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Natural Resources Committee
January 19, 2012

[LB741 LB742 LB828 CONFIRMATION]

The Committee on Natural Resources met at 1:30 p.m. on Thursday, January 19, 2012, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on a gubernatorial appointment; LB741, LB742, and LB828. Senators present: Chris Langemeier, Chairperson; Ken Schilz, Vice Chairperson; Tom Carlson; Mark Christensen; Annette Dubas; Beau McCoy; and Jim Smith. Senators absent: Ken Haar.

SENATOR LANGEMEIER: Good afternoon, everyone, and welcome to the Natural Resources Committee. My name is Chris Langemeier; I am the Chairman of the Natural Resources Committee. I'd like to welcome everyone that's here today watching us live via the closed captioned, those that are watching it on the Internet, and those of you here with us in the hearing room today, we welcome you. I'd like to introduce my committee members that are here today. We're going to start...well, we always start over here, so I guess we'll keep doing that. To my far left, or your far right, we have Senator Jim Smith, sits on the end, he will be joining us shortly; he has another bill in another committee. Senator Haar is not...is kind of under the weather and will not be joining us today. We have Senator Mark Christensen from Imperial, Nebraska. Then we have Senator Ken Schilz, who is also the Vice Chairman of the Natural Resources Committee, from Ogallala. We have Laurie Lage as the legal counsel for Natural Resources Committee. To my immediate right, or your immediate left, we have Senator Annette Dubas from Fullerton. Then we have Senator Tom Carlson from Holdrege. And then we have Senator Beau McCoy from Elkhorn/Omaha. At the end of the table we have Barb Koehlmoos, she is our committee clerk; she helps us keep an accurate record of today's events. As you come forward if you have anything to hand out, we ask that you give it to Barb as you come forward. If you're going to testify on a bill today, you'll see in the corner of the room there's a green sheet that we ask you to fill out; it helps us keep a more accurate record of today's events with all your information on there. If you're not choosing to testify, there's another form in the corner, looks kind of like a spreadsheet, and you can sign in on that and you'll be on public record of being in support or opposition to a bill without testifying. At this time we ask when you come up to testify, first thing we ask you to do is say and spell your name and that helps us also keep an accurate record of today's event. And at this time, as you see at the mike, we get so many people grab the mike, the mike is only to record, so we can make a transcript today. It does not amplify, so we ask that you don't touch it, otherwise it kind of muffles up your testimony and then it's hard to keep a more accurate record. We also in Natural Resources Committee, you'll see the little light box there, we allow five minutes of testimony. You'll see the green light come on when you start; the yellow light will come on when you have one minute left; and then when the red light comes on we ask that you conclude your testimony. And feel free if you're in the middle of something that a committee member finds interesting, they will ask you a question and allow you to finish. We haven't had anybody that has stopped them yet. So with that we ask that

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everybody look at their phones right now and make sure they're turned off so we don't have any disruption of the individual that came to testify. It is their five minutes, we allow them to have that. We have today two pages that are going to be with the Natural Resources Committee this entire year. First we have Brian Eulie from Omaha and is a student at UNL. And then we have Alex Wunrow from Los Angeles, California, that is a page with us this year and is a student at Southeast Community College. They will help assist you in handing things out. If you do have something that you want to hand out, we ask that you have 12 copies. If you know now you're short of that, raise your hand, we'll help you with that. The other thing we tell you is, is if you give it to us to look at, we are going to keep it for the record. So if you have something that's a family photo, you want to show us your ranching operation, or something like that, show us the photo from the table if you'd like to keep it. But if you give it to us, we are going to keep it for the record. Just so you're aware of that. With that, we have today...we have one confirmation hearing and three bills. We're going to take them in the order they were posted. We'll start off with the confirmation hearing, then we'll go to LB741, then LB742, and then LB828. So with that we will start with the confirmation and we have a Governor appointment, Ron Stave to the Nebraska Game and Parks and come on up.

RON STAVE: I'll be there. [CONFIRMATION]

SENATOR LANGEMEIER: And after you tell us your name and spell it, even though we know that. [CONFIRMATION]

RON STAVE: And not touch that microphone. [CONFIRMATION]

SENATOR LANGEMEIER: Yeah, don't touch that microphone, it will shock you. We're going to put a little sign up or something. [CONFIRMATION]

RON STAVE: It's hard for an old lawyer, I got to tell you that. [CONFIRMATION]

SENATOR LANGEMEIER: But anyway, introduce yourself and tell us a little bit, your reappointment, tell us what you've experienced on Game and Parks, what you like, what your goals are, and it's all yours. [CONFIRMATION]

RON STAVE: (Exhibit 1) Okay. My name is Ron Stave, first name is spelled R-o-n, and the last name is spelled S-t-a-v-e. I was appointed by...well, first of all some of my background, I was a graduate of the old Omaha University College and then Creighton Law School and I graduated from there in 1971 and was in private practice for 37 to 40 years, I'm not quite sure. In 2007, I was appointed to the Nebraska Game and Parks Commission by Governor Heineman and served until...well, still serving, because in December of this year he reappointed me and so I have another four-year stint on there, assuming that I get approved by this honorable committee. I am vice chairman of the commission and have truly enjoyed many of the things that we have accomplished. We

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have emphasized the bringing of youth into the outdoor sports. And we have a program called RDR, Recruit, Development, and Retention, and it's directed specifically to youth and to attempt to get them to enjoy the wonderful things that outdoor Nebraska has to offer to all of us and to get them outside and away from the computers and stuff like that. And so that program is hitting very well. We have done significant work on parks. We have privatized the restaurant at Mahoney State Park and are in the process of getting our second person down there finalized and started in the privatization area of the restaurant and we're looking forward to that a lot. I think that will be great. We have done many things in many areas to help the equality of people have access to public land and private land to engage in outdoor recreation. And we're doing our best to stay within the confines of all budgetary requirements which everybody has set out for us. So with that I would ask you to...if you have any questions of me. [CONFIRMATION]

SENATOR LANGEMEIER: Very good; are there any questions? Senator Carlson. [CONFIRMATION]

SENATOR CARLSON: Thank you, Senator Langemeier. What do see as the real challenges for Game and Parks going forward? [CONFIRMATION]

RON STAVE: I think there are several things. I think we have maintenance obligations in our state parks that have to be addressed one way or the other. I think that's our main problem that we have right now. We have to address those so that we keep the quality up of those parks for people, and the facilities at those parks, for people who want to use them and are...and do use them, and use them on a regular basis. I think that's one of our real big areas. The other area, I think, is to keep developing our programs that we're in right now and be aggressive with those programs as far as the RDR and the other things that I mentioned, Senator. [CONFIRMATION]

SENATOR CARLSON: Well, another question on the privatization of the restaurant at Mahoney. [CONFIRMATION]

RON STAVE: Yes. [CONFIRMATION]

SENATOR CARLSON: And you said this...will this be the second... [CONFIRMATION]

RON STAVE: Yes. [CONFIRMATION]

SENATOR CARLSON: ...be an owner, is that what we're calling it, or manager, this privatization, what is the arrangement? [CONFIRMATION]

RON STAVE: The arrangement is they enter into a contract with Game and Parks through...to conduct...just run the restaurant down there. And it...we had another participant before and it didn't quite work out for them, but now we have an entity called

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Parker's Smokehouse from Ashland, Nebraska, who is going to take over the restaurant and run it and do all of the things that the restaurant did when it was under Game and Parks. [CONFIRMATION]

SENATOR CARLSON: I would think if that's...and hopefully it is successful, it becomes successful, I would imagine that would be quite a financial relief for Game and Parks if that works for somebody else. [CONFIRMATION]

RON STAVE: I'm sorry, you said what? [CONFIRMATION]

SENATOR CARLSON: Well, if it works well for whoever is now running it,... [CONFIRMATION]

RON STAVE: Oh, yes. [CONFIRMATION]

SENATOR CARLSON: ...that would be a good...that will be financial relief for Game and Parks. [CONFIRMATION]

RON STAVE: Yes, yes, it will be, yes. [CONFIRMATION]

SENATOR CARLSON: But up until this point, it really hasn't been that way? [CONFIRMATION]

RON STAVE: Well, it was last year, Senator, because we had Treat America in there running it. It didn't work out for Treat America and we had a satisfactory arrangement with them, if it had worked out, but it just...it was...it just didn't work out. [CONFIRMATION]

SENATOR CARLSON: Yeah, and I know that is a challenge because it needs to be a win-win for both groups. [CONFIRMATION]

RON STAVE: Yea. [CONFIRMATION]

SENATOR CARLSON: And hopefully it can end up that way. [CONFIRMATION]

RON STAVE: Yea. [CONFIRMATION]

SENATOR CARLSON: But thank you for what you do. [CONFIRMATION]

RON STAVE: Thank you. [CONFIRMATION]

SENATOR LANGEMEIER: Are there any other questions? Just like I said, an easy group. So seeing no questions, thank you very much, well done. [CONFIRMATION]

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RON STAVE: Thank you. Appreciate it, Senator. [CONFIRMATION]

SENATOR LANGEMEIER: You bet. You have heard the opening on the confirmation hearing to...reappointment to the Game and Parks Commission. We now take testimony in proponent, or support of the nomination. We are in proponent stage. [CONFIRMATION]

JOE HERROD: Well, he took care of everything that he needed to take care of, so I'm here. I'm Joe Herrod, J-o-e H-e-r-r-o-d. I'm here representing the Nebraska Council of Sportsmen's Clubs in supporting this confirmation. We would like to thank Ron for what he has done for the last few years. And we realize now that he's built up quite a bit of institutional knowledge and we think that's important to stick around. And we also would like to thank Governor Heineman for listening to sportsmen and reappointing Ron. This particular job, by many sportsmen years ago, used to be looked at as just some sort of political plum that the Governor threw around to take care of his friends. And this is not what's happened under Governor Heineman. We've gotten good people in there and they've served and they've learned and they're able to continue to serve. And I think a continuation of this institutional knowledge is important. And I wish it went on with you senators, also. And I'd also like to remind you that February 1, we have our sportsmen's...usual sportsmen's dinner over at the Ladies Club. And in talking to Commissioner Spurgin from western Nebraska, and he admits that I shot the ducks and he picked them up. (laughter) So we hope to see you there. [CONFIRMATION]

SENATOR LANGEMEIER: Very good; are there any questions? Seeing none, thank you very much for your testimony. Further testimony in support, or proponents? Seeing none, is there anyone who would like to testify in opposition, or opponent? Seeing none, is there anyone that would like to testify in a neutral capacity? Seeing none, that will conclude the hearing for the confirmation hearing for Mr. Ron Stave to the Game and Parks Commission for reappointment. Thank you very much for coming in, well done. Now we will move on to Senator Schilz, LB741. Welcome. [CONFIRMATION]

SENATOR SCHILZ: Thank you. Good afternoon, Chairman Langemeier and fellow members of the Natural Resources Committee. My name is Ken Schilz, spelled K-e-n S-c-h-i-l-z, and I represent District 47, and today I bring LB741 before you. Current law states the Nebraska Power Review Board must approve new energy generation facilities, including transmission lines. The standard by which the Power Review Board must consider new transmission is that it is necessary and convenient for the public. The board must find that the most economically and feasible supply...and feasibly supply electric service from the proposed transmission. Case law indicates that the Power Review Board's authority is limited to considering the public convenience and necessity of the citizens of Nebraska. In 2009, Nebraska became a member of the regional transmission organization, the Southwest Power Pool. Regional transmission

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organizations are regional networks of interconnected transmission facilities that move power across the states. The Southwest Power Pool administers transmission services and planning in its service area, which includes at least a portion of Arkansas, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. The transmission planning done by the Southwest Power Pool is to meet the growing needs of its members as a network in a cost effective, reliable manner. The Southwest Power Pool and our utilities anticipate that the transmission network will grow, which will allow Nebraska to export power and to continue to benefit from low-cost power. It will be important for Nebraska to be included in this transmission and great growth to ensure our participation in new projects. To move forward with these transmission projects, the Power Review Board needs to be able to consider regional benefits and the regional transmission organization planning process in order to give its approval of such applications. Both public power and the Power Review Board support this legislation and I will respectfully ask for your support as well. Thank you and I'll be happy to answer any questions you may have. [LB741]

SENATOR DUBAS: Thank you, Senator Schilz. Any questions? I don't see any. [LB741]

SENATOR SCHILZ: Thank you. [LB741]

SENATOR DUBAS: We will proceed with proponents. [LB741]

TIM TEXEL: Thank you. [LB741]

SENATOR DUBAS: Welcome. [LB741]

TIM TEXEL: Senator Dubas and members of the committee, my name is Tim Texel, that's T-i-m, last name is T-e-x-e-l, and I am the executive director and general counsel for the Nebraska Power Review Board. The board asked Senator Schilz to introduce LB741 to address an issue that could unnecessarily hamper the board's ability to approve transmission projects in Nebraska; and the board greatly appreciates Senator Schilz agreeing to introduce this bill on the board's request. The senator did a good job of going through a lot of the background information I was going to. I might skim over that. But as members of the committee are aware, the electric transmission grid has become increasingly interconnected and regional in nature over the past decade or two. Over the past 15 years or so, the federal government has promoted the creation of regional transmission organizations that plan and oversee the transmission grid on a regional basis. In 2009, as Senator Schilz mentioned, Nebraska's three utilities that own bulk transmission facilities in the part of Nebraska in the eastern interconnection joined the SPP, the Southwest Power Pool. Nebraska's utilities participate in the planning of functions for transmission facilities within the SPP footprint. The concern the Power Review Board has is that currently the board's approval criteria, when it reviews an application for new transmission facilities, are designed to take into account only

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whether Nebraska or the applicant utility's ratepayers need the project and not any considerations of regional need. I won't go through the...the senator already covered the criteria that we use. But the Nebraska Supreme Court, in Nebraska Public Power District v. Nebraska Safe Energy Alternatives, Inc. in 1988, Nebraska Supreme Court case stated that...affirmed the board's decision to approve a transmission line application, but it stated that clearly..."clearly, the findings satisfied a statutory requirements which, quite obviously, are limited to the public convenience and necessity of the citizens of this state." And later in that same opinion it stated, "the issue to be decided by the board is whether this application will serve the public convenience and necessity of the state of Nebraska." And the court acknowledged that the words "of the state of Nebraska" are not in the statute, but it is, nevertheless, a truism, is what the court said. And that is the board's concern and mine that the Nebraska Supreme Court has clearly stated that we can only take into account the needs of Nebraska or the utility applicant's needs for the public convenience and necessity aspect of our criteria. So those two criteria could be at odds when we're looking at an approval of a facility between the regional needs the SPP has determined and our criteria. LB741 is only one sentence. It has two parts: The board must consider the information from the RTO's planning process, meeting certain criteria; and the board may consider the benefits to the region. Nebraska must be part of that region, and that's not a problem in the eastern interconnection with the Southwest Power Pool. Currently, there's not an RTO in the portion for Nebraska, it's in the western interconnect. The board and Nebraska's utilities wanted to allow regional benefits to be considered, but did not believe the regional benefits should rise to the level of an actual criteria. LB741 would accomplish that. We're concerned that an RTO might have too much authority in Nebraska if we simply made it a criteria. It is, of course, true that regional benefits have some benefit to Nebraska also under the current statute, and it's not an absolute bar under the current statute to approve a project by the Power Review Board. But if it looks like the regional benefits are the primary purpose, which is sometimes the case with the SPP, it could create controversy and potentially the Power Review Board or court would have to deny approval. We do not believe that would necessarily be beneficial to Nebraska or the applicant. This issue has come up before in cases before us. I did consult with the SPP's general counsel on this. And the SPP submitted a letter, I believe you already have, in support of the bill. I would have two amendments I would like to request on the green copy. First, that I missed when originally drafted, first on page 2, line 12, I would recommend we add the words "or related facilities" after the word "line." And that is so that it allows the board to do this for transmission lines, as well as related facilities like substations. Sometimes the SPP requires a certain substation to be built. That's in our current statutes and I think the language to be consistent and to allow substations that should be added, and I inadvertently omitted that in the first one, the first draft. On page 2, line 18, after the word "region", I would recommend deleting the word "including" and insert "which will include." That's not a major change, but I think it makes it a little bit...slightly more clear in expressing that Nebraska is to be part of the region that is under consideration when we look at what is considered a region. And with that the

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board would respectfully ask that the committee advance LB741, with the amendments I mentioned, on to General File. And thank you very much. If you have any questions, I'd be glad to try and address them. [LB741]

SENATOR LANGEMEIER: Very good; are there any questions for Mr. Texel? Senator Smith. [LB741]

SENATOR SMITH: Thank you, Senator Langemeier. Can you give an example of where the region may benefit from this, where, and yet, Nebraska would not benefit? [LB741]

TIM TEXEL: Well, and that's why I put in the part in my testimony that Nebraska would normally have some benefits to transmission. The entire region benefits from most transmission projects that are put in. Then my concern is if a project looked like it was primarily designed for the region and not Nebraska, under these criteria we have now the board could feel constrained to deny it or a court could overrule us if we approved it and say, this is primarily for another state. A similar issue came up in, I believe it's Choquette v. Nebraska Public Power District, we recently had, and it went to the Nebraska Supreme Court. The court affirmed the board's approval of the application of a line from Axtell, Nebraska, down to Sperryville, Kansas. The interveners, landowners claimed that we were approving it and Nebraska Public Power District was asking for it primarily for Kansas so we could move wind power from Kansas into Nebraska. And it really wasn't for Nebraska, we were sort of making up the reasons in Nebraska. The board in that case said Nebraska has plenty of reasons to need this. The fact that Kansas also has benefit doesn't matter. But I'd like to, at least, be able to take into account, and have my board members take into account, yes, it helps the region. Regional benefits usually are going to help Nebraska. But it may not be enough to say that they're the primary reason for approval. And that's my concern is what a court would do if it thought that the primary reason really was to move wind from Kansas or something else and not sufficient benefits for Nebraska. And as the grid is being increasingly interconnected and reliant on other utilities and their transmission systems, we feel that is a concern and the SPP is looking at it from a regional perspective and not state by state. And that is what the federal government, the Federal Energy Regulatory Commission wants is more of a regional view so we can move around power when it's short in one area, long in one area, and look at it from that perspective. And that's why I'm concerned these two might be at odds, our criteria and the SPP criteria. And we don't want to necessarily deny a line just because of that. [LB741]

SENATOR SMITH: Okay. Do you see that there's a risk that there could be a...the allocated cost of a regional expenditure, that the allocated cost for Nebraska would far exceed the benefits that Nebraska citizens would receive? [LB741]

TIM TEXEL: Well, there's a set criteria under the SPP for how to allocate costs and it's

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set by the voltage size and things like that. So I think that is handled by the SPP. We aren't looking at that. We're looking at our criteria specifically. So I think that's pretty set with the SPP. This really wouldn't change anything on the cost allocation, and our utilities are already involved in the planning process with SPP. So they're already involved in where it should go, what would be the best beneficial, the most economical to handle that. So it's not like our utilities, you know, NPPD, OPPD, and LES aren't involved with the process to try and address that situation to make sure that it doesn't...SPP wouldn't have a type of line that is too expensive for us. It is a concern with the type of cost allocation. There's a current protest before FERC that's dealing with that issue, but I don't think this would impact that. [LB741]

SENATOR SMITH: All right. Thank you. [LB741]

TIM TEXEL: Um-hum. [LB741]

SENATOR LANGEMEIER: Senator Carlson. [LB741]

SENATOR CARLSON: Thank you, Senator Langemeier. In the way that we design our hearings, we have proponents first, of course, and then opponents, and sometimes there aren't opponents present, but there are opponents. In this discussion, or request for this, are you aware of any opposition to this bill? [LB741]

TIM TEXEL: I am not at point, no. [LB741]

SENATOR CARLSON: Okay. Okay. [LB741]

TIM TEXEL: I consulted with NPA attorney, the utility attorneys in Nebraska, and I made sure the SPP is aware it. I'm not aware of anybody that has a problem with the bill at this point. [LB741]

SENATOR CARLSON: Okay. All right. Thank you. [LB741]

SENATOR LANGEMEIER: Are there any other questions? Seeing none, thank you very much. [LB741]

TIM TEXEL: Thank you. [LB741]

SENATOR LANGEMEIER: Well done; further testimony as a proponent to LB741. Good afternoon. [LB741]

JOHN McCLURE: Good afternoon, Chairman Langemeier and members of the committee. My name is John McClure, J-o-h-n M-c-C-l-u-r-e. I'm vice president and general counsel for Nebraska Public Power District. I'm here today on behalf of the

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Nebraska Power Association in support of this legislation. The comments by the Vice Chair and by Mr. Texel have done an outstanding job providing the background for this and I'm here simply to echo those, maybe make a couple of additional comments, but we very much support this legislation. I think the key here is, as has been indicated, Nebraska is now part of a regional transmission system. And we need to put being in that regional transmission system in context. And one of the ways the Power Review Board can put that in context is to be able to consider what is being planned on a regional basis as part of its deliberations. They're not bound by anything decided by the regional transmission organization, but at least now they can consider it. As Mr. Texel correctly notes, this 1983 Supreme Court case, which we happened to be involved in, was very restrictive about what Nebraska should consider when it looks at a transmission project. It really limited the Power Review Board to only looking at Nebraska. That is not the type of footprint we're operating in today. It's much broader. And so again, we think it's appropriate to have at least some consideration of what's happening in the region, because it may be very relevant to dealing with a Nebraska project, why you're building a project in Nebraska because of the way it ties into the region and its regional significance. I would also say that we're very comfortable with the amendments that were suggested by Mr. Texel. And with that I would be happy to answer any questions. [LB741]

SENATOR LANGEMEIER: Very good; are there any questions? Senator Dubas. [LB741]

SENATOR DUBAS: Thank you, Senator Langemeier. Thank you, John. Because we're the only public power state in the region, as well as in the nation, would we at any times be at odds with a regional decision that would be made on transmission? [LB741]

JOHN McCLURE: There is the potential for that. Again, the Power Review Board will still have the ultimate authority to decide what gets built in Nebraska. The RTO cannot direct something is built in Nebraska. I mean, they put it in a plan and they, yes, they do say we want this built, but it still has to go through the regulatory process. And the Power Review Board has to make an independent assessment under the law whether the project serves the public convenience and necessity in Nebraska. [LB741]

SENATOR DUBAS: So this bill proposed is just trying to give the Power Review Board that flexibility, or further define their authority, but it would never cause them to have to make a decision that would fly in the face of public power? [LB741]

JOHN McCLURE: That is correct. And again, what it gives is this context that utilities around the country are now tending to operate in more of a regional footprint and it provides that additional perspective of what's going on in the region as part of the deliberations. But it does not direct them to make any decision because the RTO said so. [LB741]

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SENATOR DUBAS: Very good, thank you. [LB741]

SENATOR LANGEMEIER: Senator Carlson. [LB741]

SENATOR CARLSON: Thank you, Senator Langemeier. I'm going to ask a question, John. I have a real concern that in electrical rates, power rates, we have dropped from fifth in the nation to tenth. And I think that is pretty important for economic development and future of inviting companies to come to Nebraska because that's a big factor. Does this bill have anything to do with helping improve that position. And how do you see our possibilities of improving back to where we were before or even better? [LB741]

JOHN McCLURE: Well, to answer the first part of your question, why has Nebraska moved from being fifth lowest to ninth or tenth lowest. I believe...I've looked at the data, and I believe one of the primary reasons is that Nebraska has been through a period over the last several years of adding a significant amount of infrastructure to the electric utilities in the state. We've added Nebraska City 2, a large plant at Nebraska City owned and operated by OPPD. Hastings and Grand Island and MEAN and other utilities have built a new Whelan 2 in Hastings. There's a Council Bluffs, Walter Scott Unit 4, that Lincoln Electric System and other utilities in Nebraska may be participating in. So they've made a major capital commitment to new power plants. In addition, in that time frame NPPD has put \$300 million of capital into Cooper Nuclear Station. In exchange for that, we have received a 20-year license renewal for our nuclear plant. So those large capital investments are not paid for with revenues, but money is borrowed, revenue bonds are issued, and so our interest payments have gone up and our principle payments because we're making those investments. In addition, we've added quite a bit of transmission in the state over the last four or five years. So there's been a significant investment for the future. And that will pay dividends for our electric consumers going forward. [LB741]

SENATOR CARLSON: So we've made more investment in the last several years than the states that we were ahead of. [LB741]

JOHN McCLURE: Yes. I believe you would find in many cases that that is true; that we have had a period of significant capital investment in the state, and expansion. And that has...for this period of time, raised our costs, but I think we are positioned for the long term to be highly competitive. [LB741]

SENATOR CARLSON: Okay, thank you. [LB741]

SENATOR LANGEMEIER: Are there any other questions? Seeing none, Mr. McClure, thank you very much, well done. [LB741]

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JOHN McCLURE: Thank you. [LB741]

SENATOR LANGEMEIER: Further testimony in support of LB741. Good afternoon. [LB741]

DAVID LEVY: Good afternoon, Chairman Langemeier, members of the committee. David Levy, D-a-v-i-d L-e-v-y, Baird Holm Law Firm on behalf of Edison Mission Energy and Midwest Wind Energy. Just real quickly, transmission infrastructure is critical for the further development of renewable energy in the state. And coordination of the state's process for developing or approving transmission with the regional transmission organization in this era of greater regional planning and regional coordination makes very good sense. So for those reasons my clients support the bill and respectfully ask the committee to send it forward. I'm happy to answer any questions. [LB741]

SENATOR LANGEMEIER: Very good; are there any questions for Mr. Levy? Seeing none, thank you very much, well done. [LB741]

DAVID LEVY: Thank you. [LB741]

SENATOR LANGEMEIER: Further testimony in support. Welcome. [LB741]

ANDY POLLOCK: (Exhibit 2) Thank you. Chairman Langemeier and members of the Natural Resources Committee, my name is Andy Pollock, A-n-d-y P-o-l-l-o-c-k. I'm with the Rembolt Ludtke Law Firm and I'm here as a registered lobbyist on behalf of the Nebraska Energy Export Association. And like Mr. Levy, I would like to comment on the opportunities that this provides for wind energy in Nebraska. LB741 is not a wind bill, but it has huge implications for wind development in Nebraska and there has been a lot of talk about the Southwest Power Pool, that regional transmission organization, and the importance of regional projects. But I'd like to point to one that's currently in the works, or hopefully in the works in Nebraska. And it's a proposal that has been led by NPPD, OPPD, and LES to build a line that would be a Southwest Power Pool project from the George Gentleman Plant near Sutherland up to Cherry County and then on east. It's a project that's been in the news, you may have read about it, and it's a project that the Southwest Power Pool will make a final decision on later this month. It's a significant project. It was proposed for the primary purposes of reliability for NPPD's system and for relieving congestion. But there's a third element of it that's equally important, at least to our association, and that would be the wind opportunities that it creates in the Sandhills region of Nebraska; Cherry County, Brown County, Rock County, Holt County, abundant resources in terms of wind in those counties, but really no way to get it out. It's akin to the coal in Wyoming. It's of great value, but only because you've got railroads coming out of Wyoming. And the proposed line that's currently before the Southwest Power Pool would be akin to that railroad line coming out of Wyoming and creating value for a number of rural counties in northern Nebraska that

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have great opportunities and that are really looking forward to that. We think that LB741 makes clear that that kind of project is within the purview and authority of NPPD and is something that the Power Review Board can clearly without question approve under LB741. For that reason we think it's important. The line itself would be critical to wind development in those northern tier of counties. And I would just like to take this opportunity to applaud NPPD, OPPD, and LES for their leadership and their vision in that proposal. They have been very modest and low key about it. But they deserve kudos from the entire state. Obviously, there are specific counties that might benefit, but the whole state stands to benefit too. So with that I will close and welcome any questions that you might have and I urge you to advance LB741. [LB741]

SENATOR LANGEMEIER: Very good; are there any questions? Senator Carlson. [LB741]

SENATOR CARLSON: Nope. [LB741]

SENATOR LANGEMEIER: No. Seeing no questions, thank you very much. [LB741]

ANDY POLLOCK: All right. Thank you. [LB741]

SENATOR LANGEMEIER: Further testimony in support of LB741. Welcome. [LB741]

KEN WINSTON: Good afternoon, Chairman Langemeier, members of the Natural Resources Committee. My name is Ken Winston, last name is spelled W-i-n-s-t-o-n, appearing on behalf of the Nebraska Sierra Club in support of LB741. I'm going to echo some of the previous testimony. The Nebraska Sierra Club supports the development of our abundant wind resources. Transmission is an important factor in the development of wind for export as authorized by LB1048, which was a bill that was developed by this committee and passed by the Legislature two years ago. And the regional aspects of transmission need to be considered in order to facilitate this process. Thank you. [LB741]

SENATOR LANGEMEIER: Very good; are there any questions? Seeing none, thank you very much, well done. [LB741]

KEN WINSTON: Thank you. [LB741]

SENATOR LANGEMEIER: Further testimony in support. Come on down. Welcome. [LB741]

RICHARD LOMBARDI: Thank you very much. Mr. Chairman, members of the committee, my name is Richard Lombardi, appearing today on behalf of The Wind Coalition. The spelling of my name is L-o-m-b-a-r-d-i. The Wind Coalition is a regional

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consortium of wind developing companies, manufacturers, whose membership is working in those states that are the footprint for the Southwest Power Pool. I had hoped to have a real person here today; unfortunately could not be here, Brice Barton, who is with TradeWind Energy. TradeWind is a member of our organization that is in the final stages of completing initial plans for a 200-megawatt project for export purposes in Dixon County. And that's a \$350 million investment in that area. Everybody has made some very good points. You have a trifecta of bills before the committee today that are all very positive, and I think continue with the theme that this committee has embarked upon over the last four years to remove barriers to wind development in the state and to clarify existing law in these, both LB741, LB742, and with regard to wind and solar lease, LB828 are all bills that we are supportive of and I thank the committee for its ongoing work in this particular area. [LB741]

SENATOR LANGEMEIER: Very good; any questions for Mr. Lombardi? Seeing none, thank you very much. Further testimony in support. Mr. Hansen, welcome. [LB741]

JOHN K. HANSEN: Good afternoon and welcome as well. My name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n, and I am the president of Nebraska Farmers Union and appear before you today as our organization's lobbyist. We have been working on wind energy issues for some time. And as we thought about early on the addition of...the inclusion of Nebraska in the Southwest Power Pool and we contemplated what those possibilities might be that, for the most part, and there's a give and take to all these things, we think there are substantial advantages and benefits to being a part of the Southwest Power Pool when we add it all up and look at it from a state perspective given the resources of our state; the opportunity to utilize power in the community as we look at some of the savings from that. And so it's entirely appropriate, in our view, to change the criteria that the Power Review Board uses in order to be able to make the decisions that they need to make to accommodate the fact that we now are a part of the Southwest Power Pool and the realities that come with that. And so this is an entirely appropriate bill in our judgment. We thank Senator Schilz for bringing it forward and we think that it helps move our state forward as we look at doing those things that we need to do to help with our wind development possibilities, but also economic development and all of the other things that we already do as part of our public power system. [LB741]

SENATOR LANGEMEIER: Very good; are there any questions? Senator Smith. [LB741]

SENATOR SMITH: Thank you, Senator Langemeier. Thank you for being here this afternoon testifying. Help me understand, what is there that was in this legislation before that would have prevented the development of wind generation that this legislation is improving? Is there something particular that I'm missing there? [LB741]

JOHN K. HANSEN: Well, Senator, from my understanding, as we've looked at

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transmission, which goes hand in glove with any kind of electrical distribution, certainly wind, all other things considered, we've looked at our state from a state perspective only within a state criteria. And so now that we're part of a regional entity where we're sharing costs and we give and we take in that. We help finance transmission other places; they help finance transmission here; and all of those things as a part of the trade off and the give and take. Our view is that it is a positive overall in terms of our state system period. And wind also gets an advantage in that to include the additional criteria for the Power Review Board to evaluate transmission. If they're looking at the new reality in making the judgment based on the old criteria, that's not going to work. [LB741]

SENATOR SMITH: All right, I'm still not quite clear, how is it not...how would it not have worked under the old legislation? [LB741]

JOHN K. HANSEN: Well, I think Tim Texel would be the absolute perfect person to ask that question. [LB741]

SENATOR SMITH: Okay. [LB741]

JOHN K. HANSEN: But...I'm not...I'm not really the best one to answer the technical part of it, but conceptually I understand the need to make sure the Power Review Board has the ability to be able to consider the fact that we're now a part of a regional power entity that we have not been a part of before. Because it does change a bit how you do the calculation and the factors that you look at. If you're managing a state based on a state stand-alone entity, it's a little bit different than if you're managing a state as a part of a regional entity. [LB741]

SENATOR SMITH: Okay. Thank you. [LB741]

JOHN K. HANSEN: Thank you. [LB741]

SENATOR LANGEMEIER: Are there any other questions? Seeing none, very good, thank you very much. [LB741]

JOHN K. HANSEN: You bet. [LB741]

SENATOR LANGEMEIER: (Exhibits 3, 4, and 5) Further testimony in support of LB741. Seeing no others, is there anyone that would like to testify in opposition? Oh, I have a letter from Paul Suskie, hope I said that right, from the Southwest Power Pool in support of LB741. Are there any others? Does anyone want to testify in opposition? Yes, both bills, Brice Barton with The Wind Coalition in support and Steve Eveans with Windrow Energies, LLC, in support of LB741. Seeing none in opposition, anyone want to testify in a neutral capacity? Seeing none, Senator Schilz, you're recognized to close. Senator

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Schilz waives closing. That concludes the hearing today for LB741. And now Senator Schilz, you're recognized to open on LB742. Welcome back. [LB741]

SENATOR SCHILZ: Thank you, Senator Langemeier, members of the committee. My name is Ken Schilz, spelled K-e-n S-c-h-i-l-z, and I represent District 47 and I bring LB742 to you today. In 2009, when LB561 was passed, a bill dealing with various electrical energy issues allowed public power utilities to add renewable energy projects using a simplified Power Review Board process if certain conditions were met. Those conditions are: requiring one public hearing by the governing body of the entity, public power utility, to obtain ratepayer input; and the energy produced from all renewable energy projects does not exceed 10 percent of an entity's total energy sales, excluding sales from such projects to other electrical generating entities. Also, under LB561, public power utilities may use the simplified Public (sic) Review Board process when purchasing renewable energy from qualified C-BED projects if the same conditions above are met and the sale is being made exclusively to a public power utility through a 20-year power purchase agreement. LB742 expands the current renewable generation exception for qualifying C-BEDs to all private developers if the private developer and the public power entity enter into a 20-year power purchase agreement. The reason for amending this law is to allow all private developers to have the same rights and opportunities as a C-BED project, which should provide for lower per-unit costs when building larger scale, privately developed renewable projects for public power. Such privately developed projects are currently permitted under PURPA, but are limited to 80 megawatts. There is a concern that the expansion of a project beyond 80 megawatts, or the collocation of projects exceeding 80 megawatts, could create issues under the PURPA approval process. Specific concerns have arisen relating to two 80-megawatt projects being built near Broken Bow. This bill would remove that obstacle. I believe NPPD has a couple of suggestions for possible changes that need to be made to make the language more uniform and hopefully they will be here to inform you of those. And I ask for your support of LB742 and I'd be happy to try to answer any questions you may have. Thank you. [LB742]

SENATOR LANGEMEIER: Very good; you've heard the opening on LB742. Are there any questions? Seeing none, very good, now we will move to proponents, those that support LB742. Welcome back. [LB742]

JOHN McCLURE: Hello again, Chairman Langemeier, members of the committee. My name is John McClure, J-o-h-n, M-c-C-l-u-r-e. I'm vice president and general counsel of Nebraska Public Power District. I'm here today on behalf of the Nebraska Power Association in support of LB742. Senator Schilz did an outstanding job describing the history of this statute and why we're looking to amend it. I'll just add a couple of things and speak to the issue that he raised about a couple technical corrections. To reemphasize some of the key considerations, it's become clear that private developers are playing a key role in building wind projects in this state for the public power utilities.

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As was pointed out, under current federal regulation, those private developers, if the project is less than 80 megawatts, can get a certificate from the Federal Energy Regulatory Commission that gives them the authority to construct that plant in Nebraska. Because of economies of scale, the potential for projects to be either combined or expanded in certain locations, that 80-megawatt limitation is problematic. And we'd like to be able to allow a private developer who is developing a project for public power to have the same rights that were giving in the original legislation to a C-BED project. The utility industry supports this. We believe the wind community...wind developers support it. And I believe you'll hear that the environmental community is also supportive of this. Let me speak to the deficiency that exists, not only in the current law, but even in what we...what's being proposed in LB742 and it has to do with the applicant. There are places where there's a cross-reference to the applicant. The bill originally "applicant" meant the public power utility who was applying. The standards for the public hearing by the governing body for the limitation of 10 percent are not intended to apply if C-BED is the applicant; to C-BED, but back to the utility. And the language is not clear on that today. We would like to work with the committee and with the other stakeholders to make sure we get that clarified and I think it will be relatively simple. But that is really the issue. We want to make certain that if a private developer does this, it still requires the utilities to have a hearing by the governing body; it still requires that this can't be more than 10 percent of the utility's energy; and there has to be a 20-year exclusive contract between the developer and the public power entity so it's all being sold to Nebraskans. So with that I would be happy to answer any questions. [LB742]

SENATOR LANGEMEIER: Are there any questions for Mr. McClure? Seeing none, thank you very much. [LB742]

JOHN McCLURE: Thank you. [LB742]

SENATOR LANGEMEIER: Well done; further testimony in support of LB742. Welcome. [LB742]

DAVID LEVY: Thank you. Chairman Langemeier, members of the committee, again, David Levy, D-a-v-i-d L-e-v-y, Baird Holm Law Firm, registered lobbyist for Edison Mission Energy and Midwest Wind Energy. Edison Mission and Midwest, together, have developed, or are in the process of constructing four of the six privately developed utility scale wind farms in the state. And they strongly and fully support LB742. And also really appreciate the Nebraska Power Association and NPPD's leadership in bringing this forward. This bill is very important, although it is of not very many lines, but it removes yet another barrier to renewable energy development in Nebraska. In particular, it expands the domestic side, or the side for sale within the state of what the Legislature and this committee did for export two years ago with LB1048. But in doing so, it respects the limits and the goals that NPPD and OPPD, in particular, have expressed for their purchases of renewable energy. In short, this allows, as Mr. McClure testified,

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and Senator Schilz testified, this allows for larger projects than 80 megawatts for sale within the state to the state's utilities. Those larger projects result in an economy of scale. That economy of scale benefits the developer, of course, but it also should benefit the utility, and hopefully, ultimately, benefits the ratepayers as well. So LB742 is very important. Edison Mission and Midwest Wind strongly support it. And I thank you for your time and happy to answer any questions. [LB742]

SENATOR LANGEMEIER: Very good; are there any questions? Senator Dubas. [LB742]

SENATOR DUBAS: Thank you, Senator Langemeier. Thank you, Mr. Levy. Has the current economy, the slowness of the economy, has that impeded or impacted wind energy or renewable energy development? [LB742]

DAVID LEVY: Yes. But I would say the bigger...wind energy development is a little bit slower now than it was a year ago. Many projects are under construction, but the permitting and active pursuit of new projects may have slowed somewhat. The primary driver for that, however, is the federal government's failure, so far, to renew the production tax credit. And if they're going to do that, I would hope that they'll do it soon. If they wait until Christmas or something to do it, it will cost us projects in 2012 and 2013. But I will say also, even with that uncertainty, we have a variety of clients who are looking at ways to build wind energy projects without that tax credit even. Smaller projects in many cases, but people still, at least in my experience, are wanting to build wind projects in Nebraska. And we have new companies coming to Nebraska still wanting to build wind projects. So removing barriers like LB742 does, is still something that's very important. [LB742]

SENATOR DUBAS: So the interest has not diminished and, possibly, is even continuing to pick up some steam if we can get a few more things in place? [LB742]

DAVID LEVY: Correct. [LB742]

SENATOR DUBAS: Thank you. [LB742]

DAVID LEVY: Absolutely. Um-hum. [LB742]

SENATOR LANGEMEIER: Very good; are there any other questions? Seeing none, thank you very much, well done. [LB742]

DAVID LEVY: Okay. Thank you. [LB742]

SENATOR LANGEMEIER: (Exhibit 6) Further testimony in support of LB742. I have a number of letters. I have one from Duane Hovorka with the Nebraska Wildlife

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Federation in support. (Exhibit 5) I have one from Steve Eveans with Windrow Energies, LLC, in support. (Exhibit 4) And then I have one from Brice Barton with The Wind Coalition in support of LB742. Seeing no other testifiers, is there anyone wanting to testify in opposition to LB742? Seeing none, is there anyone who wants to testify in a neutral capacity? Come on up. Either way, he'll be staged for the next one. Welcome. [LB742]

TIM TEXEL: Thank you, Chairman Langemeier, and members of the committee. My name is Tim Texel, T-i-m, last name is T-e-x-e-l, and I am the executive director and general counsel for the Nebraska Power Review Board. I'm testifying today in a neutral capacity to recommend one amendment to the bill. The board reviewed this bill at its January 13 public meeting and does not oppose it. I wanted to make that clear. The board doesn't have any problem with it, but the board did not believe it was necessary for it to take a position in active support either. The amendment that I have is a technical amendment to correct a slight problem that exists in the current statute, not just in the bill, but I didn't in the past feel it was necessary to bring this up or ask for introduction to address it. Under the statute establishing the special generation process, in subsection 2, it sets out the criteria, it's been mentioned previously, for Nebraska's public power utilities that want to construct a generation facility using a renewable fuel source. One of the requirements is that the applicant's governing body conduct at least one public hearing, allowing its ratepayers an opportunity to comment on the proposed project. The governing body would, therefore, be, usually, a public power district's board, a city council, village board, municipality, something like that, or board of directors for a cooperative if any of those would ever build generation, primarily the public power districts and the cities. Subsection 3, as you heard, allows a C-BED applicant under the current law and under the bill, private developers to file an application with the board using Subsection 2, which was designed for consumer-owned power entities. So the requirement that I referred to a moment ago where an applicant's governing body has to hold a public hearing on the proposed project, letting its ratepayers comment on it, applies to C-BEDs and private developers if this bill was to be passed. That requirement was intended to be applicable to our consumer-owned entities and it's very difficult to use that with the private developers where they don't have ratepayers, they're selling it to one of our incumbent utilities, public power entities. So I would like to correct that language. It's not very clear. Technically under the language right now, a C-BED's governing entity or a private developer's board of directors would hold the public hearing for its ratepayers to comment which doesn't make a lot of sense because they don't have ratepayers; they're selling it wholesale to our utilities. So it's a slight correction I think we should address. And I don't have language today; I'd be glad to work with the utility attorneys and anyone else in coming up with the language. I think there are several ways we could go about correcting it. I don't think it's difficult to do so, but I wanted to raise that issue just because if my board was faced with that and I was the hearing officer, it might be difficult to pigeonhole the two...pigeonhole that into the current statute and how we would address that in an order. And with that I would

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request that that amendment be made in whatever form we can work out with the utilities and the others involved in this. [LB742]

SENATOR LANGEMEIER: Very good; are there any questions for Mr. Texel? Seeing none, thank you very much. [LB742]

TIM TEXEL: Thank you. [LB742]

SENATOR LANGEMEIER: Very good; further testimony in a neutral capacity, neutral on LB742. Welcome back. [LB742]

KEN WINSTON: Ken Winston, last name is spelled W-i-n-s-t-o-n, appearing on behalf of the Nebraska Sierra Club. We're supportive of the concept behind the bill and the rationale that was explained by the introducer and the other proponents. We're concerned, however, about the way the bill is drafted. And I've heard that there are some proposed amendments. I have not seen any to this point. But as drafted, it appears to me that it could impose a limitation on the development of renewable energy and that, certainly, is not a direction that we want to go down. So that's the reason I'm in a neutral capacity today. We'd like to see the bill amended so that it's clear that it's not intended to limit renewable energy development. [LB742]

SENATOR LANGEMEIER: Very good; are there any questions? Seeing none, thank you very much. [LB742]

KEN WINSTON: Thank you. [LB742]

SENATOR LANGEMEIER: Well done; further testimony in a neutral capacity? Seeing none, Senator Schilz, you're recognized to close. Senator Schilz waives closing. With that that concludes the hearing today on LB742. Senator Dubas is with us and we will move to LB828. Welcome. [LB742]

SENATOR DUBAS: (Exhibits 7 and 8) Good afternoon. Senator Langemeier, members of the Natural Resources Committee, my name is Annette Dubas, A-n-n-e-t-t-e D-u-b-a-s, and I represent Legislative District 34. As with the other two bills that have been introduced today, we're looking at, with LB828, just kind of some clarifying, harmonizing, making things flow a little bit smoother for renewable energy development in our state. LB828 purely is technical in nature and really doesn't make any substantive changes to the existing wind and solar energy statutes, simply seeks to clarify terminology and harmonize some of the various statutes. As I have worked on this issue since coming into the Legislature, one of my bills dealt with wind easements and agreements and as we worked on those, it was with the understanding that we would probably need to come back in a few years after the dust kind of settled and we saw how things were playing out, to make some changes such as the harmonizing changes

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that are put before you in this legislation. So, again, we're simply seeking to make our statutes more user friendly and by keeping terminology consistent and centralized. I've given you each a brief, kind of bulleted summary of each of the changes that are outlined in the bill, and also an amendment which caught some additional changes after some of the stakeholders went through the original bill. So hopefully we have caught all of those up in an amendment that we will be able to put out through the committee. I do believe there will be supportive testimony to follow who are in a better position, maybe, to answer your questions with more substance. I would point out probably three of the more obvious, or more substantive changes in the legislation. It would be number 7, 9, and 10 on the sheet that I handed out. Number 7 is on page 5, line 13 of the actual bill where it deals with the public notice requirements that are put in the paper. I mean these agreements and easements, and I guess I'm using these words interchangeably and that's what we're trying to address through the legislation, can be quite lengthy. And so publishing these types of things in the paper can become quite costly. So we're not looking to keep anything from the public. This is still information that they can access. But through the public notice we're just trying to abbreviate it somewhat. Number 9, which is on page 6, Section 10 of the bill, just really clarifies that these types of interests cannot be severed from the property. And number 10, which is on page 6, Section 10, excuse me, that's the one that deals with the severability of these. Number 9 is on page 5, Section 9, clarifies the length of the agreements and the ability to extend those. So, hopefully, with this brief summary of the changes that are made and what legal counsel provided for us in our books, I think she did a great job of helping us summarize the changes through the various sections, we will have something that you're able to understand and feel comfortable about and we will be able to put out for the full Legislature to discuss. So with that I would be happy to entertain any questions. [LB828]

SENATOR LANGEMEIER: Very good; are there any questions? Seeing none, well done. Now you've heard the opening on LB828. We will now take proponents, those in support. Welcome. [LB828]

DAVID LEVY: Good afternoon again, Chairman Langemeier and members of the committee. David Levy, D-a-v-i-d L-e-v-y, Baird Holm, registered lobbyist for Edison Mission Energy and Midwest Wind Energy. I promise this will be the last bill before you today on which I will testify. I appreciate your time. And I also...I want to really thank Senator Dubas for bringing this forward. She did a very good job of summarizing what this bill is about. It is truly a cleanup bill. And so I won't belabor those points, although I would be happy to answer any specific questions you might have. But just for a moment a little bit of background on this. As these projects are constructed, either before they are constructed or right after they're constructed, typically they're financed. And these are large projects and large financings. And the lenders, typically, have attorneys and others involved who are from New York or San Francisco or London or wherever the case might be, these are people who are not familiar with our statutes and the way they work. And so in working on those, we've had a number of questions, repeat questions,

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from these people: what does this mean, or what does this mean, well, where's this section that it refers to something because it's in a different chapter, or something like this. And so we kind of have collected those things and recognize that even though, I think Senator Dubas and this committee did a great job with LB568, there may be things we can...two years ago, three years ago, that we can make even more clear and kind of gather these things together in one place in statute. And so that's what we're trying to do here. As Senator Dubas said, these are not intended to be substantive, but rather technical in nature. There is some urgency with this bill. We are working on a financing right now, in fact, where these questions haven't come up yet, but we haven't gotten to that point. And so just respectfully request that the committee send this out at its earliest opportunity if it's inclined to do so. And even this being to the floor, as far as it can get, before the full body will help us in responding to those questions from the people financing these projects. So again, I thank you for your time and happy to answer any questions. [LB828]

SENATOR LANGEMEIER: Very good; are there any questions for Mr. Levy? Seeing none, well done, thank you. [LB828]

DAVID LEVY: Thank you. [LB828]

SENATOR LANGEMEIER: Further testimony in support of LB828. [LB828]

RICHARD ENDACOTT: Senator Langemeier, members of the committee, my name is Richard Endacott, spelled R-i-c-h-a-r-d E-n-d-a-c-o-t-t. I'm the executive secretary of the Board of Educational Lands and Funds and we're very interested in these types of bills because we currently have about 20,000 acres subject to various types of wind agreements. And if the transmission line that Mr. Pollock referred to goes through, we will be a member of the Cherry County Wind Association with about 40,000 acres of our land committed to that. The main reason I'm testify is just to support what's been said already. I think it's important that we clarify and enlarge the types of agreements that we can enter into. When I first started doing this, we were talking mainly about leases. Now we talk about easements; we talk about wind cooperative agreements. This generally talks about agreements pertaining to wind. So I think it's a good cleanup bill and I certainly support it and our organization does. And I would be happy to answer any questions that you may have. [LB828]

SENATOR LANGEMEIER: Very good; are there questions? Seeing none, thank you very much for coming to Natural Resources Committee. [LB828]

RICHARD ENDACOTT: Thank you. [LB828]

SENATOR LANGEMEIER: Further testimony in support of LB828. [LB828]

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ANDY POLLOCK: Chairman Langemeier, members of the committee, again my name is Andy Pollock, A-n-d-y P-o-l-l-o-c-k, I'm with the Rembolt Ludtke Law Firm here in town and I'm here as registered lobbyist on behalf of the Nebraska Energy Export Association. I would like to just very simply voice our support for LB828 and thank Senator Dubas for introducing it. We think it's a good bill. We had some questions about it. I addressed those to Mr. Levy and I think an amendment has been tendered to the committee which addressed our concerns. From a landowner's point of view, which is what our organization represents, we think it's a good bill. You've heard from the developers and I just wanted to let you know that from a landowner's perspective, we think it's a good harmonizing cleanup bill as well. With that I would be glad to answer any questions. [LB828]

SENATOR LANGEMEIER: Very good, are there any questions for Mr. Pollock? Seeing none, thank you very much. [LB828]

ANDY POLLOCK: Thank you. [LB828]

SENATOR LANGEMEIER: Further testimony in support of LB828. Welcome back. [LB828]

JOHN K. HANSEN: Again, Mr. Chairman, members of the committee, for the record my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n, and I'm the president of Nebraska Farmers Union and appear before you today as our president and also our lobbyist. We commend Senator Dubas for bringing this forward. We think that as long as the developers and the landowner factions are both happy with the cleanup and the changes and the necessary updates, we think that represents good positive progress. And we've come a long ways and the landscape does change a bit and so it's appropriate to update the current law and we think this bill does a good job of doing that. And with that I would end my testimony and answer any questions if I might. [LB828]

SENATOR LANGEMEIER: Very good; are there any questions for Mr. Hansen? Seeing none, thank you very much, well done. [LB828]

JOHN K. HANSEN: Thank you. [LB828]

SENATOR LANGEMEIER: (Exhibit 9) Further testimony in support of LB828. We do have one letter of support from Richard Lombardi and The Wind Coalition. Are there any others in support? Now those that would like to testify in opposition. Anyone wishing to testify in opposition? Seeing none, is there anyone that would testify in a neutral capacity? Seeing none, Senator Dubas, you're recognized to close. Senator Dubas waives her closing. So that concludes our hearing on LB828 and our hearings for the day. We'd like to thank everybody that came and participated and have a great day.

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Transcriber's Office

Natural Resources Committee
January 19, 2012

(See also Exhibit 10.) [LB828]