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Natural Resources Committee
September 22, 2017

[LR125]

The Committee on Natural Resources met at 1:30 p.m. on Friday, September 22, 2017, in Room 1525 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on LR125. Senators present: Dan Hughes, Chairperson; Bruce Bostelman, Vice Chairperson; Joni Albrecht; Suzanne Geist; Rick Kolowski; John McCollister; Dan Quick; and Lynne Walz. Senators absent: None.

SENATOR HUGHES: Good afternoon, everyone. I see it's 1:30, so welcome to the Natural Resources Committee. I'm Senator Dan Hughes; I'm from Venango, Nebraska, and represent the 44th Legislative District. I serve as Chairman of this committee. Today we are hearing the testimony on LR125, an interim study to examine public power in Nebraska. The purpose of this hearing is to gather information for the committee; no positions of support or opposition are taken. I ask you to abide by the following procedures to better facilitate today's proceedings. Please silence or turn off your cell phones. If you're planning to testify, please pick up a green sign-in sheet that is on the table by the back of the room. Please fill out the green sign-in sheet before you testify. Please print, and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to the committee clerk or a page. This will help us make a more accurate public record. If you do not wish to testify, but would like your name entered into the official public record as being present at the hearing, there is a separate white sheet on the tables that you can sign for that purpose. This will be part of the official record for the hearing. Written materials may be distributed to the committee members as exhibits only while testimony is being offered. If you have handouts, please make sure you have 12 copies and give them to the page to distribute to the committee. When you come up to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure we get an accurate record. We appreciate representatives from the Southwest Power Pool who have traveled from Arkansas being here today to share their knowledge of the regional transmission organization and the integrated market in which Nebraska now participates. These gentlemen will take 15 to 20 minutes to present their testimony. The rest of the invited testimony will have 10 minutes to present. Then we will take testimony from the public and allow 5 minutes per testifier. When you see the yellow light come on, that means you have one minute remaining; the red light indicates that your time has ended and you need to wrap up your

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comments. Questions from the committee may follow. I want to acknowledge the presence today of Nebraskans who have traveled to this hearing to share their concerns about a transmission project that is being built in their area of the state. As their testimony does not directly relate to LR125, I have asked and they have agreed to hold their testimony until after LR125 testimony is finished. I want to thank them for their cooperation and believe this format will be the most beneficial to them and the committee. Another reminder--no displays of support or opposition to a bill, vocal or otherwise, including signs, is allowed at a public hearing. The committee members with us today will introduce themselves starting on my far left.

SENATOR KOLOWSKI: Good afternoon. Senator Rick Kolowski, District 31 in southwest Omaha.

SENATOR GEIST: Hi there. Suzanne Geist, District 25, the east side of Lincoln, Lancaster County.

SENATOR QUICK: Hello. I'm Dan Quick, I'm District 35, Grand Island, Nebraska.

SENATOR WALZ: I'm Lynne Walz, District 15, all of Dodge County.

SENATOR BOSTELMAN: Senator Bruce Bostelman from District 23 which is Saunders, Butler, and most of Colfax County.

SENATOR McCOLLISTER: Welcome. John McCollister from District 20 which is central Omaha.

SENATOR ALBRECHT: Good afternoon. I'm Joni Albrecht from District 17 which is Thurston, Wayne, and Dakota Counties in northeast Nebraska.

SENATOR HUGHES: To my left is committee legal counsel, Laurie Lage. And to my far right is committee clerk, Mandy Mizerski. We have Heather Bentley today who is with us from Miller, Nebraska. When we get to the testimony, once we finish with LR125, if there are people who have traveled a far distance to be here, and as a courtesy it would be nice to let them go first. Can

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I see a show of hands of how many people wish to testify today? Okay. We will try to keep it at five minutes, but if we start running long, we may have to narrow that down a little bit. There is an overflow room in 1126 where you can go. There are seats and it is on the big-screen TV in there. So if you can't find a seat in this room, you can go to 1126 and find a seat. So, committee members, did I miss anything? Okay, with that, committee counsel, Laurie Lage, will introduce. [LR125]

LAURIE LAGE: (Exhibit 1) Good afternoon. Senator Hughes and members of the Natural Resources Committee, my name is Laurie Lage, L-a-u-r-i-e L-a-g-e; I'm committee counsel here to introduce LR125. Senator Hughes introduced this study--you have a copy of my testimony if you wanted to follow along--Senator Hughes introduced this study resolution as a follow-up to the bills that were introduced during this year's session relating to public power and the electricity market. While the committee indefinitely postponed those bills, Senator Hughes assured the bill's introducers that the committee would continue to look at the issues behind the introduced bills. This study and the report that you received from me earlier this week is the outcome. Today, testifiers are here to share their thoughts not only on the electricity market but on other issues related to the power industry that are weighing heavy on the minds of some of our fellow Nebraskans. The report, which I wrote and you received this week, was to provide a simplified overview of the issues surrounding the slate of power-related bills you heard this year. My intention was to provide a brief summary of the industry and the market in which it operates; make some observations; ask others to respond; and let the committee members draw their own conclusions. As you may have observed from the response you received yesterday from the Nebraska Power Association, this approach did not have its intended effect, which I regret as your committee counsel. I want to be clear that the memo that you received from the NPA represents what I invited its members to do. The intention was that, read together, the report and any responses would provide you with a clear picture of what the committee should keep in mind as we prepare for a new legislative session and the possibility that new, similar bills will be introduced. That being said, my concern is that the report and the NPA response memo do not complement each other and the result is that the information presented to the committee may be more confusing than helpful. I certainly take responsibility for my part in that and believe it would be most helpful to the committee if I try to clarify some of the points I was trying to make with the report to provide context to the NPA's memo. First off, the NPA is absolutely correct in

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that the report does not go into detail on several complex topics. As I stated in the introduction, this report was not intended to be a comprehensive review of the industry and how it operates. It was intended to provide some context for the discussion on LR125. I informed the interested parties that I was writing a report, that it would be a simplified review, and it would represent how I understand the information. I invited those in the industry to clarify what needed clarification and to point out where they disagreed with the material. The NPA did so, which I do appreciate, but some of their comments warrant a reply. First off, the NPA's first comment was about the accuracy of the wording of LR125 which requests an examination of the effect of retail electricity competition in states that have made the transition away from public power. Certainly the wording of the resolution was not intended to imply that retail choice was implemented in order to abandon public power. It was not stated as a fact and should not have been read as one. The second comment states that the content of the report does not reflect the committee's unanimous vote to kill the retail choice bill last session. In other words, the NPA questions the validity of the committee's decision to study these issues when its vote during session clearly reflected its rejection of retail choice. First, it's up to the committee to decide what warrants additional study and what does not. It's up to the committee to decide whether a vote it took during session represents a permanent decision on a policy matter. The committee, through its Chairman, determine that these issues should be reviewed and the committee alone will decide whether their votes last session meant that a policy decision was final. Also, the report does not state that further discussion is warranted regarding retail choice as claimed in the NPA memo. It says that deregulation is a policy question that warrants discussion with public electric utilities in each legislative district. If read in context with the rest of the paragraph, it would have meant that retail choice would be complex without a clear road map and with uncertain effects on ratepayers. Before making such a policy decision, each lawmaker should discuss the issues with the utilities in their districts. The third comment in the NPA memo concerns the Goss report and the difficulty with trying to discern whether the committee's report was stating Goss's opinion or my own. The Goss report section was a review of the Goss report, definitely not my opinions. I did not believe it was my function to identify flaws in the Goss report. To the extent that others found flaws in the Goss report, it's important for them to continue to point them out. I'm glad that they're here today to do so. The fourth comment states that the integrated market is incredibly complex and cannot be adequately explained in a few paragraphs. I wholeheartedly agree and am grateful that both the NPA and especially the SPP are here today to explain what we need to

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understand about the market. The NPA memo takes issue with the statement in the report that the integrated market allows utilities to look outside of Nebraska for lower costs. What the report says is that the integrated market has made it possible for Nebraska retailers or entities selling at retail, including municipalities and rural electric utilities, to look at the market outside of Nebraska for lower costs. From what I understand, this is, in fact, what some municipalities and rural electric entities are doing. Are there not municipalities and rural electric entities not committing to new contracts with Nebraska generators? If not, it would be helpful to me, but more importantly to you, the committee, to hear an explanation of what is happening in some of our communities without having to delve into the complexities of the market. Finally, the report's conclusions are indeed generalized statements and opinions, as the NPA correctly identifies. They are also correct in saying that the conclusions bring up topics that were not discussed in the report for which no analysis has been provided. What I should have written in the report is that the conclusions were observations based on material I have read or transcripts from hearings. One observation was that allowing retail choice could create problems with bond ratings and ability to repay debt. Another is the negative effect of too many subsidized renewables in areas where there is no need for additional capacity. I also made some observations about more recent developments with Nebraska public power entities. One was the termination of LES's power purchase agreement with Sheldon Station. Another was the plan for converting one of Sheldon's steam boilers to make carbon black. My observation was that these things have actually happened and mean something within the context of renewables and the integrated market. My intention was that testifiers today would explain how the Legislature should interpret these activities as they have occurred during the transition to the integrated market. Last, the NPA memo states the report implies the transition to retail choice is imminent and states that no analysis is provided to justify a shift to retail choice. Again, the NPA is absolutely correct that no such analysis is provided because there is no implication that retail choice should and will be adopted in Nebraska. I believe that the information provided indicates that doing so would not be advisable in Nebraska. However, as it is not my function to make policy decisions, I do advise that if lawmakers choose to go down that path, they should do so very cautiously. The NPA offers that, should you have any questions on any industry issues, that you should contact them. I strongly encourage you to do so. I hope this clarifies the discrepancies between the report and the NPA memo in a way that is helpful to the committee. I would be happy to answer any questions you have. [LR125]

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SENATOR HUGHES: Thank you, Ms. Lage. Are there questions? Okay, seeing none, thank you, Ms. Lage. I want to publicly thank you for all of the hours you spent on that report. I know it's been...consumed a good portion of your summer and it's very good information for the committee, so thank you very much. With that we will begin our invited testimony. First up is Southwest Power Pool, Mr. Mike Ross or Bruce Rew, whichever want to come first. [LR125]

MIKE ROSS: I think they're bringing a chair (inaudible). [LR125]

SENATOR HUGHES: Okay, great. Thank you, gentlemen, for coming. Whenever you're ready. [LR125]

MIKE ROSS: (Exhibit 2) Well, thank you, Mr. Chairman, for inviting us to come and to visit with you briefly this afternoon. My name is Mike, M-i-k-e, Ross, R-o-s-s; I'm a senior vice president at Southwest Power Pool. And we really appreciate...and this...Bruce will introduce himself when he speaks here in a minute, I guess, in sake of time. But what we would like to do, and the way we understand it, what we've been asked to do is to provide an overview to you of who we are, what we do, and the role we play in sharing affordable, reliable electricity for the people of Nebraska. I'd be remiss if I didn't mention that in another life I spent ten years in the Arkansas State Senate and 12 years in the U.S. House of Representatives. Coach Osborne and I were in the same class. I served on the Energy Committee; now at Southwest Power Pool. But our mission is helping our members work together to keep the lights on today and in the future. We're a very member-driven organization. And I'm going to flip through some of these pretty quick for the sake of time. But I do want to note that our roots go back to World War II. After the bombing at Pearl Harbor, President Roosevelt ordered 50,000 aircraft to be built. It required massive amount of aluminum at the time. One of the largest deposits of the resource used to make aluminum, bauxite, was in my home state of Arkansas. And so the federal government built this massive aluminum factory in central Arkansas. And about halfway through building it, they had an uh-oh moment where they realized they needed more power for that plant than was available in the entire state of Arkansas in 1941. And I'm proud to tell you that 11 utilities from numerous states, including Nebraska Power, which is now OPPD and has been, I think, for about 70 years, but at the time it was Nebraska Power, and that was one of the states that pooled excess power they had to Arkansas to support the war effort. So the people of Nebraska can take great

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credit for the role they played in a successful end to World War II. Prior to then, utilities really hadn't worked together. And during that time of working together they realized there was benefit and to the collaboration and the working together and so Southwest Power Pool continued to exist. And then with each major event affecting electricity in the country, our authority, our power has grown. We had the big northeast blackout in 1965 that allowed the creation of the North American Electric Reliability Corporation in 1967. And then most of us remember the big blackout in 2003, again, in the northeast. I would point out that neither of the large blackouts affecting America were within the Southwest Power Pool region. And that led to the Energy Policy Act of 2005, which gave NERC teeth to where we're now all subject to fines of up to a million dollars per day, per violation for those of us in the industry. So we provide a lot of services. Today, we're going to touch on what I call the big three. We manage the electric grid--much like air traffic controllers, we do not own transmission or generation, we simply direct it all--secondly, our wholesale electric market; and then, third, transmission planning. Just to be clear, things we do not do; we do not site transmission lines; we do not plan or site generation; we do not construct transmission or generation; and we do not permit transmission and generation. And so I think it's important to understand the role that we play. It's primarily the market, operating the grid, and planning transmission. We do not play any role in planning generation other than the studies that we'll talk about a little bit later on in terms of getting the transmission to a new generator. And then on slide 11 it just shows you the United States there's seven--there's nine in North America--seven in the United States regional transmission organization, sometimes called independent system operators. The two terms are synonymous. Just this morning, however, it was...as you can see, we share with MISO, North Dakota and South Dakota, that's what the hash tag is there, as well as the hash tag into...what is that, a little bit of Iowa, I guess. And it was announced this morning that a group of ten utilities that call themselves the Mountain West Transmission Group have publicly announced today that they're beginning discussions for potential membership within Southwest Power Pool which would give us three additional states and those being Colorado and then a little bit of Utah and Arizona, and a lot more of Wyoming and Montana and New Mexico than we have today. And then on slide 12 it's kind of a blow-up of the region that we represent which is all or part of 14 states, potentially could be 17. We're pretty excited about those ongoing negotiations to the west. I compare, in the RTO business, we're kind of like the electric co-op, if you will, of the RTOs. We represent a very rural area; we're very member driven. However, we do serve five of the top 100 cities in America

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and one of those is in Nebraska--Omaha--and we're proud of that as well. We're heavily regulated. We're designated by FERC, we're regulated by FERC, we're audited by FERC. And then on reliability and security issues, we are regulated and audited by NERC. Our governance, we have an independent board of directors, a members committee, a regional state committee, and working groups and on slide 16 you can see our board. Slide 17, the regional state committee consists, basically, of a utility regulator from each of the major states that we serve. You'll see that Dennis Grennan from Nebraska Power Review Board sits on our regional state committee. The regional state committee helps govern Southwest Power Pool and have certain responsibilities including cost allocation on transmission lines. We have a very diverse membership. About a third, if you look at the graph there and you add it all up, about a third of our members are investor-owned utilities, about a third are electric cooperatives, and about a third are public power. We even have a federal agency that's a member of the Western Area Power Administration. And then if you're wondering where our energy comes from, and again, we don't...we're agnostic to the fuel source. We don't pick the winners and losers. The market does that. As you can see, we're still pretty coal heavy, about 48 percent coal, about 22 percent gas, 17 percent wind, about 6 percent about hydro, about 7 percent nuclear. Bruce will dig into those numbers a little bit more and explain more about the market. So with that, I think I'll turn it over to him and he'll talk about markets...our operations and markets and then I'll close with the transmission planning. And we're trying to do in 20 minutes what...the Governor of Kansas recently came to our campus and he spent three hours going through this with us and so, but we're trying to do it as quickly as we can. Thank you. [LR125]

BRUCE REW: Well, good afternoon. My name is Bruce, spelled B-r-u-c-e, last name is Rew, R-e-w, and I'm the vice president of operations. As Mike mentioned, I will try to briefly introduce you to Southwest Power Pool energy markets. I'll start with the slide 22, just shows an overview of SPP and where the transmission is in the SPP system. And as it shows there, we go from the Canadian border all the way down to Texas, Nebraska certainly being the center of our operating region. The next couple slides, on 23 through 25, I show a comparison between Nebraska, their generation and load, compared with the rest of the SPP footprint. So a couple of things to point out, so for example, on slide 23, the left-hand pie chart is the amount of energy or the megawatt hours produced by that particular state. And Nebraska there on the bottom, green, shows it's about 14.7 percent of the entire energy produced in 2015. If you look at demand or load usage,

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Nebraska is a little bit less than that, about 12.3 percent. So what that represents is that the Nebraska generation, in many cases, is cheaper than the rest of the generation in SPP and it allows the opportunity for that generation to be used to export to other parts of the footprint. And that certainly provides benefit for the entire region for the...both for Nebraska and others as well. The Nebraska generation fleet shown on 25 is very similar to SPP's overall generation fleet with the majority of coal as its primary generation resource. Next I want to introduce you to one of the major things that we do and that is reliability coordination. So a key part of our role is keeping the lights on, making sure that we operate in a reliable fashion. So on slide 27, I introduce the term "congestion." And congestion is where we cannot deliver the low-cost energy to other areas of the footprint that could use it. And that causes, in terms of a bottleneck or, you know, it requires us to redispatch units that are not as economic as what we otherwise could dispatch. That congestion could be caused by a lack of transmission due to load growth. It could be caused by planned outages--you know, the transmission system requires maintenance and we still have to serve the load when it's under maintenance--as well as unplanned such as storm outages and that type of thing. So we constantly manage the congestion based on what we see on a daily basis and we plan to make sure that we can do that as economically and reliably as possible. The next couple of slides on 28 and 29 show what we call a contour map and this is just a colored gradation of the different prices in the footprint. And on slide 28 we show a change in color due to a couple of different things. In the Dakotas, that congestion is due to a load pocket where we didn't have enough transmission built at the time to serve it as economically as possible. And then in Oklahoma area, that change in prices, or congestion, was caused by a significant amount of generation on one side of it that was built that is cheaper where we don't have the transmission to deliver across the state. On slide 29, I showed the average across the entire SPP footprint and it may be a little hard to see there, but you see a change in color across Nebraska from being a lower cost power on the western side to a little more expensive on the eastern side, and the price difference is, you know, approaching about \$10 on an average for 2016. And that just shows you the congestion that we would need to redispatch around to make it reliable during the entire part of the year. Next, on slide 30, I introduce you to the SPP market. So it's important to note that you do not have to be a member of SPP to participate in the market. I think as Mike had mentioned, we have about 95 members, but we have almost 200 market participants. So we have more market participants than we have members, but in that slide, just to give you some information in terms of how much energy sales we have across our footprint

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for 2016, and then the amount of peak load that we in our footprint as well. But slide 31 is an important slide where we introduce you to the types of market that SPP operates. And the first one is the transmission service where market participants can buy and sell our regional transmission service to go anywhere in the footprint. And we call it one-stop shopping. So by going to one particular Web site, they can request transmission to go anywhere in the footprint. And that makes it very easy, it makes it very efficient for them, for them being market participants to buy and sell transmission service to get power delivered wherever they need to in the region. The second, of course, is the integrated marketplace. And the integrated marketplace is where participants buy and sell wholesale energy in the day ahead and real time. Now a couple of things that are important to note about the integrated marketplace is that it's wholesale energy only. SPP does not have a capacity market. Capacity would be the steel in the ground, the amount of megawatts that a power plant is rated at, you know, versus the energy is how much it's actually produced out of that particular plant. And a couple of reasons for that: one is, there are no states in our footprint that offer retail open access. All of our states in the SPP footprint, the load-serving entities have the obligation to serve load and they must bring generation into the market as part of their requirement in participating in the market. So there really isn't the need or the value in terms of a...what we would call a capacity market. So it's energy only. And that's an important point in our market. But one other thing, too, on the energy only is that our market is designed to really recover the variable costs or you think of it that as cost of the fuel. It's not a full recovery of the cost of generation in terms of what it costs to build it and to depreciate that asset over the life of the facility. We're really looking at the variable costs of primarily fuel for those generation. So that's what we price in our market. So what do we do with those generators? We do two things with it: one, in the day-ahead market we will look to see what is needed for the following day and we will, optimally, dispatch those, or turn those units on and off in order to provide the cheapest, most-reliable power that we can. And by doing it a day ahead, it allows us to turn units off if we need to, or turn units on to keep it cheap and economic. And then we also do the real-time market. And the real-time market, essentially, operates what is currently running. So if for some reason a unit unexpectedly trips off, then we would turn other generation up to provide for that missing megawatts from that plant. So it's a market that runs every five minutes, so it's a constantly changing market based on both the load that we serve, as well as the generation resources available. So the benefits to the integrated marketplace are very significant. When you look at the overall Southwest Power Pool footprint and our ability to optimize those

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generation resources, it provides savings to the region, what we've shown to be at least \$400 million a year in total benefits and savings to all the market participants, so a significant value that the integrated marketplace provides. I think I'll finish up real briefly then and turn it back over to Mike is on the market participant engagement. So we have, essentially, three different types of market participants. The load-serving entities are those that are required to serve load in the footprint and they are the ones that have the obligation to bring generation resources to the footprint to serve that. And then you also have generation owners--they may not have any load entity that they're serving--and then market participants who strictly buy and sell based on financial obligations. So that's a brief overview of the integrated marketplace. It's very complex, but we'll be glad to answer questions at the end. So I'll turn it back over to Mike. [LR125]

MIKE ROSS: And I would just point out that before we turn someone loose operating the grid for all or part of 14 states and 18 million people, it's not the people we hired yesterday; they've been on the job about 10, 12 years before they actually get into the position of being in control of the system. And, literally, we're forecasting the amount of power needed; we're sending the signal generators every four seconds on whether they need to increase or decrease, much like conducting a symphony, except all this is happening nearly at the speed of light. So transmission planning, basically, we're required to study where new lines may be needed. We do it based on three things: either for reliability; economics; Bruce mentioned the congestion in the market, so if you've got congestion, you can't get cheaper power, and so you look at it there; and then for public policy needs. And those are the three primary drivers on transmission planning. We're looking near term, but we're also looking 10 years out and 20 years out. And this was something that I visited with your Governor about, about a year ago, back when the Clean Power Plan was being discussed, is that you can build generation in about two years. As you can see from slide 37, it takes up to 8, 8.5 years to get transmission put in place. And so you can build generation all you want, but to get that power from where it's made to where it's needed can take up to 8, 8.5 years, and I think that's important to note. And so, basically, who pays for it? Again, our regional state committee, state regulators that sit on that, they decide that. And, basically, as you can see on slide 38, the larger the line, the more it benefits the entire region, therefore, the entire region pays. And then we've directed about \$10 billion in new transmission over the last few years, on slide 39, about two-thirds of that is now completed and in service, another \$3 billion of it is currently...there's been a notice to construct, which is our role. We study it, determine if there's a

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need, and issue what's our independent board votes on whether to issue what's called a notice to construct, and then whoever is building it. And it gets more complicated from there because now under FERC Order 1000 if it has to be competitively bid, then we oversee that project...that process. If it does not have to be competitively bid, then, of course, the utility in that area then starts working through their state regulatory processes in terms of signing it, as well as how they're going to recover their costs for building the line. Finally, we update this annually. And as you can see, the value, basically, the benefit that we provide, we are a nonprofit so we only collect from our member companies based on the amount of load they have, how much it costs for us to operate and do business. We're solely a nonprofit organization. The benefit to cost last year was 11 to 1, pretty evenly divided into three buckets: transmission, operations, and markets. And so with that, Mr. Chairman, we appreciate the opportunity. And I would close by simply pointing out that several states have us come once a year and just provide kind of a snapshot, an update on some of these slides that are like state specific, and we'd certainly welcome that opportunity here as well. [LR125]

SENATOR HUGHES: Thank you. Thank you, gentlemen, are there questions from the committee? Senator McCollister. [LR125]

SENATOR MCCOLLISTER: Yeah, thank you, Mr. Chairman. Mr. Rew, I direct your attention to slide number 28 where you talked about a so-called load pocket. Can you better describe or at least elaborate on what you mean by a load pocket? [LR125]

BRUCE REW: Sure. Again, this is Bruce Rew. And how we define a load pocket is an area where you have load that has limited transmission that's able to deliver power into that area to serve it. So in this particular example, there is significant load growth due to the oil shale play in the Dakotas, and there is not enough transmission in order to serve that rapid load growth. So there is congestion that was caused because we had more load in the area than we did generation and not enough transmission to deliver it. [LR125]

SENATOR MCCOLLISTER: Yeah, thank you. [LR125]

SENATOR HUGHES: Senator Albrecht. [LR125]

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SENATOR ALBRECHT: Thank you. Mr. Ross, can you...I appreciate all this information because you weren't here during all these hearings that we had and this kind of sheds a lot of light. How many of all of the states that are your members, or the folks that are members, how many of them are publicly owned? [LR125]

MIKE ROSS: If you look at the chart I've provided in there, like I said, about a third are what we'd refer to as public power, public power as Nebraska is or a "muni" or a state agency. In Oklahoma you've got the... [LR125]

BRUCE REW: Oklahoma Municipal Power Authority (inaudible). [LR125]

MIKE ROSS: Yeah, and you've got Grand, Grand...GRDA, Grand River, you know, so some are state agencies; and then, of course, WAPA, which is a federal agency. So when you put them all in a bucket, about a third of our members are public power, about a third are investor-owned, about a third are electric cooperatives. [LR125]

SENATOR ALBRECHT: Okay. So if the member...if something is going to happen in the state of Nebraska, it would have to go through the Southwest Power Pool or you'd be coming to us and asking what you need to have Southwest Power Pool engage in with Nebraska, whether it's lines going in or wind, or do they have to go through you folks to (inaudible)? [LR125]

MIKE ROSS: Well, we don't approve any...anybody that can get state approval can build generation. Our only role is to do a study on how you connect the transmission line to that generation so that you can get that power from where it's made to where it's needed. So we...and, basically, membership is voluntary, but, basically, every utility in all or part of 14 states are members. And people, typically, when they join, they don't leave because of the value we add and the savings we create for the people in places like Nebraska. [LR125]

SENATOR ALBRECHT: So then...well, thank you. And then slide number 30, can you just talk about the market facts just a little bit so that I can help myself understand? You talked about the 185 participants and 726 generating resources and that settlements...what's \$15.8 billion in settlements mean? What is that? [LR125]

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BRUCE REW: Sure. So this is Bruce Rew. The marketplace settlement is the amount of energy that we have committed to deliver in the market. So that would be the generation that we have selected... [LR125]

SENATOR ALBRECHT: Oh, the wholesalers. [LR125]

BRUCE REW: ...to be turned on to serve load at the wholesale level in the footprint. [LR125]

SENATOR ALBRECHT: Okay. [LR125]

BRUCE REW: So that's a little over a billion dollars a month. [LR125]

SENATOR ALBRECHT: Okay, a month, yeah. Okay, and then what is the next one? [LR125]

BRUCE REW: Okay, the next one is the peak that would be the simultaneous peak for the entire SPP footprint was just over 50,000 megawatts. Throughout the year, we go anywhere from a minimum of about 20,000 in the springtime, up to a summer peak of over 50,000. So we have to be able to dispatch generation anytime from the minimum of 20,000 to the maximum of 50,000. [LR125]

SENATOR ALBRECHT: Okay, and then the wind, can you talk to that? [LR125]

BRUCE REW: Yeah. The wind penetration is the amount of wind that was serving load at the...simultaneously. So in this case, it was about 55 percent of our energy at one particular time was being served by windfarms in the entire SPP footprint. [LR125]

SENATOR ALBRECHT: Very good. Thank you. [LR125]

SENATOR HUGHES: Okay. Additional questions? Senator Bostelman. [LR125]

SENATOR BOSTELMAN: Thank you, Senator Hughes. Mr. Rew, question I would have on a previous meeting we were at...or a discussion I was at specifically to renewables and perhaps to

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wind. We were talking about saturation on the grid, overproduction, underproduction, and base load generation. And you were taking a look at how that is because renewables are subsidized and our base loads are not and your...could you...have you done anything with that? Is that...have you made...are there any decisions along those lines as compensation to base load generators, or where's that at? [LR125]

BRUCE REW: So, Southwest Power Pool, we do not get into generation siting. Those are the generators and they could either be an independent power producer or could be a market participant or load-serving entity that needs additional generation to meet its requirement. So those are the ones that will bring a request to interconnect to our footprint. And we will make sure that we can reliably interconnect it and operate it. So we will give them any requirements such as transmission that might need to be built in order to do that. But we don't actually determine where that generation goes or we don't mandate someone to build a particular type of generation. [LR125]

SENATOR BOSTELMAN: I understand completely. Maybe it's more inside the operation side, maybe it's more of a...Mr. Ross maybe is better...do you understand the question I was asking? [LR125]

MIKE ROSS: Yeah...yes, sir, and the new FERC has...the new FERC chairman, or the acting chairman waiting on the permanent chairman, but the new FERC has made it clear that price formation, negative pricing is something they're going to look at and whether there should be subsidies, for the lack of a better word, for base load in the markets. So I think that's something that FERC is going to be looking at. And, obviously, our market rules have to be in line with FERC and approved by FERC, but currently there's nothing that we do to favor one form over the other. And we're agnostic to the fuel source. We simply look at price. Now, obviously, the production tax credit does play a role in that, as you alluded to. [LR125]

SENATOR BOSTELMAN: Sure. Just a follow-on question, a different area though, you're talking about Mountain West potentially coming into the SPP. Mike, I would guess now that Mountain West has separated because the three regions of the power grid don't connect, (inaudible)... [LR125]

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MIKE ROSS: You got the east, the west, and then Texas, yes, sir. [LR125]

BRUCE REW: That's right. [LR125]

SENATOR BOSTELMAN: So how would this affect SPP now as far...what are some of the things that would happen in Nebraska as far as trying to connect that across to Mountain West? Have you looked at that at all? [LR125]

MIKE ROSS: Well, the east and west are connected by seven DC ties, and I think four of them connect us to the Mountain West. And because of where we fall now, we now manage those already. And I think about 700 megawatts can flow between the two which would allow them access to one market, but, obviously, some things would have to be done differently in the west than they are the east. [LR125]

SENATOR BOSTELMAN: And I guess my...to that is I'm looking on Nebraska's. You're talking to the west there's a congestion problem. If Mountain West comes in, would that help in that area or not, do you think? Have you...probably too early to look at? [LR125]

BRUCE REW: Yeah, I'm not familiar with whether or not we've studied that. We would look at what the prices are on the other side, on the western side of the DC ties and whether or not it would be economical for us to ship power. In what direction? We don't know. [LR125]

SENATOR BOSTELMAN: Thank you. [LR125]

SENATOR HUGHES: Okay. Any additional questions? I guess I have one, back to the Intermountain (sic: Mountain) West, you said there are four connections within the current footprint. How...is there a chance to expand their capacity? I'm still trying to wrap my head around the east and the west and why they're not the same power and that type of thing, so keep it simple, please. [LR125]

MIKE ROSS: Well, the country, for a very long time, has been divided into what's called three interconnections: the eastern interconnection, the western interconnection, and then Texas. And

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there's seven DC ties that connect, you know, because everything like here is on AC, right? And so there's like seven DC ties that connect the east to the west; four of them happen to fall within the Mountain West Region. We happen to manage all seven of those today. [LR125]

SENATOR HUGHES: So how hard is it to get power across those ties? [LR125]

MIKE ROSS: So there's about...Bruce, I'm going to let him expand on this, but I'll make this point. DOE is currently doing a study on maybe how that could be optimized, modernized. And we're participating with Department of Energy on that study right now. [LR125]

SENATOR HUGHES: Okay. [LR125]

MIKE ROSS: But Bruce can speak to this too. He's an engineer and I'm not. [LR125]

BRUCE REW: Yeah, I think the answer to your question is that historically the distance between the load has been too far for us to reliably operate it. It took a very long transmission line to go from where a significant load is along the front range to the load pocket and SPP, which would be all the way, essentially, over to Omaha, and, therefore, it wasn't reliable to where they could actually build transmission and synchronously connect them. So the DC tie provides an option to be able to transfer some limited power, but still be able to do that reliably. [LR125]

SENATOR HUGHES: Okay. Any additional questions? Seeing none, thank you, gentlemen. We appreciate you coming and testifying before us today. [LR125]

MIKE ROSS: Thank you very much. [LR125]

BRUCE REW: Thank you. [LR125]

SENATOR HUGHES: Okay, next of the invited testimony is Mr. Tim Burke, Omaha Public Power. Welcome, Mr. Burke. [LR125]

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TIM BURKE: Good afternoon. Thank you, Chairman Hughes and members of the committee of the Natural Resources Committee. My name is Tim Burke, that's T-i-m B-u-r-k-e, and I'm the president and CEO of Omaha Public Power District. Over my 35 years of service in utility industry, 15 of those have been spent on the investor-owned side, and the last 20 have been spent with Omaha Public Power District. I'm here today on behalf of the Nebraska Power Association to discuss the role public power utilities play in economic development and how public power keeps rates low for all Nebraskans. What I will not be doing is rehashing testimony from the committee's February hearings on bills related to retail choice. At that time, the public power representatives gave a strong case why retail choice should not be considered in Nebraska. Nothing has changed from our opinion; our convictions remain the same and our customers, by the way, are not asking for it. I would like to point out that states referenced in the hearing report who did undergo deregulation really exempted public power utilities from those kinds of mandates, which I think is important to note. And the partnership between public power and economic development really began with the electrification of rural America in the 1930s. Public power districts were one of those who worked to bring electricity to farmsteads and agricultural operations across the state, modernizing Nebraska's economy. That spirit continues today. In addition to serving its rural customers, public power is also attracting technology and manufacturing to this state. Partnerships between the state, local communities, and utilities are essentially critical when it comes to economic development in our regions and they are partnerships that we all value. These partnerships have contributed to OPPD's recognition as the top Midwest midsize utility in business customer satisfaction by J.D. Power and Associates in both 2015 and '16. Lincoln Electric System was ranked one of the highest in J.D. Power in residential customer satisfaction in that same class. Just this month, OPPD was recognized by Site Selection magazine as one of the top ten utilities for economic development in the United States. This ranking was given alongside much larger utilities like American Electric Power, Duke Energy, Tennessee Valley Authority. And we at OPPD have committed no general rate increase for five years that began in 2016. NPPD, likewise, has had no residential rate increase the past five years. And in the past six months, the state of Nebraska and the Omaha Chamber have earned the recognition from, again, Site Selection magazine for having the most capital investment projects per capita. So let me start by highlighting some of the public power economic development efforts throughout the state. Last session you heard about Monolith Materials' decision to locate its manufacturing headquarters near Lincoln in partnership with the

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Nebraska Public Power District. That decision was driven in part by low rates provided by public power. Through this partnership, the company will use electricity to extract carbon from natural gas to produce carbon black, which is used in tires and plastic and a variety of other products. The by-products of this process, hydrogen and water, will then be used by NPPD as a clean fuel for their nearby Sheldon Station plant. Another project is that OPPD began working with Facebook in 2011 to find a location for the company's new data center. Over the course of five years, OPPD has developed potential sites in conjunction with the Omaha Chamber partnership for Facebook and a variety of other companies and created an innovative rate solution. Both of these efforts were key in Facebook's decision to locate in Sarpy County. The new rate solution gives customers flexibility in how they meet their energy goals. It is a rate that Paul Clements, the energy manager for Facebook, said and called it innovative and forward thinking and a tool that will help continue economic development in the state. The rate covers our fixed cost, while also meeting the customer's desire for large-scale renewables. To create it, our team evaluated a variety of different rate structure options and we made some slight modifications to those. As a result, Facebook is working with OPPD to produce 100 percent renewable energy for their data center which is one of the requirements for them to be in Nebraska. Now Mr. Clements also praised the working relationship with public power and he did this in front of our board on video, so we'd like to show that to you at some time, pointing out the high level of professionalism, expertise, and exceptional customer service. Since the Facebook announcement this spring, OPPD has received feedback from existing customers also interested in this new rate design and the rate has been recognized nationally by the World Resource Institute for its use in attracting economic development projects. Now Facebook is just one of several data center projects that have involved OPPD. Others include Yahoo, Fidelity, and Travelers. All of these projects have contributed to hundreds of new jobs coming to our service territory. In another instance, OPPD used its Arbor Line--it's a rail line that we own from Nebraska City to Lincoln, which serves our Nebraska City plant--to attract Midwest Farmers' Coop to the Syracuse area. And as a true energy partner, OPPD responded to the customers' interest and provided a cost-of-service strategy for rail service. Other utilities, investor-owned utilities may not have spent the time and energy to create that kind of economic development opportunity. It's these sorts of examples that happen across the state. For example, several utilities in central Nebraska are helping ethanol plants reduce cost and increase marketability by providing the plants with renewable energy. This project, which involves Perennial, Southern, and Dawson Public Power Districts, will allow

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the plants to more easily market their fuel to the western United States. There's more to economic development than just attracting new businesses. Public power utilities also work to help companies grow their existing operations. One example is the recent announcement on the Cargill campus. They are expanding their Novozymes and their Evonik subsidiaries. And in Chapman, Nebraska, Preferred Popcorn recently opened a new expansion that adds both production space and jobs to the operation of a project done in partnership with Southern Public Power District. And Lincoln Electric System has worked with Kawasaki to expand their operations to accommodate new contracts for jet components. These are the projects you hear about in the media and in the news and in the newsletters, but there are other smaller examples of public power working for its customers in all corners of the state of Nebraska. But one thing that's really important in all of these projects is, without reliability, these projects may not be possible. And public power has had significant, positive reliability across the state. Matter of fact, reliability is a hallmark of the state's utilities. Nebraska customers enjoy some of the shortest outage duration times in the country, matter of fact, the third shortest, in fact. This reliability is very attractive to businesses considering locating here. Public power's work in attracting new businesses not only expands the customer base, but it keeps costs low for all of our customer owners. Now retail choice advocates continue to focus on the percentage by which rates have increased. We would rather focus on the actual difference in cost per kilowatt hour which is what matters to our customers. Residents and businesses in Nebraska enjoy some of the lowest rates in the country. In fact, Nebraska's average rate of 8.91 cents per kilowatt hour is 31 percent below the average of those states with retail choice. So if you would, allow me to give you an example of how data can be interpreted in different ways. So I'm going to use it in a company A and a company B. So company A sold its widgets for \$20 in 2012 and now it sells that same widget for \$24 in 2017, a 20 percent increase. Company B sold a similar widget in 2012 for \$40 and now sells it for \$28. Now retail choice supporters might say the better company is company B because their prices have gone down. However, their price is still \$4 higher than company A. And company A is still 15 percent lower than company B. So our Nebraska customers are certainly benefiting with our rates being attractively low across our state. In addition to providing reliability, affordable electricity, public power utilities also enjoy exceptional bond ratings. These ratings reflect sound financial decisions the utilities have made for their customer owners, decisions frequently made using customer input. In many cases on the investor-owned side, we don't have that same kind of customer input. By working to bring

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businesses and jobs to Nebraska and continuing to provide reliable and affordable electricity, public power is continuing the spirit of benefit and betterment that began decades ago. So, Senators, I want to thank you for giving me the opportunity to speak in front of you today and I would be happy to answer any questions that you may have. [LR125]

SENATOR HUGHES: Thank you, Mr. Burke. Are there questions? Senator Kolowski. [LR125]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Mr. Burke, thank you very much for being here today and for your excellent presentation. [LR125]

TIM BURKE: You bet. [LR125]

SENATOR KOLOWSKI: I've got sort of a side question that needs to be addressed just to get it on the record. You think about safety and, of course, that's primary with your company as far as your workers and delivery and services and all the rest. Can you talk about security? [LR125]

TIM BURKE: Oh, sure. [LR125]

SENATOR KOLOWSKI: How do you keep things secure on a large basis with the things that could happen when certain people might want to interrupt service or do something pretty negative to our supplies (inaudible)? [LR125]

TIM BURKE: Sure, and just a couple of examples, we had most recently a member from the Department of Energy come out with the state utilities and a variety of other infrastructure folks, from Northern Natural Gas to Black Hills Energy and MUD, and the conversation was the industry itself has just incredible cyber security protections, but we're always concerned about the next piece. Right? We don't know what that next piece is. But what I would say--and I'll speak specifically for OPPD but I think it's generally true across all of the operations in the state of Nebraska--because of the regulations that we're required to meet and are required that are audited by FERC and NERC, and certainly SPP has a specific interest in that as well, we passed, very clearly, without any concerns, our cyber security audit by NERC in the last year. And I think that's representative of the focus that the state of Nebraska and the other utilities, including

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OPPD, have in that regard. So we feel comfortable. But it's always that next item, that next Experian instance that concerns us. And I would say the things that have been talked about nationally and internationally really is different in the United States, and certainly within the utilities in the state of Nebraska, where we truly have our business systems separated from our operating systems. And so we have multiple levels of security around that operating system that would impact transmission distribution power generators. [LR125]

SENATOR KOLOWSKI: Excellent. Thank you. [LR125]

TIM BURKE: You bet. [LR125]

SENATOR HUGHES: Additional questions? Seeing none, thank you, Mr. Burke. [LR125]

TIM BURKE: Very good. Thank you very much. [LR125]

SENATOR HUGHES: Okay, next up is Mike Matheson, Americans for Electricity Choice. Thank you. I'm sorry, go ahead. [LR125]

MICHAEL MATHESON: Thank you. Just for the record, it's much cooler sitting here than back there, so I appreciate the time. [LR125]

SENATOR HUGHES: I've got a couple fans coming in. We're going to try to get some air movement in here. [LR125]

MICHAEL MATHESON: (Exhibit 3) Good afternoon, Senator Hughes and members of the committee. My name is Michael Matheson, M-i-c-h-a-e-l M-a-t-h-e-s-o-n. I'm a director of the Americans for Electricity Choice and a registered lobbyist. I want to thank the committee for introducing LR125 to study important power-related issues that impact Nebraska citizens. I look forward to having a fact-based discussion on these issues identified in this study bill. I'm going to touch on a number of topics during my testimony in no particular order. The SPP said it has provided in savings in 18 months over \$1 billion in the operation since the integrated market. Where in Nebraska has public power passed on any savings to their Nebraska ratepayers? The

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truth is that because wholesale electricity prices have decreased, Nebraska ratepayers have had to subsidize the difference between public power's cost of generation and what is actually getting paid for the electricity it generates. If a company just bought the power off the grid at \$18 a megawatt hour it could save the ratepayers an average of more than 30 percent in generation costs alone. Nebraska currently is a wholesale electricity choice state. We know that because several REAs and municipalities chose not to stay with NPPD, issued requests for proposals, or RFPs, and went outside of Nebraska for lower-cost electricity supply. If the retail electricity provider is able to select the power provider for its customers, why can't retail customers decide who they want to buy their electricity from? The retail providers who signed the new NPPD 20-year wholesale power contract without a price did not look out for the best interest of their customers. Without requesting competitive bids, they signed contracts costing their ratepayers tens, or even in some cases, hundreds of millions of dollars in that 20-year agreement with no specified price. The retail providers who competitively bid their wholesale contracts found lower-cost power than NPPD could provide. State statute states that public power districts are to provide low-cost electricity using sound business practices. How did those who signed the NPPD wholesale power contract without a price and without competitive bids demonstrate a sound business practice or a commitment to low-cost electricity? Another indicator that electricity choice exists at some level in Nebraska was when OPPD recently gave Facebook a special rate which is essentially retail electricity choice. Facebook is buying electricity at SPP market prices and paying OPPD a customer delivery charge as previously mentioned. This deal is an example of an aggressive and beneficial risk management tool by locking in forward pricing. Why can't the citizens of Nebraska have the same opportunity by allowing retail electricity choice? Another issue that comes up in the retail choice discussion is local control. What exactly does local control mean since the SPP dispatches generation, operates the grid for reliability, and performs transmission planning? What if an REA or a municipality wants to obtain 50 percent of their energy from renewable generation like LES? Well, it can't because the NPPD wholesale contract with no price doesn't allow it. How is this local control? It was stated in LB660 earlier this year that Nebraska has excess generation and doesn't need more. Excess generation is a false argument within the SPP wholesale market. The SPP market does not recognize state boundaries for generation and load. Generation is no longer dispatched by the utility to serve its native load. It is dispatched to serve the SPP market and the market dictates the price. Saying Nebraska has excess electricity generation is like saying Nebraska produces too much corn. With the integrated

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market, Nebraska needs to be careful with unilateral protectionist policies that hurt Nebraska's own economic developments while other states benefit. NPPD didn't object to OPPD recently purchasing new generation when Nebraska already had so-called excess generation. NPPD and OPPD didn't object when LES recently purchased new generation. NPPD did not object when Hastings built new generation. So why is NPPD and OPPD objecting when Beatrice wants to build generation? State statutes require rates to be cost based, but who determines this cost? NPPD and OPPD combined have about \$4 billion of debt and a high amount of unfunded liabilities. OPPD recently permanently shut down their Fort Calhoun Nuclear Station. OPPD has only collected about \$400 million of the more than \$1 billion cost to decommission the plant. The decommissioning of NPPD's Cooper Nuclear plant will also cost more than a billion dollars and only a fraction of that amount has been collected. Future ratepayers are going to have to pay higher rates to pay for the expenses for which they receive no value. How is this cost-based rates? For the retail providers who were NPPD wholesale customers who did not sign the new NPPD contract, they are now being charged for the previous cost. So current customers are being charged higher rates because previous customers did not pay these costs when they occurred. How can not including cost in a rate be cost-based rates? A private company would not be allowed to continue operation with the business practices employed by public power. Private companies aren't allowed to continue borrowing money and deferring expenses to keep the cost of their products or rates artificially low. Eventually, they are forced to raise prices and risk going bankrupt because they cannot compete. With the debt and unfunded liabilities, rates today are being set artificially low and future ratepayers are going to have to be on the hook to pay these...today's costs. It is like having a car repaired and not paying for it, then you sell the car and the new owner has to pay for the repairs done before they owned the car. In LB660, several testifiers said that with electricity retail choice, electricity providers will cherry-pick the largest customers and that will cause rates to go up for small customers. That statement alone is an indictment that the rates for public power's large customers are currently not competitive. Secondly, it indicates that the rates being charged are not cost-based because if a customer goes away so should the cost. Large customers are subsidizing other customers if the statements being made about cherry-picking is true. Despite being told repeatedly how competitive and low cost Nebraska's generation fleet is, for the most part, it simply isn't cost effective. Nebraska's current generation fleet is costing ratepayers hundreds of millions of dollars. OPPD finally concluded that ratepayers should not have to carry the financial burden of continuing to operate Fort

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Calhoun Nuclear Station and made the decision to decommission it. Because the SPP market isn't designed to recover the fixed cost of generation, public power generation is only competitive because Nebraskans are subsidizing the generation cost. In LB660, it was repeated that citizens of Nebraska own public power and that means public...and that public means local control. As for who owns public power, it can be argued that it's the bondholders. Public power district boards have the power to set rates and make decisions with no oversight. As Senator Brewer recently pointed out, the only citizen recourse of a public power board decision is litigation in the courts; there is no entity in Nebraska state government to which a citizen can appeal. What other political entities does not have any checks and balances? I'm trying to skip through because I'm out of time here. I attached a chart with all the different...some comparisons of electric rates using EIA data. Instead of talking rate averages and state averages using EIA data, it shows you which states, how many utilities have lower rates than NPPD, OPPD, and LES, and also where they rank nationally as far as the number of utilities. So if you look at those numbers, you can see that there are utilities that offer better rates. So with retail choice, they are able to go out and find competitive rates. And that again is using EIA data. The electric industry has changed substantially since public power was established in Nebraska. Some aspects of the public power model that were established to provide electricity service and benefit the citizens of the state in the 1930s is no longer effective and needs to require change to reflect current industry practices established by the Federal Energy Regulatory Commission and the SPP. With that I'll stop and be happy to answer any questions. [LR125]

SENATOR HUGHES: Okay, thank you, Mr. Matheson. Are there questions from the committee? Seeing none, we appreciate your time. [LR125]

MICHAEL MATHESON: Thank you. [LR125]

SENATOR HUGHES: And last on the invited testimony, Nebraska Power Review Board, Tim Texel and Jim (sic) Fortik...oh, I'm sorry, Jason Fortik, I'm sorry. Welcome, gentlemen. [LR125]

TIM TEXEL: Thank you. Senator Hughes and members of the committee, I'll let Jason introduce himself when we come to that. My name is Tim Texel, first name is T-i-m, last name is T-e-x-e-l; I'm the executive director and general counsel for the Nebraska Power Review Board. As the

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committee is aware, the board is the agency of primary jurisdiction over electric suppliers in the state of Nebraska. I was asked to provide testimony on, I think, specifically issue three in the legislative resolution, the role and jurisdiction in relationship of the Southwest Power Pool, the Nebraska Power Review Board in the development, generation, transmission, and delivery of electricity in the state. So that's what I'll address very briefly. I will not go over all of the Power Review Board's duties and how it's involved in approving generation transmission. I think I've covered that before and I won't go through that again. I've done that before in a similar forum so I was asked to pick out a couple of spots. What I would like to address briefly is the difference between the Power Review Board's jurisdiction and the Southwest Power Pool. Mr. Ross covered some of that, so I'll try to be very brief because he hit on it with his statements. I might flesh it out just a little bit. But there's sometimes a misperception that the SPP now approves generation and transmission resources. It does not. As I mentioned, Mr. Ross had confirmed that; he mentioned that in his testimony, I believe, a couple times. The SPP plans transmission and issues a notice to construct a new line, but the utility is then responsible to obtain approval, if necessary, from the applicable state regulatory body. In Nebraska the Power Review Board would be that regulatory body that would approve transmission resources. The Southwest Power Pool is responsible for planning the interconnection assets necessary for new generation facilities. And they dispatch the generation resources of its member utilities once they're in place. The board also remains solely responsible...the Power Review Board also remains solely responsible for the oversight over service area boundaries and the approval of amendments to public power district charters among our other duties. Those have no relationship to the SPP and those are some of our duties that the Power Review Board fulfills. During the last legislative session, one testifier in the bills dealing with the retail choice type of issues asserted that the SPP makes the determination whether there is sufficient generation resources. I think this is also a common misperception among some people. That's not a correct statement. The SPP, and again, Mr. Ross addressed this briefly, but the SPP is a facilitator that makes sure the transmission resources to deliver electricity from a facility are present, what upgrades might be needed, and ensures the new facility gets interconnection with the grid. The SPP plans for the interconnection, but does not determine what generation facilities are needed, what fuel type they should use, the capacity and individual facilities should have, or where it should be located. He mentioned siting, which I...just to use the term, generic term, "location." So the important message I want to convey on this particular topic is the difference the SPP does not reduce or have any veto authority over the

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jurisdiction or authority of a state regulatory body, similar to the Power Review Board. Some of them are comprised considerably different than ours due to the public power model. But that is why the RSC, the Regional State Committee, the one that one of my members, Mr. Grennan, sits on that's comprised of one member from each regulatory body in each state, that that's such an important role in the SPP structure because they have to coordinate with those RSC members and the rest of their bodies to approve those resources that SPP determines might be needed to interconnect those generation resources or to make any other changes needed to the grid for those load pockets and issues such as that. Wanted to mention one thing that isn't often covered with the Power Review Board's duties and that is oversight for statewide planning. The responsibility of each public power entity in Nebraska is to ensure adequate and reliable electric service to each of the customers in its service area at the lowest possible price, but it is not normally their mandate to review generation resources from a statewide perspective. And so the board, my board fills that void where we have those entities coordinate and we review it, I usually say, from the 10,000 or 30,000 foot level and look at it statewide instead of their parochial view. And I don't use that in a pejorative sense. That's their mandate is to take care of their customer. But as a state entity, the Legislature, when they created us, said, you step in and make them coordinate and work at a statewide level to decide the load and capability necessary for the whole state and review that. So the board has several reports that we issue. There's a designated organization and that's the Nebraska Power Association. It was anticipated when this was set up many years ago, in the '60s, that an entity like the Nebraska Power Association would be that entity comprised of the utilities in Nebraska that would have the information necessary to do that. So every year there is an annual load capability report that is done under the control and auspices of the Power Review Board, but the research is done, but...and I'll let Jason go into that, into the particulars of that. The board is also responsible for determining when and preparing a coordinated long-range power supply plan. We can't do that any more than every two years. I think part of the reason for that is it's a lot of work and we're asking the utilities to go through a lot of time and effort to do this, so they didn't want it to be done annually. We don't do it every two years. The board determines when it is necessary. I won't go through everything that's in that report but, again, it's a statewide, much more in-depth look into what generation is out there, what generation might be needed over the next 20 years. And the NPA prepares that. The last one that was done was in 2012, so that is available on our Web site; on our home page we have that report that you can click on. Lastly, the board is responsible for preparing, when necessary, a

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research and conservation report. I think in part this was done prior to the advent of renewables to the level they are today, but it can't be done any more than every two years and the report covers research and development by Nebraska's public power systems, energy conservation programs, load management programs, renewable energy sources, and cogeneration. And I think this was done, again, back when cogeneration wasn't as common as it is today. So those three reports on the statewide level is something that our board has the authority to ask the utilities to work together to do. And the last load...last, rather, conservation report that was done was in 2010. I can make that available to anybody that wants one too. As Jason is on the joint planning subcommittee for the NPA, and so he gives the presentation to my board every year, or his predecessors, about the annual load and capability report, so with that, I will turn it over to him for his presentation. Thank you. [LR125]

JASON FORTIK: Thank you, Tim. [LR125]

TIM TEXEL: Unless you want to take questions at this point for me. [LR125]

SENATOR HUGHES: Let's wait until Jason finishes. [LR125]

TIM TEXEL: Okay. [LR125]

JASON FORTIK: (Exhibit 4) Okay, so my name is Jason Fortik, J-a-s-o-n F-o-r-t-i-k, I'm the vice president of the power supply division for the Lincoln Electric System. But then, as Tim mentioned, I also serve as chairperson of the joint planning subcommittee of the Nebraska Power Association. This report and the presentation that you have in front of you is a condensed version, significantly condensed version of what we presented to the Power Review Board last month. And I realize I'm going to be a little bit short on time here so I might pick and choose some of the slides, and then if you want to pick up some of that afterwards I can certainly go back and cover that. I want to be respectful of the committee's time. So all the data that is presented in here is collected from the utilities. We work closely with all the utilities in the state to gather this data. And as Tim mentioned, it's a load and capability report. So as that implies, there are two major components of it: what is the projected demand growth in the state, and then what do the utilities in the state have for generation to meet that load. So if you look on slide 2,

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we are projecting a 0.4 percent demand growth rate over the 20-year period of the report, so 2017 through 2036. That's down a little bit from what we reported last year. Last year we reported only a growth rate of 0.29 percent, some of that due to several years now of history of the demand growth in the state being lower than what we had maybe five, even ten years ago, more efficient end-use devices being used by consumers, utilities having programs in place to reduce demand, and then just, like I said, the slower growth rate that we've experienced now making its way into the projections for future years. Next slide, we've got a list of the existing resources in the state. And you can see at the top there we have about 7,425 megawatts of existing resources we can use to meet the demand in the state made up between small coal, large coal, nuclear units, about 250 megawatts of credited value for renewables. That comes from almost...just a little bit over 1,600 megawatts of nameplate renewables. And since the renewables don't necessarily produce at the time of our peak loads, we have to discount them a little bit, so that's where the 258 megawatts comes from, and then about 2,300 megawatts of peaking and intermediate resources in the state. Some of the previous speakers already mentioned the retirement of the Fort Calhoun Station taking about 480 megawatts of generation out of the mix in the state, but also OPPD putting back into service some north Omaha units burning natural gas. That put about 240 megawatts of generation back into the mix to help meet SPP reserve margin requirements. And then we've also...I'm all out of time...we've also started to track "behind the meter" generation. So things that are typically small wind, small solar installations, we're starting to track those to keep an eye on how their proliferation is affecting our loads. Since I'm out of time, I'm going to jump to slide 6 chart, looks like this. This takes, basically, those two pieces of information that I just presented on, puts them into a graphical format. So the top line on the line chart there, the black dashed line, those are the resources that we have in the state to meet the state's demand growth over the next 20 years. The blue dashed line below that that escalates up slowly, that's that 0.4 percent growth in demand in the state. And then the bottom two lines on there, those represent the state's and SPP's reserve margin as a percentage. So what you see is, as the years go by, the demand in the state grows a little bit, it slowly inches its way up towards the amount of generation we have in the state to serve that load, but at no point in this 20-year study period do we have a deficit. We have generation sufficient to meet our loads for the next 20 years. And since I went over time, I will conclude there and then open it up for questions if you have any. [LR125]

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SENATOR HUGHES: Okay. Thank you, Mr. Texel and Mr. Fortik. Are there questions from the committee? Senator McCollister. [LR125]

SENATOR McCOLLISTER: Thank you, Mr. Chairman. You didn't quite hit chart 4, which I thought was pretty interesting. [LR125]

JASON FORTIK: Okay, the age? [LR125]

SENATOR McCOLLISTER: Yeah, and what I was interested in was the so-called small coal... [LR125]

JASON FORTIK: Yes. [LR125]

SENATOR McCOLLISTER: ...ages out pretty significantly and some of those plants are actually 50 years old. [LR125]

JASON FORTIK: Correct. [LR125]

SENATOR McCOLLISTER: So would you anticipate those plants, because of obsolescence, maybe efficiency, or other factors, ceasing operation in favor of some other form of energy? [LR125]

JASON FORTIK: Well, certainly, as they get older, the maintenance costs can go up on them, but I would like to refer back to some comments that were made earlier. One of the units in that category is a unit at the Sheldon Station; you know, it's in that 50-year category. But that one is being refurbished and planned to burn hydrogen instead of coal. So just because a generating plant gets to be a certain age, doesn't necessarily mean that it's lost all its value of being able to serve customers. [LR125]

SENATOR McCOLLISTER: But you anticipate some of those plants being retired? [LR125]

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JASON FORTIK: I think that's a fair statement. Things cannot run forever, obviously, and at some point you have to make the decision about the cost that you're incurring to keep the unit in service compared to the cost to replace it. But any decision to replace a plant would be based on what available technologies there are, what impacts you would have to customer rates, any kind of public policy decisions that you need to adhere to. But, yes, as units get older, it's more likely that they would be retired. [LR125]

SENATOR McCOLLISTER: Would it be fair to say that the composition of the existing generation fleet is likely to change as technology evolves and maybe renewables continue to expand? Fair statement? [LR125]

JASON FORTIK: Yes. I think that's a fair statement. And we've seen that. I didn't touch on the...one of the slides in here, if you go to slide 7 where we have some of the greenhouse gas mitigating resources in the state, you see that. You see the changes in resources in the state. And probably the most dramatic one is the increase in wind, as we get to the back here. [LR125]

SENATOR McCOLLISTER: Thank you very much. [LR125]

JASON FORTIK: Certainly. [LR125]

SENATOR HUGHES: Okay. Senator Kolowski. [LR125]

SENATOR KOLOWSKI: Thank you, Mr. Chairman. Let's say we ask a chamber of commerce question now. Let's hypothesize that Toyota says we're going to build a plant in Nebraska. How do you meet their needs? [LR125]

JASON FORTIK: If they just want power and the (inaudible) has generation in their mix, you would serve it off of your existing resource mix. If they had some specific needs, like what Mr. Burke referred to, well, then maybe you work with them on what type of specific resource they'd like to use to serve that power. But the state, as a whole, we have capacity sufficient to serve what we have currently for load and then some excess. So we could presumably serve that from the generation we currently have. [LR125]

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SENATOR KOLOWSKI: We've got the room. We can handle that. It doesn't go up overnight, I understand that. [LR125]

JASON FORTIK: Right. [LR125]

SENATOR KOLOWSKI: But the gradual building of a plant of that size or that nature is well within our capacity. [LR125]

JASON FORTIK: Yeah. Well, I want to caveat that with it depends on the size. [LR125]

SENATOR KOLOWSKI: Sure. [LR125]

JASON FORTIK: If it was an incredibly large flow, well, then we'll have to rethink that. And then I want to also point out that these numbers represent the state as a whole. You may have differences in where each individual utility stands on being able to meet customer load. But for the state as a whole, we have sufficient resources. [LR125]

SENATOR KOLOWSKI: But over time we can handle that. [LR125]

JASON FORTIK: I think that's a fair statement, yeah. [LR125]

SENATOR KOLOWSKI: Over time, yeah. Thank you. [LR125]

JASON FORTIK: Yeah. [LR125]

SENATOR HUGHES: Other questions? Senator Bostelman. [LR125]

SENATOR BOSTELMAN: Thank you, Mr. Chairman. (Inaudible) Mr. Fortik. Question on transmission capacity and that: Who is responsible for the transmission as far as on the lines? Who pays for that? If I...if you're NPPD and you're generating, you've got a responsibility there. But if I'm a non-NPPD entity that's generating that's going on NPPD lines, do I pay for that or is that just something that's absorbed in that they're allowed to do? [LR125]

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JASON FORTIK: Okay. I'll take a stab at this, and then if I get too far into the details I might actually call on Bruce and Mike, because a lot of that falls into their purview. [LR125]

SENATOR BOSTELMAN: Sure. [LR125]

JASON FORTIK: But if a generator wanted to come on-line in the state, they would most likely need to go through a generation interconnection study which is a process that SPP manages. And so the generator submits data, based on the plant that they propose to build, and the host utility would submit data as part of the planning models that they've already given to SPP on what transmission facilities are available. And then SPP would look at both of those sets of information; determine what, if any, upgrades need to be made to the transmission system; and then assigns those costs, typically, to the generator. [LR125]

SENATOR BOSTELMAN: Okay. So that new generator, whoever that person is, they're assigned the cost for... [LR125]

JASON FORTIK: For the generation interconnection. [LR125]

SENATOR BOSTELMAN: So as a public power state, if I have capacity that's being taken away from my public utility, does that cost me as a ratepayer, as the owner of that, the cost for that generation or not? It sounds like it's not, because it sounds like that generating...that private generator is paying for that. Is that correct? [LR125]

JASON FORTIK: That's correct. [LR125]

SENATOR BOSTELMAN: But am I losing...but am I losing the opportunity to have my public power generation facility generate that same electricity? [LR125]

JASON FORTIK: When the unit comes on-line, it would compete in the market with all the other resources that are available in the market. And then it's based on the stacking that Bruce mentioned to what offer (inaudible) the utility or the generator owner submits and how that stacks up against the other resources available in the market. [LR125]

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SENATOR BOSTELMAN: Okay, thank you. [LR125]

JASON FORTIK: Certainly. [LR125]

SENATOR HUGHES: Okay. Any more questions? [LR125]

SENATOR McCOLLISTER: One more. [LR125]

SENATOR HUGHES: Senator McCollister. [LR125]

SENATOR McCOLLISTER: Yeah, thank you, Chairman Hughes. Mr. Rew identified a so-called pocket of development that's not being well served currently. And I think it was his testimony to say that the need for a transmission line was related to the service issues in that area. Is that still...is that from your perspective a correct statement? [LR125]

JASON FORTIK: Yes, I agree with that. If there are areas in the transmission system that need upgrades either for reliability, or, in some instances, economic purposes, they submit a model, a request for data from all of the utilities. We turn in data on what our system has for capabilities. They go through a planning process to look at what, if any, upgrades are needed to the system to meet some economic needs and, of course, reliability needs. And then those projects are put in the plan and then distributed amongst the transmission owners. [LR125]

SENATOR McCOLLISTER: After it has received approval from your board of directors or from the SPP Board of Directors, the costs are shared, are they not, among the utilities? [LR125]

JASON FORTIK: It depends on what type of facility it is. There's several different cost-sharing mechanisms within SPP, primarily based on voltage. So if it's facilities that are at a high voltage, then the costs are 100 percent regionalized or shared across the entire footprint. If it's within a range of voltages from 100 to 300 kV, then it's shared between the region and between the local utility, two-thirds/one-third split between the local and the regional. And then if it's below 100 kV, all of the costs are assigned to the local utility. [LR125]

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SENATOR McCOLLISTER: For that pocket in North Dakota, would that be a regional or would that be a complete system sharing the cost? [LR125]

JASON FORTIK: Okay, you're asking me to speculate a little bit on that particular location, because I'm not familiar with it, so you got to take this with that caveat associated with it. If it's a large load, most likely the solution would be a regional solution. But there are instances that I'm aware of on the system where low-voltage facilities are causing constraints. And so then an upgrade to the low-voltage facility might be sufficient to remove that constraint. And so then that cost could be assigned locally. [LR125]

SENATOR McCOLLISTER: Well done, thank you. [LR125]

JASON FORTIK: Sure. [LR125]

SENATOR HUGHES: Okay. Additional questions? Seeing none, thank you, Mr. Texel and Mr. Fortik. We appreciate your testimony. [LR125]

JASON FORTIK: Thank you. [LR125]

TIM TEXEL: Thank you. [LR125]

SENATOR HUGHES: With that, that is the last of our invited testifiers. If you are...wish to give us five minutes of your time on the topic of LR125, this would be your opportunity. We're still taking testimony on LR125, we're not on the windmills or R-Project yet. I'd kind of like to keep them separate if we could. [LR125]

MARY PIPHER: Hello. [LR125]

SENATOR HUGHES: Welcome. [LR125]

MARY PIPHER: Thank you. Thank you to the committee. My name is Mary Pipher, Mary, M-a-r-y, Pipher, P-i-p-h-e-r. My great-grandparents homesteaded near Chadron. I grew up in Beaver

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City, Nebraska. I went to UNL. I've lived in Nebraska since 1972 and I'm happy to say that my children and grandchildren all live in Nebraska. I'm here to testify in favor of public power. I'm also in favor of informed decisionmakers in both politics and on public power boards. We're currently in a climate crisis. We must think in new ways about energy, and we cannot allow only finances to govern our decision-making process. Rather, we need to act wisely in order to avoid the most drastic of environmental consequences such as depletion of the Ogallala Aquifer and the severe drought. This is what climate scientists at our own University of Nebraska predict for us unless we make immediate changes. That means that we need our best thinkers and scientific experts working with the Legislature and public power providers to make sure that our energy is clean, low cost, and a benefit to local economies. Jobs in solar, wind, and geothermal energy not only help our state with its environmental challenges but also bring high-paying jobs to Nebraskans. I trust citizens and our government to work with the public power districts to bring about the kind of changes we need to see in energy in our state. Thank you in advance for your consideration. [LR125]

SENATOR HUGHES: Thank you, Ms. Pipher. Are there questions? Seeing none, thank you for your testimony. Welcome. [LR125]

JANECE MOLLHOFF: Good afternoon, Chairman Hughes and committee members. I'm testifying today on behalf of the League of Women Voters of Nebraska and today I'm addressing primarily the fourth area of your study, the role of public power and of renewable energy in economic development. [LR125]

SENATOR HUGHES: Ma'am, could I have you state your name. [LR125]

JANECE MOLLHOFF: (Exhibit 5) Oh, Janece Mollhoff, J-a-n-e-c-e M-o-l-l-h-o-f-f. Nebraska's Public Power utilities have deep roots in our communities. The elected board members have an interest in local economies and make decisions based on ratepayers' concerns. They are also required to comply with open meetings requirements so decisions are made with transparency and public input. Every year, Nebraska's public power systems pay more than \$100 million in taxes or in lieu of tax payments to the communities they serve, and they employ more than 6,000 Nebraskans across the state, many of these in rural Nebraska. And that is only one part of the

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economic impact of public power. Historically, investor-owned utilities, or IOUs, saw no profit in delivering electricity to rural America. Only through electric cooperatives and public power districts was electricity brought to 95 percent of Nebraska's rural farms in 1958. Today, the IOUs once again want to provide power to the most accessible and potentially profitable areas of our state, while leaving the rural areas to fend for themselves. If this Legislature allows that to happen, how will the rural cooperatives be able to continue to provide affordable power to farmers and ranchers? And will majority shareholders making decisions that primarily ensure the greatest profits also ensure that every Nebraskan receives the same level of service? The League of Women Voters of Nebraska supports energy conservation and transition to renewable energy as a part of any state energy policy. Our public power utilities all have programs to assist ratepayers to conserve energy, which saves them money in their homes and businesses, while reducing peak demand so new sources of production are not needed. For-profit companies are primarily concerned with increasing demand and providing shareholders with dividends. Energy conservation and energy efficiency generates over 12,660 jobs in Nebraska, including HVAC and renewable heating and cooling, efficient lighting, and insulation installation. Renewable energy also provides jobs. Solar makes up the largest segment with 2,096 jobs in Nebraska, followed by traditional fossil fuel generation at 1,065 jobs. Research from UNL Department of Economics in 2014 reported that operation of existing windfarms supports an estimated 137 statewide jobs annually with \$8 million in wages and salaries, \$21 million in output, and \$6 million in tax revenues. A significant share of these state impacts occur outside of the county or counties where windfarms are located. Construction of proposed windfarms may create 636 job years, \$36 million in wages and salaries, \$91 million in output, and \$1.9 million in tax revenues. That is not insignificant. Public understanding and cooperation are essential to the success of any program of energy conservation and transition to renewables. Citizens should be involved in the difficult choices that must be made. Nebraskans are increasingly in favor of renewable energy. A 2015 Rural Poll with 2,200 respondents that showed 80 percent said Nebraska should do more to build the state's solar or wind energy production. Sixty-one percent said the state should begin preparing for climate change in order to reduce its impact on agriculture, rural communities, forestry, and natural resources. Climate change has become a climate crisis. It's happening now, and the evidence is in melting ice sheets, rising sea levels, increased extreme weather events, hurricanes and wildfires, strings of record hot years, retreating glaciers, acidifying oceans, warming sea temperatures, and bleaching corals. Here in Nebraska, the northern half of the state

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has already moved from hardiness zone 4 to zone 5, which our ag producers understand very well. Transitioning from fossil fuels to renewable energy is one part of the solution to mitigate the effects of these climate changes. Both energy conservation and transition to renewables are best accomplished by public power utilities that are governed by an elected board of directors who listen to the concerns of all Nebraskans, not by IOUs that are concerned only with profits for shareholders. I'm almost out of time but I want to add two statements to my written comments. You can't talk about subsidies to renewables without considering that \$3 billion worth of subsidies to fossil fuels every year for over three decades and that information came directly from Representative Fortenberry's Appropriations Committee. Also, if further regulations are to be directed at wind development, please consider whether markets would be better served without further restrictions on what landowners may do on their own property. Winners and losers should be picked...winners and losers in energy generation should be picked by local markets, not by legislation. [LR125]

SENATOR HUGHES: Okay, thank you, Ms. Molhoff. [LR125]

JANECE MOLLHOFF: Are there any questions? [LR125]

SENATOR HUGHES: Are there questions? Seeing none, thank you for your testimony. [LR125]

JANECE MOLLHOFF: (Exhibit 6) I am also submitting written comments from the Center for Rural Affairs from Lucas Nelsen. [LR125]

SENATOR HUGHES: Okay. Whenever you're ready. [LR125]

JOHN HANSEN: (Exhibit 7) Good afternoon. For the record, my name is John K. Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I am the president of Nebraska Farmers Union. I am their president and their lobbyist. I have given you three things that I think might be a bit helpful, but in terms of our Farmers Union policy set by our members through our representative process of our 3,500 families across the state, we have three sections that I polled this morning that deal with public power and the first is fairly quick and to the point which says that we support the state public

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power system and oppose any effort to privatize it. And we're very clear about that. We helped organize and create the public power system because our folks were left in the dark by the private sector. And so we use the power of cooperation to be able to work together to be able to create a kind of publicly owned system that has served our state, our entire state extremely well. And so we have a second section on the power rate structure and we also have a third section that is very short that just deals with the power of eminent domain which is clearly intended for public power to be able to police its own waterfront. So the second sheet is the most recent chart of where we're at relative to wind development in the state. In anticipation of the upcoming wind and solar conference, we've worked with our partners at NPPD and OPPD and LES and the Nebraska Energy Office and others to try to crunch these numbers so we are fairly confident that this 1,331 megawatts is a good map that gives you an idea, that also tells you the owners, the participants, the size, the year it came onboard. So I commend that to you, as a background piece. On the backside of that is kind of the status of wind development in the Midwest, in the nation and you can sort of see how Nebraska fits in. But as you look at that first map, our state, these are extraordinary wind resources. We are the third best wind resource in America. This, our state, is world-class wind resources. And so if you look at that map on the backside from North Dakota to Texas, this is a natural resource of enormous capacity and that whole sector of the country has enormous wind resources. And so we have a vested interest in figuring out how to take advantage of this natural resource to our economic advantage and environmental benefit. And so transmission gets to be an important part of that, which is why we're supportive of transmission. It is, from an agricultural perspective, like roads. This is how we move product to market, so it's very important. And the last piece is one that we're going to do some more work on but it was predicated on the 1,324 megawatts. We've got other kinds of ways of measuring benefits; but when you look at these numbers, these are conservative estimates which we'll continue to update as we'll look at other...with some of our other partners on different kinds of methodology relative to jobs. But we're looking at about \$5.3 million of new annual income for landowners, Nebraska farmers and ranchers and landowners, about \$2.3 billion of capital investment. So this is one of the two biggest investments of capital into rural Nebraska. So these are new tax bases. They bring a lot of revenue. And so when you look at the impact county by county, then you get an even bigger idea of the localized impacts which are huge. So when you look at a 400-megawatt project in Holt County, for example, and its impact there or the projects in Antelope County or Boone County or Knox County, these are big opportunities for us that

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don't come along very often. Relative to public power, it is the system that is not only unique to our state, but it is I think important to focus on system. And so if you start picking the system apart, the system doesn't function as efficiently and as effectively as a system should. And so representing rural interests, we have a very selfish interest in making sure that the system that serves us all so well stays in place because we know good and well that there are not folks, private sector folks, lined up three deep to serve rural Nebraska when we have declining populations and we have even more miles of wire in between hookups than we did when we were left in the dark in the beginning. So it's an increasing challenge to provide power in a cost-effective and reliable fashion for the entire state. So it's our view that public power is a huge benefit to rural Nebraska, but it is also a huge benefit to economic development in our state. And with that, I would close my comments and answer any questions if I might. [LR125]

SENATOR HUGHES: Are there any questions for Mr. Hansen? Senator McCollister. [LR125]

SENATOR McCOLLISTER: Thank you, Chairman Hughes. Thank you for your testimony, Mr. Hansen. You indicated Nebraska has the third best wind resources in the country, is that correct? [LR125]

JOHN HANSEN: Yes. [LR125]

SENATOR McCOLLISTER: What states are one and two? [LR125]

JOHN HANSEN: Oh, that's a good question. I know that Texas is ahead of us and I believe Kansas is just slightly ahead of us. [LR125]

SENATOR McCOLLISTER: Okay. [LR125]

JOHN HANSEN: And so that kind of looks at the capacity of the wind on a regular basis. It's not the highest wind. It's the highest wind at a good rate over the period of the entire day. [LR125]

SENATOR McCOLLISTER: Thank you. [LR125]

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SENATOR HUGHES: Any other questions? Seeing none, next testifier. [LR125]

JOHN HANSEN: Thank you very much. [LR125]

SENATOR HUGHES: Welcome. [LR125]

DON GOEBEL: Welcome. Don Goebel, G-o-e-b-e-l, Fairbury, Goebel Farms, that's mine. Basically, I just want to echo what John Hansen just said. And, you know, the loyalties of private power goes to the shareholders and I think that story is well known. So, you know, we don't need to belabor that. But I think if we go this way, we'll basically see the error of our ways by the time it's all done. So basically that's all. [LR125]

SENATOR HUGHES: Okay. Thank you, Mr. Goebel. Are there questions? Seeing none, thank you for your testimony. Welcome. [LR125]

BARBARA WELCH: Thank you for having us here. I don't know, this feels like a hot seat to me (laughter), maybe it's cooler up here. My name is Barbara Welch and I'm the president of...I'm the vice president, it looks like, of Brush Creek Ranch. I live in Thedford, Nebraska, and I wish that I had words to help you see why the huge transmission line of the R-Project is such a disaster to the Sandhills. [LR125]

SENATOR HUGHES: Ms. Welch, would you please spell your name for us, please? [LR125]

BARBARA WELCH: B-a-r-b-a-r-a W-e-l-c-h. [LR125]

SENATOR HUGHES: Thank you. [LR125]

BARBARA WELCH: Do you want me to start over? [LR125]

SENATOR HUGHES: No, that's fine. [LR125]

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BARBARA WELCH: Okay...such a disaster to the Sandhills. It's a unique and precious place. But my words all seem flat. I wish I was a meadowlark and I could sing you a song in pure, sweet notes and tell you of the place I live and of the many other songbirds with their nest here. I would tell you the four endangered species that will be lost like the whooping crane because of this travesty. I would sing a song so pure and perfect it would make you pause and take a closer look into this and try to stop it. I wish I was a brown and yellow Blanding's turtle. I'd creep slowly down to you and stretch my long, wrinkled neck and look up at you with my bright orange eyes and I'd tell you I'm slowing dying out on this earth. And one of the last places that protect me is the Sandhills. There are three threatened species that hide here. And my friend, the American burying beetle, is right in the path of these huge lines. And the few that are left are being trapped and studied to see if they can be removed from their sandy homes and relocated. But I'm not one of these wonderful things. I can only tell you of the 220-mile huge lattice towers; that's 880 of them. And they will have to dig 3,500 holes 45 feet deep filled with concrete and rebar that will pollute the largest aquifer in the United States that provides our drinking water and water for our livestock and agriculture. And I'll tell you of the hundreds of miles of access roads that will be scraped out and cause indescribable damage to these fragile hills. The U.S. Fish and Wildlife suggested an alternative route in harder soil but it was turned down. It's been said that we have daylight to work and replenish the earth. The darkness of night, we have to rest and restore our bodies. But I believe that we were given the Sandhills of Nebraska to restore our souls and find a way to protect this unique and pristine area. A few years from now, do you want to be known as someone who saved the Sandhills or destroyed them? I'm not a turtle, though I do have a wrinkled neck. And I'm not a bird and if I started to sing you would have me arrested for disturbing the peace. But I'm a fellow human being and I'm asking you to help in this fight to preserve these Sandhills. We need a hero and we found one in Senator Tom Brewer. We need a person who cares enough about the people that voted them in here to step up and reach back and pull them forward and do the right thing. We need heroes and we need "sheroes." Thank you so much. [LR125]

SENATOR HUGHES: Thank you, Ms. Welch. Are there questions? Seeing none, thank you for your testimony. Additional testimony on LR125. Welcome. [LR125]

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JOHN STANNER: (Exhibit 10) Chairman Hughes, thank you, Senators. My name is John Stanner, J-o-h-n S-t-a-n-n-e-r. I live just outside of Brainard, Nebraska, on Loma Road, for those of you would know that. And I'm a ratepayer. I represent myself. As a ratepayer in Nebraska, I'd like to offer a few comments on LR125 and specifically addressing point four, the role of renewables. The benefits of public power to the individual ratepayers like me are evident through the low rates we pay for electricity in Nebraska. Prior to the introduction of renewable energy sources, all aspects of energy generation, distribution, and management within the state were owned and administered by public power. Even the costs and benefits of participation in the Southwest Power Pool, which is a cooperative, were managed under the umbrella of public power for Nebraska ratepayers. With the introduction of renewable energy entities into the mix, that umbrella of public power management has changed. It's my perception and that of many that I've spoken to that renewable energy generators do not cover all the costs for their systems. Any new generation facility connected to the electrical grid, regardless of who owns it or operates it, adds a cost to Nebraska public power. That cost includes the direct infrastructure expense for connection of the generation facility, substations, transmission line additions, or upgrades as needed. As was answered in regard to Senator Bostelman's question, some or perhaps all of those upgrade costs are covered or assessed to that generator. But it also consumes available grid capacity, which has an inherent value and a long-term cost component. If the capacity is available today to connect that new generation facility, there is no upgrade cost, they don't have to bear that. Then when the new generation....new transmission facility is required, that's paid for by Nebraska ratepayers. There's also additional costs for equipment, personnel to monitor and maintain the now complex...more complex system by the addition of a new generation facility. And as long as there is a mechanism for Nebraska Public Power to recover those costs from the private entity, the Nebraska ratepayer need not be adversely impacted. Clearly when electricity generated privately is sold through a public power district, those costs can be recovered through the rates negotiated. However, any electricity generated and sold outside of a financial agreement with a public power district adds additional unrecovered costs to Nebraska ratepayers which increases rates to its customers. It's unreasonable to require a public power customer like myself to pay the cost of supporting a private, for-profit business using public power facilities and resources. To the extent that it's not already in place, as expansion of renewable energy in Nebraska is considered and mechanisms proposed to facilitate and promote that expansion, it's critical for the protection of individual ratepayers, like me, that limits be placed on the sale or

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distribution of electricity generated within the state without a direct means of recovering costs by the Nebraska Public Power. Alternatively, as a means of recovering cost, Nebraska Public Power could be allowed to apply a surcharge to electricity generated by a private entity that's not sold through public power. The magnitude of that is clearly beyond my pay grade. But those are my thoughts and comments. Thank you for your time. [LR125]

SENATOR HUGHES: Okay. Thank you, Mr. Stanner. Are there questions? Seeing none from the committee, thank you for testifying. Any additional testimony on LR125? Seeing none, we have three letters to be entered into the record: (Exhibits 11-13) One from Phil Young for Americans for Electricity Choice; Roebeck, partner at Kelley Drye and Warren; and the Nebraska Power Association. Okay, with that, then we'll open it up to anybody who wants to come and talk to us about anything that's on your mind related to power. We'll put some qualifiers on there. We appreciate everybody hanging around. Welcome. [LR125]

AMY BALLAGH: (Exhibit 14) Hi, my name is Amy, A-m-y, Ballagh, B-a-l-l-a-g-h. And I kind of do still have testimony on LR125. You know, while it's generally in the best interest of consumers to encourage retail markets because we love that robust competition, I really think public power in Nebraska has some important advantages and I think that...I'm glad to see you do this careful study before you throw it out. I want you to remember, if you consider retail markets, the frustration of the Californians because they have too much power and now they're having to actually spend billions of dollars for power they don't need. And where Nebraska already, as you've heard, has an excess of power, we don't want to find ourselves in that situation, so we want to have careful regulations if you would make any changes. I also want to remind you that you'll be heavily lobbied by wind energy companies, not just wind but solar also because retail marketing obviously is going to open that door for that. And that might be really good, but if we're going to do that we need to have definitely some good regulations in place so that siting is done responsibly. And you can't overlook what's best for the ratepayers in Nebraska, as you just heard. I think that was a good point. Numerous studies have shown that commercial and industrial customers are going to be the ones that benefit most if you go to retail marketing and the studies also indicated there weren't any substantial benefits really for pricing or reliability. So again, I think it's still showing that we would favor staying with our public power. Some states have gone to retail marketing and then decided to rescind that and come back, and

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they found that's really hard which I think you heard the experts telling you it's hard to change how do you morph it in and morph it back out. So we don't want to make a mistake on this. So, again, I thank you for taking time to study it. We want to vigilantly protect consumers against retail energy suppliers' default or fraud. You know, there's still a lot of this energy that's...these markets that are being subsidized and tax incentives and we don't want to find out when that runs out that we've allowed a lot of new markets in and now the ratepayers going to be left with that expense. One of my favorite advantages to all-public-power state is the fact that we can go to board meetings and we can talk to them and we can work together as a state on what's best for our energy needs in the state of Nebraska. But I do have one major concern with public power and that is--I'm just going to use this as not a sign promoting or everything; it's just to give you a visual--I think we've gotten out of balance with our public power. There seems to be a lot of extra power in the pockets of our public power system. I've been working with NPPD on this R-Project and they have so much power. You heard Tim Texel and the Southwest Power Pool and our board of directors of NPPD. None of them have really authority over the siting. So ultimately when we ask them, look, we've got all these problems. We're ranchers that live there. We see the problems. We know it firsthand and we present that to them. And if...you know, they just say, well, sorry, we don't have any power over that. We've gone to NRCS offices, our NRD offices and they say we don't have any authority. We can't do anything about that. We went to the board of directors of NPPD and said we don't like this route. How did you make a decision to even approve it? And they said, well, you know, we trust our team. So ultimately what it boils down to is we've got a team that works for NPPD that's paid high wages to come in and take eminent domain from private landowners when they've said this isn't a good spot. So I think that that's a power that's out of balance there. We even asked as recently as the end of July the land management agent of NPPD, we were questioning him about some of these draft documents that had been put out. And one of it is the draft restoration management plan. And since he's in charge of the land, you know, the restoration is supposedly going to come in after this R-Project. We showed him the concerns we had and he said I haven't read that yet. Now he's trusting his team. That gets a lot of problems if you're just trusting your team and we have no recourse, anyone we can go to, to say we need to have a hearing, slow this down, stop. And that's why I really think that that bill you listened to last year, LB504, about putting a moratorium to just stop a minute and talk about it would really be a wise thing. The Natural Resources Committee has stressed their concern for property rights and local government decisions, and I believe in both of

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those very strongly. And I think that NPPD's unregulated authority allows them to make decisions in direct contradiction to that position. If Nebraska is to continue as a public power state, I would strongly urge the senators to review the quasi-government status that's been bestowed upon an entity that prefers to operate as a large corporation rather than a publicly influenced utility. And I would remove their unlimited use of eminent domain authority. When they come in for this R-Project, they've said...you know, we've had verbal abuse. We've had dishonesty and trespassing. And always we've been told from the beginning we have eminent domain right. You know, if you come in with that position, that's pretty tough for the public. So I appreciate your time. I don't know if you have any other questions, and I know that it's been a long afternoon for you but thank you. And thanks for serving our state. [LR125]

SENATOR HUGHES: Thank you, Ms. Ballagh. Any questions? Seeing none. Welcome.
[LR125]

BRENT STEFFEN: (Exhibits 15 and 16) Thank you for the opportunity to be heard today. My name is Dr. Brent Steffen, B-r-e-n-t S-t-e-f-f-e-n. I'm from Kearney. And I would like to address item number four of LR125. I'd like to discuss transmission lines for renewables and specifically the R-Project. In April of 2012, NPPD received a notice to construct from the Southwest Power Pool for a 345 kV transmission line extending from Sutherland north to a new substation in or near Cherry County and then east to another new substation in Holt County to connect to the existing Western Area Power Administration line. From the Southwest Power Pool 2012 integrated transmissions plan ten-year assessment report dated 1-31-12 we see on page 78, quote, the Gentleman, Cherry County, Holt County 345 kV line in Nebraska has been proposed chiefly to provide access for wind development in Cherry County. But this line also provided parallel paths for key contingencies in Nebraska for west-to-east flows, relieved congestion, increase transfer capability, and mitigated reliability concerns. From the Cherry County Wind, LLC, Web site we see that as early as February of 2011 the Cherry County Wind Energy Committee met with NPPD's COO Pat Pope, quote, to discuss the potential for wind energy in the county. Mr. Pope gave the committee direction on working with the Southwest Power Pool to help facilitate transmission lines in Cherry County to export energy produced by the area. Additionally, quote, In order for wind energy to work in Cherry County, the Southwest Power Pool has to agree to move a proposed transmission line north so electricity can be transmitted out of the county to

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other parts of the country that need it. So I would say from this that clearly, very clearly, siting of the R-Project is directly related to renewable or intermittent wind energy development. And as far as siting is concerned, the siting of the R-Project is through the heart of the Nebraska Sandhills. The Sandhills cover approximately 12 million acres with 1.3 million acres of that being wetlands. The Sandhills are one of the largest contiguous grasslands in the world and the largest stabilized sand dune region in the world. It is the most intricate wetland system in the United States and they remain relatively pristine and unaltered. The Sandhills are a vital part of the central flyway providing crucial habitat to ducks, geese, swans, Sandhill cranes, and whooping cranes. They are home to a number of endangered species. Most importantly, the Sandhills are unique only to Nebraska. Nothing similar exists anywhere else in the world and they are truly Nebraska's finest natural resource. Most residents of the Sandhills feel that this very fragile environment is entirely unsuitable for massive transmission lines and that associated wind energy development will exponentially compound the damage to this fragile eco region. Environmental groups that strongly support wind energy development do so in developed corridors and areas of previously disturbed ground but not in pristine, fragile, and ecologically sensitive areas like the Sandhills of Nebraska. As far as property rights, proponents of wind energy frequently talk about their property rights. The sad state of affairs, at least in Nebraska, is that easements for transmission lines to serve renewable energy projects are gained through eminent domain which is condemnation and seizure of private property without regard for property rights. NPPD frequently touts that they gain most easements voluntarily when in fact they gain these easements from landowners who have an intense feeling of hopelessness and helplessness given the ever-present threat of eminent domain. Their easement contractors utilize tactics that are deceptive and dishonest with NPPD being complicit in this process. So who sited the R-Project? This seems to be the "which shell is the pea under" question. At a recent meeting with 4 of the 11 in NPPD board of directors, I was repeatedly informed by a senior director that it's for the public good and that they trust their team, implying to me that they did not make this decision. The board did, however, approve the concept for the R-Project. This came before most of the public meetings regarding siting. At each and every one of these public meetings, there has been strong opposition to the siting. NPPD administrative personnel deny the relationship of wind energy and referred to the Southwest Power Pool notice to construct when asked about their role in siting the project. [LR125]

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SENATOR HUGHES: Dr. Steffen, your red light is on, if you would wrap up, please. [LR125]

BRENT STEFFEN: I will be heard. The Southwest Power Pool is a 14-state consortium of public and for-profit utilities with a narrow focus on transmission and markets. I don't think that the Southwest Power Pool knows or cares what is best for Nebraska or Nebraskans. NPPD is a public utility with minimal oversight by the state. The Nebraska Power Review Board reviews projects at the corridor level only. They have no siting authority. NPPD answers only to their elected board of directors who trusts their team and the Southwest Power Pool, a 14-state consortium. At this point, I don't know who determines what is for the public good, but I do know one thing, it does not seem to be the public. I do not believe... [LR125]

SENATOR HUGHES: Dr. Steffen, please. [LR125]

BRENT STEFFEN: In conclusion... [LR125]

SENATOR HUGHES: There are people who have traveled a long distance to come here. [LR125]

BRENT STEFFEN: In conclusion...so have I, sir. I will be heard. In conclusion, I do not believe that the legislative intent of giving public utilities eminent domain authority anticipated that these utilities would generate power in excess of the needs of the state of Nebraska and that this excess would be pooled and sold outside the state by public utilities and for-profit utilities of other states. Seizure of private property from Nebraska citizens for the benefit of for-profit entities outside of Nebraska should be repugnant to us all. I do believe that the authority and regulation of public utilities needs to again be carefully evaluated by our Legislature. Thank you. [LR125]

SENATOR HUGHES: Any questions? Next testifier. I would remind you we have several people wanting to testify and you've all traveled great distances. Please be respectful of each other's time. Welcome. [LR125]

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BARBARA OTTO: (Exhibit 17) Thank you. My name is Barbara Otto, B-a-r-b-a-r-a, Otto, O-t-t-o. Good afternoon, Senators. Thank you for hearing us today. I live 20 miles north of O'Neill in Holt County. From our ranch we have a front-row seat to the largest industrial wind turbine complex in Nebraska. Over 45,000 acres of farm and ranch land are forever changed. The land mass spans an area of 10 by 14 miles. The two hundred 442-foot turbines are taller than the very building we're sitting in. And then there's the red blinking lights all night that has ruined our beautiful dark sky. The proposed R-line runs across southern Holt County. There is also a proposed substation. There are numerous wind projects proposed in close proximity. Two weeks ago we learned that O'Neill will be the distribution center for a transport company that stockpiles wind turbine components. They will have a distribution radius of 300 miles. Wind energy in Nebraska is ramping up at a torrid pace. I oppose the R-line and large-scale industrial wind complexes. I have been involved in the wind turbine issue for four years. I have reams of articles and reports detailing the dark side of the so-called renewable green energy. But today I will cite data from President Trump's executive order 13783 dated March 28, 2017, and Secretary of the Interior Rick Perry's Staff Report to the Secretary on Electricity Markets and Reliability, dated August 2017, a 181-page document with 23 pages of endnotes from various agencies and experts. Well, we're short on time, but if you read through this, my one-sentence synopsis is that the United States energy needs have been flat for ten years and everything has become less energy intensive and energy efficiency has improved. We see that in some of our appliances even in our own home. The executive order is a five-page document. Again, being short on time I will compress the contents. There are roughly 20 executive orders from the Obama era that have been either suspended, revised, rescinded, or disbanded. These orders are to remove the burden of government regulations that have hamstrung coal, oil, fracking, and natural gas. Also, the debunked climate change theory and carbon standards are also disbanded. This administration understands that wind energy is not the answer. Because wind energy is so unreliable, a 100 percent backup is required by cheaper and more reliable sources, including natural gas, coal, hydro, and nuclear. These sources are referred to as baseload generators. The Electric Reliability Corporation offers an explanation. Baseload is a term used to describe generation that falls at the bottom of the economic dispatch stack, meaning these plants are the most economical to run. Coal and nuclear resources are designed for low-cost operation and management and continuous operation. However, it is not just the economics nor the fuel type that makes these resources attractive. From a reliability perspective, these conventional steam-driven generators resources

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have low maintenance hours and have low exposure to fuel chain supplies. These characteristics ensure that baseload generation is more resilient. And resilient is a word that you see in here repeatedly because...they kind of change words I think every so often but it is important that these things can bounce up the minute we need them. In 2014, Warren Buffett stated we get a tax credit if we build a lot of windfarms. That's the only reason to build them, and they don't make sense without the tax. You have a graph that demonstrates that there has been a substantial increase in wind capacity since 1998 during the period when the production tax credit has been in effect. It also suggests the wind industry's tendency to increase investments in years when the tax credit was due to expire and its extension was uncertain. The current PTC is due to expire in 2019. The graph also shows six extensions in 16 years. The PTC started in 1992 to help a fledgling industry. After 25 years, I think it's time to fledge. This is quite a deal they've got going. You have a chart from the Department of Energy showing the subsidies you and I pay. Renewables claim 72 percent of the total and 37 percent of that is for wind. Mr. Buffett wasn't kidding. The generous subsidies for renewables is what makes them attractive. According to a U.S. News and World Report article dated May 7, 2017, Nebraska Energy Office Director David Bracht said three things need to be present for the state to attract more wind. One, wind. Well, we have it. Two, a market for selling the power and, three, transmission lines to get the electricity to the buyer. Nebraska does not have an energy shortage, and the United States' demand has been flat for ten years. Why are we considering a mega million dollar transmission line to support the unreliable, unnecessary, heavily taxed subsidized wind industry? Thank you. [LR125]

SENATOR HUGHES: Thank you, Ms. Otto. Are there questions from the committee? [LR125]

SENATOR GEIST: I actually do have a question. [LR125]

SENATOR HUGHES: Senator Geist. [LR125]

SENATOR GEIST: Thank you, Chairman. You're very, I can tell, informed on...you've done some research. Can you tell me from your perspective, as a citizen, what you see as your role in the process, where do you go other than here? Obviously many of you came here. What other entity do you go to to express your concern? [LR125]

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BARBARA OTTO: Well, you start out at your local zoning level. And the best way to control this type of thing would be with zoning. And from there you go to your county supervisors or commissioners, whichever your county has. Really, all this can be handled at a local level. It doesn't have to be anything statewide. If we all work in our own neighborhoods, which I tried to work in and it didn't work because I can look out my window and realize every day that it didn't work. But I'm here to help people in other counties who I think have a chance against this. And I know I can't ask you folks questions, but if you think about what we're looking at when we look out our window and you will hear testimony of some people that hear this. They live with infrasound. And so it becomes very personal. And so I don't know. I certainly wanted to come to this hearing today to be heard because there are things that can be done at the state level, without a doubt. And I think Senator Brewer has been on the right track with some of his bills he's introduced. [LR125]

SENATOR GEIST: Thank you. [LR125]

SENATOR HUGHES: Any additional questions? Thank you for your testimony. [LR125]

BARBARA OTTO: Thank you. [LR125]

DAN WELCH: (Exhibits 18 and 19) Thank you, ladies and gentlemen. My name is Dan Welch, D-a-n W-e-l-c-h. I raise cattle and horses in the Sandhills. How are we doing? Well, this summer we had a drought, hay crop is about half. We fought three range fires, cattle market is depressed, taxes are going out the roof. How am I doing? Pretty good for the chance I've had. But I'm talking to you, I want you people to think what your grandpa would say, you know, or your daddy, whatever your situation. You know, we've been invaded from the south by transmission lines, from the north by wind towers. And it's, as Trump said to the United Nations, it's socialism at its finest. Three years ago I received three letters, three certified letters, from the NPPD telling me that they're going to give me 80 percent of my property value. And the last page in this letter, the first letter I ever received was the details explaining eminent domain. Now, what I'd like to ask, do we...I can't ask a question. We do consider grass as a natural resource and that's what we're about. Another thing I want to bring up, have you read the environmental impact study that's been written by NPPD and the U.S. Fish and Wildlife on the Sandhills? It's about

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800-1,000 pages. If not, I know it's been hard to get a copy of it and I think on purpose. So I want to say I'm here today to formally and respectfully request that the elected leadership of the state of Nebraska review and take action on a recent problem that has dire consequence for the environment, tourism, property rights, and the people of Nebraska. Not only am I here as an individual, but also I'm representing a large number of landowners who could not make the 300-mile trip. To date, we have followed the proper channels, we have met with proper officials, and we have attended appropriate meetings. The reoccurring negative correlation that we are experiencing is that as we gain traction, these individuals, these entities, and these organizations which are set forth to protect and serve the people are stonewalled by higher entities. These individuals range from local politicians, high-ranking officials from Nebraska, and U.S. Fish and Wildlife. These groups are being puppeteered but special interest companies, utility corporations, and elected officials that have written premeditated legislation that places them in a position to manipulate the law in order to protect their interest and ensure profit for themselves as well as their investors. They have condemned my land and threatened me with eminent domain. Ask grandpa about that. You know, we've worked 70 years to get what we got. And we have a bunch of thugs show up at our gate with a paper with the sheriff and two Highway Patrol. And they going to ask me to go along and see what it costs to condemn my land. We said no. Then they sneaked on our property. So there are 189 families in the state of Nebraska that's been going through what we have for three years. Now the Sandhillers are not people who whine and cry. We send tax money to Lincoln every year. We mind our own business. We raise cattle and if you've had a sandwich or roast beef sandwich or a steak or a hamburger this week, thank you. But we continue to raise some of the best cattle in the world and we want to continue that. We don't need this development and it's been forced on us. There are two things I don't like: a bully and a liar. And I've put up with both but no longer. Now I know we understand today that NPPD has no one to answer to. But today they're going to answer to the people in the Sandhills starting today because we're tired. We're tired. And like I said, this legislation has been put through that your grandpa would roll over in his grave. They'd say we've been rode out of business. It's a plan. It's a conspiracy. It's been going on since 2012, '10, or whatever. And we've sat around and let it happen. But today we're going to stop. [LR125]

SENATOR HUGHES: Mr. Welch... [LR125]

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DAN WELCH: Due to my lack of time, I would like to introduce the following topics for review if you would like. [LR125]

SENATOR HUGHES: Mr. Welch. [LR125]

DAN WELCH: Yes. [LR125]

SENATOR HUGHES: If you would wrap up, your red light is on, please. [LR125]

DAN WELCH: I'll wrap up. The use of eminent...these are the things I would like for you to review: the directing of political pressure against U.S. Fish and Wildlife and Nebraska Fish and Wildlife from NPPD, the pressure; the use of eminent domain by an Arkansas company through NPPD in the name of profit versus the public enhancement and the exporting of power out of state; the proven efficiency of wind power and the fraudulent use of subsidies at the taxpayers' expense--we've been told that it costs \$45 to produce \$4 worth of electricity--the short- and long-term effects of destroying our pristine prairie and the unique species that reside there; the protection umbrella that can be utilized under the federal statute designating the Sandhills and/or portions as a natural national monument. That was wrote in 1936. There is no doubt what we stand for is correct cause. We are here to protect the last and only pristine prairie in the U.S., multiple endangered species, the economic effect of hunting and tourism in our area, and most important, the property rights of our people. To date, we have had our representatives turn their backs on us and these ideals, until Mr. Brewer. They have been scared away and broken by pressure. What we're asking for is your support as a group, one that is immune to outside special interest agenda, a group that is not afraid of the system they represent, and one that can take a commonsense approach for the people of Nebraska. Up to this point we've been ignored, brushed aside, and violated. Somewhere down the line you will hear we're just farmers and ranchers. If you believe this, I ask to take in consideration of the agriculture impact that farming and ranching, hunting, and tourism has on our state. Ironically, what we have found is that the true minority lies at the top. At this small peak of manipulation lies powerful individuals and corporations that are willing to rape the environment, condemn the taxpayers' property, and intimidate anyone who gets in the way of their profit. We're going to stand at our gates as we have before. Will you come and stand with us? Whose side are you on? Now, I want to say one

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other thing. I always thought that the American flag flew over the corporate. I always thought that the Nebraska flag flew over the corporate. Now, we've experienced things with U.S. Fish and Wildlife, you know, that they're...they folded on us because of pressure. Folks, do something about our property rights. Now we'll stand and we are becoming a political deal. We got followers. And I know the Nebraska people believe in property rights and I know the Nebraska people don't believe in somebody coming in and condemning your property and bullying their way in. Thank you, ladies and gentlemen, for your time and thank you for what you do for our state. Thank you very much. [LR125]

SENATOR HUGHES: Thank you, Mr. Welch. Are there questions? There are no shows of support or opposition and I would like to remind you again to please be respectful of those who want to come behind you. There's a reason we have a five-minute time limit. It is so that everybody has a chance to talk. So please be respectful of that. Welcome. [LR125]

AMY MATLOCK: Hi, I'm Amy Matlock, A-m-y, and just same as the TV show, M-a-t-l-o-c-k. Ben is my uncle. (Laugh) Yeah, I say that everywhere I go. First of all, one of the lies I heard NPPD or whoever it was up here say is that we have the greatest wind reserve up in the Sandhills. That's false. It's everywhere. I about got blew off my bike on the interstate on the way up here from a side wind. I think if they want to destroy a skyline with all these man-made turbines, they can plant them around their own cities like Lincoln and Omaha and in between Lincoln and Omaha, maybe along the interstate but stay out of the Platte River area and stay out of the Sandhills. And here's a better idea, but the public power districts aren't going to like this. How about we just put solar panels on every roof--factories, hospitals, schools, houses--and we can just have the whole state go off the grid except for, you know, like oil, natural gas, propane, just go off the grid electricity. And we won't have to destroy our skyline with all these stupid turbines. That's it. [LR125]

SENATOR HUGHES: Thank you, Ms. Matlock. Are there questions? Thank you for your testimony. Welcome. [LR125]

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VICKIE MAY: Thank you. Good afternoon, Senators. I'm going to try. I have nothing prepared. I'm just going to speak to you from my heart. I know we're not allowed to ask questions, but I'd like to ask how many of you live by an industrial wind complex? [LR125]

SENATOR HUGHES: Ma'am, could you spell your name for the record? [LR125]

VICKIE MAY: Vickie May, V-i-c-k-i-e M-a-y. [LR125]

SENATOR HUGHES: Thank you. [LR125]

VICKIE MAY: (Exhibit 20) I live in northern Holt County, home to the currently BHE's largest operating wind turbine complex. I don't know where to start. It has ruined our life. Our property rights have been stripped. There are nights we're up fully dressed at 3:00 in the morning because the sound from those turbines penetrate our home and we are a mile and one-third from the closest turbine. When the project originally came in, we were told...my husband is on planning and zoning in our county. The project developer looked him in the eye and said, Keith, you have nothing to worry about. There will be no turbines within four to five miles of you. From our south corner we look at 72 wind turbines. They tell you that they don't make any more sound than your dishwasher. I tell you people if you had a dishwasher that was that noisy you would immediately replace it. Besides that, the dishwasher isn't mounted 425 foot up in the air and there aren't 72 of them outside your home. It is like a jet plane revving up to take off but the plane never leaves. That sound is constantly with you. When the wind gets to a current...a certain speed, then you get a thumping like you're drying boots in a dryer when that blade deflects past that base. And it's always when we're on the downwind side when we have a southeast, east-southeast, south wind, southwest wind, which as you know in the state in Nebraska that is the prevailing wind nine months of the year. My husband and I tried to go through the proper channels to get this alleviated. We first contacted...when they first started, when we first heard bulldozers coming in, we knew our view scape had changed forever. We thought maybe we could get used to that. When the turbines became fully operational in October of last year, we had prayed daily that we wouldn't be able to hear them. That was certainly dashed. On the 20th of December last year, we contacted the site manager. He said, I'll come up to your place. When we got out of his pickup you could tell he was surprised at what he was hearing. He apologized

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to us. He said, I didn't realize you were here because since we're a mile outside of the project, we're not considered in the project. He said, I'll see what I can do for you. We'll see what we can do to alleviate this problem. Two weeks later he was let go of his position. I e-mailed him and tried to get some information, but they placed a gag order on him. We've called the project manager more times than I care to even and I've got records. So we were forced to buy an expensive decibel meter at our home and these are logs of decibels that we take on a daily basis: what it sounds like, what direction the wind is from, and what the decibel ratings are. Holt County granted the CUP on 50 decibels, which I don't know if any of you have studied sound. I have learned. I had to and if you can tell me the difference between 35 decibels and 45 decibels. You think, well, that's ten decibels more. No, in sound that is ten times more decibels. So every time you jump up five decibels, it's five times more decibels. I've been in the project taking decibel readings. You can't get anything close to 50. Usually they're around 70 up to 98. At our property, they put out a slick binder that tells you the projections of what you should be hearing and not hearing. They're only projections until those turbines are built. They don't take into consideration how peaceful it was before, the atmospheric conditions, the topography. It's all based on projections. At our home, they had us projected to not hear more than 30-39. You're welcome to my studies but it's always over that. We rarely get anything other than that when the wind's not blowing. Our decibel meter also rates it on a C scale. The wind turbine people, all their studies are done on an A-rated scale which only takes in the midline sounds--nothing high, nothing low. C rating is also low sounds which I'm very susceptible to. I can actually in the winter when there's less ambient sounds, no tractors in the fields, very little traffic, no leaves on the trees, I can feel the pulsing of those turbines in my chest. As I stated earlier, we get very little sleep. Everybody says the health concerns are debunked, but I don't care to go into my health issues today. But I am having problems that I have never had in my life before. And I thank you for your consideration and your time. And if you ever have the chance to live by one, run. I didn't have the opportunity and it breaks my heart to think that everything we have worked our whole life for we may have to abandon or we may have to sell out. Thank you. [LR125]

SENATOR HUGHES: Thank you, Ms. May. Are there questions? [LR125]

VICKIE MAY: Are there any questions? [LR125]

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SENATOR WALZ: I was wondering if we could get a copy of that information. [LR125]

VICKIE MAY: Yes. It's a lot of pages and I can sure get it to you. [LR125]

SENATOR HUGHES: Okay. Any other questions? Senator Albrecht. [LR125]

SENATOR ALBRECHT: I thank you so much for sharing what you have because you are living it. They...the others that are here might not want to live it, but they already know what's coming. And, you know, I've just jotted down some notes from the previous folks, too, and I'm just probably airing my frustrations right now. So your husband served on the Planning Commission. [LR125]

VICKIE MAY: Yes. [LR125]

SENATOR ALBRECHT: And they promised you, somebody did, either at the county level or the planning level that it's okay, you're only going to be at 35-39 decibels. But if you have that documentation that it is much higher, you know, people don't want to have to spend their hard-earned dollars to sue somebody. But I'm sorry, I think we do have a responsibility in this room to be able to look into these type of things, because to have a gag order on somebody who's part of a project and I've already read the book. So I get all that you're talking about and I probably would have asked the other gentleman a few more questions. But in the time constraints that we have, I'm just wanting you to understand that planning and zoning have a huge say in whether something comes or goes. But if you're telling me that these projects come without the planning and zoning's approval or their county board's approval, and some places don't have planning boards, so if you had one that's a great thing. But there is documentation just like we have here today that they told you what you should expect and shouldn't expect. So with that, that might be one place to go is back to your county or your planning board... [LR125]

VICKIE MAY: We've tried. [LR125]

SENATOR ALBRECHT: ...whether it was your husband sitting there or not, but... [LR125]

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VICKIE MAY: We've tried. [LR125]

SENATOR ALBRECHT: But it's wrong, and you know what, as a state legislator, I'm really disturbed with what I'm hearing. And I'm even more disturbed if the public power has the ability to come in and put these lines down, whether the project is approved or not. Yours might have already been. Maybe they kissed the paper and there it went. [LR125]

VICKIE MAY: There's nothing to help us, but I want to help anybody else I can. And something I didn't get to is we also contacted Alicia Knapp, the project manager, Tom Budler who I think gave a presentation at noon to you people today. They've been to my home. And the conclusion of what they told me, I asked if we could have an independent sound study--absolutely not. [LR125]

SENATOR ALBRECHT: Why not? [LR125]

VICKIE MAY: They would use the people that they have always used. I asked them. I said, would you please provide me with that information so I can research them and see if I will get a fair shake out of this deal. That was on June 9 they were at my house. I am waiting yet today to get that information they promised me. And at the conclusion of that meeting, Alicia Knapp looked me in the eye and I said, just be honest with me here. What are we to do? She said you are to put up and you are to shut up. My own county commissioner told my husband and I that we are the collateral damage for the good of Holt County. That does little to help you get to sleep at night when those turbines are thumping. We've been back to our zoning administrator. We have asked for meetings. I don't know how many times we get shot down, every time. We can't change the regulations. We know they're going to come back for more turbines. We want to get the setback set back further. The wind company will tell you those turbines will slough ice up to a half a mile. Our county road setbacks are only have the diameter of one blade which is 90 feet. Do you want to be the one driving down the road when that thing decides to let go? There's someone else who's going to talk about how the fire departments are not able to go on to that property to fight a fire. They have to stay on the road. That does little good when there's grassland all to the south of me and I'm living to the north of that and that fire is coming at me. There are so many things that we need responsible setbacks. We need responsible decibels. But

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we let big wind come in and tell us how it's going to be. They wine and dine our county officials and they have what they call Windmill Wednesdays up there in Holt County where they have coffee and donuts on Wednesdays and they wine and dine them. They give them jackets with their names embroidered on them and stuff. When we do have meetings, our local officials sit with the wind turbine people. They don't sit with their constituents. So I'm here today just to ask any help that you can be because you would not want anyone in your family up to have to live like this. We were hoping to pass our land on to our children and grandchildren, but I don't know if we'll be able to stay. At what point should we have to make the decisions because my neighbor. And I believe in personal property rights and I'm a private person and I'm living, minding my own business. But you don't know how bad I wished I would have stuck my nose in a little bit further. [LR125]

SENATOR ALBRECHT: I appreciate your testimony. [LR125]

VICKIE MAY: Thank you. [LR125]

SENATOR HUGHES: Are there any other questions? Welcome. [LR125]

KEITH MAY: Hi. Senator Hughes, thank you. Fellow Senators, my name is Keith May. Again, my wife was just here. I am a member of the Holt County Zoning Board and unfortunately we were not educated. We were led to believe that it was good for the county, good for the tax relief, which there will be none, good for economic development, and other than the construction phase, that's where it ends. Again, the night of the CUP...you know, it all started out in 2008 very secretive with the landowners. They get everybody to sign up and unfortunately our area is less...is sparsely populated. So they get the out-of-state guys to sign up first and they say, well, your neighbors (inaudible), you better as well sign up. Everybody signs up. They sign documents that they don't read. And it's all steered to the wind industry. Anyway, 21014 we have the CUP permit vote. We got this slick binder by Geronimo that tells us all their facts about it. Other than when...where are they going to be, you know, where are they going to be? Here's the site plan, Senators. That's what we got. I went up to the Geronimo director and I said, here's where I live. Where are these going to be? We allowed them 300-some sites and we capped it at 400 megawatts. So they ended up having 200...excuse me, 100 towers of two megawatts per tower.

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So anyway, long story short, we thought, well, they're not going to get that close. The guy told me, you know, it will be four or five miles. And again, we can see 72 from our south corner. Just, you know, we set our zoning regulations in kind of...with Brown County's because they were closest one. There were some over in Knox County in Bloomfield. They were much smaller towers and not as many. We had no idea what we were going to get into, but we are voted yes just because we thought it would be good for the county and this is yet to be proven. Again, I was in business for 30-some years and if our business would only be 35 percent efficient I wouldn't have lasted 2 years. And without these government subsidies, we wouldn't have wind energy. I'm for green energy but it's not green. The carbons that they put off as far as amount of carbons with the cement, they'll never save that much carbon output. We get more of that with the construction phase. We need to hold the present...we cannot change the things we...we said 50 decibels and we can't change that, but we need to hold them accountable. And we're almost certain that they exceed the 50 decibels. But we need to find somebody that is willing to take them on and because they're so huge and large, I said, well, we can't do that. But if it was a hog confinement or a cattle confinement that exceeded some of the CUP regulations, they'd pull that or fine them. And they should...they need to be held accountable. We cannot let them just run through the country and we cannot destroy our natural resources. Our viewshed is gone forever. The sound issue is becoming more prevalent. And in the last 11 months as they've been going on, we need to step back before any more of these things get started and look at the negatives, not just the so-called positives. Two miles is not near enough. It needs to be a minimum, in my opinion. And look at Lancaster's zoning regulations. Those guys did their homework. They won't come in Lancaster County because of the fact that they can't meet the zoning regulations. But anyway, I thank you for your time. We need to hold them accountable. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. May. Are there questions? Senator Geist. [LR125]

SENATOR GEIST: I just wanted to ask if you'd clarify something. Did you address...or maybe I misheard you talk about property taxes. Did you say none have been collected? [LR125]

KEITH MAY: They...well, they've collected some. [LR125]

SENATOR GEIST: Okay. [LR125]

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KEITH MAY: They pay two years in arrears on a quarterly basis. And to our knowledge, they've only got two payments of \$68,000 as of today because they started up in October 2016 when they were fully going. So they're paid in arrears. We were promised where they had said \$2.4 million. And as we can come up with it, it's maybe more like \$1.4 million and I think it will shrink from there. [LR125]

SENATOR GEIST: Is that calculated looking forward? Is that how that \$1.4 million...? [LR125]

KEITH MAY: Well, that's on the nameplate tax that is sent to the state and then sent back to the county. [LR125]

SENATOR GEIST: Okay. [LR125]

KEITH MAY: And then whatever small amount of personal property tax that these people pay, which is ridiculous. [LR125]

SENATOR GEIST: Okay. Thank you. [LR125]

SENATOR HUGHES: Other questions? Thank you, Mr. May. [LR125]

GRACE COLEMAN: (Exhibit 19) I'm going to give you that and I'm only going to take just a minute of your time because mine is a continuation of what Vickie and...they said. My name is Grace Coleman, G-r-a-c-e C-o-l-e-m-a-n. I'm from O'Neill. I live south of 200 BHE turbines, each one of which is taller than this Capitol. I was going to talk about property rights. I'm going to just list a few and then talk about fire. Some of the property rights that have been lost by allowing wind energy development are the right to peace and quiet enjoyment; the right to privacy during construction and following maintenance or changes made to the wind energy property; the ability to build a structure that may interfere with the energy company's restrictions; the right to sell, lease, or mortgage an interest in your private property; the right to hunt at will on your property; and the right to fight fires or rescue lives on the project's leased property. Okay, I'm not going to...you can read the rest of it. But on that fire thing, about three weeks ago there was a fire in Wyoming that burned 1,500-some acres. It was started by a wind

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turbine. So I called our fire department in O'Neill and asked them, what are you going to do? We don't have high-rises so they don't...they can't go up 442 feet. So he told me something that I didn't want to believe, so I talked to the next fire station over to find out if it was true. It's a large area. There's a lot of turbines. There's four responding fire departments from the surrounding areas. If a turbine starts on fire, their standing operating procedure is to call all four mutual aid responding fire departments and they come rushing in there and they stand down. They are not allowed to attack a fire on a turbine. They can catch...if a particle comes out to the area where their perimeter is where they have to stand down, they can put out the fire on the burning ember or the burning piece that comes down when it hits the grass and starts a fire. But other...I don't know. I didn't think to ask because I was so stunned. It may be that it's the height of the top turbine itself in case it collapses and falls over. But anyway, they cannot put it out. They wait until it's burned down and then they go get all the peripheral things and go home. Our zoning is to protect us from fire, flood, and other dangers and so forth. We cannot do that per the standing operating procedure of the turbines. The second part is the rescue. If there is a person who is injured either on or in the turbine, our fire and rescue can respond but they are not allowed to go get that person from the top or inside the turbine. They wait until a maintenance crew goes in and picks up that person, brings them out, puts them on the stretcher, then our fire...then our rescue people can start to attend to them. Now, I'd be real concerned about working on a turbine with those standing operating regulations. And I know there's a lot of people so I won't take more of your time unless you've got any questions. [LR125]

SENATOR HUGHES: Thank you, Ms. Coleman. Are there questions? Very enlightening. Thank you. Welcome. [LR125]

CRAIG ANDRESEN: Thank you. I've got a couple of handouts here. I don't know where the hardest working person in the room went. There she is. Thank you. You know, we've heard a lot here today about... [LR125]

SENATOR HUGHES: Excuse me, would you state your name, please. [LR125]

CRAIG ANDRESEN: (Exhibits 22 and 23) Oh, I'm sorry. My name is Craig Andresen, C-r-a-i-g A-n-d-r-e-s-e-n, and I'm from Wood Lake, Nebraska, just about 25 miles or so east of Valentine.

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We've heard a lot here today about a lot of different things, from public power districts to the turbines to the high voltage transmission lines. I think something we need to understand here is the definition of service. It's a noun. It's a useful labor that does not produce tangible commodities. It's an administrative division as of government or business, the occupation or function of serving. A lot of what we're talking about today revolves around public service. And given that definition, let's look at some of the entities that provide that public service. NPPD supposedly provides a public service and yet they have lied to the people of Cherry County and other counties, as well as to members of this committee when they told us and you that the R-line had no direct tie to the wind industry, even though the minutes of their own meeting prove otherwise. And their tactics have also included intimidation, threats, and the attempted shutting down of a private meeting. We've heard a lot today about public power districts' reliability. We've heard nothing about their credibility. I suspect it's because they're lacking. But does that meet the definition of service? The Cherry County Planning Committee's job is to set the regulations regarding the building of wind industry installations in our county. Several members of the Cherry County Planning Commission have direct ties to the wind energy industry. One member who's tasked with heading that effort is directly tied to the wind industry. The Cherry County Commissioners' job, of course, is to decide whether or not the wind industry is appropriate for the Sandhills and for Cherry County based on the overall benefit to all residents of Cherry County rather than just to a handful of well-heeled landowners who are seeking the ability to become more well-heeled at the expense of their good neighbors. All three of the Cherry County Commissioners are somehow tied to the wind industry. One is a direct investor; two others have parents who are in the wind industry, and of those two, one used to be a direct investor until he was allowed out of his contract when nobody else can get out of theirs and that was right before being elected as a Cherry County Commissioner. His wife works for the wind industry as a secretary in their office. What kind of public service can we expect from the Cherry County Commissioners or from the Cherry County Planning Committee? That's why we're here today. We have gone through the channels. We have talked to those. We have gone to meetings. We have gone to public hearing with our local officials. Today we're addressing this body--the Natural Resources Committee. And there is, of course, one other definition of service that I overheard at a cafe in Valentine a couple of weeks ago. When two Sandhills ranchers were drinking coffee and discussing their cattle operations, one of them told the other that he had spent a great deal of money on a new bull to service his cows. My question is simple. What kind

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of service will be met by this committee considering the kind of service we've been met with by our local committees? Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Andresen. Are there any questions from the committee? Please no support or opposition to the testifiers. Let's be respectful. Any questions? Thank you, Mr. Andresen. Next testifier. Welcome. [LR125]

GREGG HUBNER: Thank you. My name is Gregg Hubner; that's spelled G-r-e-g-g H-u-b-n-e-r. I live about...I'm from South Dakota. I live about 20 miles north of Niobrara, Nebraska. I wrote this book and I see some of you have had it or at least you've had the opportunity to get one or read it. It's called Paradise Destroyed: The Destruction of Rural living by the Wind Energy Scam. The Associated Press reported in April of 2015 that an additional 30,000 wind turbines were being planned for Montana, Iowa, Minnesota, Nebraska, and the Dakotas. When you add that to the 8,600 existing wind turbines, you're going to find that you're going to have nearly 40,000 wind turbines and, when converted that into acres, covered amounts to about...acres covered, it amounts to about 14 million acres of pristine rural land. It's going to be destroyed by these things. And it's all for the tax deductions of the wealthy. Now Barb Otto already quoted the Warren Buffett and I'm sure you've heard that dozens of times. But you've got to remember one thing about the Warren Buffett quote: He didn't say it was a good reason, he didn't say it was one of the many reasons, Warren Buffett said that the only reason to build wind turbines, windfarms, is for the production tax credit--the only reason. Yesterday when I crossed the state line in Omaha into Nebraska, the sign read: Nebraska, the good life. One of the most beautiful parts of Nebraska is the route along the Niobrara River. So when we drive to Denver, we go to Niobrara, down to Verdigre, then to Neligh; but after you leave Neligh, you drive south to Elgin and there you would enter what I call the armpit of Nebraska. I'm talking pristine agricultural land turned into 500-foot tall amusement park by wind turbines--no peace, no quiet, no view, no quality of life for the residents that live there. Today I've been asked to touch just on a couple things--property values and economic development. As a real estate broker and appraiser for over 30 years, I understand what affects property values and you do, too--location, location, location. And you've all heard this before. Now I've got a real simple explanation of what I'm talking about here and I'll just kind of show you this map. You're all familiar with the FSA map that you would get from your FSA Office. And this is a map of a friend of mine that has 480 acres of

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pasture and these circles represent the wind turbines that are presently there. Now if you went up into this pasture and you put in a shelter belt and you put in a driveway and you put in rural water and then you advertise the 20- or 40- or 30- or 10-acre building site within, say, a quarter mile of five wind turbines, how many takers do you think you'd have that would want to build a new house there? Well, you know, zero. The answer is zero. Okay, here's a picture of our house right in the middle. The wind developer came to our house in May of 2015 and the tactics that they use are they'll have these little dots all around your house. And they won't tell you this is where the turbines are going to be. They will insinuate that that's where the turbines are going to be because you're going to be a stupid idiot if you don't sign up because everybody around you signed up. Now if you look at this map and you look at my house and then you look at four or five wind towers, the same as this. So you tell me then how this guy can't sell his property for a building site but big wind can come into my area and put wind turbines around my house and destroy the very same property rights, property value, and quality of life that I had and I was here first. I built this house five years ago. And before I built the house, I called the development company, the local neighbor that was on the board of directors, and I said I'm going to build a new house. And he said don't worry about it. Nothing is going to happen with wind energy. Nothing is happening. It's all quiet, until 1:00, 12:00 in the morning, 1:00 in the morning, whenever it was on January 1, 2013, when they reinstated the production tax credit. Within months they built 43 towers ten miles north of my house. It was all based on they were waiting for that production tax credit. So the other thing I want to talk about is economic development because I can talk about this with some experience, too, because when they built this project and I heard all these promises. The money goes to the school. You'll be able to buy a new school. You'll be able to do this and that and the county is going to get all this money. And here's what happens. They come in. They build their man camps. They put up their concrete plants. They come in and they move out. And when they're done, the same little 600 or 800 population town that you had when you started is the same one you got after they left. They bring in all their stuff from somewhere else because a town of 600 or 800 people can't service that many people, that many trucks, that much concrete. They can't do it. So all this about economic development to the local people is not true. I experienced it. And back to the issue--the moratorium on wind turbines. Now if you haven't read my book, if you haven't studied articles and scores of articles and Web sites and Facebook pages, you heard Vickie May tonight so you did hear one person with wind turbine syndrome, if you haven't driven to a windfarm yourself and parked your car,

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got out, stood underneath the things and listened, then you have not done your homework. So, you know, I'm thinking what's the big hurry? Well, I know what the big hurry is because in a few months the production tax credit is going down to 60 percent. But I wish you would consider going and doing the same thing that they did in Tennessee, in North Carolina and put a moratorium on this until all you folks and other senators that work with you do your homework. And then maybe when you drive into Nebraska you can again say the good life. But it'll be just good for some because there's a lot of them that have lost it. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Hubner. Are there questions? How many more testifiers do we have? Thank you for your testimony. Okay. Next up. [LR125]

PAUL NELSON: (Exhibit 25) My name is Paul Nelson, P-a-u-l N-e-l-s-o-n. I'm here today and I want to talk just a little bit about grandfather and natural resources. And I want to talk to you about a role in natural resources that I think that you have and can play in this effort. I'm a farmer/rancher in northern Holt County. I live on the northern ridge overlooking the Red Bird Creek and just south of the beautiful Niobrara. And by the way, I can count 175-plus turbines as I now come down my driveway. I'm the fourth generation to operate the farm which has been in the family for 139 years. My daughter and her family are the fifth generation and they just moved back to take over the farm and then this happened. We love the area. We wish to preserve and protect the environment and the natural resources there. This is a site where my grandfather Frank Nelson homesteaded in 1906. I realize most of you probably don't know that name, but if you look out here in the hall you'll find it. He, like you, served in the Nebraska Legislature. He served from 1949 to 1965. He was a statesman. This is also the area where my great-grandmother's farm that dates back to 1877 (sic--1878) is. I wish to thank all you for your service, especially for serving on the legislative Natural Resources Committee. My background includes some ten years on the Lower Niobrara NRD where my father also served some 20 years. We've got a problem out there. You've heard about it all day. But we've got a bigger problem that we haven't faced yet and that is the decommissioning of these things. I'm going to ask you to...I hope we can start a dialogue. We don't have much time today, but I want to start a dialogue with you and you all have my name and address and e-mail and whatever. But my concern today as it relates to the wind turbine industrial complex in Holt County, which is Nebraska's largest to date, I ask you to consider as to the lack of an adequate decommissioning

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plan for the operation. By the way, this is not a farm. This is a gigantic, massive, industrial, energy production complex highly subsidized by the federal government. Such a complex which has a projected 20-year lifespan or less must have a decommissioning plan that guarantees protection for the natural resources of the area for future generations. It must never become a bone pile of gigantic towers, blades, generators, and buried power lines. Upon decommissioning, the area must be properly restored to its natural condition to protect the safety of the future generations. This will not happen without government approval and forced decommissioning plan. Yes, there's a decommissioning plan stuck under what our supervisors approved. But it isn't worth the paper it's written on. The individuals who have leased their land to the project will never have resources to properly dismantle the turbines and restore the area. Estimated on today's dollar projected out for 16 years, a report by the Energy Ventures Analysis which I've given a copy to the clerk here for, suggests it's going to cost...take a \$100,000 bond per turbine if it's necessary to protect the community in and around the project. With that, I want to bring this to a conclusion. And you can read the rest of this, but the consequences here are extremely serious. My suggested resolution to this problem is for a local permitting government, which in this case is our board of supervisors, that these units work with the state of Nebraska and the federal government to establish minimum decommissioning requirements that must be met before the final approval of a project is given. This means there needs to be a temporary moratorium. You people can help in that and help protect this until such a plan can be put in place. Thank you and, again, I would love to have a dialogue in the future on this. As I prepare to leave, I don't know if there's any questions. I will tell you, and this is not promoting me, I have some experience. I served and was appointed by three Governors on the monitoring committee for the low-level dump that was supposed to be in Boyd County. There was no commissioning plan when these plants were built. Thank God we finally won. I know it cost the state of Nebraska, what was it, \$55 million. But that was the state of Nebraska's fault, not the citizens'. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Nelson. Are there any questions? Seeing none, thank you for your testimony. Welcome. [LR125]

TYLER RATH: (Exhibit 26) Hello, members of the Natural Resources Committee of Nebraska. My name is Tyler D. Rath, Tyler, T-y-l-e-r, Rath, R-a-t-h. I am a 16-year-old senior from Thedford, Nebraska. Thank you for your time in considering our testimony. I am here today to

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testify in regards to the effects of wind turbine development on the Ogallala Aquifer and the even larger High Plains Aquifer. I am in strong opposition to wind development in the Sandhills of Nebraska and the Great Plains. Firstly, a brief description about the aquifer system in Nebraska. The Ogallala Aquifer is a large expanse of groundwater that is vital to Nebraska's citizens, especially in regards to agriculture and pure drinking water. Nebraska covers one-third of the surface area of the Ogallala Aquifer, but contains over two-thirds of the water in it. This is a very important natural resource, since water is vital for all life. It is also a resource that you, the Natural Resources Committee, has a duty to protect, since you are in charge of considering all legislation pertaining to natural resources in the state. Secondly, wind development in the Sandhills and Nebraska can have negative effects on the aquifer. Throughout the Sandhills of Nebraska, a prairie-stabilized sand dune region, and the entire state of Nebraska, the water table below the surface resides at a certain distance. In the Sandhills, the water table on average can be from 100 feet below the surface to less than 10 feet, depending on the area. A majority of the proposed wind development sites in the Sandhills, particularly Cherry County, Nebraska, are located in areas where the water table is near the surface. Wind turbines reside upon a massive steel-reinforced concrete foundation that typically measures 25 feet in diameter with a depth of 30 to 50 feet deep, according to Contech Engineered Solutions, a designer of wind turbine foundations. As I mentioned earlier, a majority of the Ogallala Aquifer in the Sandhills is less than 50 feet below the surface and even 10 feet in some places. In Dunning, Nebraska, the water level is 4 feet. What will be the effects of building wind turbines with foundations that are 50 feet deep, directly into the aquifer? Usually when you excavate an area below the water table, the excavated area will fill with water, exposing it and potentially contaminating it. An example of proposed wind developments sited on low regional water table regions is the proposed 147 turbine Cherry County Wind Farm near Thedford, Nebraska, which intends to interconnect with the NPPD R-line. This project, also known as BSH Cascade, LLC, is proposed by Bluestem Energy Solutions and located on 100 percent absentee-owned land invested in Cherry County Wind, LLC. Using data from the Nebraska Department of Natural Resources Groundwater Well Registration database, state registered wells located throughout the project area of BSH Cascade pump from an average depth of less than 40 feet. Additionally, the Ainsworth Wind Energy Facility has wells around the turbines pumping at 36 feet. The Grande Prairie Wind Farm is also located in areas with a water level of roughly 40 feet. However, we don't know if any of those companies put their turbines directly into the water table, because Nebraska doesn't regulate it,

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thus making it easier for wind companies to conceal the true aspects of their operations even if it is threatening the people that rely on that water resource. We cannot take a risk with constructing wind turbines into the Ogallala Aquifer with concrete, rebar, processed steel, and foreign fill dirt into a water resource that the population of Western Nebraska relies upon. Another important point is that all wells that are drilled into the water table to obtain water have to be registered with the Nebraska DNR. How can wind companies construct a wind turbine into the water table and not have to register? They can penetrate the aquifer by digging a big hole into it and drilling support anchors into it, but not have to answer to the state of Nebraska or even get its approval. How is this fair to the people that have legally drilled their wells because they registered with the State of Nebraska? In conclusion, the purpose of the Natural Resources Committee of Nebraska is to decide upon the proper ways to conserve and sustain the beautiful natural resources of this great state of ours, not how much money we can generate out of our natural resources while degrading other natural resources that people rely on for sustenance. On a final note, do you, the Natural Resources Committee of Nebraska, want to protect the Ogallala Aquifer and the Sandhills, a natural resource that Nebraska and Nebraskans are blessed to have, or encourage economic development at the expense of our natural resources? Money is finite. Natural resources are infinite. I trust that you know what your responsibility is to serve on this committee. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Rath. Are there questions? Seeing none, thank you for your testimony. [LR125]

TYLER RATH: Thank you. [LR125]

SENATOR HUGHES: Welcome. [LR125]

CHASE RATH: (Exhibit 27) Chase Rath, C-h-a-s-e R-a-t-h. Hello, everyone. First of all, I would like to thank the Natural Resources Committee and everyone else who helped put this hearing together. My name is Chase Rath and I am a 15-year-old high school student. I am home-schooled and I have big plans for my future. I live in Thedford, Nebraska, out in the Sandhills on a ranch. A group called Cherry County Wind, LLC, out of Valentine, Nebraska, is trying to put a windfarm within three miles north of my house, in plain sight. We've been fighting this for over a

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year. This windfarm has turned neighbors, good friends, and family against each other over greed. I am a Type 1 diabetic and I use an insulin pump and a transmitter to read my blood sugar levels. The insulin pump and transmitter I use often fail. I have to carry a spare box with me everywhere I go. Who will pay for all my spares and everything I need? I know what they will say is that the windfarms will help pay for it, but it won't. No matter what they say, they are wrong. If they put this windfarm in, it will affect my natural way of life and my pump and transmitter will fail every time my family and I go near or by the windfarm and transmission line. It will also affect my blood sugars, making them...making me have low sugars, which is not good for me. My brother Tyler is 16 years old and he is very sensitive, as well as my mom and dad. I have two dogs that tend to bark at every noise they hear. The noise of the windfarm would draw our dogs to the highway, which I do not want to see happen. I ask you to stop this windfarm and all future wind production in the Sandhills and in Nebraska. The Sandhills are very sacred, God's own cattle country. Someday I would like to come back to the Sandhills of Nebraska. I will not if there are wind turbines and transmission lines all over in the Sandhills. Please put me as a diabetic, my family, my insulin pump and transmitter, my home, the sacred Sandhills, into consideration and preserve the Sandhills. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Rath. Are there any questions from the committee? Seeing none, thank you for your time. [LR125]

CRAIG MILES: I'm Craig Miles, C-r-a-i-g M-i-l-e-s. Thank you, members, for being here today. And I know you all have certain time limits, too, but, in all respect, we all traveled a long ways. And Senator Walz got up and left. And I personally don't appreciate that because we traveled a long ways to be here today. But we also thank you for your time listening to us. I'm here today to just ask to advance Senator Brewer's LB504, the wisdom behind that and what it will do to protect the Sandhills. And the problems that we're having in Cherry County, Craig Andresen was right in the fact that there are conflicts of interest. They can't seem to make up their minds. Apparently we need to bring it to the state level and put it in front of the Natural Resources Committee for you to help in that aspect right there with the wind development industrialization, trying to go in, in the Sandhills, and in particularly, Cherry County. But anyway, thank you for your time but please consider advancing Senator Brewer's LB504 to the floor and consider the wisdom behind that bill. Thank you for your time. [LR125]

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SENATOR HUGHES: Thank you, Mr. Miles. Are there questions? Seeing none, thank you for your testimony. Welcome. [LR125]

MELANIE COFFMAN: (Exhibit 28) Thank you. Long afternoon, huh? [LR125]

SENATOR HUGHES: Oh, no. We're fine. [LR125]

MELANIE COFFMAN: My name is Melanie Coffman, M-e-l-a-n-i-e C-o-f-f-m-a-n. I'm writing on behalf of my husband Mickey Coffman as well. We live in Thomas County, in Halsey, Nebraska. My husband and I have managed the 7J Ranch, located six miles northwest of Halsey in the Sandhills area, 29, almost 30 years. We raised three children there--excuse me--and I buried a son in the Sandhills. The R-Project is proposed to go through four miles, almost four miles of the ranch. The R-Project cuts to the heart, or the natural main trail way, on the 7J, which is traveled by cattle, my husband, and myself. The R-Project passes near two windmills and over the top of the third, but it also includes very rough and hilly terrain. I know this is probably all Greek to you and at this point I wonder if you even care. That being said, you are the Natural Resources Committee and represent the hub of this great state of Nebraska which is agriculture. I have grave concerns about NPPD and how it has handled this situation concerning R-Project in general. We've spoken out in meetings, in letters, in e-mails. I've written senators, and I want to say present and past. I say past because we voted to change our representative as our senator and now Tom Brewer is our senator. Thank God for Tom. And you know what, I've been receiving the same response from all of you: We're not responsible. Well, you know what, this is a vicious cycle. I guess at this point in time I want to ask questions and I know we're not supposed to ask questions. I don't expect to hear an answer from you. But I hope that someday, with my address being on here, that I will hear from each and every one of you. So here we go. What is your long-range picture for rural Nebraska? On the subject of National Energy Act, the Public Utility Regulatory Practices (sic--Policies), PURPA, what is your long-range goal or the magical numbers of wind turbines/solar farms for Nebraska? In other words, how many windfarms, how many solar farms will have to be erected to meet the alternative energy standards? And I would appreciate it if you would include maps for this projection. How many acres of agriculture ground are you willing to sacrifice and take out of production to make way for alternative energy? This includes windfarms, solar farms, feeder lines, substations, access roads, staging

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areas, and high-power transmission lines. How will this leased ground being used for alternative energy be protected by international interests? How do you feel about privately owned companies using eminent domain for private gain? Health effects: Have you personally studied the health effects of the windfarm, the solar farm, the high-powered transmission lines, towards humans, wildlife, or cattle? Speaking of wildlife, how many take permits and endangered species, nonendangered species are you willing to give out? Please include the numbers and periods of years that they will be allowed. How do you feel about the importance of the Ogallala Aquifer, as well as residents in Nebraska and the Sandhills? Where do you stand on property rights and how do you feel about your neighbor's rights? And lastly, how do you intend on healing families, my family, and neighbors who have lived together peacefully and happily for decades, due to the alternative energy push? In conclusion, Mic and I have lots...we've asked a lot of questions here and we deserve to have them answered and we hold each one of you responsible and accountable for your actions. The buck stops here. You've been entrusted by we, the people of Nebraska, to stand for what is best for Nebraska and put laws in effect to protect our agriculture, rural way of life. Agriculture in Nebraska should always, always be the number-one priority. We help feed America. Elected officials should never write laws that can be personally benefited from them or be influenced by big investors or paid lobbyists. Now if you take offense to these comments, we are sorry. But come election time, you may be seeing a lot of changes because, last time I checked, everyone is entitled to one vote. As for the rest, I'll let the Good Lord sort that out in his own way and time. I want to thank you for your time. God bless you. God bless America. And Mickey and I are registered voters. [LR125]

SENATOR HUGHES: Thank you, Ms. Coffman. Are there questions? Seeing none. Welcome. [LR125]

ANN WARREN: (Exhibit 29) Thank you. Thank you for having us. My name is Ann, A-n-n, Warren, W-a-r-r-e-n. My family and I ranch in the Sandhills of Nebraska. Our address is Thedford and our county is Cherry. A couple of years ago, we had the opportunity to buy ground that my grandfather had started leasing over 55 years ago. We were thrilled for this opportunity. But we were also aware that the absentee owner had invested in a wind contract even though we had discouraged for the obvious reasons of where we live. We have no idea the long-term repercussions. She went ahead and invested but when it was time to close we had no concerns

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about the contract because, after all, she had always told us these contracts are written with the owner in mind, the rancher has final say on what goes on, on the ground, if you don't want wind turbines you don't have to have them. We were relieved we could finally own this ground and say no. This contract first passed through the hands of our lawyer, our title man, and then our loan officer, and they told us that everything we had been told by the absentee owner was not the way it really was. As a matter of fact, they said, you don't even want to buy that ground with this contract. We were crushed. That land had become part of our operation. At this time, we made a request to our lawyer to be released from this contract. And at that point, I would say we started a ten-month process of silent negotiations because, you see, nobody answered his phone calls. There was no response to his messages. He could never catch up with them. They were elusive. You wondered if they even existed. In the meantime, we were being harassed daily by the absentee owner. Why aren't we closing on this ground? After all, these contracts are written with the owner in mind. I told my husband and my son, I said, what do we expect? We're dealing with man and pen, bureaucrats, men who are in pinstriped suits sitting behind big desks probably down in eastern Nebraska. They don't know us. They don't care about us. We're just another person. Ten months later, about the time this absentee owner called us, started calling us to tell us that she had decided to put this ground that we had leased for so long out on the public market. We got a call from our lawyer and he said, I have the paper that says Rod and Ann Warren, as long as Rod and Ann Warren or Manning Ranch Company own this ground, there will be no wind turbines built on it, you will have final say. We were relieved. But the most amazing thing we discovered during this ten-month process is we were not dealing with men in pinstriped suits. We had been dealing with people in our 100-mile-radius neighborhood, people we have known all of our lives. One of them is a fence-line neighbor. We went to high school with him. He remained silent during this ten-month process. Until today, we still have not heard him address this. Now if you were proud of what you are promoting and you knew your neighbor was in a quandary, would you not be knocking on their door? That's what we're dealing...this is another thing we're dealing with, with this lie we have going on in our state. I believe the investors in Cherry County that did invest in this did so because they trust their peers. They didn't check with their lawyers. They trusted their neighbor. I don't think any of them have a clue that they have signed over their personal property rights in the name of easements. Mr. Hughes, you and I have mutual friends in your district. They don't understand your complacency with the Sandhills. I encourage all of you, you on the natural resources district board, please, let's revive LB504.

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Let's add transmission lines. Let's add outstate Nebraska and stop this crap that's going on in our state. It's an atrocity. Thank you. [LR125]

SENATOR HUGHES: Thank you, Ms. Warren. Are there questions? Seeing none, thank you for your testimony. [LR125]

ANN WARREN: Thank you. [LR125]

SENATOR HUGHES: Welcome. [LR125]

TERRY ALLEN: Welcome...or thank you. My name is Terry Allen, T-e-r-r-y A-l-l-e-n. I haven't prepared anything today. I'm kind of new to this process. Stanton County is currently under the proposal of a wind turbine development and so we are just learning from these folks and the folks in South Dakota of all the complications from a wind turbine project. And I just want to say that we need your help. This moratorium on the turbines I think is a great idea because it gives everybody a chance to reexamine what's happening here. It's not just about money. What's more valuable than money? Our children. We out in outstate Nebraska all know how hard it is to keep our adult children at home. I have four daughters. Two of them are already gone, one to Boston, one to Chicago. I'd like to at least keep one. But (if) you put a wind turbine development near my place, you are ending my legacy. No responsible parents are going to raise their children near a hazard such as that. They're not. So you've ended my legacy. I'm a farmer. Prices are down on corn, on beans, on cattle. It's tough. Property taxes are high. It would be real easy to put a turbine on my property but it would be wrong because I'd be asking my neighbors to carry water for me for the next 25 to 50 years. It wouldn't be right because they're my neighbors. We take care of ourselves. We had a blizzard one time and the power went out. I have a wood-burning stove. Everybody come to my house and stayed the night. We had another blizzard one time. We have three people that live on a road that work in the hospital. I took my payloader out and I cleared three miles of road because the county won't get to it for another day. We support each other. We're not here to rip each other off for money. These wind turbines are going to change a whole way of life in rural Nebraska that has existed, and it's the good life somebody described. We're changing that for money, strictly for money. It's shameful. Do I have some statistics or something to show you? No. I just know what's happened to my neighbors in Antelope County,

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in Holt County, in Knox County. I went and visited a lady, a single lady that has seven turbines within 2,000 feet of her house. I went in her house and visited with her. We had to speak loudly to talk. I got up and put my hand on the wall and the wall was vibrating. We've had homes that people abandoned because of the hazard and they couldn't get a bid on it when they tried to sell it. Their property value is zero. You thought...you hear people losing 50 percent, 25 percent, 40 percent. They lost 100 percent for money, somebody else for money. And I don't want to draw this out because you guys...it's getting way too long. But come on, this is common sense to at least stop and look at it. Take a look. They can wait. Thank you very much. [LR125]

SENATOR HUGHES: Thank you, Mr. Allen. Are there questions? Seeing none, thank you for your testimony. Welcome. [LR125]

ZYGMUNT ORLOWSKI: Thank you for the opportunity. My name is Zygmunt Orłowski; that's Z-y-g-m-u-n-t, last name is O-r-l-o-w-s-k-i. And I live actually about six miles away from Mr. Allen. I'm a resident of Stanton County actually near the Stanton County/Wayne County line in the northern part. I just want to kind of touch on something over here and that is, as I walked in the building this morning, I couldn't help but notice there is an engraving on the side of the building that says, "Equality before the law." And I'd like to say to all of you, look around the room, look at all of us. We're all human beings. Doesn't matter what race, creed, color, income level, whatever, we are all human beings. And part of that engraving, part of the mantra of what supposedly makes Nebraska a great place to live, is that we all have equality and we have equal representation, we have an equal say. Well, why is it then that certain individuals feel they can come in and, you know, in the quest for money, ultimately--I'll use the term "greed"--decide that they can dictate how the smaller individuals, the smaller property owners, the residential property owners or the transitional ag owners live on their properties and enjoy and are able to use their properties. I've heard a lot of these, the testimony today dating, giving the history of power development in this country, and in particular in Nebraska saying, you know, going back to 19...as early as the 1930s up through the 1950s. And I would say that, you know, back then, I think that people were more concerned about their neighbors, more concerned about the well-being of community as a whole. It wasn't, I would say, as money driven as it is now. So why do we have this issue? Well, once again, because of money. And this is where...this is what needs to be addressed. This is what needs to be looked at seriously and in a truly objective manner. In our

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case we have county officials, we have a county commissioner and a zoning commissioner, who both were promised financial gains for allowing wind development in the county, who refused to recuse himself. We, in fact, met with the accountability board this morning, doing their job for them, a job that I'm not paid for. This has become a full-time career for me, and I don't take one cent for it because I care about my community. I used to live in Elgin. I lived there for about five years before moving into the Stanton area approximately two years ago. So I don't want wind development here. I don't want to say that I moved from the armpit of the world into the crotch of the world. I mean, that really wouldn't be that good. But unfortunately it's looking like it's going to become a reality. So the fact of the matter is this, is that every elected official, every public official, everybody in a position of public trust, is responsible for ensuring the equal and fair treatment of every individual within this state. My say should count as much as the person who owns a thousand acres, despite the fact that I may own five. You shouldn't be able to steamroll me for any particular reason because, you know, you feel that you can make a buck. It's something that's incredibly unethical. And I'll be honest with you. I don't know how some people can sleep at night. I certainly know that I wouldn't be able to if I did it. But I will point one other detail out and that is that, you know, slowly more people are becoming aware of what's going on and slowly more people are awakening to it. And I think that, you know, that like in my case, for instance, you know, I got thrown into something that I would have had nothing...I mean I really don't care for politics. I really don't care to become involved in it. But I was thrown into it because of the fact that, you know, my way of life is being threatened. And I think it's the same for many people in this room, as well as many people across the state. And I will leave you with this. It's a quote from one of my idols, if you will, General Hal Moore, who, during his tenure as a colonel during the Vietnam War, has been quoted as saying to his men that he will be the first one on the battlefield and he will be the last one to leave, for he is ethically bound and morally bound to the well-being of his men and he will do everything to see to their well-being. I feel the same way. And I would like to also say that, you know, the threats, I mean, Terry didn't touch on it, but, you know, you can look at the public records in Stanton County. We have been threatened for voicing opposition. We have had our properties vandalized. But you know what, we're still here. The only way you're going to stop us is to kill us and even there that's going to be one hell of a fight. So I'd like to point to all of you that, you know, the buck stops with you. You are responsible for the well-being. And hey, you know what, the saying is on the wall, it's in granite, "Equality before the law." If you don't subscribe to that mantra, if you don't take that to heart,

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then chisel it off. We don't live in 1940s Germany, 1950s Argentina, 1960s Soviet Russia or 1970s Communist China. We live in the United States and we're supposed to be guaranteed the rights as United States citizens and as human beings in general. I would hope that every elected official and public trust official in the state of Nebraska would respect that. Thank you. [LR125]

SENATOR HUGHES: Thank you Mr...Lewiski (phonetically)? [LR125]

ZYGMUNT ORLOWSKI: Orłowski. [LR125]

SENATOR HUGHES: Orłowski. [LR125]

ZYGMUNT ORLOWSKI: Yes. [LR125]

SENATOR HUGHES: Thank you for your testimony. Any questions? Seeing none, thank you. Welcome. [LR125]

STEVE MORELAND: Hello. I'm Steve Moreland from Merriman, Nebraska. My wife Carol is with me today. We ranch west of Valentine 60 miles. Our son is with us and he's on the ranch. He has children. And another son lives on the ranch, has a welding shop in town, and he has children. But they're...the kids are the sixth generation on the deal, kind of hope to keep it going in much the same way it has. [LR125]

SENATOR HUGHES: Mr. Moreland, Mr. Moreland, would you please spell your name for us, please, for the record? [LR125]

STEVE MORELAND: I'm sorry. Okay. Steve Moreland, S-t-e-v-e M-o-r-e-l-a-n-d. [LR125]

SENATOR HUGHES: Thank you. [LR125]

STEVE MORELAND: There is an old adage: Measure twice and cut once. My uncle was having a local carpenter make a nice cabinet using fine maple wood. The carpenter messed up and cut a large piece of the wood too short for where it was needed. My uncle immediately stated, well,

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Don (phonetic), you don't do very good work but at least you are slow. Wind turbines, they are not efficient, consistent or reliable, but at least they are very expensive, ugly, and an abomination on the surrounding countryside. Wind turbines are extremely erratic. They go 90-to-nothing for a period of time and then come to a complete stop. By operating in spurts like this, they are not reliable. It takes a steady power source such as coal to use as a backup when the wind quits. This is like synchronizing and artificial inseminating a herd of yearling heifers. They won't all conceive by the AI method. And since the ones that miss all come into heat again at the same time, nearly as many cleanup bulls are needed as would be required to just breed all the heifers without using AI at all. Wind energy is the biggest scam ever unleashed on people worldwide of anything that has ever happened. If wind turbines were efficient and could stand on their own two feet, so to speak, I would be in favor of them. This is not the case. The only reason that more continue to be built and put into operation is for the tax benefits and subsidies that enable them. Many countries have realized the fallacy associated with wind turbines and are not allowing more to be built. Why can't the people of the beautiful and fragile Sandhills area learn from others' mistakes before we have to make those same mistakes ourselves? If we are admonished not to stick our fingers in the fire because they might get burned, why do we have to poke our fingers in the fire to find out? Our daughter lives in England but her roots run deep with her Sandhills heritage. Just a month ago, she married a nice British man and their wedding was held at our ranch. The ceremony took place on a high hill with a beautiful view in all directions unmarred, I might add, by any ugly wind turbines. A large white tent was erected on a nearby meadow as a scenic, picturesque location for the reception. Among the many other guests were 18 people from Great Britain. They were blown away and awestruck at the wonderful, unblemished, wide-open spaces of the Nebraska Sandhills region. As residents of the Sandhills, we all possess a treasure that money cannot buy. We get to live in a beautiful area where the big sky can be seen from horizon to horizon. We can enjoy seeing all the stars at night and observe unobstructed sunrises and sunsets. Does a tiny bit of financial gain for a few investors justify the monumental loss we will all suffer if high-capacity electrical transmission lines and sky-scraping wind turbines are introduced to alter our serenity? Please, please, think this through very thoroughly before doing anything drastic. Measure twice and only cut once. Better yet, measure several times, weigh the pros and cons, and then don't make any cuts at all. If something isn't broken, don't try to fix it. Are there any questions? [LR125]

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SENATOR HUGHES: Thank you, Mr. Moreland. Are there questions from the committee?
[LR125]

STEVE MORELAND: I do have a couple points I'd like to... [LR125]

SENATOR HUGHES: I'd like to ask you what else you'd like to say. How's that? [LR125]

STEVE MORELAND: (Laughter) Okay. Some of the people that told of the problems they had were asked what they could have done to alter it early on. One thing that kind of irritated me at the time, in Cherry County the primary election came up last year and the county commissioner was decided in the primary election. There weren't any Democrats running. It was all Republicans. So the election was decided with the primary. And the wind turbine thing came up the next week. It was all hush-hush until the election was over. And even though the fellow I voted for is a friend of mine, I would not have voted for him had I known this. It would have been a hot-button issue had this come out prior to the primary election, which it didn't. And the other thing I'd like to say is there's been enough people to testify to the bad things that happen with these things. If somebody dies and goes to Hell and wanted to tell their friends and neighbors do things different, don't end up where I did, I think I'd listen to him. [LR125]

SENATOR HUGHES: Thank you, Mr. Moreland. Welcome. [LR125]

GARY PHIPPS: (Exhibit 30) My name is Gary Phipps, G-a-r-y P-h-i-p-p-s. I live in Whitman, Nebraska. I am a fifth-generation "Sandhillier" and the sixth and seventh generations are on our ranch right now. We've seen a lot of changes since the 1800s. I told my kids growing up that the only thing that stays the same is change. My granddad was born in the 1800s. He taught me a lot of things. But one of the best lessons he ever taught me was to always look for new ideas, but, more importantly, don't reject those ideas if they're not good. Our ranching operation, we have increased our pounds over 40 percent the last four decades, 5 percent in the last three or four years on those same acres. I know about change. When we first heard about the turbines, we thought that might be a good idea. Extra income is always welcome. But as we researched them and found out all the bad side effects and negative situations resulting from the building and implementing of the turbines and power lines, we quickly changed our minds. This is a bad idea,

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the fragile ecosystem, the aquifer, the wildlife, the effects on people, cattle, wildlife, etcetera. The turbines--I'll shoot from the hip now--the turbines, part of them are made with rare earth minerals, a lot of them are made in Chicago...or, I mean, China. Well, if they catch fire or are destroyed, they go into the Ogallala Aquifer. Well, it might not be you or your kids, but at some point in time, most of these from Nebraska gets all their water from the Sandhills, the Niobrara, Loup River, stuff that goes there. It's going to be your grandkids eventually that's going to be getting these rare earth minerals. Several years back, they put a well down 900 feet on our property there, took a test well. They tested every five feet and they hit nothing but sand. It's that deep. And right now the hills where we are just north of us there, we brought some cattle in here a couple, three years ago. We were horseback and the neighbors were on their four-wheelers. We could get down those hills horseback. They couldn't even go down the hills with the four-wheelers. They're that rough. And you can't tell me that you're going to be putting roads up in those hills and make them hold because the edge of roads, you get a rain, it's going to be a washout. They can't. We've seen it. The county has tried to do it. They can't do it either. And right now we have meadows. We have the water underneath it. I can go out right now and dig a post hole in our meadows and you better be real quick to get a post in there because there's going to be water coming in there before you can get that post tamped in. This moratorium on this I think would be a good idea to wait for awhile because if you look at the Internet there is...the technology is changing so fast on these wind turbines. The other day we saw something. There was a wind turbine like 40, 50 foot tall that it's not...it doesn't have a fan. It's got some kind of a blade that goes round and round. It doesn't make any noise, doesn't kill birds. But there's new technology coming and I think we need to wait until...with a lot of this technology it's like buying a computer, you know. By the time you get it home, it's outdated and this, it's changing that fast. They talk about the wind being free wind. Well, it is. But to get that free wind to this little light here, it's not cheap because those turbines cost a lot of money and it costs a lot of everything, the money, the roads, everything to put in that. It just...it's not cheap to get to this light. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Phillips (sic). [LR125]

GARY PHIPPS: Phipps. [LR125]

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SENATOR HUGHES: Sorry. Are there questions? Seeing none, thank you for your testimony. Welcome. [LR125]

TERRY MADSON: Thank you. My name is Terry Madson. I'm from the other side of the state. I didn't intend to have anything to say today but I changed my mind. [LR125]

SENATOR HUGHES: Would you spell your name for the record, please. [LR125]

TERRY MADSON: T-e-r-r-y M-a-d-s-o-n. I live in Nuckolls County. And I guess there's been a lot of good testimony here and I hope you folks have heard it because you're looking at people from the Sandhills that have gotten what they have very much the hard way. And we in Nuckolls County are facing some of the similar problems. We have a project proposed by Apex Clean Energy. And I'll just...I'd just like to point out some of the tactics that are consistent with what you've heard in a different part of the country. This outfit came in and talked to people about how such-and-so had signed up when, in fact, they had not. There's a couple of verifiable incidents of that. I'm in possession right at this moment of two different documents, contracts. One was handed out at a public meeting. One was given to me by an absentee landowner. And a third is in possession of one of my neighbors. The first one is 27 pages. Another one is 30 pages and the third one is 34 pages. Now when I get time, I'm going to go through it letter by letter and I'm going to understand why it's different. But lest you jump to conclusions and say it's font size, I've already ruled that one out. I'm just going...I'll end up by...but I want to tell you a story about a young guy. He's young because he's quite a bit younger than me but he's still an adult. And I want to tell you his story. And I suspect that some of you people have kind of gotten where you are the same way. But I know there's a lot of folks out there and I represent probably 40 or 50 of them. Quite a few of them are going to resemble this person. But this young guy went to technical school, borrowed the money to do that--his family didn't have anything--came back, wanted to cowboy and got himself a job on a cattle operation. And after three or four or five years he decided, well, maybe this isn't going to make me into a millionaire anytime soon and besides I'm in love and she may be the mother of my children. And so he got a job in Grand Island and it's quite a drive. He gets up at 4:00 a.m., drives to Grand Island. He's since had two children. He drives to Grand Island, brings that paycheck home, and he put it into this dump of a place. And a couple of the neighbors have helped him put up a building. They put a new roof on.

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They've remodeled it, done all the things. In other words, they've worked like slaves to get the American dream. Now, an absentee landowner is going to...probably going to sign up. And if, in fact, he does, I happen to come across a document that the Fish and Wildlife Service will eventually see that Apex is commissioning Olsson Associates of Lincoln to perform. And if, in fact, all this happens, he could very well have six or seven turbines in the half-section that he lives in. If he does, there are...I've talked to three separate real estate people. Two of them are certified appraisal folks. They fall in line with what Gregg Hubner said earlier. He can expect about an automatic 40 percent reduction in his salary and...excuse me, in his property value and perhaps as much as 100 percent, depending on siting of the turbines. My point is this guy is too busy making a living to come here and talk to you folks. He's...there's a lot of them out there. I really hope you guys listen to the testimony from the Sandhills folks and support Senator Brewer's moratorium. Thank you for this opportunity. [LR125]

SENATOR HUGHES: Thank you, Mr. Madson. Questions? Seeing none, thank you. Welcome. [LR125]

WAYNE EATINGER: (Exhibit 31) Yes. Thank you, Chairman and Resources Committee. I'm Wayne Eater, W-a-y-n-e E-a-t-i-n-g-e-r. I was just going to touch on a few things here. I've never seen anything like this that has captivated folks up in my country and I just had a few sort of statements to point that out. The R-Project and its obvious future implications has triggered the sensibilities of many concerning the fragility and traditions of a magical place, a place like no other, the Sandhills. As a habit, most of us in the area, and I'd be one of these people, do much, say little, and for years on end, decades on end, that's the way it is. With this issue it's different. There's more of a sense of foreboding for what maybe is about to happen. Folks who have rarely spoken out about anything have been stirred up with this subject and they serve as a first line of defense, as you can see today. Many of us are worried about the future landscape of the Sandhills and don't believe our quality of life should be for sale. We must remember the decisions we make today will outlive us. The question before us: Do we pause and take a breath and consider the effects of this magnitude of industrial development in once was the Great American Desert? Remember, the hills were bare 140 years ago. My people drove southern steers up here on open range north of Thedford, finding the meadows, because there wasn't anything to eat in the hills. Horses sunk in to their forearm. The Indians would come down from

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the north and butcher. The process of grassing over has been very gradual and we want to bear in mind the process is still going; even in my lifetime, I can see it. Much has been said about the pristineness of the Sandhills and how it's the last unspoiled natural wonder and I would just say this. With nature, there's an interconnectedness that few of us understand and it deserves very careful study and I very much support Senator Brewer's moratorium. And I'd just say this in closing. With the American cowman, there is sort of a fame and a lore, always has been--you know, the wide-open spaces, the prairie, rugged individualism. There's still a place where that exists. It means a lot to me. It means a lot to a bunch of people here today. It would be too bad if we spoiled that. It really would be. And I certainly appreciate you people. You're very important and I appreciate you. Thank you. [LR125]

SENATOR HUGHES: Thank you, Mr. Eatinger. Are there questions? Seeing none, thank you for your testimony. Welcome. [LR125]

STUART SCRANTON: Thanks for taking the time. My name is Stuart Scranton, S-t-u-a-r-t S-c-r-a-n-t-o-n. You guys have heard a lot of, and females, you've all heard a lot of comments about everything. And mine is pretty much kind of like what everybody said. But I guess where I'm at right now, I'm talking on behalf of my kids. And they're both in school so neither one of them can pertain in this meeting. I've got these R-Project power lines that go real close to a couple ranch places and they do go over a set of corrals we work cattle in and they make quite a little noise when you're underneath of them. And sometimes you have a little problem maybe getting the cattle in the corral when everything is real calm. With these power lines over the top of them, it could probably get to be an issue when we bring cattle in there and work them. And I guess we're kind of short on time. I'll just cut through the thick of it. We've been in that Sandhill country up there at Thedford for grandpa, dad, me, and my offspring. I hope they get to come in there. And I hope you folks will hopefully keep maybe this R-Project out of the Sandhills. Any questions? [LR125]

SENATOR HUGHES: Okay. Thank you, Mr. Scranton. Are there questions? Seeing none, thank you for coming in today. [LR125]

STUART SCRANTON: Thank you, folks. [LR125]

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SENATOR HUGHES: Anyone else? Welcome. [LR125]

ROSE SOJKA-STEHNNO: Yes. Good afternoon. Thank you, Senator Hughes. I didn't anticipate speaking this afternoon. For once, I was going to stay out of that foray. However, after listening to all the comments and the testimony, quite frankly, I am compelled to speak to you. [LR125]

SENATOR HUGHES: Would you give us your name, please? [LR125]

ROSE SOJKA-STEHNNO: Yes, I will. My name is Rose Sojka-Stehno; that's spelled R-o-s-e, Sojka, S-o-j-k-a, hyphen, Stehno, S-t-e-h-n-o. Yes, I've spoken many times, lots of NPPD meetings, you know, meetings of Preserve the Sandhills, Save the Sandhills, and don't appreciate the R-Project as it's been laid out. We have family property that will be affected by that, that is in the eastern end of Holt County. By the way, to my cohorts here today that are from Holt County that are being besieged by all of the terrible things that are occurring to them with the Grande Prairie Wind Farm, I extend my deepest empathy and I would like to think that perhaps even you, as senators, would take and have the courtesy before they leave today to extend that to them also, because it's wrong, wrong, wrong, all at greed. You know, I read lots of documentation about the erection of the Holt County windfarm because that was where I was born and raised; that was where I grew up. I lived on the cusp of the edge of the Sandhills. My father loves the Sandhills. And at 91 years old, if he could be here today, boys, you'd--and girls--you'd still be listening. Can I tell you? And that is why all of these folks out here are here today, too, because the Sandhills has a heritage for the state of Nebraska and we identify with it and we are five- and six-generation families that have homesteaded this area. And all of sudden we have big-business wind industry in collusion with the electrical company coming in and saying exactly what they did with the Grande Prairie Holt County Wind Farm: Oh, yeah, they don't have zoning up there, they're kind of a bunch of dumb hayseeds, hicks, whatever. You know, I look at the folks that are still sitting here today and when I use that kind of vocabulary I think maybe you probably get it a little bit because sometimes the folks from the metro areas to the east here don't look upon us as being quite with it, you know? So to that end, I'm here today because I have a vested interest in this also and I will stop with that part of it. Have a couple of other more comments. I'd like to take and certainly say thank you to the three of you senators who are still sitting here, and you in addition to Senator Hughes. You're running the dog-and-pony show so it's kind of like you're tied

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to your chair. But can I tell you, to Wayne, to Wahoo, to Waverly, these people out here have all taken notice. We all drove a long way to be here this morning, too, and we appreciate the fact that, yes, it is after 5:00. However, we drove a long way today. This was about expressing the issues that surround the whole business of industrialization of the Sandhills, be it with the wind turbine projects proposed, in addition to the R-Project. And the R-Project could still conceivably happen. That would be if Mr. Kent and Mr. Pope maybe chatted with the Southwest Power people and made the determination that you move that line about 40 or 50 miles to the south instead of tracking it through the pristine areas of the Sandhills where, when they go to take and sink their concrete and the like, they're going to have a real grand time up there playing in that sand, that water table that's real close to the surface. You know, we have told them and told them and told them, and the NPPD Board of Directors go, as you have heard earlier by Amy Ballagh, you go to the board of directors and they go, well, we take it to the executive team, we take their recommendation. So then my question would be, well, why do we have a board of directors? Okay, so back to the fact that you folks are still here. We appreciate that. Further yet, you know, if you all read your e-mail yesterday, I did...I sent you all an e-mail yesterday morning about 2:00. So if you've read it, I appreciate that. And if you haven't read it, then you might want to take the time to print it off. It contains a little bit more information. Okay. You know, we came here today and we'd like to think we didn't come groveling, that we didn't come crawling on our knees. We came here today because you, as elected senators of the state of Nebraska, in a committee entitled the Natural Resources Committee, of which the Sandhills is part of for many reasons--water, grass, clean environment...you know, the Sandhills is a natural resource. And so when you take and you look at this today, we've got a gala celebration going on outside that we're all missing because it started at 3:00 when the Governor was doing his dedication of the new fountain that was finally erected after funds were raised when this couldn't be completed when the Capitol was built back in the '30s because of the Great Depression. You know, a wise and prudent move--you didn't have the money, you didn't build it. So for the 150th celebration, we've got the fountains that are finally completed. Here, we're going to be having bands going on and the food trucks and we're going to have the light show and, you know, a good family activity and that kind of stuff. How ironic... [LR125]

SENATOR HUGHES: (Inaudible) finish up, please. [LR125]

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ROSE SOJKA-STEHNO: ...that on a day like today that we're in here and we are begging that the Sandhills of Nebraska are not sold out. Senators, you have the power to do something. Thank you. [LR125]

SENATOR HUGHES: Thank you for your testimony. Any questions? Thank you. Anyone else? Senator Brewer, nice to see you. Welcome. [LR125]

SENATOR BREWER: Thank you, sir. Good afternoon, Senators. For the record, I'm Senator Tom Brewer, T-o-m B-r-e-w-e-r. I represent the 43rd Legislative District in the Sandhills of western Nebraska, many you have heard from today. I think I'm going to detour from my notes just for a little bit because I don't know how you can listen to what's happened over the last few hours and not have some type of a really burning sadness that what's happening, whether you talk the R-line or the issue of wind energy, is ripping apart the fabric of those Sandhills. It's something I've struggled with. This time last year, I was on the back of a mule, about 400 miles into a 500-mile ride. So basically, if I would have got on a mule across the bridge from Iowa and rode to Kimball on the interstate, that's about the length that we traveled. That was all within the 43rd District, so keep in mind how big that district is. Everywhere we stopped and part of the reason we made the ride is we hit 28 towns. Some of them was Wood Lake and little towns that, in many cases, people don't even know are there because they drive by too fast. But every one of them, when we had our evening meal and they all came to talk to us, and when you stop at a town, like Merriman, of 40-50 people and 100 people show, it gives you some idea of their passion to try and have things addressed. And the number-one thing wherever we went out there was the R-line and wind energy, closely followed by property tax. But it didn't matter where we were. It was the same story. The fear of changing what they know that they have had as part of their life for so long is something that they just had as the most important thing that they could address. And actions have consequences and the guy I replaced did not respect the fact that he told them one thing and done something else and you don't have a job much longer when you do that. That's the great part about our system. I will tell you that there are a lot of things going through my mind, some of them that I probably don't want to share about the fact there are some empty chairs in here. You know, maybe it's the old colonel in me, but I will tell you that, you know, it's about dedication to your duty and responsibilities. And I believe if you're a senator and you're on a committee, short of a family situation or personal health reasons, you're here, you

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hear the people out, because this committee needs to make a decision on LB504. And it's either going to go down that this committee and the people here have made the decision to let it die and never come to the floor for a vote, or you guys moved it on. And I'm asking you to do that because if you look at it, it ought to be the body, the 49 senators of Nebraska, that decides whether or not that bill becomes law or not. There are so many questions and I could run through this. You've heard them here today, whether it be the health issues, whether it be the property issue. You can talk about personal property rights. What about the personal property rights of that individual who spent his life savings and built that home and now, of no fault of his, because someone else wanted windmills around him, he has to look at them, he has to deal with the consequences? And if he wants to sell that home, he can't. And the horrible part about it is he still has to pay the taxes on it. I guarantee the counties aren't going make it worth any less. So his only choice is destroy that home, have nothing, and leave. None of this he did, wasn't his decision to ever do that. So there are so many things that are happening, whether it be to the environment or personal property issues and personal issues, that are not addressed. To put a two-year moratorium on it, to simply look at the facts, we're not saying stop it, we're saying let's get the facts, let's understand everything that is going to impact the lives of these people before we just arbitrarily rubber stamp it. And to compound that even more, when you have boards that consist of people that personally benefit from those windfarms and they're allowed to make decisions, that's when the system is broke. That's when it's our job to step in and stop it. So I guess what I'm going to share with you today is I've got tons of notes. I took them all through this. And we're out of time and we need to move on. But this committee decides what happens. And to the members that stayed here, I respect you and in my world respect is everything. But once I don't respect you anymore, and these empty chairs are what I don't respect, you will never get my respect back again. That's the way it works. Now I'm cold-hearted, I'm mean, that's just the way I'm going to be. But actions have consequences and they need to know that. So I would ask you to take these notes, think it through, make a decision on LB504 and let it come before the body of the floor to make a decision. Thank you. Questions? [LR125]

SENATOR HUGHES: Thank you, Senator Brewer. Are there any questions for us? Yes, Senator Bostelman. [LR125]

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SENATOR BOSTELMAN: I don't have so much of a question but I just want to thank everybody that came. I fought this battle for three years. I've heard all of your stories. I've lived a lot of your stories. I know the people who are there that are doing, been through the things that you've been through. It's not just the Sandhills. It's across the state of Nebraska. And there's a lot of people out here that are going through the same things you're going through. Nuckolls County was mentioned before. Gage County right now over at Blue Hill they're having wind turbines built up. Someone I know there have multiple ones right around their house and have a young family, so the things you were talking about are pertinent, are relevant, they're happening now. One thing that of all of this that we talk about, we talk about economic development, we talk about jobs, we talk about clean energy, and we talk about carbon. And we closed Fort Calhoun Nuclear Power (sic--Generating) Station. Whether you like nuclear power or not, it has zero carbon, it is clean, it is renewable. But we closed it. Eight hundred jobs of over...average income of \$100,000 per person was lost. A thousand jobs when they did refueling was lost. A billion dollars of economic impact to the state was lost. Why? Because of wind, because of renewables. I think we need to think about that. I think we need to understand what's going on. We need to be smart about it. If we're going to use renewables, fine. Let's do them at the right place, at the right time, with input from the people who live there, because as soon as...once you can put one in Lincoln, Nebraska, in Omaha, Nebraska, in the parks, on the golf courses there, if you can put your wind turbines there, then come talk to us. But I guarantee you, you won't put any of them there because they're unsightly, they're noisy, and nobody wants them there. But yet where you live in the Sandhills they're more than happy to put them there. Where I live in Butler County, they're more than happy to put them there. Where you live in Nuckolls County, Gage County, wherever it is, they're glad to put them there. Thank you for coming. I appreciate everything you said and it means a lot. Thanks. [LR125]

SENATOR BREWER: And I guess as a quick closing, sir, I couldn't agree more. I put out kind of an all-points bulletin that if they had the time and they could make the trek to Lincoln, to please come and be here today. And you welcomed them. And for those that stayed, thank you. To those who gave up of their time, their resources, and came here and shared from their heart, you know, you hired me to be your warrior and this war is just getting going. And fortunately you hired somebody who likes war, so we're going to fight this good fight and we've got a session coming up and we're going to reengage some issues. But to all of those that made the trip

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here, we want you to have confidence that this Unicameral system, this chance to be a voice as people, is just that, and that you do have a voice. And if you don't come, you don't do that. And most of the time, if this room is full, it's full of kooks that are here to fight the Second Amendment. It's not good, wholesome Americans who come here to talk about an issue that's a valid issue that we need help with. So to all of you guys, thank you for what you done. [LR125]

SENATOR HUGHES: (Exhibits 32-45) We have several letters that need to be read into the record: Twyla Gallino, Valentine; Wanda Simonson, Seneca; Robert Stetter, Valentine; Pat Keslar, Hyannis; Glenda Phipps, Whitman; Randy and Lori (sic--Lana) Peterson, Kilgore; Carolyn and LeRoy Semin; Bruce Kennedy, Nebraska Wildlife Federation; Eve Millar, Crookston, Nebraska; Carol Neiman Lewis, Thedford, Nebraska; Tricia Nathan, Stanton County; Janet Schawang, Omaha; Ben Soucek, Deweese; Twyla Witt, Thedford. Anybody else want to testify? If not, we're adjourned. Thanks, everybody, for coming. [LR125]