

Transcript Prepared by Clerk of the Legislature Transcribers Office

Natural Resources Committee February 20, 2025

Rough Draft

BRANDT: Welcome to the Natural Resources Committee. I am Senator Tom Brandt from Plymouth. I represent Legislative District 32: Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. I serve as chair of this committee. The committee will take up the bills in the order posted. The public-- this public hearing is your opportunity to be part of the legislative process, and to express your position on the proposed legislation before us. If you are planning to testify today, please fill out one of the green testifier sheets that are on the table at the back of the room. Be sure to print clearly, and to fill it out completely. When it is your turn to come forward to testify, give the testifier sheet to the page or to the committee clerk. If you do not wish to testify but would like to indicate your position on a bill, there are also yellow sign-in sheets back on the table for each bill. These sheets will be included as an exhibit in the official hearing record. When you come up to testify, please speak clearly into the microphone. Tell us your name. Spell your first and last name to ensure we get an accurate record. We will begin each bill hearing today with the introducer's opening statement, followed by proponents of the bill, then opponents, and finally by anyone speaking in the neutral capacity. We will finish with a closing statement by the introducer, if they wish to give one. We will be using a five-minute light system for all testifiers. 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 that you need to wrap up your final thought and stop. Questions from the committee may follow. Also, committee members may come and go during the hearing. This has nothing to do with the importance of the bills being heard; it is just part of the process, the senators may have bills to introduce in other committees. A few final items to facilitate today's hearing. If you have handouts or copies of your testimony, please bring up at least 12 copies and give them to the page. Please silence or turn off your cell phones. Verbal outbursts or applause are not permitted in the hearing room; such behavior may be cause for you to be asked to leave the hearing. Finally, committee procedures for all committees state that written position comments on a bill to be included in the record must be submitted by 8 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

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will now have the committee members with us today introduce themselves, starting on my left.

CLOUSE: Good afternoon. Stan Clouse, District 37. Kearney, Shelton, Gibbon in Buffalo County.

CONRAD: Hi, I'm Danielle Conrad. I represent north Lincoln.

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

MOSER: Mike Moser. I represent Platte County and parts of Stanton County.

RAYBOULD: Jane Raybould, Legislative District 28, which is the center of Lincoln.

JUAREZ: Margo Juarez-- excuse me. District 5, south Omaha.

BRANDT: Also assisting the committee today, to my right is our legal counsel, Cyndi Lamm, and on my far left is our committee clerk, Sally Schultz. Our pages for the committee today are Emma Jones, a junior at the University of Nebraska, and Kathryn, a junior majoring in environmental studies at the University of Nebraska-Lincoln. With that, we will begin today's hearings with our gubernatorial appointment of Chuck Hutchison for the Nebraska Power Review Board. And while he's walking up here and having a seat, I'm going to read a little intro that our clerk did to help the committee out, and the committee also received these yellow sheets that say what these boards do. Chuck Hutchison, a reappointment to the Nebraska Power Review Board. Mr. Hutchison is from Bellevue. He is an engineer, retired from the Navy after serving for 28 years. He is current chairman of the board. He was originally appointed to the board on May 20, 2017 and started a second four-year term in January 2021. He is one of the board's two designated lay members. And with that, welcome. Welcome to your committee.

CHUCK HUTCHISON: Thank you, Senator Brandt. I wanted to first to thank Governor Pillen for the confidence he is showing in appointing me for this position. Second, I wanted to thank the committee for taking the time to consider my qualifications for serving on the Power Review Board. I am a retired-- as was mentioned, a retired Navy officer, and currently serve as a senior technical advisor at U.S. Strategic Command at Offutt Air Force Base, where I advise the command's

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leadership on how best to advocate for critical capabilities that enhance our nation's strategic deterrence. I've been involved in the Bellevue community for 28 years. I am a local real estate investor, have served as the chair of an SID board, the president of a condominium association, and worked in youth ministry at my church for over 10 years. I currently chair, as was mentioned, the, the Power Review Board today, and I serve as the state's representative to the Southwest Power Pool's regional state committee, serving alongside 11 other commissioners from the states that make up SPP. I am happy to take any questions.

BRANDT: Could we have you spell your name?

CHUCK HUTCHISON: Yes. Sorry. Chuck Hutchison, C-h-u-c-k H-u-t-c-h-i-s-o-n.

BRANDT: OK. Questions from the committee? Senator Raybould.

RAYBOULD: Thank you for your willingness to continue to serve. Tell, tell us a little bit about what you like about being on the power board.

CHUCK HUTCHISON: Oh. So, the power board is an interesting-- looking at-- we don't make policy, but the electric industry's always intro-- been interest to me. As was mentioned, I do have, academically, an engineering background. I haven't actually done any real engineering, although I did serve in the Navy's nuclear propulsion program. And so, I have had-- done some, you know, related-to-engineering things. So, it-- it is technical and I just, I enjoy that. Working, getting an opportunity to meet all of you today, and working in-- you know, with, alongside those folks that [INAUDIBLE] you all that make policy and can try to help advise certain people on certain things. And then, I almost went to law school when I was in college, and we do have a quasi-judicial role to help with various issues that come before the board from the utility industry.

RAYBOULD: OK. Thank you.

BRANDT: Other questions? Senator Clouse.

CLOUSE: Yes, thank you, Senator Brandt. OK, we have the opportunity for you to be here, so how is the pool holding up in this cold weather stream?

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CHUCK HUTCHISON: Well, I, I just heard before we, we woke-- walk-- before we-- before I started this hearing that there was a problem in, I think, Broken Bow. But I don't know anything about that, really. But, yeah, we-- I, I do know that the Southwest Power Pool had conservative operations today, which is one of their elements for how-- when the system is especially constrained, they have resource advisories, then they have conservative operations, and then they go into emergency conditions. And so, they were one level below those emergency conditions, but I think we're in the clear now. That-- the, the, the stress period for today was probably somewhere between about 8 to noon this morning.

CLOUSE: OK. Thank you.

BRANDT: Any other questions? Senator DeKay.

DeKAY: Thank you. Have you represented the Power Review Board on the south-- southwest-- yeah. Power Pool's regional meetings?

CHUCK HUTCHISON: I do.

DeKAY: Are those down in Arkansas, or where are you--

CHUCK HUTCHISON: The Southwest Power Pool is headquartered in Arkansas. Our meetings are, are all over. In fact, the quarterly board meeting for the regional state committee will be in Omaha.

DeKAY: So, what's your capacity with Southwest Power Pool? What-- are you over-- what do you oversee with the committee you're on there?

CHUCK HUTCHISON: So, the, the regional state committee has two responsibilities. One is resource adequacy, and the other is cost allocation. They also do some things with financial transmission rights, but that sort of fits into the cost allocation piece. And I currently serve as the vice, vice president of the regional state committee, and if all goes well, I would expect to be president next year.

DeKAY: OK. Thank you.

BRANDT: Any other questions? Senator Raybould?

RAYBOULD: Thank you. You brought up resource adequacy. I know I attended one of the, the energy seminars that was offered by the Nebraska Chamber of Commerce, and it looks like we're going to have an

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energy resource gap in the, in the near future because of all the additional power requests from data centers to crypto mining, all that other interesting things that uses a lot of data, requiring a lot of energy. So, what is your prognosis for the future on how we're going to try to, to fill that power inadequacy that is projected?

CHUCK HUTCHISON: Sure. So, so, the Nebraska utilities work very hard to meet-- Southwest Power Pool, and one of the responsibilities that we have with the regional state committee is to define what those requirements are. But there are reserve margins and a number of accreditations for how much credit you get for every generation facility you add to the grid. Those are the things that fall within the jurisdiction of the regional state committee. I think more to your point, at a statewide level-- and for those that aren't familiar with it, we can certainly provide a copy-- but there's an annual loading capability report at a statewide level. What is our capacity needs and where-- what can we actually provide, and what is the load growth, and how is that going? As you've pointed out, there-- that's a challenging environment, especially coming as early as 2027. What I can tell you is the utilities are working hard to address that. I don't think we'll actually have a gap. I think what actually-- as we've talked to the utilities, it's something they will have to manage in order to make sure that they can maintain that reserve margin requirement that SPP requires. And a way to do that is interconnection queues, to basically delay large customers from being able to-- until they have the capacity necessary to support those customers. So it is, it is an industry-wide problem across the country; it is affecting Nebraska utilities. And there's more information in our loading capability report; if you'd like to get a copy, I can certainly make sure that happens.

RAYBOULD: Yeah, that'd be great. Thank you.

CHUCK HUTCHISON: Sure.

BRANDT: Any other questions? Senator DeKay.

DeKAY: Thank you. Within the Southwest Power Pool, [INAUDIBLE]-- with all the new load that's going to be coming on in the next few years, are, are we in a good spot with our transmission capacity within the Southwest Power Pool footprint? Or is there the need for more transmission lines to be built, and how is Southwest Power Pool looking at that going forward?

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CHUCK HUTCHISON: So, transmission builds-- build-outs, there's a number of different ways that that occurs. They have a, a normal process annually to be able to make additional investments in transmission. I think last year, if I remember the numbers correctly, \$7.6 billion of additional investment was approved by the board of directors last year. There's another cycle of studies to basically look where those needs are. And then, for-- whenever one of the utilities wants to be able to-- or a private developer-- across the footprint needs to bring generation online, whether that's a wind facility, a nuclear facility, a, a, a, you know, a gas facility, whatever that is, there are studies done to look at the interconnection and how that facility-- that generation facility will affect the transmission system. And sometimes, there are, are upgrades required. And if it's, it's caused specifically by that facility, then there will be, you know, investments made before they can fully utilize that facility. And so, that's a well-studied system problem, I guess, from, from that perspective by SPP. And, and they're continuing to make investments.

DeKAY: OK. Thank you.

BRANDT: Any other questions? OK. Thank you.

CHUCK HUTCHISON: Thank you.

BRANDT: We'll see if there are any proponents. Proponents? Opponents? Any opponents? Anyone in the neutral capacity? No one in the neutral capacity, and there were no online comments. So, the-- this hearing is closed, and we will go to our next appointment, Matt Smallcomb. He is a new appointment to the Nebraska Natural Resources Commission. Mr. Smallcomb is from Gibbon. He is currently the city administrator for the City of Gibbon. He is a new appointment to fill the vacated term of Senator Clouse starting December 11, 2024 to May 31, 2028, a four-year term. And he is being-- his selection is because he is a municipal water user from a city of the first or second class. Welcome.

MATT SMALLCOMB: Thank you. Thank you, Senators. Thank you, Chairman Branch [SIC]. I'd also like to thank the governor for his confidence in appointment. My name is Matt Smallcomb, M-a-t-t S-m-a-l-l-c-o-m-b. Like Senator Brandt said, I'm born and raised in Gibbon, live southwest of Gibbon on my family farm with my wife and three kids. I started my career in water and wastewater in 2008, shortly after I got my certification with water. And then wastewater, I've been doing that

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for 15 years, and for the last several, I've had the privilege of being the city administrator for Gibbon. Came with a new set of challenges, but fun and unique. I'd like to thank my wife for her unwavering support and pushing me outside my comfort zone, and Senator Clouse for giving me the occasional push when I didn't really know I needed the push to do something more. So, thank you. Why are natural resources important to me? Over my career, I've seen a lot of changes in water regulations, but for many years my focus was solely on Gibbon and the problems that faced Gibbon. But it wasn't until more recently that I've been-- started engaging with other communities throughout the state, that I really started to appreciate some of the challenges that other towns face. Also, along with that, our former mayor Deb VanMatre is on Central Platte NRD, and in conversation with her, I thought-- started seeing some of the things that, that they're working towards on water conservation, which piqued my interest as well. Recently, or currently-- today, I toured the capital with Leadership Nebraska, a program I'm part of, and in that program we've toured all across the state-- Kingsley Dam, Gerald Gentleman-- and seeing some of the efforts those people are putting out towards water conservation. As-- and I know, as you heard last week, how important water is to our state. I agree with that, and I want to do my part to help conserve that. Water sustains our communities, drives our agriculture, and defines our way of life. Yeah. And I'd be happy to answer any questions from [INAUDIBLE].

BRANDT: OK. Let's see what we've got. Questions? Senator DeKay.

DeKAY: Thank you. Without looking at his feet, do you feel you have big shoes to fill, or not? Just kidding, that's-- so, thank you for being here today.

MATT SMALLCOMB: Yeah. Thank you.

BRANDT: Any real questions? Well, it looks good.

MATT SMALLCOMB: All right.

BRANDT: Thank you for driving all the way in from Gibbon. I hope the roads were good.

MATT SMALLCOMB: I came in on Monday, so, yeah. It was interesting.

BRANDT: OK, let's see what we've got. Any proponents? Proponents? Any opponents? Opponents. Anyone in the neutral capacity? Seeing none. We had no online comments. That will conclude the hearing for Mr.

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Smallcomb. Thank you to our appointees for coming in. We're going to go into our regular hearing schedule now.

JUAREZ: Thank you for coming.

RAYBOULD: Thank you. Safe travels.

BRANDT: Oh, OK. We're going to take a, a five-minute break before we, we start the next hearing. OK?

[BREAK]

BRANDT: I'm going to turn on the speakers to turn the corner back on. OK. Good afternoon, Vice Chairman DeKay, and members of the Natural Resources Committee. My name is Senator Tom Brandt, T-o-m B-r-a-n-d-t. I represent Legislative District 32, Fillmore, Thayer, Jefferson, Saline, and southwestern Lancaster Counties. I bring to you today LB562 on behalf of the Nebraska Game and Parks. LB562 proposes updates to several statutes related to park permits, wildlife management, and conservation efforts. The bill primarily focuses on increasing statutory fee caps for resident motor vehicle park permits and the nonresident aquatic invasive species stamp while also making necessary clarifications and adjustment to gaming parks statutes. I want to be very clear: these changes do not impose immediate fee increases. Instead, they update the maximum allowable caps, ensuring the commission has the flexibility to propose adjustments through the Administrative Procedure Act process, which includes public comment, a public hearing, and approval by both the commission board and the governor. Here are the specifics as to what LB562 looks to achieve. First, the bill raises the statutory fee cap for resident park permits, increasing the annual cap from \$35 to \$50, and the daily cap from \$7 to \$10. These caps have not been updated since 2016, and by statute, nonresident fees remain twice the resident rate. Next, the bill increases the fee cap for the nonresident aquatic invasive species stamp from \$15 to \$30. This funding supports efforts to prevent invasive species from harming Nebraska's waters, a critical component of protecting our natural resources. Additionally, it modernizes language regarding the collection of issuing fees for park permits to align with broader game law statutes, removing redundant language, and ensuring consist-- consistency. Finally, LB562 allows the commission to authorize up to two bighorn sheep permits for auction, rather than the current limit of one. And the bill clarifies landowner elk permit eligibility, ensuring that partnerships, corporations, and trusts qualify just as they do for deer, antelope,

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and wild turkey permits. LB562 is a necessary step to ensure that Game and Parks has the tools to maintain and improve our public lands, wildlife programs, and conservation efforts. I appreciate your time and consideration, and would be happy to answer any questions.

DeKAY: OK. Thank you. Are there any questions from the committee? Senator Raybould?

RAYBOULD: Senator Brandt, I apologize. I, I was outside the hearing room, but did you-- tell us, when was the last time some of the fees were raised?

BRANDT: 2016.

RAYBOULD: And how did you come up with the, the new amounts?

BRANDT: Game and Parks will be following me, and they can give you those specific details.

RAYBOULD: OK. OK. Thank you.

BRANDT: Yep.

DeKAY: Are there any other questions from the committee? Senator Clouse.

CLOUSE: Yes. Thank you, Senator DeKay. So, Senator Brandt, you're just saying this just gives the, the Game and Parks Commission the, the authority [INAUDIBLE] to move it up. It can be incrementally, doesn't have to be the--

BRANDT: It, it will be incrementally. Yes.

CLOUSE: It will be incrementally? OK. Thank you.

DeKAY: Any other questions? Seeing none. Are you going to be here for closing?

BRANDT: Yep. Yes, I will.

DeKAY: Thank you. First proponent.

TIMOTHY McCOY: Good afternoon, Senator DeKay, and members of the committee. My name is Timothy McCoy, T-i-m-o-t-h- y M-c-C-o-y, and I have the honor of serving as the director of the Nebraska Game and Parks Commission at 2200 North 33rd Street here in Lincoln, Nebraska,

at our headquarters. We do appreciate Senator Brandt bringing this bill. We have visited with him about this. As it's a-- you know, periodically we look at our statutes, look at things that we know we want to maybe change, and what really predicated this is we, we are at our fee cap on the park permit. And, and the senator already mentioned those, so I won't reiterate those. In 2017-- in 2016, the fee caps were increased. And in 2017, we did make an increase to \$30, and that was the last-- prior, prior to that, it'd been 2012. Now, in 2024 [SIC]-- so, seven years later-- we made another \$5 increase in that annual resident park permit, and then also, that increase can come and it increased the daily permit, and that put us at the fee caps. The senator already really covered the process we have to go through; the other, the other thing I would mention is we also have a statute in Nebraska Game and Parks, Chapter 37-327, which limits our ability to-- limits-- it limits the increase to any fee to no more than 6% a year, and you can carry that up to-- if you haven't-- you can carry it up to two years beyond the year you're doing it. So, the maximum you could do if you have not increased fees over three years would be 18%. Now, we, we always look at these as-- as, as he said, this is not an automatic increase. This would allow the commission, based on recommendations sta-- from staff to move this forward. There's also other, other statutes regarding our fee increases. The same statute that has that cap has requirements. Whenever we're doing that, we are required to put together a fiscal an-- fiscal analysis that shows what our monthly revenue and expenses are, and to project our revenue and expenses out two years. And quite frankly, our budget team is, is normally doing this and trying to go more than two years because part of what we're projecting is based on a couple of bienniums. So, this, this does req-- it would require action to, to move it by our, by our board. Now, the most recent increase was done because we were seeing-- we've saw some pretty substantial increases in costs over the last five years, about a 17% increase in both our personnel costs and in our operating costs, and those personnel costs are largely related to the increases in salaries that were provided in that last five-year time period. And those have been supported and needed from our perspective to be able to maintain our, our current employees, and then also to be competitive in the market for new employees when, when we have folks retire and, and move up through our system. The last fee increase-- so, if you look at those last five years, that was a total increase of about \$5.91 million in our parks operating-- just in our parks operating program, and the latest increase that we made in 2024 provided about \$1.4 million to help fill part of that gap. But it-- you know, it's always a balancing act. We do not like to increase

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fees. We are always trying to keep these reasonable because we know that's our market, and these are Nebraska-- these are your parks, they're the public's parks. We're stewards of them. And so, we always think about that. I have shared with you a, a packet that has the parks for-- cost for parks permits in surrounding states. I'll be glad to answer questions on that at the end. The other section that regards fees for parks permits is making some changes of the issuing fees. That issuing fee for park permits was last changed in 2011. This change would allow the commission to do that through-- you know, following the other requirements that are already there for the entirety of the game law. The costs through our system right now, through our electronic permit system and the credit card fees, we do not-- we do not charge an additional credit card fee. We've, we've always built that into our-- historically, have built that into our issuing fee. Those costs have increased, you know, through our third-party system that we have to issue permits and the credit card fees. So, we are at the point we probably need to look at increasing those. Because right now, for a lot of our permits, the, the, the \$1 fee does not cover those costs. And so, we are looking at that. This would give the, the commission again-- would give the ability to increase these fees, and we would look at that very closely, do it moderately, just to try and help fill some of those, those holes that we see. You know, Section 3 would, would update 37-451 regarding bighorn sheep permits. Currently, statute says we can do one auction permit; we would like to be able to do up to two. And also, we included language to ensure the number of permits that are offered for auction can't exceed those that we award to residents through a random drawing. And those decisions on how many are done is always done through a, a commission meeting. We provide advance notice, there's a public hearing, and it's a, it's eventually a vote of the commission of how many we're going to offer. We've not offered two. We're-- right now, we're not necessarily in a place right now. We're offering one resident, one resident and one auction tag. There has been some discussion with my board; they would-- one of the things that they brought up is-- does the number have to be in statute, the number of two? I think they would prefer to have more flexibility in the future, if our-- you know, we're working to increase our sheep herd, where there might be opportunities to do more in the future and not have the number. But still, we need to have that-- and we want to retain that language, that it would never go above the lottery permits that we offer to residents. Section 4 makes a change to landowner eligibility for permits. We made changes on-- in probably 2013 for deer, turkey, and antelope that'll-- that made it clear landown-- landowners and

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partnerships, corporations, or trusts can be eligible for those permits. We did not recognize until recently-- we thought that was the, the same for elk, and it's how we've been treating it. So, we felt this was time to clean this up. So, it, it just makes it a lot simpler and a lot less confusing for our landowners. If, if their eligibility-- if they're, if they are in a partnership, corporation or trust, it's the same across all those permits. And then, Section 5 would increase the fee cap on the nonresident aquatic invasive species stamp that's required on nonresident boats when they come to Nebraska, and that bumps that cap from \$15 to \$30. The same process; it would require a public hearing, full notice, and a vote by the commission. That stamp's been \$15 since 2017.

DeKAY: Sir? Could you wrap up?

TIMOTHY McCOY: Yep, and I will wrap up quickly. I will-- I can talk more about any of those things if you have questions on them.

DeKAY: Thank you. Are there any questions? Start with Senator Hughes this time.

HUGHES: Well, thank you, Senator Barry DeKay. Thanks for coming in. Thank you for this. The chart showing the-- I was-- my top question was how, how do Nebraska fees relate to our neighbors nearby? And I know people sitting there don't have this in front of them, but we're definitely on the lower, lower end. So, what we're talking about here is not a, a crazy amount. And again, it's a cap. It doesn't mean you're going to that. And if you did, it would be phased in. I also-- I've done this before, but I even did, did the projection out of, you know, something that was \$35 in 2016. Today, that \$35 would be \$45.39, and we're talking about moving that cap up to \$50, so it's not, it's not outside the realm of, you know, such a huge increase. Same with the \$7 to \$10-- \$7 back in 2016 would be \$9.08 today, so. And again,--

TIMOTHY McCOY: I--

HUGHES: I know you-- go ahead.

TIMOTHY McCOY: I absolutely agree with you, because that was part of what we looked at. We always look at--

HUGHES: Oh, OK.

TIMOTHY McCOY: --what does it relate to with inflation, if we were going to try to at least maintain status quo. Now, it is a little

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higher on those, but we also know that historically we do not move these quickly. We try to take our time, we watch our-- in Parks, specifically, we've been watching our-- we always watch our cash balance. We do try to keep a reserve in our cash balance of about 20% of our expected expenditures, and that is to deal with times where-- with weather or disasters, or in some years with drought-- we will see a dip in revenues to try and make sure that we can withstand those without coming back with a deficit request, because in some cases, those might be the same times when there are challenges, you know, within the state's budget. So, we want to manage that.

HUGHES: So, I guess here's my question that I am-- I always think about, not just in this kind of a hearing or, or statute. I hate numbers in statutes. I-- because it lends itself that, OK, this has to come back to this committee five years down the road, ten years down the road. We just had one with fees for landfill fees. Look at the state-- the state senator salaries, \$12,000 in 1982 is like \$40,000 today. If there is-- and kind of what you were saying with the two bighorn sheep, right? We're putting a number in. If there is a way-- and I don't know if there is that makes sense-- that we could put a cap in, and then have-- grow with a CPI-- I, I don't know, but I think that would be beneficial to clean up our statute on everything. Any place that we could put-- instead of just a straight-up number, because 20 years from now-- \$10 today is not what it is 20 years from now. So, I don't know. That's just a comment of mine. If you have a great idea for that, I would love to do something like that. But I don't know where everybody else is.

TIMOTHY McCOY: We worked with former Senator McCollister in 2016 when we made these increases, and he started looking at that, and the-- what he came back and said, I don't-- everything I'm being told is we can't do that because the Legislature, with the control of the purse, has to at least establish a cap. Now, that's what I was told.

HUGHES: But you could--

TIMOTHY McCOY: I am not-- I am not an expert.

HUGHES: Could you make the cap-- something-- I don't know. Yeah.

TIMOTHY McCOY: Yeah.

HUGHES: OK. Thank you.

TIMOTHY McCOY: Yeah.

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HUGHES: Something we can talk offline about.

DeKAY: Senator Clouse.

CLOUSE: Yeah, thank you, Vice Chair DeKay. I have a, a question. And when I look at these numbers on the nonresident-- and I'm thinking about out west, kind of where I'm at, we get a lot of nonresident folks that create a lot of issues. If you didn't have the two times fee on there, would you feel better about changing some of the nonresident fees?

TIMOTHY McCOY: I would say absolutely not, because there are some federal requirements; we utilize land and water conservation funds that are federal funds. One of the stipulations of that is you're not eligible to utilize those funds if you charge nonresidents more than two times residents--

CLOUSE: Oh, OK.

TIMOTHY McCOY: --on those, on those fees. They also-- the other thing is we manage several federally-owned reservoirs from the U.S. Army Corps of "eneers"-- Engineers and the Bureau of Reclamation. They had the same requirements. So, it's, it's-- I would not, not want to go to that.

CLOUSE: So, it's been, it's been thought about and shot down.

TIMOTHY McCOY: I would not want to go that--

HUGHES: That can't happen.

TIMOTHY McCOY: --go to that place.

CLOUSE: OK. Thank you.

DeKAY: Senator Conrad.

CONRAD: Thank you, Senator DeKay. Thank you director. Good to see you, as always. Really appreciate your thorough consideration of the measure. And I was going to ask you if you just wanted to help us keep going through it, because I don't think we probably have a great deal of testifiers here today, and I think you have particular expertise to detail the legislation. But I did also want to pick up on a thread from my colleagues, perhaps on the flip side of the coin that Senator Hughes was looking at in this regard. I know during my time in the

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Legislature, this issue has been-- come up frequently, and sometimes it's more contentious than others. But I appreciate the good work at Game and Parks. I know that you're typically one of the only revenue-generating agencies in the state. I think our state parks are a gem. I think you contribute to tourism, which is critical to Nebraska, and provide so many conservation efforts and recreational efforts for, for families, which are so, so important to mine and, and all across Nebraska. But I do worry about increasing the fees and the impact that that has on everyday working families and seniors living on fixed incomes. And so, I'm not inclined to support that component of the, of the legislation, but I do see the value in moving forward with some other areas. Can you help me understand-- and I, I know we've worked with the committee on this before in "relard"-- regards to some of the federal strings you just talked about. How do some of our sister states have no entry point or no fees for their residents, but then have the higher amount for nonresidents under those federal strings that are there? Because I'm seeing on your chart-- which is dynamite-- that it looks like Iowa and Missouri don't charge their residents anything to access their state, their state parks, which is pretty cool,--

TIMOTHY McCOY: So--

CONRAD: --and I'm just learning about.

TIMOTHY McCOY: So, Missouri actually has a, a-- I believe it's a part of a tenth of a percent-- part of one-tenth of a percent sales tax that is dedicated. They have a dedi-- they have dedicated sales tax funding for their Department of Conservation, which would be our Fish and Wildlife side of our agency. And they also-- that-- another part of that provides dedicated funding to their state park system.

CONRAD: Interesting.

TIMOTHY McCOY: And they-- so, so that's the main reason they've done that. Iowa had-- is supported-- a, a big part of their budget is appropriated.

CONRAD: Like general funds?

TIMOTHY McCOY: Yeah. Well, I--

CONRAD: Ish?

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TIMOTHY McCOY: --can't tell. I think it's-- I think it's general funds that, that actually tie back to their "lotterily"--

CONRAD: Oh, OK.

TIMOTHY McCOY: --lottery, but it's unclear, because it's appropriated annually.

CONRAD: OK.

TIMOTHY McCOY: And then-- so when, when we look at those, Iowa actually just started their nonresident park permit, and it's tied to a couple of their largest, busiest, most developed state parks. They don't have as many state park areas as we do, and I would say the other thing to note is Kansas. We have 79 different park areas. We have eight state parks, 60 SRAs, ten historical parks, and the Cowboy Trail. Kansas has 28 parks, so they do have a smaller number. They also have a-- they also have a higher population, which kind of plays into that. But we do, we do look at that. I mean, we do, we do look around at what, what are the-- you know, what are the great ideas out there that we'd love to see? We just know this probably isn't a good time to try and do anything with sales tax, with everything going on.

CONRAD: Yeah. That, that's-- yeah, I would have concerns about a sales tax increase to, to, to accomplish the same. But can you also help me, and perhaps the committee, to get a better understanding of, under your current grant of authority that the agency and the commissioners have available, when you've increased fees for different licenses or entry fees or permits, has the public engaged in those processes at the agency level? What's, what's the level of engagement there? Because I'm, I'm nervous about providing a broader grant of authority and removing that from the public engagement in the legislative arena.

TIMOTHY McCOY: We normally, any time we are doing anything with fee increases, we get feedback from our public, and we will get some that will say "don't do it." We get some that say "do it, because we want these resources to be managed the way we need it." So typically, we have more support than we have detractors. In some cases where we've not increased the fee for a significant period of time, the-- I mean, typically, we are not trying to do these one year after the other. We try to take our time with them.

CONRAD: OK. And then the last question would just be, can you help to refresh my recollection as to how your agency's been treated in

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regards to cash funds sweeps under the Pillen administration, if at all?

TIMOTHY McCOY: In terms of cash fund fees?

CONRAD: Or-- sweeps.

TIMOTHY McCOY: Sweeps? We've not, we've not had any direct sweeps of cash funds. We do have-- our parks cash was included in, in the effort to take interest from funds.

CONRAD: OK. And if there--

TIMOTHY McCOY: That's really the-- that's really the only one of our direct fees that's been, that's been impacted that was fee-based.

CONRAD: So previously, that went back into your cash fund, and now it goes into the General Fund?

TIMOTHY McCOY: Yeah.

CONRAD: How much is that ish, generally?

TIMOTHY McCOY: Well, it's interesting because our parks cash held some capital dollars for our venture parks program that was largely donated. And so, we've spent those down at-- you know, we're, we're at a balance right now of about \$13 million.

CONRAD: OK.

TIMOTHY McCOY: So, it's reduced a lot from where it was even a year ago.

CONRAD: OK.

TIMOTHY McCOY: And I don't have those exact numbers in front of me,--

CONRAD: That's OK.

TIMOTHY McCOY: --but we can I could try to find them for you.

CONRAD: And then, have your general funds or other funds been cut or held flat in recent years?

TIMOTHY McCOY: General funds have, for the most part, remained flat, you know, with some increases in previous years relative to just the,

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the proportional increase that we get with a, you know, with the increases and raises, part of that coming from general funds. A large-- larger portion of that in our park system, 78% of our funding is coming from our cash funds, about 22%--

CONRAD: 22%?

TIMOTHY McCOY: --from General Fund. If you look at our entire agency, we get about 11% of our budget from general funds.

CONRAD: Great. Thanks very much. Thank you.

DeKAY: Thank you. Any other-- Senator Raybould?

RAYBOULD: Yes. Thank you very much. I have two questions. The first one, you know, I've been to a number of different parks all throughout the country, and they offer a senior discount. So, is that something your team would consider? And then, I happened to notice on the handout-- did you want to talk to us about aquatic invasive species program? Or-- it was just--

TIMOTHY McCOY: I, I provided that for information, because we developed that program starting in 2017. The big concern at the time was zebra mussels, which is why I have the zebra mussel information in there. We've been able to maintain-- we've actually had some success in a couple of lakes in Omaha where we were actually able to lower the level and remove zebra mussels, so we don't have them in any inland waters other than-- we have a new-- we have a new infestation in, in a small lake in Cass County that's privately owned, and the cabin owners at this point aren't necessarily interested in lowering that lake to the level we could freeze them out. So, we will continue to work with them. We treated them at Offutt Air Force Base Lake, which does actually have a connection to the Missouri River, and we were able to remove those, and in about two years they were back. But having that connection, the Missouri River is pretty well infested. We have them in Lewis and Clark Lake, we have them, we have them in Lake Yankton, so we're not going to be able to stop them in that system. But what we're really focused on with our program is doing a lot of boat inspections to make sure that we don't move those infestations into our inland waters. If you look at the national maps I put up, you know, we're seeing an increase in, in waters in both Kansas and South Dakota with zebra mussels, and some expansion in Iowa. So, we're trying to watch that pretty closely, utilize boat inspections; we do a lot of promotion of "clean, drain, dry" and, and other preventative

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measures, because that's the big-- that's one of the big concerns that, that we want to make sure we don't have in our state. Zebra mussels reproduce very quickly, and they can cause big problems for water infrastructure. So, you know, in our lakes or anywhere with a power plant, or if they have a water-- if they have a-- if they're getting water from surface water, they can be very problematic. And I think they'd be really problematic in some of the state surface water irrigation systems.

RAYBOULD: And about the senior discount?

TIMOTHY McCOY: We do not offer a senior discount. There have been lots of requests for different kinds of discounts. It makes it really challenging for us when we are primarily supported by, by permit funds. We have asked senators in the past if they would be willing to find a way to backfill that with general funds, and typically the answer is no. So, we're trying to-- we try to kind of stay with the status quo of where things have been at. We have been able to continue to do developments in our parks that are revenue-generating with some of the park permit funds, and that's, that's part of our, our management plan, is really manage growth to be very careful about it, because there are a lot of interests and all sorts of activities in our parks that people would like to see, and we have to play a little bit of a business plan game every time we do one of those.

RAYBOULD: OK. Thank you.

DeKAY: Thank you. Any other questions?

JUAREZ: Yes. I have a question, please.

DeKAY: Senator Juarez.

JUAREZ: OK. I was taking a look here, and it says that there are reduced rates for specific events or during specified time frames. It says here on page 3 "the commission may offer permits or combination of permits at temporarily reduced rates."

TIMOTHY McCOY: Yeah, the reduce-- the reduction for combinations of permits is something that's been applied primarily to our hunting and fishing permits. We do have some ability that we've utilized within our, within our parks to be able to waive the permit for special events. The other thing about the park permit that's very different than hunting and fishing permits, a park permit is a vehicle permit, so it doesn't matter how many people you bring into a park; you can

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actually walk or bike into a park without a permit. So, so it is, it is a motor vehicle permit. So, if you're coming in for a daily motor vehicle permit, you may bring a bunch of people with you. I know we have people that will, will bring their family out, and if they have a big family, they may, they may make two trips through, which is fine. Bring the--

JUAREZ: OK, so did you--

TIMOTHY McCOY: It's per vehicle, it's not on-- per individual.

JUAREZ: OK. So, why don't you charge for somebody who walks in or somebody who bikes in?

TIMOTHY McCOY: Well, because the-- well, you could. It would be difficult in terms of many of our state recreation areas are, are areas that aren't-- they don't have a full-time man-- person at the gate house the-- that would have to be monitoring that, or law en-- having law enforcement check it. So, we've always done it-- historically, it's always been done with a motor vehicle permit, which is a sticker on the windshield. So it's very apparent. Our, our agency law enforcement does do some enforcement on that. And our park, our park employees will go check, and will actually just visit with people to get them to get their park permit or buy a daily permit.

JUAREZ: Well, I just think that, you know, even if you did it on the honor system and you charge someone \$1, right?-- \$2, whatever, even if it's minimal-- maybe you could get a senior reduced permit if you had funds coming in and-- from the bicycle people or those who are walking in. Just another-- it's like you're missing a dollar there when you're-- when we're so strapped with heavy reliance on these permits. Right?

TIMOTHY McCOY: Yeah. Heavy, heavy, heavy reliance on user fees.

JUAREZ: OK. My next question is have you ever had-- let's see. How should I say this? Is there an opportunity for someone who is of low income to be able to ask for a reduced fee? Do you have a process in place for something of that nature?

TIMOTHY McCOY: We, we would have to have statutory authority to be able to do anything like that.

JUAREZ: OK. I'll work on it.

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TIMOTHY McCOY: Because we don't-- because we don't-- I mean, stat-- everything that we deal with in order to be legal and enforceable has to come through statutes.

JUAREZ: OK. Thank you.

DeKAY: Any other questions? I have just a couple. Talking about zebra mussels, they're all the way from Fort Randall Dam all the way down to the border of Missouri and stuff. How do you-- how much money annually does Game and Parks put in to try to control zebra mussels? Do you have--

TIMOTHY McCOY: Well, at this point, typically the only times we've made direct expenditures on zebra mussels have been really, really tied to those infestations that we can address in the inland waters. The Missouri system, being a long open system, there's not a good way to do it. So, a lot of what we're doing is the dollars that we spend through our program with, with boat inspections, with our-- with a pretty limited staff, we-- we're probably spending at this point, probably close to, I think, \$400,000 a year mainly, and that is a lot of our seasonal staff and the two staff that we have that are on the program. And we also utilize our other-- parts of our field team to help with those inspections.

DeKAY: Do you work in conjunction with South Dakota, Iowa, and Missouri on trying--

TIMOTHY McCOY: We coordinate-- our, our aquatic invasive personally coordinates extensively not just with the states around us, but with states around the country because there's always concern of new aquatic invasive species coming in. We have some to our, to our west that are called quagga mussels. They're more of a cool water stream. We've not had them in Nebraska, but we keep watching for them coming from, potentially, down the Platte system.

DeKAY: OK. Thank you. Any other questions? Seeing none. Thank you.

TIMOTHY McCOY: Thank you.

DeKAY: Next proponent. Any other proponents? Seeing none, first opponent. Any opponents? Seeing none. Anybody testifying in a neutral capacity? Seeing none. As Senator Brandt comes up to close, record on-- the record shows that there-- on LB552 [SIC], there were 0 letters of-- from proponents, 3 from opponents, and none in the neutral capacity.

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BRANDT: Well, there isn't much to say. I guess it's pretty straightforward. I think he answered everybody's questions and concerns. I mean, you've got some assurances that you can increase no more than 6% annually. I don't even see them doing that. I don't think the commissioners are going to raise the fees until they absolutely have to, to cover costs. And it's like Director McCoy said, they are faced with 17% increase in expenses the last several years, and so you're going to quickly run out of money unless you start covering some of your costs, so. That's all I've got. I don't know if anybody's got any questions.

DeKAY: Any questions from the committee? Seeing none. Thank you. That ends the hearing on LB562.

BRANDT: Welcome to your Natural Resources Committee.

HUGHES: Miss it?

J. CAVANAUGH: Yes, I do. Thank you, Chair Brandt, and members of Natural Resources Committee. My name is Senator John Cavanaugh, J-o-h-n C-a-v-a-n-a-u-g-h, and I represent the 9th Legislative District in Midtown Omaha. I'm here to introduce LB409, which requires one member of the Nebraska Power Review Board to be a licensed journeyman electrician affiliated with the labor organization. The primary reason behind bringing LB409 is to provide some representation for employees' interests in the event a facility is decommissioned or closed. I based the language from similar language for appointments to the State Electrical Board. Last year, this body passed LB1370, which, among other things, provided requirements for the Power Review Board to clo-- it provided requirements for reports to the Power Review Board when a, a facility's being closed or decommissioned. I helped negotiate an amendment to provide some requirements for the board to make recommendations on necessary transition activities to avoid economic harm to workers. I think that it's important, giving this-- given this responsibility to the Power Review Board, that someone on the board is there to specifically represent the interests of the workers. The requirement would commence at the next vacancy after the effective date of LB409. If the primary objection to this bill would require a current board member to give up their seat in order to meet the requirements, I'm open to amending the bill to increase the size of the board by one member. As I said, my primary concern is to provide a board seat to specifically represent the interests of workers. I want to thank the committee for your time and your interest

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in this bill, LB409. I'd be happy to take any questions, and I ask for your positive support.

BRANDT: OK. Let's see if there's any questions. Senator Raybould.

RAYBOULD: Thank you, Senator Cavanaugh. I don't mean to be flippant, but was there a reason why you couldn't have, like, stricken one of the attorney positions required and made it an electrician position?

J. CAVANAUGH: Well, thank you for the question, Senator Raybould. I see Mr. Texel is here; he might have a problem with the striking somebody. My intention was-- so, the current makeup of the board is an attorney, an engineer, and then three laypeople. So really, we just take one of the three laypeople and say that person needs to be this type-- needs to be labor, representing the workers. And like I said, they previously didn't have this kind of authority or this, this power, but last year in that bill, LB1370, we added that additional requirement to the Power Review Board to review these reports about shutdowns of facilities and to consider the workers in that, so I thought, well, the Power Review Board should probably have somebody who knows what it's like to be one of these workers. So, that's the difference. So, that's why I'm not getting rid of the lawyer. I think that they do have some probably need for lawyer expertise on there.

RAYBOULD: Maybe.

J. CAVANAUGH: But I don't know. We put too much faith in lawyers.

RAYBOULD: OK. Thank you.

BRANDT: OK. Other questions? Senator Clouse.

CLOUSE: Yes. Thank you, Senator Brandt. So, this is basically just for when they shut down a power plant, which is once every 50 years. And you-- is that right? So, you put a journeyman on there. I've worked with journeymen and, well, some aren't interested or even care what service territories are, or-- so, that's the intent? Is that what I'm hearing you say?

J. CAVANAUGH: Well, thanks for the question, Senator Clouse. So, we already put the requirement in the hands of the Power Review Board to receive these reports when a facility is being closed down, and we put in that requirement that they take into account what's going to happen to the people who work there. I guess I can't speak to how often that facility is going to be decommissioned, but I think, you know, we--

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looking at, you know-- Fort Calhoun was decommissioned in the last 20 or so years; there's been a lot of talk about decommissioning North Omaha in OPPD's territory, and I would guess that there was some animosity about how the workers were treated in the decommissioning of Fort Calhoun. If-- based on my experience on this committee, with the number of hearings we had about that. But yeah, so it's-- it-- it's just eliminating a layperson. It's not saying-- which, to my point about Senator Raybould, I'm-- there are two, three laypeople on the commission. So, it's saying rather than a layperson, we want someone who knows something about one of the subject matter areas that the committee has to do; it's no more or less expertise than any of the other laypeople are going to have. So, that's my point.

CLOUSE: So, why an electrician? Because we have journeyman mechanics, we have journeyman boilermakers, we have--

J. CAVANAUGH: So, the, the-- excellent follow-up question. Like I said in my opening, we took the language from the electrical board and-- because what the interest was to make sure that it was somebody who had some experience there, not just, say, somebody who worked, you know-- to make it a little bit-- put a little bit of guardrails on it so that it would actually be somebody that worked in those-- that facility. I think there are other ways to define that and maybe make it a bit more of our own, but I think that it's important that it be somebody who is recommended. The, the important part is that they're recommended by the folks who work in this industry. And that's where we kind of got that language in the-- and I think it's they provide a list, and the governor points from that. Which we've done in other boards.

CLOUSE: Thank you.

BRANDT: OK. Senator Conrad, did you have a question?

CONRAD: I got it.

BRANDT: She waives off.

J. CAVANAUGH: She just wanted to criticize my criticism of lawyers.

CONRAD: No. I was just going to say-- I mean, I believe the director has a law degree, and the agency and the Power Review Board to have access to counsel through numerous different avenues and venues. So, that would be perhaps a workable component in board reorganization, if need be. And of course, there's a variety of ethical concerns with

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board members who are attorneys serving as legal counsel for said board that they're on, so. We don't want to lean in too hard, there.

J. CAVANAUGH: Excellent points.

BRANDT: OK. Any other questions? OK, you'll stick around to close?

J. CAVANAUGH: I'll try. I'm demanded in other committees as well, but I'll stick around as long as possible.

CONRAD: High demand.

BRANDT: Yes, high demand. First proponent. Welcome.

JON NEBEL: Thank you for having me. My name is Jon Nebel, J-o-n N-e-b-e-l. I'm here on behalf of the Nebraska State Council of Electrical Workers, and I am a journeyman electrician. I want to thank Senator Cavanaugh for bringing this bill. The intent here is, yes, to, to have those worker considerations thought through by a person representing workers. The idea behind having the electrician do it is they would probably be the most likely to be interested in the rest of the board's purview. Also, having it as a journeyman electrician, that was a way for us, I think, to, to have that interest satisfied, and also define that line of separation between, maybe, not a person that's working at a power plant, but it's like the next adjacent to it. So, me, for the IBEW, I represent the State Council of Electrical Workers, many different electrical-- or IBEWs in the state, representing rail cars to, to, to power generation, facilities to just building construction sites. So, we thought of it as a situation there where we could get, get the eyes in the room to, to kind of calm the waters if, if we talk about transitioning and-- with power plants. I think we're in a, a time period now where we're-- there's heavy incentive to transition, and there's not just industry pressures. I think a couple of hearings ago, we, we heard that there's times where power demand isn't ready for industry that wants to build out. So, their, their are projects are put on hold until we can have that capacity. So, there's the demand factor there. There's also incentives to, to transition to different types of energy generation. So, we just want to make sure that when those conversations happen, that the workforce is included in that and, and can kind of act as a calming force for it. So, that's why we took interest in the board, and happy to answer any questions that you might have.

BRANDT: Let's see what we've got. Any questions? Senator Clouse.

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CLOUSE: Thank you, Senator Brandt. Yeah, just the plant on that, we said it's not a generating facility, it's something else? What, what would that be?

JON NEBEL: Oh, so, like the--

CLOUSE: [INAUDIBLE] a lot of people, if it's a substation name, or--

JON NEBEL: If it turns into a, a-- maybe it's not a, a coal-fired plant or a natural gas-fired plant, but it turns into a solar farm or a wind farm or something like that where we, we transition away from needing the entire workforce, but most of the costs associated with building the facility and replacing it once the, once the lifespan's over, kind of displacing workers at that point.

CLOUSE: Oh, OK. Did you say building facility? The-- you're losing me on that one.

JON NEBEL: So--

CLOUSE: So, so if you're building a solar array or something like that, and you're, you're not concerned about those employees that when they're done construction, they're gone? Is that--

JON NEBEL: I'm not so much concerned about them, but as, as far as, like, the workforce that was maintaining the power generation facility before, there is going to be a fraction of that for, like, a, a solar farm.

CLOUSE: Oh, OK. Thank you.

BRANDT: OK. Other questions? Senator Moser.

MOSER: How-- having a journey-- journeyman electrician, how is that going to make the Power Review Board make better decisions? I mean, basically, they're a management group, and they're more into regulation and legal aspects. Journeyman electricians build things to the spec and they follow the law, but they are not necessarily involved in management and, and, you know, deciding disputes between two electrical providers that are trying to transition service area from one to the other and that sort of thing. I don't see the advantage of having a person from labor on the management board when they have an engineer on there, and the other-- there may be other engineers on there, I would just about bet. There are, because who else is going to be interested in, in that, you know? Not that what we

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do is-- or what you do is boring, don't get me wrong. You can't even see electricity. I mean, you know.

JON NEBEL: It can be shocking many times, but-- so, I think you said it, right? It's only management on the board now, and we gave the board the purview to, to have worker considerations on transitioning of power generation. So, that's why I'm interested in, in having a worker representation on the board, is that there's not one now, and I don't think that-- giving the board the responsibility of advising on something that they're not concerned about, we should put someone who is concerned about that on the board, and they would probably take a more neutral capacity in the management side of it and not have a certain agenda, I guess, because they're not from that world. But same thing for--

MOSER: Who would have that agenda? The, the normal--

JON NEBEL: So, you're, you're saying that, like--

MOSER: --the regular Power Review Board members might have an agenda?

JON NEBEL: I'm not saying they have an agenda, but they have the certain expertise, and it's not for considering what workers are--

MOSER: Well, the, the one engineer is probably an electrical engineer, I would assume. And they know which way the electrons flow, and all that. Right?

JON NEBEL: Sure. And-- but we're not talking-- I'm-- we're talking more about what happens to the workforce when we transition in between power generation.

MOSER: OK. Well thank you.

BRANDT: OK. Any other questions? Seeing none. Thank you.

JON NEBEL: Thank you.

BRANDT: Next proponent. Any more proponents? Opponents. Who is opposed to this bill? Is anybody opposed? Neutral capacity.

SHELLEY SAHLING-ZART: Good afternoon, Chair Brandt, members of the Natural Resources Committee. For the record, my name is Shelley Sahling-Zart. That's S-h-e-l-l-e-y; Sahling-Zart is S-a-h-l-i-n-g-Z-a-r-t. I am vice president and general counsel for

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Lincoln Electric System here in Lincoln, and today I'm testifying in a neutral capacity on LB409 in-- on behalf of the Nebraska Power Association, which represents all of Nebraska's consumer-owned electric utilities, including municipalities, public power districts, public power and irrigation districts, and rural, rural public power districts and rural electric cooperatives. Whew. I'm going to acknowledge to you my testimony is going to sound a little more negative than neutral, but it was really important to us that this not come off as an anti-organized-labor statement. It's really focused on the Power Review Board and what the Power Review Board does. So, we just don't see the connection between having a journeyman electrician on the Power Review Board based on the scope of jurisdiction and responsibility of the board. They approve certified service areas, they approve generation and transmission applications. And the one provision you've heard about with regard to the decommissioning of baseload power plants, there is a requirement that if we do that, we provide information to the Power Review Board; they can hold a hearing, after which they can send us their thoughts about that, advisory only. They have zero jurisdiction over that. What ultimately happens with the plans for the employees and the decommissioning happens where it should: at the local level with our local utility boards. So, that's where-- really where those concerns are going to come out. And, as has been mentioned-- Senator Clouse mentioned-- the decommissioning of these power plants, that's a 40-to-60-year or so event. The vast-- that's such a sliver in the scope of what the Power Review Board does. The other thing is a journeyman electrician can currently serve on the Power Review Board. They could certainly fill one of the three laypeople positions. We have no problem with that. Our objection would be more that we're requiring that specific expertise. You can make a really good argument why the attorney expertise is necessary, or the engineer expertise. We just-- we aren't seeing, in the scope of what the Power Review Board does, the connection there. But again, they could certainly serve on the Power Review Board. They can do that today, if they're appointed, so.

BRANDT: Are, are you--

SHELLEY SAHLING-ZART: I'm done. Yes. Any questions?

BRANDT: OK. I-- I've got hands, here. Senator Conrad.

CONRAD: Thank you. Thank you for being here. Always good to see you and hear from your perspective, which I respect and appreciate. You know, during the course of your testimony, it, it kind of occurred to

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me with the configuration affording for an opportunity for what is it, three people? Three laypeople to serve on the board? I mean, it would seem to me, following the goal of Senator Cavanaugh's legislation before us, that it would make at least some more sense to have people who work within this industry have a voice on the board than three people who may not be connected to it at all.

SHELLEY SAHLING-ZART: That's a really great observation, and last year-- was it last year or the year before? We amended the provisions. Couldn't agree with you more, because there has been a prohibition from anyone that was recently working in our industry--

CONRAD: OK.

SHELLEY SAHLING-ZART: --from serving on the Power Review Board, and we changed that so that a recent-- obviously, you wouldn't want somebody that's actively working; that wouldn't make a lot of sense. But a recent retiree, for example, because that recent experience is really good. So, we can have one on there that can serve but for-- I think it's a four-year period, if that person is a recent retiree. They would have to recuse-- let's say--

CONRAD: Yeah.

SHELLEY SAHLING-ZART: --LES's CEO retired a year ago. If he was to serve on the Power Review Board, he would have to recuse himself from any of LES's applications for a four-year period. So, in any of those four-year periods, we can only have one representative that's a recent retiree from the industry. After that four years, you could certainly add another one. To your point, I think that recent experience would be really useful and helpful.

CONRAD: OK. That-- that's really helpful, because I wasn't involved in that legislation, at least at the committee level, so that's a really helpful reminder. And I'm guessing that follows some sort of general ethical consideration about kind of an anti-revolving-door--

SHELLEY SAHLING-ZART: Yep.

CONRAD: --self interest kind of--

SHELLEY SAHLING-ZART: Completely.

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CONRAD: --kind of policy goal. OK. That-- yeah. I think that that's really, that's really helpful to think it through. Thank you, Shelly. Thank you, Chair.

BRANDT: Senator DeKay.

DeKAY: Thank you. When we were talking about workforce and stuff, which was brought up in earlier testimony, say, like, with building, decommissioning, refueling, would, would it be safe to say that most of the workforce is contracted workforce that comes from out of state?

SHELLEY SAHLING-ZART: Senator DeKay, that's hard to say. I would say on the nuclear plants, that's probably a really high possibility. On the coal power plants, I'm just not sure. I, I don't know the, the answer to that at the top of my head. Certainly find that out for you, but possibly.

DeKAY: And, like, within minor, smaller substation builds and stuff, that would probably be within the scope of NPPD, OPPD and LES to build those substations from within, with their own employees.

SHELLEY SAHLING-ZART: Yeah, and I think-- you know, the other thing that should probably be mentioned is there would be no incentive for us to do anything but treat our employees fairly, especially in those situations. Those are tough decisions. Now, you know, there was a reference to Fort Calhoun, Calhoun. I don't know what happened there, but, you know, making these decisions to close power plants that might displace a number of workers, it's not an easy thing to do. And ideally, we'd like to do right by our employees. But again, you know, you've served on a public power board. That's where that decision and that discussion really needs to happen.

DeKAY: OK. Thank you.

BRANDT: Senator Moser.

MOSER: Well, hopefully these questions are within the scope of your knowledge, but the members of the Power Review Board are nominated by the governor?

SHELLEY SAHLING-ZART: They're appointed by the governor, that's correct.

MOSER: Yeah. And then approved by our committee, right?

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SHELLEY SAHLING-ZART: Yes.

MOSER: And do you know, are most of those members from the industry? Which is kind of my recollection.

SHELLEY SAHLING-ZART: No, actually they are not. On the-- since we got this one provision put in, maybe we'll get some, but--

MOSER: Well, what I'm saying is not necessarily that they would work for a utility, but they're-- are there are other engineers, other than just the one that's required to be there that you know of?

SHELLEY SAHLING-ZART: We have actually had some members who have filled-- we've had engineers who are also attorneys that have sort of flexed between that, that designated role. And to your earlier question, we have had electrical engineers, we've had-- I believe we've had civil engineers, I know of one that was a mechanical engineer. So, it-- it's an engineering function, but we're not specific. Because when you-- you know, you look at things like power plants and transmission lines, there are lots of different expertise that come in there. I don't know if that helped you or not. We used to-- you might recall we had an accountant, and that expertise was removed in the legis-- in the bill I was talking about, and then we added a third layperson. So, it used to be the attorney, the accountant, the engineer, and two laypeople; now, we have three. And we did that largely because we were struggling to find accountants that were interested in serving, and frankly, over the years, we've seen less of a need for the accountant. And in that one, the Power Review Board could always engage a consultant, if there was a, a need for that.

MOSER: The, the members of the Power Review Board are not compensated, except for expenses?

SHELLEY SAHLING-ZART: They have a per diem.

MOSER: But that's supposed to cover their costs--

SHELLEY SAHLING-ZART: There's a per diem, and then the chair who also serves on the regional state committee-- you heard from Mr. Hutchison earlier-- they get some extra compensation for that responsibility with the Southwest Power Pool.

MOSER: OK. Well, thank you.

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SHELLEY SAHLING-ZART: Yep.

BRANDT: OK. Senator Clouse?

CLOUSE: Yes, thank you, Senator Matt [SIC]. You kind of alluded to that, but the process is-- it's just anybody can fill out an application. It's like any other board or commission. And they fill out their qualifications, and it goes to the governor, and he makes his recommendation--

SHELLEY SAHLING-ZART: They can. There's one added qualification we haven't talked about, which is that no more than three of the members can be of the same political party as the sitting governor. So, for example, I'm just-- this is a hypothetical. If we had three Republicans on the PR-- Power Review Board today and a seat opened up, that seat would have to go to either an independent or a Democrat. So, the-- it-- that's trying to keep some-- keep the board as apolitical as possible.

CLOUSE: Yeah. Thank you.

BRANDT: OK. Any other questions? Seeing none. Thank you.

SHELLEY SAHLING-ZART: Thank you.

BRANDT: Anyone else in the neutral capacity? Welcome.

TIM TEXEL: Thank you, Senator Brandt, members of the committee. My name is Tim Texel; T-i-m, last name is T-e-x-e-l, and I'm the executive director and general counsel for the Nebraska Power Review Board. I think Shelley Sahling [SIC] covered a lot of territory, so-- I do have two technical points, first of all, that I wanted to bring up on the bill, and then I'll get into the bigger-picture items and, and answer any questions. But the bill simply states that an electrician "shall be selected from a list of licensed journeyman electricians recommended by such organization," and that's line 17 through 21 on page 2. It does not specify if the governor is required to select one of the appointees from the list, or if the governor can reject the whole list and say, "give me another list and I'll choose a name." I think that would be good to clarify that. I know it's a technical point, but I don't want to get in the middle of an argument that one side says-- you know, the governor says I can reject all three names, and the organization says you have to pick one. I think it should be clarified which has to happen. And then, the language in section-- sub (b) on page 2 says the journeyman electrician shall be

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affiliated with a, a labor organization, but it's a, quote, a nonprofit labor, labor organization for electrical workers holding a certificate of exemption, and then the IRS code, close quote. So, the PRB member must be selected from a list of journeyman electricians recommended by such organization, but is there only one such organization? I assume it's probably IBEW, the International Brotherhood of Electrical Workers. But my question is, is that the only organization that qualifies? Because if it's not and there's two of them, they're going to fight about which one gets to submit the names. If there's only one, then it's a non-issue. I, I don't know the answer to that right now. On the more big-picture issues, it's, it's somewhat odd to have a specific organization that designates a member on a board like the Power Review Board. The board operates very often in a quasi-judicial capacity to resolve disputes between the electric suppliers and, in very limited circumstances, between the suppliers and their customers. So, we operate as an administrative tribunal, and it's imperative the board has members that are neutral and unbiased, so that we don't typically have specific groups that choose. We have professions, like the attorney and the engineer, but it's not a group like the Bar Association that would choose a list of names, like you have, like, a judicial nominating committee that does that for lawyers. I mean, it does make sense for, like, the state electrical division, because the expertise of a journeyman electrician is obviously going to be very pertinent to an entity that licenses and disciplines the journeymen. And I understand Senator Cavanaugh's point, but as I believe was brought up, it's advisory only; the board doesn't have any actual authority to reject decommissioning of a plant, and there are some provisions about the retraining of personnel and the employees and things like that, but the board doesn't have approval authority or denial of authority per se over that. So, I, I guess with that, I, I would want to mention that I wouldn't want to remove-- I think somebody alluded to it-- I would not want to remove the attorney member from the board. Since we do function in a quasi-judicial capacity, the attorney member is very useful and very helpful during evidentiary hearings, and when we're interpreting state law, federal rules, regulations, state rules and regulations, the attorney member is very useful when we're doing those types of things. I am an attorney, yes, but it's nice to have an attorney on the board for the other board members to speak to, or for me to bounce ideas off of, and it's very helpful. The engineer is obviously very helpful to technical area. One reason-- and Miss Shelley Sahling-Zart was talking about-- with the accountant, we eliminated that because first of all, we couldn't find accountants to do it, and their expertise didn't lend

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itself well to what we did. And so, the accountants we-- that was on my board used to say, "I don't really do anything as an accountant here, so why am I designated to be on here?" They wanted to do accounting-type stuff. I would worry the electrician might be in the same category, but once every five, ten, fifteen years we deal with the issue Senator Cavanaugh was talking about with a decommissioning, but it's very uncommon. It's not a, you know, something we deal with every year, whether they're decommissioning a commercial site as operation generation. So, I guess that covers it all. I'll see what questions you have for me.

BRANDT: OK. Senator DeKay.

DeKAY: Thank you. When you were talking about the attorney and your board, tell me-- explain to me how it works if a situation goes to arbitration. How does that determine who, who makes those decisions that-- or-- and how involved is the Power Review Board on that?

TIM TEXEL: The arbitration on--

DeKAY: Well--

TIM TEXEL: --at our hearings?

DeKAY: Yeah. Yeah.

TIM TEXEL: When we have a hearing, like, to approve generation or transmission, or if it's a contested service area, something like that,--

DeKAY: That's what I'm--

TIM TEXEL: --they file an application. I guess you want to know the process, or?

DeKAY: How involved are you or your board with that? When it [INAUDIBLE]

TIM TEXEL: Well, they're, they're the--

DeKAY: You're the arbiter.

TIM TEXEL: They're essentially the jury, I mean and they're the decision-makers--

DeKAY: OK. That's--

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TIM TEXEL: --that sits there, and so, they hear the evidence; I operate as the hearing officer, so I deal with all the things beforehand, all the things the hearing officer rules on, continuances. The board rules on the, the determinative factors. So, they are ultimate decision-makers of whether to approve or deny an application. So, that's why the attorney member's very helpful on those type of things. It's a evidentiary hearing. We normally don't have the rules of evidence; those are rarely requested at administrative hearings. They'd never been requested at ours, certainly in the time I've been there. But that's what the board members sit, and they ask questions and-- of the utilities or the customer, both sides. And so, they operate like judges and ask questions of the participants and either of the attorneys, or sometimes it's individuals that are there. Does that answer your question?

DeKAY: Yeah.

TIM TEXEL: OK.

DeKAY: Thank you.

BRANDT: Other questions? I see none. I thank you.

TIM TEXEL: Thank you. One, one thing I might add, if I could, Senator. One question Senator Moser had is the compensation. That was just increased from \$60, which was like in the 1960s and '70s. Just increased it to \$100 per day when they're engaged in board business, and then, they get out-of-pocket expenses. So, they get the mileage, they get that kind of stuff, and then they get \$100 per day. The member who represents the Southwest Power Pool regional state committee, or represents the board on that regional state committee, that person gets \$250 a day because they have a lot of duties, and they're very active and, and working a lot. And so, we wanted to give them additional compensation, and the Legislature in the past agreed. So, that's what they get.

MOSER: Thank you.

TIM TEXEL: Thank you.

BRANDT: All right. Thank you. Anyone else in the neutral capacity? Senator Cavanaugh-- as he is walking up here, on this bill, we had online 2 proponents, no opponents, and no one in the neutral capacity. You are welcome to close.

J. CAVANAUGH: Thank you, Chairman Brandt, and members of the Natural Resources Committee. It's always comfortable being in here. And I thank Mr. Texel and Ms. Sahling-Zart for being here. And I supported both of those bills that raise those fees, or, or per diems for the members of the board. Appreciate the conversation. I did look up-- there are currently two lawyers, one mechanical engineer, one electrical engineer, and one person who is neither on the board, and one of the lawyers is also a CPA. The one person who's neither an engineer nor lawyer is the person who we made the change in executives for, who's a-- formerly an executive of, I believe, the Rural Electric Association. And I remember we put her on the board, and there was some question of whether she qualified, and then we made the change the next year. But that's a layperson. And again, what we're hearing is there are-- maybe there's some value in having a lawyer there, and there's some value in having an engineer there, and then there's three other laypeople statutorily, and there's not really a reason why the lay person couldn't be a, a journeyman electrician, but there is a reason that we do want that pers-- perspective represented. Though infrequent it may be, when necessary, it would be a useful perspective. And I think that is demonstrated by the fact that folks around here, the-- you, you all included, including the people that testified-- don't know what perspective a person-- a journeyman electrician might bring. So, we just demonstrated the fact that we could use someone outside of that, outside of our thought bubble. I didn't bring this bill to shake the, you know, the current makeup of the board, so I'm not proposing taking off any of the electrician or the engineer. I'm not proposing changing the eligibility for folks in the retroactive- or their, their por-- former service. I would point out that there is a requirement that you refrain from engaging on issues that have to do with your employer or agency that you worked for. That would extend, I think, to any of the electricians, if they were involved and actually worked directly for a utility, they would have to refrain for four years from anything involving that utility. I think a question about whether they can be impartial as it pertains to these sorts of arbitration hearings is, is a complete-- is nonsense, really. I-- if we think that any of these other folks can be impartial, I don't see why we don't think that somebody who works as an electrician could be impartial. So I, I brought this bill because we gave this requirement to the board. It is advisory, but the real concern-- I have high faith in OPPD, I have high faith in LES, and sure, I even have faith in NPPD that they're going to do the right thing. But that's the boards as they currently are. This is going on in the future. And as Senator DeKay pointed out-- or, I'm sorry,

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Senator Clouse pointed out that the facilities are closed infrequently, but it's going to come up over the rest of the time that we exist as a state, the rest of the time this board exists. And what we want is somebody who's going to be able to call, call out these advisory opinions, though they may only be, but call out the fact that they are deficient in how they're going to deal with their workers, or point out where we need to bolster. As both a service to those utilities when they're closing down a plant, but also service to the people that the-- that provision is meant to protect. It's a-- it's purposely a protection for workers, saying, if you're gonna close a plant, you got to think about the workers. And if all you do is say, we're going to give them a coupon for a, you know, an ice cream, that's not going to be sufficient. And we need somebody who's going to be able to point that out. Obviously, it's not going to be that obvious, but-- anyway. So, I-- again, thank you for your time, and ask for your positive support of this bill.

BRANDT: All right. Let's see if we have any questions. Senator Clouse.

CLOUSE: Of course I've got a couple of them. Thank you, Senator Brandt. OK, and I'm, I'm, I'm not wanting to be argue-- argumentative or, you know, condescending or anything, but--

J. CAVANAUGH: Don't worry, I am.

CLOUSE: --if this, if this was Gerald Gentleman Station, would we having the same discussion? Or the fact that it's Fort Calhoun and North Omaha. We're not union out there, and that's what it seems to me is a union issue. So, I-- I'm not sure we'd be having that same discussion if it wasn't related to those. And then secondly, if the concern about what we're doing with the labor, why have a craft person? Why don't you say a labor negotiator, somebody that specialized in that, instead of choosing a particular craft, which-- and again, you [INAUDIBLE] you got a lot of crafts out there. I don't know why we're going with the-- sticking with the electrical. So-- and I don't even know if you have to answer those. Those are just where my mind's at.

J. CAVANAUGH: I would love to answer those. Thank you Senator Clouse. First off, it is about Gerald Gentleman. That's exactly who this is about. It's about you've got folks who work-- and this was not a direct question, it's a rhetorical question, but I assume you have people who work at Gerald Gentleman Station. And if Gerald Gentlemen were to be closed down, those folks would have to go somewhere. And

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so, the whole point of LB1370 was to say, if NPPD chooses to close Gerald Gentlemen, they would have to submit a report that says what they're going to do with those workers. And the-- my vision for this person would be when that report comes in to the Power Review Board, this person would be able to say, well, that's not enough or that's not right, or that's not going to actually help these folks. And so, it's the person-- that's where they bring that expertise and they get to point out that criticism. So, it does not have to be a labor shop. It just has to be a place that has workers that need to be-- have something to deal with. And, and as I said before, I think that the perspective of someone who is, is-- works in this field is what's important. And I don't mean an, an executive or a manager or a supervisor or a board member; I mean somebody who's actually doing the work is the perspective that's important. And so, the-- this language, as I said, I took from that other board because I was looking for something that was going to make it constrained in some way to make sure we got someone who was working in that field. I think there are other ways that we could interpret it, and I'm open to, to negotiation. But you grant the premise that this perspective is useful, and so I appreciate that.

BRANDT: Any other questions?

JUAREZ: Yes. I'm sorry--

BRANDT: Senator Juarez.

JUAREZ: I have a point of clarification, please, based on the comments that you just made. Why, why is it that we're concerned about what happens to these employees when we shut down a plant? I mean, why are they given-- for me, not knowing anything about it, OK? Why are they given so many protections? I'm trying to understand that.

J. CAVANAUGH: Well, thanks for the question, Senator Juarez. I-- I'm not sure they do have a lot of protections, and that's one of my concerns. And the example is Fort Calhoun, because it was a plant that was closed in recent memory, and a, a number of the workers do not feel like they were treated-- given a, a fair opportunity for, for consideration, or for other equal-pay jobs within OPPD, or were not given, you know, appropriate severance packages or things. There were, there were concerns about that, and so that was one of the reasons. But that's, that's just an example. That's not the reason for this bill. And it's not-- the opinion that we're talking about is one that we mandated last year in the Legislature, that if you're going to

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close down a plant, you have to submit this report to the, to the Power Review Board, and then they can give comments and advisory opinion back to the utility. Utility doesn't have to take those comments, but it, it-- and the-- this report is kept private until the facility is closed down. And so, what potentially could happen is-- and I'll-- I'm not picking on OPPD, but it's my utility, and like I said, I, I like my, my OPD board members. But what they could do is shut down North Omaha and not do anything for the workers there, which I assume they can't-- they won't do because of the union contracts. But they do the bare minimum, but they don't do enough, and they submit this report to the Power Review Board, and Power Review Board says "that's not enough." That would then become public, with-- that the Power Review Board told them they should have been doing more. And so, if they go contrary to that, it would certainly be a black mark on them. But it's more to say-- to have this, this report actually serve a purpose; have somebody who understands what would be appropriate be there and be able to comment on what would be appropriate. So, we, we put this requirement in, and then we didn't really put any requirement that it actually mean anything. So, I'm trying to give it some meaning.

JUAREZ: OK. Thank you.

BRANDT: Senator Hughes.

HUGHES: Thank you, Senator Brandt. Thanks for bringing this, Senator Cavanaugh. If the goal is to have somebody that's worked in the situation, in the case something shuts down, it-- this-- to me, it doesn't make sense here, because that's not really what that group does on a day-to-day basis. We're talking a tiny, tiny percent of chance that that would come. Wouldn't you be better off doing a legis-- legislatively making, in some other statute, when a plant shuts down, the plan that's developed for the workers afterward includes X, Y, Z people to develop that plan. Do you know what I'm saying? So that-- because you're talking about one very specific thing that you want the, the input of someone that lives it. Wouldn't it be better, better off "statutely," "statutely" saying OK, when it happens, that's when that person comes in, versus let's put one of three people-- I don't know. Do you know-- do you see what I'm saying?

J. CAVANAUGH: I appreciate the question, Senator Hughes. And I guess my pushback on that would be there are three laypeople; they have no qualification whatsoever.

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HUGHES: Right.

J. CAVANAUGH: So, we're not taking away anything by saying that one of them needs to have expertise in an area that is going to come up at some point. I mean, I, I think it--

HUGHES: Yeah.

J. CAVANAUGH: --it, it is going to come up.

HUGHES: I'm wondering, too. Like, the-- I'm imagining these positions are not easy to fill, and now you're narrowing it down to such a tiny subgroup of people, you're almost making it even more impossible to fill, too?

J. CAVANAUGH: I think that--

HUGHES: Because if your intent is truly that, then make it happen when, when a plant shuts down. Then they're, they're on it, they're doing it. I don't know. I'm just saying.

J. CAVANAUGH: I'm not concerned about if-- as written, I'm not concerned about the folks-- these folks being able to put somebody forward that would be willing to serve in that capacity, because that's exactly what these organizations exist for, is to represent the interests of their fellow workers.

HUGHES: OK. But then, I would go to that's too limiting; make it, then, anybody that's worked, you know, on the plan for-- it doesn't have to be an electrician. It can be anybody that worked for
[INAUDIBLE]

J. CAVANAUGH: And I'm open to certainly reasonable amendments that still kind of adhere to this. I'm-- like I said, this is the language that I came up with that was--

HUGHES: Matched the [INAUDIBLE].

J. CAVANAUGH: --kind of trying to, to get, get us into this space.

HUGHES: Thanks for the conversation.

BRANDT: OK. Any other ques-- Senator Clouse?

CLOUSE: Yeah, thank you, Senator Brandt. It's more of a, a comment, I guess, rather than a question. I, I get the sense that we're giving

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the Power Review Board the authority to run our utilities, and that's not what their function is, and I don't want the Power Review Board running our utilities. I want them to help with some of the directional things that we're doing. But I have a lot more confidence in our utilities, that they'll take better care of the people than that. And, and so I, I struggled with this one.

J. CAVANAUGH: Yeah. Well, I, I appreciate the comment, Senator Clouse. And like I said, I have high confidence in our utilities as currently constructed. But just like the Legislature is not going to be made up of this group in 20 years, the power-- the utilities are not going to be made up of the same people that we're talking about. And yeah, I'm not trying to make the Power Review Board do more than it currently does. We already gave them this responsibility. I'm just trying to make it have a perspective represented when they are executing a task we already gave to them.

BRANDT: Any other questions? Seeing none, we will close the hearing on LB409. I would ask the committee to stick around and we're going to have a quick exec afterwards. If everybody would clear the room, except for Mr. McNally.