OK, thank you.

BRANDT: Senator Clouse.

CLOUSE: Yes, thank you, Senator Brandt. And, excuse me, Mr. Leitner, thank you for being here. Appreciate you being here.

CHRIS LEITNER: Thank you.

CLOUSE: Talk a little bit about your company and, I guess, you know, when we talk about the public power and electric system, we know about that. But how-- tell me how your process is with siting a project with gas supply, gas lines, do you have to, do you try to locate them near good sources for gas flow, size of lines, capacity? Just kind of what you go through similar to an IRP for the electrical side.

CHRIS LEITNER: Certainly. So, from a siting a power generation facility project, it's, you know, it is not dissimilar to what public power goes through when, when they seek to build generation. And when you look at our model, I believe we have 14 levels of screens that we go through. Those screens include gas supply, water supply, impacts on fish and wildlife. We've got Army Corps of Engineer, you know, setbacks. You've got community setbacks. We've got public support that we do a screen on from a, you know, we've got a pretty in-depth database that drives a model we have to model public support from, you know, Google, Facebook, X standpoint. But ultimately, what we're trying to find, it used to be-- the model years ago was you simply just looked for the place where the gas pipes crossed the wires, and that's where you put a power plant. Today, it's a much more complex process. You know, we certainly still do that, but now we've got to look and make sure that the communities are supportive. We need to make sure that the resources are there, not only that the pipe is

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

there, but the gas can actually flow in the pipe at a level to support a project. You know, when you look at, you know I kind of brushed over community support, the reality is that's a very complex process that we take very seriously. And I know public power takes that very seriously as well. So when you look at it, it's that-- that's all very complex. Now we've layered on top of that the fact that these projects are increasing in cost by a factor of about 25% per year. So I can't remember which one of my public power colleagues talked about the exposure associated with large power facilities like this, but that is one of the things that we have to consider now. We have think about local labor supply. What's that impact on the ultimate power project? We have to think about, also mentioned earlier, availability of equipment and the types of equipment that's available. That five, six years ago, was not an issue. So if you look at the model today, it's, it's much more complex. The customers that we deal with are essentially have nationwide footprints. And so what-- part of what is bringing us to today is the fact that we're working with these customers nationwide. And they're looking at Nebraska and saying in the central part of the country, having power and data centers here would be a valuable component to their overall strategies. So that nationwide footprint is something that brings us here today. And the fact that we have gone out and we've reserved equipment that, you know, ultimately because of the position we're in to work nationwide, we've been able to reserve that equipment and believe that we can ultimately place that in a variety of projects. It is my strong desire and hope that we could bring some of that investment here to the state of Nebraska. And just to kind of put this in perspective. And I forget who it was that mentioned, you know, we're talking about a significant amount of risk. In order to put ourselves in a position to have this equipment, we have, we've reserved equipment in excess of \$2 billion worth of value. And, and when you look at that equipment, it's available in the 20-- late 2028, early 2029 timeframe. If you were to buy equipment today, by and large, you're going to be looking at equipment for deliveries in 2031, 2032 timeframe.

CLOUSE: Well, just, you know, you're from McCook, so you know that the geographical center of the United States is really close to Kearney.

CHRIS LEITNER: That's correct.

CLOUSE: Just throwing that out there. Thank you.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

CHRIS LEITNER: Driven through it many times.

BRANDT: OK. Senator Raybould.

RAYBOULD: Thank you, Mr. Leitner. Thank you for coming and testifying and sort of kind of pulling all of these dialogues and questions together on, on how important it is for us to continue to march forward and create additional energy sources. So I just wanted to say thank you. We're grateful. I know you will become a great resource to our wonderful CEOs of all of our public power utility companies because you need to help us position Nebraska as one of those competitive locations. And I think we're one of the best, and of course I think position close to Lincoln is probably even better idea. But you know, I'll let you be the decider of that. Columbus is not bad either.

KENNY ZOELLER: Thank, thank you for the kind words. And I would say I've got, I had a lot of respect for these, these gentlemen and their teams. After working through this process I have even more respect. Talk about a group of individuals that care deeply about their organizations and care deeply about Nebraska would be an understatement.

BRANDT: OK, so I'm kind of late coming back from my hearing to save the state on property tax.

HUGHES: You'll catch up.

BRANDT: So we got one down, one to go. And some of this you guys might have talked about, but in the bill itself, and I'm going to paraphrase, it says: no consumer-owned utility shall exercise the right of eminent domain to acquire a privately-owned electric facility-- and this is a key part-- that is constructed to provide electric service to an industrial customer at a single site-- top of page 3-- with projected new electric load greater than 1,000 megawatts. So do you read that that if you build something it has to be a thousand meg from the get-go?

CHRIS LEITNER: Yes.

BRANDT: OK.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

CHRIS LEITNER: I mean, we have to have a project that's projected to get to 1,000 megawatts. When you say from the get-go, let's be very clear here.

BRANDT: And I guess the word "projected" kind of throws me, what does, does that mean?

CHRIS LEITNER: The reality of getting to 1,000 megawatts at one point in time is not a reality.

BRANDT: So how many points in time does it take?

CHRIS LEITNER: Designing projects that have a goal to get to a 1,000 megawatts and are designed to do that, but do so over time, I think is, is really what we're trying to, to capture here.

BRANDT: So should this bill be rewritten to say over a two-year period or a three-year period or something--

CHRIS LEITNER: I don't believe so.

BRANDT: --more definite?

CHRIS LEITNER: I'm sorry, Senator.

BRANDT: No, and this is my confusion, on a lot of our bills we have vagueness. And I'm, I'm not a big fan of that, because it'll be a he said, she said at the end of the day. How do you interpret that word projected?

CHRIS LEITNER: Well, as I tried to describe, I view that as when we sit down with public power-- because public power ultimately has to be in the middle of this transaction, when you look at the next, you know, paragraph-- they, they will have a PPA as it relates to these transactions. We will sit down with them and talk about this is what the project looks like overall. To me, that is the protection. And, and they're very sensitive to this and they should be. Right? Coming in at something significantly less than 1,000 megawatts, that begins to create gray area. We all agreed that 1,000 megawatts was the right hurdle because that truly does represent the significant opportunity represented by, you know, the data center's hyperscalers. Right? So ultimately, that may be somewhat vague. I think we all would agree "projected" is vague. But I think the clarity will come as a result of

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

the interface with public power. And, and the reason that is there is to ensure that we're not getting a foot in the door. That's something that they're absolutely going to protect against.

BRANDT: But they are giving up the right of eminent domain in exchange for 1,000 megawatt plant that I'm not hearing a timeline, is that 1 year, 10 years, 20 years, that they're giving up that right. That's, that's what holds you accountable in a public power state.

CHRIS LEITNER: Yeah, I think if we were to sit down with Javier or Tom or Emeka and say that we're talking about 1,000 megawatts over 20 years, I don't think they would agree that that's a projection of 1,000 megawatts. And they shouldn't. I think, if we sat down with them, however, and said we're talking about a project where 1,000 megawatts is going to come online over the next two years, I think that would be a reasonable-- should be reasonably included as it relates to a project under this legislation.

BRANDT: And I would agree, I would agree, as long as there's some, some-- and maybe that just needs to be reworked in the bill, just that one word. I think we can come up with something.

CHRIS LEITNER: I will say this, every word in this simple piece of legislation was debated amongst them, then debated between us, and ultimately, I think what we tried to do is strike a pretty good balance here. No piece of the legislation is perfect, but when you look at this on balance, this is a scalpel that's being used in a very kind of directed way to help put us in posit-- all of us in position to address some of the economic development that could be coming toward the state. Doesn't mean it's perfect. But if we open the door to begin changing this, we could end up in a position where it just completely falls off the table.

BRANDT: All right, I see no other questions. Thank you for your testimony.

CHRIS LEITNER: Thank you.

BRANDT: Next-- I think we're on proponents, right? Next proponent. Welcome.

JOHN McCLURE: Thank you. Good afternoon. I had to check and make sure it was still afternoon. Chairman Brandt, members of the committee. My

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

name is John McClure, I'm the general counsel for NPPD. We are the largest public power utility in the state in terms of our wholesale and retail footprints. I'm here today in support of LB1261, which reflects a strong collaborative effort among the state's three largest public power generators and the NREA, working closely with Governor Pillen and his team to help address a critical issue. Across the nation, policymakers, electric utilities, and others are facing this unprecedented growth in the demand for electricity, which you've heard about. This issue is neither unique to Nebraska nor to public power. Every state and every type of electric utility, whether it be public power or investor-owned, is facing this significant demand, especially to serve large-scale data centers for the United States to lead the world in AI development. LB1261 is designed to expand potential access to generation equipment and related electrical equipment which is currently in high demand and facing constrained supplies both nationally and globally. LB1261 creates a statutory framework allowing limited access by private generation for single loads greater than 1,000 megawatts. The bill requires the private generators to work in close collaboration with the existing consumer-owned electric utility structure in Nebraska to ensure all retail electric service associated with such a collaborative effort remains with the local public power distribution system. Impacted wholesale public power entities and transmission providers are also protected. Working together under carefully-constructed framework of the framework of LB1261, the public and private sectors can help address the near-term challenge and long-term opportunity for our state. I had the privilege to work with highly-knowledgeable Nebraska industry colleagues drafting this important bill requested by Governor Pillen. We appreciate the leadership efforts and commitment of the Governor, of Senator DeKay, and others to assure-- ensure the intent of this bill and the agreed-upon legislative language remains unchanged either in the, in this bill or through other legislation in order to fully protect the state's public power industry and customers we all serve, while helping address what we believe to be a short-term supply chain challenge in a manner benefiting the unique growth opportunity for our state. I'm happy to answer questions.

BRANDT: Well, let's see what we've got. Questions? Senator Moser.

MOSER: Well, finally somebody I know. So I've known John for 30, 40 years. So I might as well disclose that. How does 1,000 megawatts

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

compare to NPPD's biggest customers? Because I think one of them, your biggest customers is in Columbus, and another one is in Norfolk.

JOHN McCLURE: Our largest-- historically our largest customer has been Nucor Steel. That's 100 megawatts roughly up in Norfolk.

MOSER: So this might be 10 times that size even yet?

HUGHES: 10 times.

JOHN McCLURE: Yes. And, and again, for context, and this has been alluded to by other witnesses, NPPD is a 3,100-megawatt peak utility. So that's our maximum load we've had in the summertime, 3,100 megawatts. As you heard earlier, you're talking about the potential for facilities to be 1,000 megawatts or more coming in. It took us 80 years with NPPD and our predecessor utility to get to 3,100 megawatts. We're talking about the potential of adding this in the next three to five to seven years.

MOSER: Could some of this anticipated demand dry up if technology changes or the market changes or--

JOHN McCLURE: There's always the risk of changing technology, maybe data centers become more efficient. There's all kinds of things that could be out there. Again, as has been stated by prior witnesses, the fact that we could get private investment here to take on that capital commitment and to be taking some of the risk, we believe is a, is a positive for, for the state and for public power.

MOSER: Thank you. Appreciate that.

BRANDT: Senator Raybould.

RAYBOULD: Thank you, Mr. McClure. Do you think this type of agreement that we're crafting or that has been crafted becomes a prototype, not only for Nebraska and other companies, multiple companies willing to do this private investment? Do you see this happening throughout the United States in other communities or are we unique because we are a public power state versus some like Iowa is private?

JOHN McCLURE: Well, several things. Number one, I think you as legislators often hear, and we hear this throughout our society, where can we have effective public-private partnerships? This is such an

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

opportunity. Yes, Nebraska is unique. We are the only all-public-power state at retail, but we have private entities in the state. And one of the things I want to mention is, and it came up in an earlier hearing, we have agreed to waive eminent domain for private renewable energy development. They wouldn't come to the state because of the threat of eminent domain, and we went through that process through a couple of iterations where that is not an issue anymore, so they're willing to invest. The reason that this starts with the eminent domain waiver and limitation is so that a company like Tenaska and their investors are comfortable making the investment in Nebraska. But we've put a lot of, of guardrails around that, and again, they've been great to work with as they were part of this negotiation to come up with language that will protect their investment, allow them to collaborate with us, and protect the public power system in the state. As far as other states, 49 states in total have public power, it's just they don't have complete public power, although some are very close.

RAYBOULD: OK, thank you.

BRANDT: Other questions? I guess I've got one on taxation. Does Nebraska Public Power-- how-- do you pay any taxes?

JOHN McCLURE: We pay under the Constitution and statutory authority as a public power district. We pay certain in-lieu-of taxes. We also pay a five percent gross revenue on revenues, gross revenue tax on sales within the municipalities that we serve. Public power districts do that. And we have another feature in the 80 communities that we serve at retail, we make a transfer payment based on the total revenues within that community that goes back to the city and, and provides them a, a very lucrative additional source of revenue.

BRANDT: So then if we would adopt this hybrid model in the state of Nebraska, how do we tax that private generator? Do we charge a megawatt tax or do they get tax free? There's no language in here on the taxation part. What's-- how does that work?

JOHN McCLURE: I am-- I don't feel qualified to speak about their tax liabilities, but I, I think they would incur tax liabilities investing in Nebraska. They, they are the ones that could speak to that. And if I could follow up on another question you raised about your concern about vagueness--

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: Yes.

JOHN McCLURE: --on contractual matter, I think Mr. Leitner did a great job responding to that. While we have put very specific guardrails in this legislation, you don't want to have the legislation so restrictive that good contractual agreements cannot be reached. And I would say that gives some flexibility, I absolutely agree with him. We wouldn't want stretch something out for 20 years, but in the planning process, with the, with the large load, with how quickly the generation can be put in place, there will be an agreement within the contract with reason-- a reasonable timeframe for addressing that. And we're not concerned about that because we can address it contractually.

BRANDT: So as the biggest power provider in the state of Nebraska, let's assume we adopt this hybrid model. Are you concerned that going forward all large customers will be cherry-picked off by private industry?

JOHN McCLURE: No, and here's why. As Mr. Leitner indicated, they have a national presence, they have a, a-- you know, they're working in multiple states. They have arranged some things that near-term may allow them to bring generation faster into the state than we can. We're building now, OPPD has been building, we're all building. But that supply chain, as he mentioned, has become unbelievably constrained. We know of a utility in this country that thought they had machines ordered, and a foreign country came in and threw more money at the vendor, and they lost, they lost their position in the queue. So to go further with your question, long-term, public power has access to tax-exempt debt. We're returning, we don't have to return investment to shareholders, and so our cost of capital should be lower. And so as we get through this near-term supply chain challenge, we should be able, as public power, you've heard where our rates are today, to offer lower-cost options than, than the private sector in many cases. This is a very unique situation, a unique opportunity for the state. And again, we appreciate the collaboration that's taken place amongst the, the large generators, the encouragement from the Governor working with us, Senator DeKay's effort, and it's been a pleasure to work with Tenaska. We have a business relationship with them already on, on the gas side, and they've been a very good partner to work with.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: OK. I see no other questions. Thank you.

JOHN McCLURE: Thank you.

BRANDT: Any more proponents? Proponents? Going to opponents.

LASH CHAFFIN: Good afternoon. My name is Lash, L-a-s-h, Chaffin, C-h-a-f-f-i-n. I'm a staff member at the League of Nebraska Municipalities, and I work on the utility issues. I'd like to offer the League's support for LB1261, and we do appreciate Senator DeKay and the Governor taking an interest in what's a very complex issue. Over the discussions over the last couple days, everybody at this table understands how difficult this issue is. And what I'd like to offer up are a couple thoughts. There are 120-- in addition to LES, there are 120 cities that own and operate electric distribution systems in Nebraska. So there's 120 who send out the bill and they run the distribution system in some capacity. Of those, there's quite a few of them who also on some transmission to other, to other places. And there's probably 30 or 40, perhaps a few more, who actually own some generation as well, ranging from the, the beautiful little hydro plant owned by the village of Spalding on the Cedar River, to the large coal plants in Fremont, Hastings, and Grand Island. And for these cities, their electric system is their-- the public power model is the backbone of their economic development, it's the backbone of their interaction with their constituents. It's, it's virtually everything. Everybody who writes that bill to the village of Callaway, they understand where that electricity comes from. And I appreciate the Governor and Senator DeKay trying to find a model that preserves that interaction with the customers at the local level, while hopefully bringing some 21st Century ideas to that model. That model is essential. And, and that model is, is, is what makes Nebraska tick. And, you know, and our support, just like the other utilities, is predicated on the fact that, that there be purchase power agreements, you know, interconnectivity, these things, that the public power system be maintained. And this is, this is, this is an interesting idea and the League would encourage the committee to move this, this forward. Does anybody have any questions?

BRANDT: So you're a proponent.

LASH CHAFFIN: I'm a proponent.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: Oh, sorry.

LASH CHAFFIN: I came up here very slowly. Sorry, Senator.

BRANDT: OK. I just got to make my notes right. Any questions? Is there? OK. I see no questions. Thank you.

LASH CHAFFIN: Thank you.

BRANDT: OK. Proponents. Is there any proponents left? I'm not seeing any movement out there, Senator. Opponents. Means you're against it.

JOHN HANSEN: Mr. Chairman, members of the committee, again, for the record, my name is John Hansen, J-o-h-n, Hansen H-a-n-s-e-n. I'm the president of Nebraska Farmers Union. So I had some serious questions about this bill, came to this hearing with an open mind. Have some concerns about the impact that this could have on our public power system and also all of us as owners of that system relative to cost. And so during the afternoon discussion, while I want to thank Senator DeKay for his efforts to help protect public power and do a good job of making what I think-- what I suspect was probably a fairly, very less-than-helpful bill at the beginning into a more useful bill than it is now, does it get to the point where it has convinced me to support it? And the answer is no. And do I-- I, I was here and was in the middle of the negotiations relative to the last time there was a major change relative to the use of eminent domain authority for private-public partnerships on the part of the Nebraska public power utilities. So that was LB629 in 2007, I was in the middle of that. And so there was lot of stakeholder involvement, there was a lot of reaching out to impacted groups, there was a lot of discussion about how if we're going to change the eminent domain authority to make darn sure that we protected the public power system. And so am I convinced that the public power system is fully protected in this particular case? And the answer is no. And part of the reason the answer is no is because we are working with, with folks who are economic elephants. They are, they are capable of setting the tune. And so when you look at the size and scope of this, the impact on water, the impact on prices, supply and demand is still going to work. And if you have a facility this size, public power is still gonna have to, to pay that price that was impacted by supply and demand. And so it also, in my view, fences out a more balanced portfolio of energy in that renewables are not going to be a part of this equation, as best as I

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

can tell, just based on availability of land and resources. And so also the use of eminent domain by private sectors relative to acquiring land and other things for the facilities themselves. There's a lot of questions. I think there needs to be a lot more discussion. And as owners of the public power system, there needs to be a much brighter and wider opportunity to decide whether we, as we go down the road, whether we want the elephants inside public power tent, all things considered, or on the outside of the public power tent. And so with that, I'd end my comments and be glad to answer any questions, if I could.

BRANDT: Let's see what we got. The only, only question I have you mentioned the, the private would have the right of eminent domain. I did not see that in this bill Did, did you get that from the bill?

JOHN HANSEN: No, it's just, as I think through the logics of this and how it actually works, then how do you acquire land? How do you require assets? It's how do you-- if, if you're going to have a more balanced portfolio at all, then how do you, how do access land for solar? How do access to land for wind? Are those even a part of the thinking? You know, I look at this and it-- when, when our public power system is going to be as hard-pressed to find the power that it needs to meet just all of the other demands that are out there, notwithstanding these kinds of players, and there's excess power that comes out of this system, and it's out there, our public power folks are going to buy that. They're going to almost be captive consumers. And so whoever runs the first set of cards will decide what is trump and they'll decide what kind of power we have in the state of Nebraska. And I fear that the tail and the dog may become confused as we go forward when customers are that big.

BRANDT: All right, thank you. Next opponent.

JON NEBEL: Good evening. My name is Jon Nebel, J-o-n N-e-b-e-l, I'm here on behalf of the Nebraska State Council of Electrical Workers. Thank you for the opportunity today. We are opposed to LB1261 as written, and I have-- offering some amendments for the legislation. I want to start by being clear. Organized labor is not opposed to the industrial development or growth in Nebraska's energy sector. Our members build, maintain and operate the electrical infrastructure that makes that growth possible. That said, we are opposed to LB1261 as introduced because it creates a special statutory protections for

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

certain privately-owned electric generation facilities without addressing workforce implications of those protections. When public power is involved, Nebraska has a long-standing tradition of paying prevailing wages using apprenticeship programs and supported a skilled local workforce. When large privately-owned single-site generation projects move forward without guardrails, those standards are no longer guaranteed. That is why I have prepared the amendment that I believe will alleviate our concerns while preserving the underlying intent of the bill. The amendment does three straightforward things. First it requires that any privately-owned generation facility benefiting from the eminent domain limitation comply with existing prevailing wage laws, utilize registered apprenticeship programs where available, and follow all applicable safety standards during construction and major maintenance. This does not mandate union labor. It simply ensures trained workers and safe job sites. Second, it clarifies that nothing in LB1261 may be used to displace existing consumer-owned utility employees or reduce their wages, benefits, or collectively-bargained rights. Nebraska's public power workforce should not be an unintended collateral damage of new contracting arrangements. Third, the amendment ensures that upon a future vacancy, the Nebraska Power Review Board includes a licensed journeyman electrician representation affiliated with labor, adding practical workforce experience to the board's review of projects of this scale. With this amendment, LB1261 becomes a balanced bill, and that supports the economic development while ensuring Nebraska workers remain part of Nebraska's energy future. Without it, the bill leaves those workers out. Thank you, and I'll be happy to answer any questions.

BRANDT: All right, let's see what we've got for questions. Senator Juarez.

JUAREZ: OK, Jon, were you in the room when I asked that to clarify that there could be no amendments on this bill. Were you in the room?

JON NEBEL: I was.

JUAREZ: OK, and were you-- not a part of the conversation when they prepared this bill?

JON NEBEL: I was not, and I-- so as I said, our history with public power has been great. They've, they've utilized workers well, they make sure that they're paying prevailing wages, and they make sure

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

that apprentices are utilized and we can continue to build and expand the workforce. So I'm hopeful that this amendment is acceptable to them because it's always been acceptable for them to use us in, in the past.

JUAREZ: OK, thank you.

BRANDT: All right. Any-- oh, Senator Raybould, I'm sorry.

RAYBOULD: Thank you, Mr. Nebel. So help us understand, so this type of language, do you currently have this type of language in your agreements with OPPD, NPPD, and LES already?

JON NEBEL: Historically, we've been, you know, the-- as somebody testified earlier today, the board takes that 50 to 60-year approach, and so they look long-term, and responsible bidding would, would allow for to make sure that they're contracting with contractors that are going to be pal-- paying those wages and utilizing apprenticeships.

RAYBOULD: OK, I'm not sure-- I don't think you answered my question. So do you currently have this type of arrangement with all the public power companies based on--

JON NEBEL: Oh.

RAYBOULD: --some of the language that you provided? I mean, do they say, oh yeah, that's fine, we'll go off our bids, we have internship, apprentice programs and stuff like that currently with--

JON NEBEL: Nothing in writing, no.

RAYBOULD: You don't?

JON NEBEL: No.

RAYBOULD: OK. All right, thanks.

BRANDT: I would tell you that one of your amendments, John Cavanaugh brought last year.

JON NEBEL: Yes.

BRANDT: That bill is still alive.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

JON NEBEL: Excellent.

BRANDT: I'm just, I'm just pointing that out--

JON NEBEL: Awesome opportunity.

BRANDT: --to make your life easier. I see no other questions. Thank you for your testimony.

JON NEBEL: Thank you.

BRANDT: OK. Next opponent.

KEN WINSTON: Good afternoon, Chairman Brandt, members of the Natural Resources Committee. My name is Ken Winston, K-e-n W-i-n-s-t-o-n, appearing on behalf of the Nebraska Chapter of the Sierra Club. And I'm not going to read my testimony. Also, apologies for the fact that the, the copies are faintly copied, so hopefully you can read them. I guess the concerns that we have, we're appearing in opposition to the bill as it's drafted. We appreciate the attempt to protect the interests of public power and the desire to attract investments to the state, but there are numerous other interests and issues that need to be addressed before the state starts promoting private generation from data centers. First of all, a couple of people mentioned the amount of water that, that data centers use, as much as small cities. So what is going to be the impact if it-- if a farmer can't irrigate his fields because of the data centers, is that going to be an issue? If a city has to do water restrictions because of a data center, who has to cut back as a result of that? Also, gas turbines, and I, I understand from the previous testimony that that is the plan, to use gas turbines. Well, what's going to the impact on other people who use gas? Like the majority of the people of state of Nebraska who use gas to keep their homes and their businesses, how's that going to impact their, their rates and the amount they have to pay to heat their homes? So what about, are there going to be gas shortages because we're going to be investing in so much more gas generation? And is public power going to have to increase their rates because of the fact that there's more competition for gas? And then what about changing technology? I think there's some mention of changing technology. Mr. McClure mentioned technology may change. Well, yeah, I think it will. I remember when Walt Radcliffe had a cell phone that was-- that you could put in a, in a shoebox. And now we have things we can put in our pockets. So and,

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

and frankly, I'm not sure that this does protect public power. You change one word and all of a sudden, change the word "prohibits" to "permits," and the game is wide open. And what happens if a data center closes? Who's going to clean up the mess? There ought to be some sort of decommissioning requirements. And then there's a fundamental question. Is AI good for us? And I, I think there's some serious questions about that. I think we need to be thinking about-- I don't know if we want to be inviting that to our state. So those would be our comments related to this bill. Also would want to mention, there's two bills that you're going to be hearing next week that put some guardrails on data centers. And I would consider-- I would encourage you to look at those bills before you try to advance this one. Thank you.

BRANDT: All right, let's see if we have any questions. I don't see any. Thank you for your testimony.

KEN WINSTON: Thank you.

BRANDT: Next opponent.

KAY CARNE: Hello.

BRANDT: Welcome.

KAY CARNE: My name is Kay Karn, K-a-y C-a-r-n-e. I'm speaking for myself. I just wanted to comment, Senator Brandt, I think you have a really good question about the lieu in taxes. When you look at what OPPD pays in lieu of taxes, it's \$45 million. And this 1,000 megawatt hurdle, whether it's over two years or whatever, that's a third of OPPD's generation right now. So that's \$15 million that's not going to go-- for each project-- that's not going go to the cities and counties that would get paid, right? Or is it, you know? So the data center is going to build this big generation, not be paying the same taxes that the public power entity is. The other question I have is the exception for wind. Those are much smaller projects, but there are taxes on them, the nameplate capacity that's 20-or-so million dollars that's coming back to the state. Is there going to be some sort of tax on this generation that the data center builds that the state can collect for nameplate capacity for wind or they're going to polluting our air? To your point, Senator Conrad, they're polluting our air, they're using our water resources. The Platte Institute said last month that

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

we are number nine in data centers across the country, as it is with the rules that we have in place right now. So if we're number nine now, are we looking to turn into Virginia? So I'd encourage all of you to take a look. Business Insider did a short 20-minute documentary on AI data centers. It's called Exposing the Dark Side of America's AI Data Center Explosion. And it actually talks about the Meta Center in Springfield, Nebraska and how it uses as much power as 400,000 homes. That's three cities of Lincoln. And it talks a lot about the problems. Virginia is number one in data centers, according to the Platte Institute, by far. Talks about a lot of the problems that people have living near data centers. Talks about the water issues. So I'd encourage all of you to take a look at that, that documentary. And last I heard, we're still working on the Perkins County Canal project to bring water from Colorado to Nebraska. We've done a really good job with our aquifer here. The, the Ogallala Aquifer is healthy in Nebraska compared to the states south of us. We understand as a Nebraska community that water is important to our farmers. It's important to livelihood. It's important for us to drink. So inviting data centers in and bending the rules for data centers because we've got Tenaska who put an order in early, I want, I want you all to really think about whether that makes sense and if we've crossed all the I's and dotted the T's with the taxes and the benefits to Nebraskans.

BRANDT: Let's see if we have any questions. Senator Moser.

MOSER: Your mention of the public power's tax-free status in lieu of paying percentage of their revenues or whatever. I would assume-- this is dangerous territory, don't get me wrong. But if the developer owns that infrastructure, that they're going to have to pay the tax. If the, if our company owned it, you know, that may-- they may be able to pay in lieu based on what revenue that shows for them, but I don't--

KAY CARNE: So I was an accountant before I decided to stay at home and be a mother, and I believe the in lieu of taxes that OPPD is paying is based on its sales. So the amount of sales for OPPD, they're paying a percentage of that in taxes. There would be no sale of energy from the entity. There would no sale to cause. It's producing the energy for itself, right? It's all part of the data center project. So OPPD's not selling them energy. They're building a plant and they're using the energy. So I don't see, unless the Legislature and Nebraska law put a specific tax on the nameplate capacity or they would really have no

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

way of knowing the amount of energy produced. It's a private, private transaction. Right?

MOSER: Well, I appreciate your input and, and that's the question that needs to be answered.

KAY CARNE: The other thing I've seen is that data centers don't always pay sales tax on the servers they're purchasing and the materials they're purchasing. Sometimes that's an exception.

MOSER: Well, sometimes there are incentives given to big businesses of all types.

KAY CARNE: Yes.

MOSER: And when you've got runaway growth, this is not the time to be giving out more incentives, I wouldn't think, to data centers. I think I'd try to cash in on the boom rather than--

KAY CARNE: I would agree. I would agree with you. I would agree with you. I, I think it's important to find a balance.

BRANDT: OK. We got any other-- Senator Raybould.

RAYBOULD: Ms. Carne, thank you very much. I think you raised some really valid questions on taxation and the implication of that. So I think I-- I hope we can get some answers on that. But could you tell us once again the, the link to the-- [INAUDIBLE].

KAY CARNE: Oh yeah, so Business Insider, it's just a news source, if you haven't heard of it. They worked and created a documentary called Exposing the Dark Side of America's AI Data Center Explosion. And so for the generators, the backup generators that data centers have to put in, they need air-quality permits. And so backing into the size of the data centers for their generators, they're able to see how much power they're using, since it's all confidential.

RAYBOULD: Thank you.

BRANDT: Maybe that's something you could email our committee.

KAY CARNE: Sure.

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

BRANDT: OK.

KAY CARNE: Yeah, I'd be happy to.

BRANDT: Any other questions?

KAY CARNE: I didn't create it, but it's interesting.

BRANDT: OK. Thank you for your testimony. Next opponent. Any more opponents? Wow. OK. Going, going. Neutral. We got any neutrals? Senator DeKay, you are welcome to close.

DeKAY: Thank you. There's been a lot of debate on this issue today, and I'd like to address some of the points brought up during the debate. First of all, to reiterate, this bill will protect and strengthen public power. It will relieve public power from the burden of building generation at a pace that will negatively impact the rate-payers. Right now, we cannot deny entities from purchasing power from us. If they meet their financial obligations and they go through the Power Review Board parameters, we have to provide them power. One of the questions-- one of the questions out there is, do we want to be doing it and being able to do business in the state of Nebraska or if not-- or if we're not evolving to meet the changing of technology in the industry, AI or other manufacturing coming forward in the future? I had a lot of writing, so I'm trying to decipher it in a productive order.

BRANDT: Take your time.

DeKAY: It, it puzzles me that someone would think that public power CEOs, legal counsel, or myself would want to blow up the public power model. It baffles me in that respect. We talked about amendments a little bit, and the amendment that was offered today, I have not read it, I've not seen it. Some of the amendments that might be rumored to be out there, I'll address that. Amendments, this bill I feel is in the best possible place to protect public power. From some of the rumors I've heard about possible amendments, I would think that any amendments that might come forward be an attempt to erode the public power model, and that's why we're wanting to try to stay as close to the script of this bill as we can. Senator Brandt brought up a couple questions about, about taxes. Data centers would pay the 5.5% just like anybody else does on the power purchased, and they do property tax and everything else. In 2021 year, 2022, they paid \$17.5 million

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

in state taxes in the state of Nebraska and \$18 million at the local level. And we talked about contracts. I mentioned that on how, how we arrive at 1,000 megawatts or whatever. That should be contracts between public power and the entity that they're doing business with. I don't feel the Legislature, we should be building contracts for them to adhere to. That should, that should be a contractual obligation between them. The sunset clause that is implemented in this bill should address Mr. Hansen's concerns with this. At the end of the day, the last question should be ultimately, do we protect public power and put the pressure on our rate-payers to build generation that other entities can and would be paid to cover the cost for? Do we want to do that, do-- or do we want it to be innovative enough to move with technology, move with the evolving world and give public power the best chance to survive in the business model that we work in today to keep our rate-payers costs effective, efficient, reliable, and safe? Last question, answer it and we can go home. Thank you.

BRANDT: Wait. Any questions?

JUAREZ: Yes.

BRANDT: Senator Juarez.

JUAREZ: Senator DeKay, I just have one question and I want to know, you firmly believe that the public power model protects employees?

DeKAY: Absolutely. I-- it's no secret. I've been involved with public power from different boards, from distribution to transmission to generation for the last 26 years. Public power meets the criteria of our business model in the electric industry in the state of Nebraska. And quite frankly, you went across the nation, the entities that I've dealt with through different conferences, they would like to see a public power model in their states. They do not have that. We, we're in a unique position on two fronts. We have a Unicameral and we have public power. Everywhere I go, I get questions asking how do we do it and how, how we work through it. And they're amazed and they're very encouraged by what we have to offer when we had those conversations at different conferences and breakout sessions.

BRANDT: OK, other questions? I guess I've just got one quick one. And this conversation happened before I came back to the room. Was it stated you're not open to any amendments on this bill?

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 5, 2026
Rough Draft

DeKAY: Right now, I feel this bill, and like I say, the testifier that brought up the amendment, I've not seen it, so I'm, I'm not even going to comment on that.

BRANDT: I mean, I'm not talking about a specific amendment, but--

DeKAY: Right now.

BRANDT: That's pretty unusual.

DeKAY: Right now, with where the legal counsel from everybody involved behind me have constructed this bill, I think they put the tightest parameters on this bill to protect public power from head to toe and to serve its customers in a way. And I think some of the outlined amendments that might be coming forward would be an attempt to erode public power and bring investor-owned utilities into the state. And that's absolutely where I will not go.

BRANDT: But you would be open to some small amendments on this bill?

DeKAY: They would have to, they would have to go through certain criteria and certain parameters and certain people to approve it.

BRANDT: That's fine. I'm just, just saying you're open to considering.

DeKAY: On my own, on my own right now, I'm very comfortable with the legal language that's been put together on this.

BRANDT: Sure.

DeKAY: And I'm going to refer to them.

BRANDT: OK. I see no other questions. That before-- and I don't know whether Senator Moser said this online. We had 1 proponent, 7 opponents, 1 neutral, no ADA testimony. We are going to close the hearing on LB1261. I would ask the public to leave. The committee is going to have a quick exec session.