

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 22, 2024

BOSTELMAN: All right. Good afternoon, everyone. Welcome to the Natural Resources Committee. I'm Senator Bruce Bostelman from Brainard, representing the 23rd Legislative District. And I serve as Chair of the committee. The committee will take up the bill in the order which it's posted. This public hearing today is our opportunity to be a part of the legislative process to express your position on the proposed legislation before us. If you're planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly and fill out-- fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name and spell your first and last name to ensure we get an accurate record. We will begin-- each-- we'll begin the bill hearing today with the introducer's opening statement, followed by the proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with the closing statement by the introducer if they wish to give one. We'll be using a three-minute light system for all testifiers. When you begin your testimony, the light on the table will be green. When the yellow light comes on, you have one minute remaining. And the red light indicates you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing, as is normal. Nothing to do with the importance of the bills being heard. It is just part of the process, as senators may have bills to introduce in the other committees. If you're going to give handouts, please give ten copies to the page when you come up. Please silence-- silence or turn off your cell phones. Finally, committee procedures for all committees state, states that written position comments on all bills to be included in the record must be submitted by 8, 8 a.m. the day of the hearing. The only acceptable method of submission is via the Legislature's website at nebraskalegislature.gov. Written position letters will be included in the official hearing record, but only those testifying in person before the committee will be included on the committee statement. I will now have the committee members with us today introduce themselves, starting on my far left.

FREDRICKSON: Good afternoon. I am John Fredrickson. I represent in District 20, which is in central and west Omaha.

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

BOSTELMAN: Far right.

BRANDT: Tom Brandt, District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties.

JACOBSON: I'm Senator Mike Jacobson, District 42, representing Lincoln, McPherson, Hooker, Thomas, Logan, and most of Perkins County.

J. CAVANAUGH: John Cavanaugh, District 9: midtown Omaha.

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

BOSTELMAN: Senator Moser also serves as Vice Chair of this committee. Also assisting the committee today: to my left is our legal counsel, Cyndi Lamm; and to my far right is our committee clerk, Laurie Vollertsen. Our pages for the committee today are Ruby Kinzie and Shriya Raghuvanshi. Thank you very much. And we will start with our only bill today, will be LB120. I'll turn it over to Vice Chairman Moser.

MOSER: Thank you, Mr. Chairman. Welcome to your committee.

BOSTELMAN: Thank you, Vice Chairman Moser. Good afternoon, Vice Chairman Moser and the members of the Natural Resources Committee. My name is Bruce Bostelman, spelled B-r-u-c-e B-o-s-t-e-l-m-a-n. And I represent LD 23. I'm here today to introduce AM2489, which is a white copy amendment to LB120, which was my shell bill. AM2489 requires before any electric supplier, public or private, begins construction of any electric generation facility, transmission lines, or related facilities within ten miles of a military installation defined as an active duty military base where fixed wing aircraft or strategic weapon assets are on a permanent or temporary basis, assigned, stored, operated from, or otherwise located, the owner must provide a notice to the Power Review Board certifying that the electric generation facility, transmission lines, and related facilities contains no electronic materials-- electronics, materials, or any other components manufactured, manufactured by a foreign government or a foreign nongovernment person determined to be a foreign adversary pursuant to 15 CFR 7.4. And I-- you have that as a handout. This list includes Russia, Cuba, Iran, North Korea, China, and Hong Kong and Venezuelan politician Nicolas Mad-- Maduro. Over the past few years, there have been a growing national security and cybersecurity concern involving

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electric generation facilities containing technical-- technology that was manufactured in China. In March of 2023, the Senate Energy and Natural Resources Committee held a hearing with members of the Department of Energy and the private sector testifying that the unknown amount of Chinese-made grid equipment poses a risk to the energy sector and national security. Senator Angus King of Maine echoed those [INAUDIBLE] by saying, and I quote: I think determining the Chi-- Chinese origin of crucial parts of the electric system is a hair-on-fire, urgent matter. That is an enormous opportunity for malicious activity, end quote. In December of 2020, the Department of Energy signed an order prohibiting electric utilities who supply critical defense utilities from importing certain equipment from China. The former Secretary of Energy released a statement saying, and I quote: It is imperative we secure the bulk power system against attacks and exploration by foreign adversaries, end quote. Just last year, the Legisa-- Le-- the Legislature passed Senator Bostar's LB63, which required communication providers to annually certify to the PSC that their equipment contained no, no equipment that posed a threat to national security and restricted, restricted grant funding to communications providers who have not replaced technology. Likewise, we should also require any public or private electric supplier to certify to the Power Review Board prior to con-- prior to construction that electric generation facilities contain no technology from a list of foreign adversaries. We must take these concerns seriously and ensure that we protect our national security interests. I ask for the committee's support of AM2498 and its advan-- and LB120 and its advancement to General File. And I'll answer any questions you may have. Thank you.

MOSER: Questions for-- Senator Hughes.

HUGHES: Thank you, Chair Moser. Thanks for being-- bringing this, Senator Bostelman. Does this have any impact on existing facilities that are near--

BOSTELMAN: No, it's all new.

HUGHES: It's only new.

BOSTELMAN: Anything that would be planned from here forward, yes.

HUGHES: Should we not look at existing facilities if they have something?

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BOSTELMAN: That would be a question that we would have to have with public power.

HUGHES: OK. Thank you.

MOSER: Senator Cavanaugh.

J. CAVANAUGH: Thank you, Chairman-- or, Vice Chairman. Thank you, Chairman, for bringing this bill. This is-- interesting conversation. And I appreciate the handout. I guess I have a couple of just general questions about how this would work. And my first question is, what, what counts as produced by a foreign nation? I mean, I, I know-- my impression is that China is the owner of a lot of its companies because it's a communist country. Is that your--

BOSTELMAN: It's a Chine-- if the Chinese government is the manufacturer or owner-- or, owner of the manufacturer does, that's who would the bill apply to. If it's a individual, that would not.

J. CAVANAUGH: I'm trying to [INAUDIBLE]. So Nicolas Maduro's the only individual on here, I think.

BOSTELMAN: Mm-hmm.

J. CAVANAUGH: And so I guess I'll, I'll take it in two parts. When it per-- pertains to China, we're talking about if China is the majority owner of a company, that, that would be--

BOSTELMAN: Correct. They would have to disclose that, yes.

J. CAVANAUGH: And so then I guess my second question would be, if China's the majority owner of a company that produces, manufactures something within or external to its territorial borders-- so say they own a company that manufactures in the United States-- are we talking about those items as well or only items that would be manufactured in China?

BOSTELMAN: I would, I would think there would be any-- if they own any company, whether it's in the United States or outside of the United States, it would apply.

J. CAVANAUGH: OK. That's-- I'm just trying to-- working, working through it.

BOSTELMAN: Sure.

J. CAVANAUGH: So say-- then I guess the question about Nicolas Maduro. Is it manufactured by Nicolas Maduro or a company owned by Nicolas Maduro?

BOSTELMAN: Owned.

J. CAVANAUGH: Owned by. And then-- so China's the one I think of where they own a lot of companies. But Russia, there's-- not necessarily every company own-- in Russia is owned by the government of Russia, right? I mean, owned by the oligarchs or other maybe nefarious characters, but-- all right. So if-- I don't--

MOSER: [INAUDIBLE] define it.

J. CAVANAUGH: I don't remember the names of any of the oligarchs anymore. Used to have that in there somewhere. But you know, say one of the, the guys who is-- that-- the guy who owned that defense contractor company that got killed by Putin.

MOSER: A lot of them are dead now.

J. CAVANAUGH: And a lot of them are dead now, including this guy. But hypothetically, he owns a company, even though he's a crony of Putin's, works with Putin, his company, since it's not actually a state-owned entity, we could-- the-- those products would still be fair game.

BOSTELMAN: Yeah, I believe so because it's-- only applies what's in the CFR.

J. CAVANAUGH: What's-- OK. And--

BOSTELMAN: if you have concerns, if we need to amend it, we could do that. But I don't--

J. CAVANAUGH: I, I don't have concerns yet. I'm just-- questions. And then I'm, like-- but you know how I like to work.

BOSTELMAN: And, and Senator Hardin's coming behind me. He, he could probably answer a few more questions.

J. CAVANAUGH: So then I guess my, my other question would be just, so-- Senator Hardin might speak to this too, but have we had conversations with DOD or Offutt about this yet?

BOSTELMAN: I will let Senator Hardin answer that question.

J. CAVANAUGH: And then my last question is, my assumption was, applies to Offutt, applies to the missile field. Does it intentionally or does it apply to the National Guard base here in Lincoln?

BOSTELMAN: The National Guard base is not active duty.

J. CAVANAUGH: OK.

BOSTELMAN: So no. It would just be any military installation, Air Force [INAUDIBLE] active duty that has those assets assigned to it. Currently, that's Offutt, and the other is the missile field.

J. CAVANAUGH: OK.

BOSTELMAN: Two locations.

J. CAVANAUGH: Thank you.

BOSTELMAN: Yes.

MOSER: Other questions? Senator Jacobson.

JACOBSON: Thank you, Vice Chair Moser. So Chairman Bostelman, I-- or, Senator Bostelman, I, I'm-- I know Senator Hardin is here. I'm, I'm assuming he's going to be testifying in support of your bill. So have you guys talked? And is this some of the language that he's also comfortable with? And--

BOSTELMAN: We've shared that with him, yes.

JACOBSON: Yes. OK. Great. Well, I appau-- applaud your efforts on trying to deal with this issue. I think you and Senator Hardin are both pretty active in spending a lot of time on trying to deal with this and try to find--

BOSTELMAN: Significant amount of time, I would say.

JACOBSON: I, I would say that's probably an understatement, but, but I appreciate the commitment to this. This is a serious national security issue. And I think trying to find the right definition's been challenging. I think that too would probably be an understatement, but-- and that's not to say that this won't need to be changed in the future and expanded, probably, but I think it's a great start. So I, I appreciate that. And, and I'll wait to hear Senator Hardin's comments as well to kind of understand anything else. So thank you.

MOSER: Senator, thank you. You going to stick around to close?

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BOSTELMAN: Try to.

MOSER: OK. Anybody else to speak in support of LB120? We had 1 letter of support and 0 opponents and 0 neutral. Senator Hardin, welcome.

HARDIN: Thank you, Vice Chair Moser. And good afternoon, fellow senators of the Natural Resources Committee. I'm Senator Brian Hardin. For the record, that is B-r-i-a-n H-a-r-d-i-n. And I represent the Banner, Kimball, and Scotts Bluff Counties of the 48th Legislative District in western Nebraska. I recognize it's unusual for a senator to come and testify on another senator's bill, but we have an unusual situation in District 48 and the Nebraska Panhandle. As many of you are aware, the federal government has begun the process of replacing the Minuteman III nuclear missile system that is the land leg of the United States' three-leg nuclear triad. The Minuteman III is being replaced with the Sentinel system. This will be the largest single project expenditure in the history of the United States military. Original estimates for the project were around \$86 billion. That number continues to grow every day. The construction of a new missile system in the Panhandle creates a massive national security issue for the area. Since the Air Force began the process of communicating with the public about the Sentinel missile project, we have seen a huge increase in the number of proposed renewable generation projects. In the last three months alone, I have learned of three different projects being proposed near or in the Sentinel field, and those are the only ones that I have heard about. These projects, three projects, total more than \$2 billion in proposed investment. In the 20 years before that, there had been only one small-scale renewable generation project to happen when 7 wind towers were constructed in Kimball County in the mid-2000s and then increased all the way to 12 total towers seven years ago. The question must be asked: why is there a sudden increase in interest to build renewable generation projects in the Panhandle? Why now? You won't be able to convince me the interest is not connected to the Sentinel project. The landscape hasn't changed. The laws haven't changed to make renewable generation easier. The only thing that has changed is the beginning of the Sentinel missile project. In 2022, there was a large wind energy project proposed in Banner County. Just when construction was about to begin, the Air Force increased the setback requirements for wind turbines around nuclear missile silos. For years, the setback had been just 1/4 of a mile; and in early 2022, that was increased to two nautical miles. Landowners who were poised to financially benefit from the wind project were upset, and I received multiple questions about it on the campaign trail. In February of 2023, I was invited on a tour with the Air Force to see the updates being made to the air and land legs of

the nuclear triad. I went to the Vandenberg Space Force Base in California to see a test launch of a Minuteman III missile and to Ellsworth Air Force Base in Rapid City, South Dakota area to see where the new B-21 stealth bomber will first be based. As you may recall, this tour took place the same week that there was a particular weather balloon from China that was able to float away across the United States before finally being shot down in the Atlantic Ocean. While I was at Ellsworth, I had a conversation with a colonel about where-- about wind turbines around the missile silos. I asked him why the Air Force increased the setbacks a year before, and his response was cryptic but telling. He asked me what my security clear-- clearance level was as a state senator. I told him I didn't have one. He looked at me and said, well, then I'll say this: the United States Air Force has a lot of concern about wind turbines because a lot of the components that are used in wind turbines are manufactured in the same place that our recent weather balloon came from. Many components that go into wind turbines and solar projects are built in China-- 75% or more of the solar and wind industry equipment come from there. The Air Force says that makes them a serious threat to our national security. I believe state law should reflect that. If someone wants to build an energy generation project near the nuclear missile silos, then they need to certify that they are not using technology from countries that are well-documented as being enemies of the United States. This isn't a new concept either. Last year, we passed LB683, which included Senator Bostar's LB63. LB63, as amended into LB683, directs communications providers to certify to the Public Service Commission that they do not use or provide any communications, equipment, or service deemed to pose a threat to national security. This came from the Federal Communications Commission for Public Safety and the Homeland Security Bureau, designating Huawei Technologies Company and ZTE Corporation as threats to the United States' national security and banned them from receiving money from the FCC. We've banned equipment from China before to protect our communications networks. It's time we protect the backbone of our nuclear defense as well. I'm glad to try to answer any questions.

MOSER: Questions for Senator Hardin? Senator Fredrickson.

FREDRICKSON: Thank you, Chair Moser. Thank you, Senator Hardin, for, for being here and for testifying and-- certainly appreciate you representing your district and speaking out about some of the concerns that are being brought up there. So one question I had-- so you mentioned you had some conversation with folks from the Air Force, et cetera, around this. Can you maybe shed some light on your

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understanding of what action those branches might be taking on, on these concerns?

HARDIN: Myself and my staff-- well, speaking just purely on behalf of myself, I, I've spent a minimum of 20 hours a week and as many as 60 hours a week on this issue all of last year. Forgive me, but I was mildly aware that there was a legislative session going on last year. Where a lot of that time and investment went was in conversations with three letter organizations about these topics. The reason it was so time-consuming is because essentially what we did was to create a spy network on a spy network that we know exists in this area. It's not for us theory. It's real human beings who use toothpaste and deodorant, who live in our area, and we know who some of them are. And when I say we, the communication was with Homeland Security, FBI, OSI-- that is the-- call it the FBI of the military-- as well as local law enforcement, local leaders, from county commissioners to zoning people to farmers and ranchers. And so what we worked very hard for a year to create-- and I have to send a shout-out and a great big thank-you from the people of western Nebraska to Lieutenant Governor Joe Kelly because he stepped up in a really significant way and helped us in a, in a massive lift in the last few months because Homeland Security is now taking our needs really seriously, and that's really all because of him. And so those are the kinds of communications that have gone. Those are the organizations. And I get it. It, it takes time. I'm sure there are many, many threats that are empty throughout the country every day. Is this a real threat or not? And so it takes some time and some discernment and some data, frankly, to say, is this a, a genuine threat or not? It's been a long enough period of time-- and I think our clandestine agencies have stepped up in a, a really significant way, and we're deeply, deeply appreciative-- literally in a couple of weeks because of Fusion Office-- Fusion is that branch of Homeland that is the aggregator of communication from all of the clandestine agencies. If you're the FBI, instead of you just figuring it out on your own, where do you get the information? Well, everybody from the U.S. marshals to ATF to DEA to Treasury, so on and so forth, they put all of their information together in one place, and that's Homeland Security's Fusion Office. And so Fusion is coming out, and they will be speaking in Banner County and in Kimball County. If you see something, say something. And so-- it's to train the public on what a real threat is. And then here's a hotline to call. Here's an email to write. And here's a website to upload. Those are the kinds of practical things they're bringing.

FREDRICKSON: Great. So I'm, I'm glad to hear that you've been in communication with them. To your knowledge, are they aware of, of this

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piece of legislation? And if so, is this something that they are supporting or, or wanting to be introduced in our state?

HARDIN: Because of their sensitive positions, they're never able to say yea or nay to any-- to anything. It's their job to be that referee on the court who tries to stay objective. So while we'll communicate, hey, we're bringing this kind of legislation, they generally don't comment on it because that's kind of outside their jurisdiction.

FREDRICKSON: Understood. Yeah. But they are aware of the legislation? Yeah. Thank you.

MOSER: Anybody else? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. And thanks for being here, Senator Hardin. This is a interesting issue. I've brought up on my computer the map from-- I think it-- says from the National Museum of the Air Force. Military kind of has some of the blocked out areas that we're talking about. I, I'm not as familiar with your, your neck of the woods as, as you are, obviously. And so I'm just looking at the map of where historically the missile silos have been. I guess my one question is, this new missile, the Sentinel, are they just replacing them or they're going to be new silos?

HARDIN: Yes and yes.

J. CAVANAUGH: OK.

HARDIN: So what I do know is that, without knowing specific numbers, I know that it's creeping northward and eastward. So closer to Scottsbluff, closer to Sidney, Nebraska.

J. CAVANAUGH: And the Air Force has a requirement-- you said that they've gone to two nautical miles is their setback from--

HARDIN: A radius. From 1/4 of a mile.

J. CAVANAUGH: OK. And-- so why are we setting this at ten miles and not what they, what they have determined? I mean, they're-- they seem like the experts.

HARDIN: We, we, we somewhat anticipated your question.

J. CAVANAUGH: I love an anticipated question.

HARDIN: The, the federal government actually has designated-- and I'm more than glad to leave this with you-- in federal statute, there is a definition of protected or sensitive areas. And in fact, all of the counties of Scotts Bluff, Banner, Kimball, and Sidney counties-- and so those would be the four-- Sidney-- or, Cheyenne County's not actually in my district. It's in Senator Erdman's district, and he's also been very involved in these conversations too. And so-- but three of those-- all, all four of those counties where Sentinel resides are actually in these sensitive areas. And they do use the entire county. Without a ten mile, it's actually-- so we've gone more conservative than the federal government has defined it because they're saying, hey, the whole county is off-limits for certain things, particularly where there is already military complex.

J. CAVANAUGH: OK. And so they've already designated that those counties are sensitive. But that doesn't mean that people can't build wind turbines or solar fields there now?

HARDIN: No. And in fact-- you know, just as a reminder, what we're asking is that-- not that wind and solar would not be allowed. We're saying keep the Chinese equipment out of the wind and solar that is built.

J. CAVANAUGH: Right. But I guess-- so they-- so the two-mile setback is specific to any structure then. Is that--

HARDIN: The two-mile setback actually came out from the DOD in 2022 in relationship to the, the, the wind turbines. And there were some national security issues related to it that they didn't publish and we're not at liberty to talk about on the mic.

J. CAVANAUGH: And I, I am not asking for-- I'm just trying to get-- I'm trying to-- this seems like a, a space where we're getting into two territories, right? And our obligation, I think, is to find a way to play our role here--

HARDIN: Yeah.

J. CAVANAUGH: --but also not to accidentally do some stuff that we probably don't need to or be, be overly prescriptive to the people in the state of Nebraska while still being conscious of the fact that we are protecting national security in the way that we can. So I guess I'm just trying to understand what, what-- I mean, what are we afraid of? Are they listening devices?

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HARDIN: What we're afraid of-- to, to paint a picture for you, what we're afraid of is a world where we would need to use those missiles and two Air Force personnel who are inside of a silo separately hit their keys and nothing happens.

J. CAVANAUGH: OK. So some kind of ja-- jamming technology or something like that. I gotcha.

HARDIN: Yes.

J. CAVANAUGH: And we think ten miles is a sufficient distance to prevent that broadcast of that signal?

HARDIN: At this point, we believe the good is better than the perfect.

J. CAVANAUGH: Well, I-- and I'm just trying to wrap my mind around what it is we're doing, I guess.

HARDIN: We are too.

J. CAVANAUGH: And I, I, I chuckled to myself when you said that that Air Force guy asked you about your level of security clearance. I would have said zero is probably what I-- my description of my level of security clearance. And, and to circle back to that-- I mean, I'm a little offended I didn't merit an invite to watch the test launch.

HARDIN: They do it-- yeah, they do it a couple times a year, so.

J. CAVANAUGH: So my other thought about it, though, is, you know, these-- I'm looking at your map here, the map of your part of the state, and it crosses into borders in other states. Do we have any concept of what Ohio-- or, no-- how Wyoming and Colorado are doing?

HARDIN: I've had conversations with lawmakers in both states, significantly more so in Wyoming since their capital is an hour and 15 minutes from my house. And so-- this one's six hours from my house. But yes, we've had significant conversations with them. And it's a great question because Cheyenne, as a city, has been under attack. And I mean many, many projects going on in and around the community. And what we know is that spycraft in the 21st century involves three ingredients. It involves massive amounts of electricity. The massive amounts of electricity get used by giant buildings full of computers. And thirdly, proximity. You could set up a building full of mainframe computers on the other side of the globe, but the difference is milliseconds. Milliseconds create a wilderness of cyber opportunity. You need all three in order to spy, in order to jam, in order to

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confuse or disrupt. Forgive me for bringing it up, but since it's going on right now, I notified Senator Jacobson just before this committee hearing started about a cyberattack that's going on in District 48 as I speak. As I speak. And so we notified-- during lunch hour-- we had other plans, but it was another lunch hour spent with Homeland. And it was about what's going on and who's being affected by that cyberattack right now.

J. CAVANAUGH: [INAUDIBLE] questions, but I appreciate the answer, though.

MOSER: OK. Senator Hughes.

HUGHES: Thank you, Vice Chair Moser. Thanks for coming in. I'm like-- I'm feeling just, like, are there spies right now watching me?

HARDIN: They are.

HUGHES: So-- great. Well, I carry a phone, so, I mean, that's, like-- we all think the we're off-- you know, we're off-grid, but we're doing that. So I'd ask Senator Bostelman this. So this is for new, new electrical generation facilities going up. What about what's already there?

HARDIN: Well-- and again, this is, shall we say, the good versus the perfect. And so since we know that these are proposed sites and--

HUGHES: After they would know this is going on-- kind of that kind of thing.

HARDIN: Right. And so you've got to start somewhere.

HUGHES: Yeah. OK.

HARDIN: And so interestingly, with a similar bill that we brought this year-- that's LB1120-- it had to do with the sale of land to hostile foreign actors.

HUGHES: Right.

HARDIN: And in that case, we actually referred to these same federal guidelines, as, as regards to distance and so forth. But in that case, we actually spent a significant amount of time-- amount of time talking with the attorney general from Arkansas and their office because that was the first state back on October 17 of 2023 that actually turned back a sale from a Chinese purchase. Interestingly, it was not related to a

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military complex. It was related to the critical infrastructure of a power site and energy sector.

HUGHES: OK.

HARDIN: And so when we spoke with them, as they taught us, go with the good not the perfect because they, by their own admission, had kind of a rickety bill that got the job done. And-- so they're in the process of greatly bolstering what they already had in place. And so we're looking at it and saying, OK. Let's get a meaningful bill out there. And so I really thank Senator Bostelman for putting his bill together this--

HUGHES: OK. Thank you.

HARDIN: Thank you.

MOSER: OK. Do you have another question? Senator Cavanaugh.

J. CAVANAUGH: Always. I mean, how could I not?

MOSER: Ask him something that he can say yes or no.

J. CAVANAUGH: Oh. Well, OK. You happy to be here, Senator Hardin?

HARDIN: Yes or no.

J. CAVANAUGH: There you go. So I kind of-- and we're-- I know this is-- comes from your place and your expertise about-- and I appreciate all the work you've done out in, in District 48 in the Panhandle with the missile silos. But we have a military installation not too far-- less than ten miles from my house. And this would affect that as well. And to your point about, you know, don't let the perfect be the enemy of the good-- that's a classic Obamaism--

HARDIN: Yeah.

J. CAVANAUGH: --but, you know, there's just so many-- if we're just talking about Chinese listening devices, really, which, I-- you know, we've got a whole list of other folks here and other foreign adversaries. But that's-- keep our conversation to one, make it simple. In the Omaha metro area, in those ten miles, they could put a-- anywhere. They could, they could buy a house and fill it up with stuff, right?

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HARDIN: They absolutely could. And, and so there's a, a significant degree of all of this where it feels like sweeping water uphill.

J. CAVANAUGH: Yeah.

HARDIN: But it is that necessity of saying, look-- and when we see that there's a vulnerability, we are going to respond to it and effectively.

J. CAVANAUGH: And-- you know, I know it's not your bill, but just thinking through what things we're talking about. And Senator Hughes I think has hit on this. We're talking about new facilities, but are we talk-- does this-- is our intention to capture retrofits or anything like that?

HARDIN: That's a phenomenal question. And, and I guess I would again appeal to Senator Bostelman and-- you know, certainly, there are powers involved here, no pun intended, you know, with the, the Power Review Board and others who would have to weigh in on those kinds of things. And so if there are amendments that are needed, I'm guessing, that, you know, we're, we're very open to what might need to take place in order to make sure that things happen. You and I have, in other contexts, talked about some of the divides that happen between rural and urban areas. And sometimes we do have to massage bills to make sure it's a good fit.

J. CAVANAUGH: Yeah. There's-- the-- state's a wide place and there's different problems that we face in metro areas, that we face in our rural areas.

HARDIN: Right.

J. CAVANAUGH: Well, this is an interesting topic. And I, I'm really enjoying the conversation, but I don't-- we don't need to torture everybody else. We can talk about it later ourselves. But thank you.

MOSER: Other questions? Thank you, Senator Hardin. Appreciate your appearance today. Other supporters for the bill? Other supporters for LB120? Seeing none. Are there opponents for LB120? Welcome.

SETH VOYLES: Thank you, Vice Chair Moser and the committee. My name is Seth Voyles, S-e-t-h V-o-y-l-e-s. And I'm a registered lobbyist with the Omaha Public Power District. And I'm testifying on behalf of OPPD and the Nebraska Power Association. I want to start off: we agree with the intent of LB120. National securities are a thing that we do all, all day, every day when it comes to this stuff, but we do have

concerns with the language in the bill and feel changes need to be made just to tighten up the language. This is a very qualified, very qualified opposition to that because there's just certain things we need to look at. Like I said, we all, we all want to do all we can to protect Nebraska, our military installations, and our critical assets. So when you look at the bill, the ten mile radius from Offutt includes everything west 144th Street, south past Plattsmouth, Plattsmouth east into Mid-American territory and north to I-80. There's a large portion of OPPD service territory with lots of our components everywhere that there is. The bill as written will require us to certify-- this-- well, we're kind of getting into some of that vague language, and I'll, I'll, I'll say where that language is too-- meters, substations, transformers, and related facilities in Omaha from any foreign government or foreign government person determined to be a foreign adversary. We will-- I'm going to say here right now: these, these facilities are scanned, screened, and tested for nefarious components before we put them in and after we put them in and all those things. Then the Department of Defense also has measures in place to handle these threats as well. We are in constant contact with Offutt Air Force Base, if not on a weekly basis, a daily basis, making sure that everything we're doing, especially related to the base and close to the base, they know what we're doing. And that's kind of where we're coming from on these kind of things there. You know, it's more about nuances like, OK. If there's an emergency and we have to certify something because it's new coming into us, do we have to certify it before we put it up or not? I think those kind of tweaks to the language are where we need to be and how that, that's going to be-- is it a blanket certification for our meters, those kind of things. Because when you look at the actual language, the issue that we have is-- says commences construction of our-- or acquires an electric generation facility or transmission lines or related facilities of any voltage. Our concern is on the related facilities of any voltage. That can mean just about anything we have. That's-- my attorneys at OPPD-- and I'm not an attorney. Not going to apologize for that, but. They say that that's just-- that can get down into some of the minutia of what we do and that it's just going to be that kind of part that we-- we can do it. We still do it. We just-- it has a hard time on those things. Further, as Senator Bostelman kind of said, DOE started coming out with some of this stuff. We're, we're governed by multiple federal-based standards, North American Electric Reliability Corporation, NERC, CIP standards. We're in constant regulation and all these things where we are there. So we're already deeply engaged in the managing the kinds of risks addressed in LB120. We want to work, and we'll make sure that we are constantly doing that. National

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security is all-- is what we do. I mean, it's-- especially for Offutt. And even though we're opposing this legislation, I vow that we will work with Senator Bostelman quickly to make sure that we get the language where we-- where we're all comfortable with it. You know, just making sure CIP standards, all that kind of stuff are taken care of. But like I said, that's-- it's very qualified opposition, just to make sure that we can get the language tightened up where we need it.

MOSER: Do you have remote read meters?

SETH VOYLES: Mm-hmm.

MOSER: Are they made overseas somewhere?

SETH VOYLES: I believe right now we're not allowed to do anything on-- from that list-- what is it, 15 CFR 7-- 7.4? We're not allowed to do anything with any countries like that whatsoever. The issue that we-- that is still kind of concerning on the language is we don't think there's any foreign components in those things. I mean, my cell phone-- I have an iPhone. Your laptop probably has "made in China" somewhere on those kind of things. You know, those kind of minutia's where we're just hoping we can tighten the language up so it's not that-- I'm very optimistic about this being new stuff going forward. [INAUDIBLE] those kind of things. We're building some natural gas plants in the Omaha area right now that we are making sure none of that stuff is in there already. But those are the kind of things that, that we really focus on.

MOSER: OK. Senator Jacobson.

JACOBSON: Thank you, Chair-- Vice Chair Moser. So my question, I guess, is you've come in now. And this bill was introduced a year ago, and it's been kind of modified now this year. So have you been in communication with Senator, Senator Bostelman on this in terms of the concerns that you have with the bill?

SETH VOYLES: We got the bill last-- was it Thursday last week? I want to say the amendment last Thursday. That's when we first got this, this language.

JACOBSON: OK.

SETH VOYLES: And as soon as-- I-- as soon as we got it, I sent it out to my attorneys, my cybersecurity guys, my physical security guys, our account executives that handle everything for Offutt Air Force Base

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and had them look at all of it to kind of really drill down and see what it is. And these are the concerns they came back with.

JACOBSON: Well, I, I raise the question because at this stage of where we're on-- where we are in this session, all the priority bills have been named except committee priorities. Speaker priority has been selected. Any consent calendar bills are going to have to have no objection. We have objection, but yet there's an interest in moving this bill, and-- which means it's going to have to probably be a committee priority bill. And so my frustration at times is that we aren't communicating enough with the senators in some cases to just delay the bill for another year. And I think given the national security interests, I'm not sure that's going to happen. And so-- I can't speak for the rest of the committee, but, but I think there's going to be a need to-- both-- and Senator Hardin's bill-- or-- Hardin's bill and on this bill that, that we're going to need to reach some agreements very, very quickly or we're going to have some-- because I think we're going to see the legislation move forward one way or the other. And so I would just encourage that communica-- ongoing communication.

SETH VOYLES: Well, that's our intent. As soon as we got the language, we've been-- I've talked to Senator Bostelman almost every day in the Rotunda and that kind of stuff. And we are-- we're already looking at language-- we're already working on language now that can get this part. Because like I said, the intent is perfect.

JACOBSON: And, and I'm not beating up on you--

SETH VOYLES: No, no, no.

JACOBSON: --but I'm, I'm also sending a message to others that come in. I've had a, a bill of my own that I-- it went through committee. Somebody sent in a letter that was kind of milquetoast. Now we're getting ready to go to a floor with the Speaker priority. And now I'm getting letters that, oh my gosh. This bill's horrible.

SETH VOYLES: Yep.

JACOBSON: Well, I'm sorry. I'm quit-- I quit listening after we got out of committee.

SETH VOYLES: Yeah. And ours, since we have it-- we've had it for a week now to look at it-- we think we can come to a resolution--

JACOBSON: Perfect.

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SETH VOYLES: --by the end of the week. We're hoping by the end of the week.

JACOBSON: Great.

SETH VOYLES: So we're not, we're not trying to drag our feet on this because this isn't-- it's about national security. Like I said, we're 100% with the intent of what it's looking at doing. It's just, you know, when you have or "related facilities of any voltage," it kind of-- that can open up a whole spectrum of whatever it is. And that's-- you know.

JACOBSON: I, I agree. And I appreciate your concerns--

SETH VOYLES: Yeah.

JACOBSON: --but I just think it's very important that we get those resolved quickly.

SETH VOYLES: And as soon as we get it resolved, we will, we will drop our opposition to make sure that there is no opposition and have that same conversation with the Speaker that we did too.

JACOBSON: That's all--

MOSER: Senator--

JACOBSON: --makes sense.

MOSER: --Fredrickson.

FREDRICKSON: Thank you, Vice Chair Moser. Thank you for being here today and for providing your insights and testifying on this. I, I had a couple questions. I-- and, and maybe I, I'm, I'm not fully understanding this, but the way I'm reading this bill-- and please tell me if I'm misreading this-- and maybe Senator Bostelman can ask this as well-- is that we have some concern about the actual hardware or the actual devices where those are being produced. My understanding is that the majority of cyber-related crime is happening not so much based on hardware but more on network, in network security. Is that a misunderstanding on my part or-- can you help me understand a little bit more how that might relate to--

SETH VOYLES: I can get you a better answer, but I can answer part of it. Part of it could be in the actual components because there may be something that they produced in there later on that's supposed to sit

in there and, and, and wait un-- until they can activate or whatever it is. That, that's about as far as I can. A lot of these other things, yeah, it's that way. It's the-- it's a weakness that is somewhere from somewhere, you know. A lot of times for us, you know, the, the jump drives you can stick in your computers or those ways, those kind of things. That's-- we're going down to that kind of minutia show when we're working on our cybersecurity stuff, those ports, those kind of things, making sure that all that stuff is also secured. But from as far as I know, it, it's, it's a little bit of both, more on the trying to hack [INAUDIBLE]. You know, every utility in the country will say that, you know, we're getting pinged every single day from all these countries that are on this list of things [INAUDIBLE]. And that's why we're being as vigilant as we can. And, and that's what we're also trying to do on this to make sure-- like I said, we're-- we are, we are vowing right now to make sure that just getting the language to where it is, it is exactly-- if it's for future stuff, whatever it is-- we have it that way because this is [INAUDIBLE] looking at this thing, it's-- commences construction or acquires. So if we start-- we're replacing meters. Was that-- you know, we're constructing some new things of related facilities of any voltage. That's where we're kind of getting on some of these things. If we could do blanket exempt-- certifications, that kind of stuff, that helps as well. Me and Bo-- Senator Bostelman had that conversation this morning. It's just making sure that those few words there are tightened up just a little bit.

FREDRICKSON: Sure. And the other question was that you mentioned you had-- you're in pretty frequent contact with, with Offutt and with other-- how do-- would you see that relating to-- should this bill pass, is that something that you feel would this be a redundancy to ensure more comprehensive security or what, what-- how do you-- how would you view that?

SETH VOYLES: I think with Offutt, they're-- Offutt is one of the most secure facilities on the planet, I would say, with STRATCOM, all that kind of stuff. They're-- they are pretty well-- they're-- we have-- since we have a lot of our generation facilities and we-- the assets that are there are ours, we are in constant contact with them, making sure that all of our stuff is, you know, not, not, not only with DOE issues, NERC issues, it's also DOD regulations and stuff, making sure that everything we have is, is that way. We're working right now with them on a micro-grid to make sure that if there is an emergency, we can island them off completely. We just need to make sure that that's how the-- what they need it to be that way. Like I said, this is just-- we, we're good with the intent. It's just-- going out there, if

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we-- if it's every meter, that kind of stuff, we may have multiple meters who may have different things. Making sure to certify that we have that if we-- do we have to do it for all of them or not all of them. If we-- even if it-- we don't have to go down to that kind of small thing-- that's all we're trying to figure out is how that is, and the rest of it we're, we're OK with.

FREDRICKSON: And just to sort of-- and to Senator Jacobson's questions, I'm curious, are-- do-- what-- is it reasonable to say that you would be able to provide feedback that might neutralize your position in, in a timely manner, as in pretty imminently? Is that--

SETH VOYLES: Absolutely. Soon as we got it-- like I said, soon as we got it on Thursday, it went out to everybody: attorneys, cyber experts, physical experts, executives. Everyone started seeing it. Started getting some of the stuff back. We, we relayed some of our concerns, all that kind of stuff. We started talking about blanket certifications, those kind of things. And now we're just-- we're figuring out exactly what it needs to look like. And then we're-- hopefully, we can get that done. I'm hoping by tomorrow. But if not, at, you know--

FREDRICKSON: Thank you.

SETH VOYLES: --it's going to be by Monday, hopefully.

FREDRICKSON: Thank you.

MOSER: So SAC Air Force Base has redundant power supplies? Do you supply power to them in more than one--

SETH VOYLES: Yeah. They had-- they have some of their own generation on-site. We supply them with power as well just to make sure that there is redundancy so that they don't ever-- there aren't any issues.

MOSER: OK. Thank you.

JACOBSON: One quick question just to add a little levity to this. So I'm just curious. So is it the attorneys or the technical guys that are holding up your thought process here?

SETH VOYLES: Well, it's always interesting when you have engineers and attorneys together.

JACOBSON: Yeah. Yeah.

SETH VOYLES: It's-- it-- sometimes I need an interpreter.

JACOBSON: That should almost be illegal.

SETH VOYLES: Yeah. You know. When I need an interpreter for that kind of stuff there at times, it makes it--

MOSER: You get two stubborn--

SETH VOYLES: It can take-- it can add a little bit of time, that's for sure.

MOSER: You get two stubborn people. Sometimes it's harder [INAUDIBLE]. Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. Thank you for being here, Mr. Voyles, and for wearing a tie and being respectful.

SETH VOYLES: Third time.

J. CAVANAUGH: Yeah. Three times this year. First, I have to take a, a point of personal privilege. It should not be illegal. I am an attorney and I'm married to an engineer, and it works quite well. I, I think the, the stubbornness may be true, though. So I just kind of, from the engineering standpoint-- and maybe you're not equipped to answer this-- the voltage part is kind of-- you've touched on this and I want to understand a little bit better. Voltage-- I mean, we're used to talking about kilowatts, megawatts, things like that. And we're talking about the generation. Voltage is the transmission, right?

SETH VOYLES: Mm-hmm.

J. CAVANAUGH: And so--

SETH VOYLES: But it could be distribution lines, all that stuff. It's--

J. CAVANAUGH: Transmission and distribution, yeah.

SETH VOYLES: --it has a voltage component to it.

J. CAVANAUGH: So we're talking-- yeah. We're talking about the wires. And then-- and your concern is that meters and transformers and rep-- replacements of transformers might get caught up in this--

SETH VOYLES: Yeah, because it's, it's-- transmission lines are related facilities of any voltage. So the related facilities part is what got

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everyone's hackles up because they're like, OK. What does that mean? And since it's not defined--

J. CAVANAUGH: And, and so I-- it-- well-- my mind goes-- you're-- so you're talking about the wires that are hanging in the, in the air that are within the ten miles, right? You're worried about that?

SETH VOYLES: Mm-hmm. It's, it's-- yeah. It's, it's all the facilities that-- out to that ten mile radius.

J. CAVANAUGH: And so I guess I'm trying to just understand-- and maybe you've had this conversations with Senator Bostelman-- what things are we trying to-- are you-- your concern is more about the onerousness of the certification or that we should be able to have foreign-manufactured parts?

SETH VOYLES: No. As of right now-- so on the federal side, we're not allowed to have any business with any of the, the groups listed on 15 CFR 7.4. We're not allowed to do any business with them anyway. But the way this-- the way that-- this is from the attorney's side of it-- is about, well, if there's a, a microchip in something that may be from a different country, is, is that far-- as far we're going down on these kind of things? That's what we're kind of looking at there. And that's-- when it comes to the related facilities, that's what we think it's-- that's where it's going to get into.

J. CAVANAUGH: That's what you're worried about. OK. And then I guess the question-- and this maybe again is outside of your purview-- is your read on this that this is a good faith exception? You guys would buy something and certify, no, we bought it from a U.S. manufacturer. And then they come in-- somebody comes in and rips it apart and finds a Chinese chip in there and that you would be held liable for having falsely certified that it was--

SETH VOYLES: Yeah. And the one on the certifications, there are some vendors-- I think NREL does some. They have vendor lists that, that they've tested. They've pulled their stuff apart. They've tested it. They've screened it that way, scanned it. There are some of those kind of things that way that makes us feel better in the-- tho-- if we're doing those kind of-- sometimes with the meters and those kind of things, just pulling them apart, the reverse engineering is very difficult to do for everybody, but we, we rely on some of the federal government programs and those kind of things that do that. There's a lot of cybersecurity firms out there that have pulled these things apart and they say, yeah, these are good ones. These ones are OK too.

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It's just-- and it's a matter of cost and those kind of things in going that way. Most of the-- everything that we're putting in like that has been scanned, screened, and tested several times on everything on that. And when it gets to the certification part, we just need to know, OK. Can we do blanket certifications [INAUDIBLE]? OK. We're going to be redoing this neighborhood. All the meters that are there, we can just say, OK. We're certifying all these meters. It's good to go that way. Or does it have to be those kind of things?

J. CAVANAUGH: And would that blanket certification in that instance work for you guys?

SETH VOYLES: As of right now, I-- we think it would.

J. CAVANAUGH: OK.

SETH VOYLES: But just-- it's just a matter of seeing how that's gonna work on that side from this.

J. CAVANAUGH: OK. Thank you.

MOSER: Are you an engineer or an attorney?

SETH VOYLES: I am not.

MOSER: Neither one?

SETH VOYLES: No.

HUGHES: Sorry.

MOSER: All right.

SETH VOYLES: It's OK.

MOSER: You just talk a lot.

SETH VOYLES: Yeah. As my daughter says, I talk for a living. And she's six now.

MOSER: OK. Thank you for your testimony. Appreciate your appearance.

SETH VOYLES: Thanks.

MOSER: Anybody else to speak in opposition, please?

AL DAVIS: Good afternoon, Senator Moser--

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MOSER: Welcome.

AL DAVIS: --members of the Natural Resources Committee. I'm not an attorney or a engineer, either one, also.

MOSER: Me either.

AL DAVIS: So I'm just an interpreter. Very interesting conversation today so far. So my name's Al Davis, A-l D-a-v-i-s. I'm the registered lobbyist for the 3,000 members of the Nebraska Chapter of the Sierra Club. You guys have heard me say that a million times. I'm testifying today in opposition to LB120 and the associated amendment, AM2489, which is designed to replace LB120. At the late-- date of this hearing, I suspect the intent is to meld the bill into the committee priority bill, something that we strongly oppose. AM2489 imposes the requirement on developers, public power companies, and individuals, and, according to my read, wishing to install or transmit renewable energy on property within a ten mile radius of Offutt Air Base. A ten mile radius of the air base equates to 314 miles of the affected area which would be required to meet the reporting obligations of the bill, except that portions of the circle around the base would be in Iowa and excluded from regulation. Products from several nations would be targeted by the amendment, including Russia, North Korea, Iran, China, Cuba, and individuals from-- and Venezuela. The amendment refers to these nations as a whole but also to a foreign, nongovernment person determined by a foreign adversary. There's no definition within the bill of what that is and what a foreign, national-- nongovernment person determined by the foreign adversary actually is unless you went to the list which was provided, which you have to research. So in my reading-- now, this is somewhat different from what Senator Bostelman said, but that's all about interpretation. But in my reading, the amendment imposes a, a burden on developers to track down every component of a project, whether that be transmission lines, solar panels, turbine blades, buildings, footings, turbine motors, screws, bolts, nuts, transformers, capacitors, and more to ascertain their points of origin. If the intent of the amendment is to provide intelligence to prevent cybersecurity, then the focus on the amendment should be solely on those items which can be used to threaten the grid rather than imposing a broad and nearly impossible law which would require a guarantee of purity and which might require the Power Review Board to conduct an extensive, expensive, exhaustive review of the point of origin of every component in the proposed project. Again, this is all about interpretation. But loosely interpreted, the amendment could require residents wishing to install rooftop solar to clear the installation with the Power Review Board. And while the bill

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may be intended to only focus on future projects, the language is ambiguous enough that one could interpret the amendment to require recertification each time ownership changes. There are other potential projects which could be affected by the law which are not simply renewable projects. In my example, there is methane gas escaping from landfills. Could eventually be tapped to produce electricity but would also be required to comply with AM2489. AM2489 is overly broad and accomplishes nothing except to impose onerous burdens on developers, customers, providers, transmission owners, and the like. The result would be higher rates for ratepayers. The bill interferes with commerce and international trade and should be killed. Now, the last thing I'm going to say-- which isn't in the letter-- but I would expect that our federal government and the, the folks that are in the industry nationally probably have a better handle on this than we will ever have. The testimony today has been very interesting, and I've learned a lot. And I appreciate the senators sharing their information and knowledge with us. Thank you.

MOSER: OK. Questions? Yes, Senator Cavanaugh.

J. CAVANAUGH: Yes. Thank you, Vice Chair. Thanks for being here, Mr. Davis. So I got-- couple of things that you said that kind of struck me. One is essentially the nonelectrical components. You listed off-- like, I mean, I guess I hadn't thought of that, but--

AL DAVIS: Senator Bostelman, when he was explaining it, said it would only be, I think, electronic issues. But I-- you'll-- you can correct me, Senator, on that. But that's not the way I read the bill.

J. CAVANAUGH: OK. I'll take another look at it. But my other thought-- you said about residential-- putting it on the rooftop. My read of it would be-- it says, before an electrical supplier. So in that scenario, is the electrical supplier potentially the homeowner or-- so I couldn't put-- well, if I, if I lived within ten miles Offutt, you're saying I wouldn't-- under this, I'd have to go and certify to the Power Review Board before I put solar on my own rooftop?

AL DAVIS: I'm saying, to me, it's unclear enough in the bill that there's some, some wiggle room there that ought to be straightened out. You know, I think there are definitions that maybe need to be a part of this piece.

J. CAVANAUGH: OK. Good points. Thank you.

MOSER: OK. Thank you, Senator Davis. Appreciate your appearance.

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AL DAVIS: Thank you.

MOSER: Other opposition? Seeing none. Is there any neutral testimony? Welcome.

TIM TEXEL: Vice Chair Moser and members of the committee. My name is Tim Texel. That's T-i-m; last name's T-e-x-e-l. I think you know I am the executive director and general counsel for the Nebraska Power Review Board. I have very brief testimony. We're neutral on the main part of the bill, which is AM2489, with the military base emphasis. My board did authorize me to say we are supportive of the part of the bill that was originally put in the bill to eliminate superfluous language that was for a 2014 study that we had been directed by the Legislature to do on exporting of renewable electricity. And that was awarded to the Brattle Group when they did that report, so. It was a one-time report. Makes sense to get rid of those statutes that are in Section 5 of the bill. I, I would mention one other thing based on the previous testimony, if the intent is to make sure these are only active duty bases in the definition of military installation. The committee may want to add that military installation means an active duty military base because I think right now-- like a National Guard base-- I think, Senator Cavanaugh, you mentioned-- if, if they have fixed wing aircraft or strategic weapon assets that are assigned to that base, I think it might apply. So you might want to put in "active duty" to clarify it would not be a guard base. So with that-- as I said, I had very short testimony, but I'd be glad to answer any questions.

MOSER: We appreciate that. Questions? Senator Cavanaugh.

J. CAVANAUGH: Thank you, Vice Chair. And thanks for being here, Mr. Texel. Always, always a pleasure. I mean, my first question is, if we pass all the bills that pertain to the Power Review Board, I mean, aren't you going to need a lot more per diem for your board members? Because we're asking a lot more of you guys under all these bills--

TIM TEXEL: Well-- like, on this one, the board I don't think would be doing a lot. My paralegal and I would be reviewing the certifications. I mean, unless there was somebody who made it very difficult and said, we aren't going to certify, and we had to go to the Attorney General's Office to get an injunction or somebody who did something like that where we have to take further action-- I mean, that might take more time, but I think this-- reviewing certifications, we do that now for the privately developed electric generation facilities. And it doesn't take a great deal of time. So I appreciate the comment. I, I don't

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think most of them are things that take up a huge amount of my staff's or, or the board's time. In the aggregate, it would add some work, yes.

J. CAVANAUGH: So-- OK. You just shot yourself in the foot on getting a raise, but whatever.

TIM TEXEL: Well, it's my board that's getting the raise.

J. CAVANAUGH: Well, you could have, you could have--

TIM TEXEL: So I shouldn't shoot them in the foot.

J. CAVANAUGH: So-- well, to go back to what I was kind of talking to Mr. Davis about, the part about the electric supplier. Do you have, like, a comment or an interpretation on what that would mean? Are we, are we catching up homeowners who would put a solar panel on the roof or something similar?

TIM TEXEL: Well, an electric supplier is any entity or person who's selling electricity at wholesale or retail to third-parties. So if you're putting it on your rooftop and it's a net metering, you're not an electric supplier. And it's exempt from the norm electric supplier anyway. If you're self-generating-- the term that-- of art that we use and the industry uses. It's not in statute, but-- if you're self-generating and you're only providing power to your facility or your house and you're not any-- connected to the grid and, and moving the electricity out, then you're not an electric supplier. So I think a lot of the rooftop applications would be covered if they're under PURPA, the Public Utility Regulatory Policies Act of 1978. That might be captured because they are selling it. It's under a federal approval process. So there's a number of ways it can happen, but most of them I don't think would be electric suppliers. And that's the term--

J. CAVANAUGH: That's--

TIM TEXEL: --at the bottom of page 3 that's used.

J. CAVANAUGH: OK. And then do you have any kind of comment on what Mr. Voyles was talking about, the concerns about the blanket certification? Would that be something that would work for you guys or--

TIM TEXEL: Blanket certification for all equipment or something?

J. CAVANAUGH: --if they need to replace meters in an entire neighborhood or they need to update a whole big section, would the--

TIM TEXEL: Oh, I would think as-- it would be the-- I would assume it'd be by project. So if you're replacing a whole neighborhood or a section of town and you say, we've got all these meters; if it's all the same meters, then they give one certification that-- here's the meter type we use. I, I don't know, but I assume most of their meters are all the same brand and, and model. If that's the case, then they'd give us a blanket certification, I would assume, for that project anyway. There might be different projects in town. You know, they might be doing it in stages. I would think at most you'd do it by stage and give us a certification before the new project started. Off top of my head, that'd be my--

J. CAVANAUGH: OK.

TIM TEXEL: --initial thought.

J. CAVANAUGH: And-- what was the other question? Well, that might be it. All right. Thanks.

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

TIM TEXEL: Thank you.

MOSER: Is there other neutral testimony? Welcome.

JOHN HANSEN: Mr. Vice Chairman, members of the committee, good afternoon. For the record, my name is John Hansen, J-o-h-n; Hansen, H-a-n-s-e-n. I'm the president of Nebraska Farmers Union, our state's second oldest, second largest general farm organization. And I'm also our lobbyist. I've had about a day to go through this bill. It is complicated. It is technical. And we're in neutral position because there's a lot to be said that's good about the business of finally-- excuse me-- getting more serious about the business of assessing the, the intent of some of the countries that are on this list, primarily China. We've been raising similar concerns for longer than I know of any other organization in the public space talking about the threat that they pose, the way they structure the economy, the way they make their decisions, the way they integrate everything from beginning to end in their system, and that we have been not paying attention to our own national security interests for a long time. And so we would suggest that, that there's a lot of other things besides just the information and disinformation and the technical spying that goes on that's al-- already out there in plain sight. If you want to know

everything that there is possible to know about the, the U.S. food production and food processing system, just ask China because they own the company that owns Smithfield. And if that's not a national security interest, I don't know what is. But we've been trying to get people's attention on that. We've also been working on land ownership and saying that we haven't had effective land ownership for a very long time and that we need to get serious about it. So we have a lot of things to like about this bill. Some of our concerns are that, in the effort to respond quickly, we may do some things that cause overkill. And in the overkill category, if we do things that undermine our nation's ability to be able to do more development of our own homegrown and secure renewable energy and makes us less energy dependent on foreign countries, then the bigger picture interests are sacrificed. And if you look at the whole shift away from the cheapest source of components in the market to where we now are moving, it is like trying to move two different sets of valves at the same time while you're trying to open up the domestic manufacturing valve at approximately the same rate as you're screwing down and tightening the foreign access valve. And so we need to grow our domestic economy and our own manufacturing capacity. And we wish the committee well. And we're going to be interested to see where this bill goes. And we'd be glad to answer any questions.

MOSER: OK. Any questions? Seeing none. Thank you for your testimony.

JOHN HANSEN: Thank you very much.

MOSER: Are there other neutral testifiers? Seeing none. Senator, you came back just in time. We were going to adjourn without you.

BOSTELMAN: I just opened over there. I waived my closing over there, but-- because I wanted to come back over and do this.

MOSER: Well, maybe we'll be done here and you can go back there and close.

BOSTELMAN: Yeah, no. OK. We'll make it. OK.

MOSER: Welcome back.

BOSTELMAN: Thank you. A couple things. I spent 20 years in the Air Force, active duty Air Force. You can ask myself, ask Senator Brewer, ask Senator Holdcroft, ask Senator Lippincott. This is serious. Very serious. I don't care, in a sense, what it costs to ensure we have national security in this country and in this state. The intent is for the electric ge-- generation facilities. If it goes beyond that, a, a

digest or something like that, so be it. I don't think it does. That's not the intent. What's the price tag for national security? You tell me. How many people died protecting this country? This bill is a simple ask, simple thing that if you make sure that equipment that you're going to put near these facilities has zero, zero equipment in there that comes from those countries that have been identified by the United States of America as nefarious countries that are-- and, and the, and the one individual against this, this nation. This was not my original intent on this bill-- to bring this bill at all, I'll tell you that-- until I talked to Senator Hardin. And this bill come out late for the whole purpose because of that. Until I talked to Senator Hardin and started to find out what was going on in this state. We need to do something. This is a step in the right direction. Senator Jacobson, you're exactly right. I gave the amendment to public power last week. They sat on it. Yeah, they said, oh, we're going to have some amendment on it because we don't like this or that. Nobody came to my office. Nobody came down. All their lawyers went to lunch and, and talked about it and didn't do a damn thing. Tell me what's most important: the national security for this state, for this country, or someone has to do some paperwork and has to do a little bit of research to make sure that they're not having equipment brought in to this state around our military installations that doesn't have equipment in there that China, Russia, or what-- whichever those, those, those nations are, that they don't have any equipment in there. Well, we did it last year with Viaero, didn't we? I didn't hear anybody come up and complain about that except for Viaero. Right? The one thing that I learned over the interim, I'll tell you, I had a-- I went-- I did a letter to, to the CEOs of public power and to NREA. And I asked them specifically cybersecurity questions. What do you have? What's in there that we need to be concerned about? What equipment might be out there that we need to be concerned about? We don't want to-- well, we don't want to-- we don't want to say-- we don't want to say anything. We don't want to tell you because we don't want the bad actors to know about it. Really? I think this is a small step, small step to say you don't have anything. And when I looked into it this last interim and I looked at this and I started researching this-- so when we do cyberattacks and security incidents that happen in this country, in different utilities and different organizations, where did those things come from? Sitting on your desk: emails, computers, cameras, security systems, smart devices that you have in your facilities. Those are the weak points. Some of the questions we'll ask [INAUDIBLE], what do you do-- how do you-- how do you detect it? Well, we've-- when we find it then we do something about it. Really? I talked to the OCIO and the, and the chief security officer for the

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state of Nebraska. How do we do this? Senator Hardin mentioned it a little bit. It was the Fusion. There is, there is an organization here in the state that does take this serious and does do some things. There's more work that needs to be done on this, but this is, this is a good start. If there's a couple cleanup things we need to do, we need to do it, but I expect it by noon tomorrow, by noon tomorrow from public power. I am tired of sitting and waiting. All's they do is sit and oh, we'll get to it. We'll get to it. Oh, we're almost there. We'll get to it. We'll get to it. We're almost there. Trust us. We're going to get to it. I worked on LB1370 since August. They still don't have to get to it. This committee needs to start taking a stand on public power and say, you know what? You need to be responsive. You need to work with us. We need to get things done. I do have a handout. Sorry. I, I left it with Riley. He's across-- in the other hearing. I do have a handout. Senator Hardin had mentioned the land and specific information. I do have the handout for that that I'll give the committee for that that tells what counties and other statutory information. He mentioned that. I do have that. He gave it to me to hand out. Unfortunately, my LA's got it in the other hearing right now. But-- anyway, I think that's pretty much what I wanted to cover. Again, this wasn't really my idea to bring something like this at all until I started to learn what the heck's going on in this state. And it's like, you know what? No. We got to do something. So I worked with Senator Hardin. We worked on language, worked on things. He's worked with, he's worked with legislators in, in other, in other states. This isn't just-- this isn't just Nebraska. You know, Wyoming [INAUDIBLE] talk about Arkansas and other states. This is going on. So it's a little thing to ask just to make sure we don't have those-- I call them nefarious nations-- involved in what we're putting around our facilities. It's not technical. It's not complicated. It's not. It's a letter. It's a certification. And we're done. So-- anyway. That's what I have. I thank you for your time. And I'll take any other questions you may have.

MOSER: Questions? Seeing none. Thank you, Senator.

BOSTELMAN: Thank you.

MOSER: That'll end our hearing for LB120. Thanks for attending today.