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Essent

Essential news for NMPP Energy members

NEWSLETTER

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Nebraska Municipal Power Pool • Municipal Energy Agency of Nebraska • Public Alliance for Community Energy • National Public Gas Agency

Reaching public power **consensus** on **climate change** policy

For three years NMPP Energy Executive Director Gary Stauffer has served on the American Public Power Association's Blue-Ribbon Climate Change Task Force to develop guidelines of what public utilities seek in any proposed federal legislation. He shares his experience...

In June, the U.S. House of Representatives narrowly passed a landmark climate change bill that includes a federal cap and trade program to limit carbon emissions. The controversial bill now heads to the Senate for debate.

For the past three years, NMPP Energy Executive Director Gary Stauffer has been hearing and discussing climate change issues as one of the participants on the CEO-level Climate Change Task Force established in 2006 by the American Public Power Association (APPA).

The task force was formed to help APPA evaluate and develop policy recommendations on legislative proposals regarding climate change issues. Stauffer joined a wide range of public utility leaders across the nation meeting several times each year to reach consensus on climate change issues.

The result of these meetings produced a set of principles regarding climate change to guide APPA going forward. Stauffer recently shared his experience of serving on the task force:

Q. What have the task force meetings been like overall?

A. The meetings spanning almost three years have been structured to educate us regarding the science of climate change, expose us to the policy issues involved, explore available options for mitigation of greenhouse gases, estimate the potential costs to our members and finally to fashion a coherent APPA policy position for presentation to the membership for their consideration.

This process was beneficial in establishing a shared base of knowledge surrounding electric generation and climate change. Working through the process together formed a foundation to forge consensus within the group. Discussions were spirited, informative and at times contentious due to differences in each utilities generation mix and its regional circumstances.

The taskforce, with the approval of the larger APPA membership, successfully provided APPA staff policy direction as the energy and climate change debate has worked its way through the legislative process.

I believe all the taskforce members would agree they have gained significant insight into the most challenging issue ever faced by our industry.

The guidelines developed by the Blue-Ribbon Climate Change Task Force are available at www.APPAnet.org under the Legislative/Regulatory tab.

Q. What was the most difficult issue for the task force to address?

A. Regarding a federal cap and trade program, the entire committee agreed early a total auction of CO₂ permits would be costly and potentially lead to financial abuses.

Therefore, the task force agreed to support a complete free allocation of all permits to generate greenhouse gases. Deciding how to share the allocations and who should receive the permits was the most difficult issue to resolve.

See 'Climate policy' on page 5

Indianola using blog to inform residents

About a year ago, City of Indianola, Iowa, City Manager Tim Zishoff decided he wanted to go a step further in reaching community residents with timely information. That step was into cyberspace in the form of a blog.

Through a quick and easy process using Internet search engine Google, the City created a city manager blog with Zishoff as content manager.

"I had heard about blogs and know they are a fairly active form of communication that people tend to use and thought it would just be another opportunity for us to get information out on what going on in the city," said Zishoff.

Anyone can set up a free blog through Google by going to www.blogger.com. All that's needed to get started is to provide an e-mail address and password. Once registered, bloggers can select from a menu of blog design templates and various content options and tools. The "owner" of the blog has control over content, including editing features and permission options.

Indianola's blog serves as a supplement to the city's semi-monthly newsletter for residents. Zishoff keeps the blog current with timely news items, including the same information provided to city council members.

"Initially, I began updating the blog once a week with things I thought were relevant... but then I got to thinking there is a lot more going on and we give our elected officials this

WHAT IS A BLOG?

The word "blog" comes from abbreviating the words "Web log." A blog is a Web site that includes regular entries of content including commentary, events and other materials. Entries are displayed in chronological order with the most current entry at the top. Basic blogs can be set up for free through search engines such as Google (www.blogger.com).

information, so why not just put it in the blog and allow our residents to have access to it as well."

Maintaining the blog is easy, said Zishoff, who admits he's not real tech-saavy.

"It's amazingly simple," he said. "All I have to do is log in and it's got a place for me to add a new post – it's very simple and not very time consuming."

Among the editorial features of a Google blog is the ability to allow readers to post comments. City staff needs to weigh the pros and cons of allowing blog comments. Zishoff chose not to allow comments on his blog, but provides his e-mail address if residents want to contact him.

"It's been received very well," he said. "I get comments from people all the time saying 'I read in your blog...'"



Cleaning AC unit helps efficiency

Encourage your utility customers the next time they're using the garden hose to water plants to also clean the outdoor unit of their air conditioner or heat pump.

During spring and summer, debris from trees, dirt and trash can reduce efficiency of the unit by clogging the grill, which restricts the flow of cooling air.

Spray the unit's grill with water to unclog the grill and restore the unit's efficiency. Avoid using a brush or other device on the grill so as not to bend and smash the unit's cooling fins.

If customers don't want to do this themselves, a local contractor can perform a cooling system tune-up. A typical tune-up includes cleaning the condenser coil, checking the indoor coil, checking the refrigerant charge, inspecting belts, lubing the motor and blowing out the drain line.

Remind your customers to ask local contractors if there are any rebates or discounts available for annual maintenance.

If your utility offers rebates to customers for these services, this is a good time to promote it as a good tune-up can lead to 10-15 percent more efficiency out of the unit.

ENERGYsmart ideas appear regularly and include information to pass on to your utility customers. For information on this article or questions on how to save energy, contact Andrew Ross at NMPP (800) 234-2595.

Chris Anderson receives APPA Seven Hats award

Chris Anderson, city administrator for **Central City** (Neb.) Utilities and board chair of the National Public Gas Agency (NPGA), received the American Public Power Association's Larry Hobart Seven Hats Award at the Association's national conference in June in Salt Lake City, Utah.

The award recognizes managers who perform a variety of duties in communities of 2,500 or fewer electric meters.

Earlier this year, he was the recipient of the Nebraska Municipal Power Pool's Bob Arraj Innovative Service Award.

Anderson oversees 12 departments and particularly enjoys working with the electric and natural gas utilities, housing development and projects to expand recreational opportunities. Anderson is on the boards of the local Chamber of Commerce and the local fitness center and is an active member of his church.

Anderson was elected as chair of the NPGA board in April. He also serves as a member of the NMPP Energy Joint Operating Committee. He is on the Nebraska Public Power District Power Resources Advisory Board and previously served on the board of the League of Nebraska Municipalities and as president of the Nebraska City/County Management Association.



APPA photo

Central City, Neb., City Administrator Chris Anderson receives APPA's Larry Hobart Seven Hats award from APPA Board Chair Maude Grantham-Richards at the APPA National Conference in June.

SourceGas files rate increase request with PSC

SourceGas Distribution LLC, the administrator of the Nebraska Choice Gas program, filed a rate increase request with the Nebraska Public Service Commission in July.

SourceGas is asking for the rate increase to cover higher costs and lower revenues from reduced usage per customer.

If the rate is approved by the commission, the company said it will increase the average residential customer by \$7.43 per month or 12.3 percent. The rate increase would cover the cost of operating pipelines, labor safety services meter reading and billing. It has no effect on the price of natural gas.

Nebraska passes E-verify law

State joins Colorado in enacting legislation aimed at illegal aliens

Nebraska Gov. Dave Heineman in April signed into law a bill requiring state and local governments to verify the legality of any person applying for benefits in the United States. The law takes effect Oct. 1.

The bill, LB 403, also requires employers who receive state or local contracts and tax incentives to electronically verify the work status of all new-hired employees.

"The basic reasoning behind this bill is to ensure that Nebraska taxpayers' money is not spent on services for people who are not in the state legally," said Sen. Russ Karpisek, who introduced the bill at the request of the governor.

The bill outlines a process that Nebraska municipalities and agencies must use to verify eligibility. Those applying for public benefits must first attest they are either a citizen or an alien able to work in the U.S.

Under the law, those applying for public benefits must first attest that they are either a citizen or an alien able to work in the U.S. Government entities are to verify the immigration status of aliens using the U.S. Department of Homeland Security's Systematic Alien Verification for Entitlements (SAVE) program. The web-based program allows government entities to verify whether an individual is in the U.S. lawfully.

In addition, public entities, contractors for public projects, and businesses qualifying for state tax incentive programs will also be required to verify legal status of newly-hired employees using the Department of Homeland Security's E-Verify system (www.dhs.gov/e-verify). Registration is required but no fees are charged for accessing the E-Verify database.

Nebraska is the most recent state to mandate the use of the E-Verify system. Colorado passed an E-Verify notification law last year. It became effective last August.

MidAmerican to join Midwest ISO

The Federal Energy Regulatory Commission (FERC) recently conditionally accepted MidAmerican Energy's filing to integrate the utility into the Midwest Independent System Operators regional transmission organization.

MidAmerican, the largest utility in Iowa, plans to join the Midwest ISO as a transmission owner and expects to integrate its facilities into the organization on Sept. 1, 2009.

Prior to becoming a Midwest ISO member, MidAmerican and Midwest ISO made several joint and individual filings with FERC to integrate the systems. FERC's order of conditional acceptance of MidAmerican's filing also addressed some of MEAN and its member's concerns.

MidAmerican Energy provides electric and natural gas service to retail customers in

Legislative Notes & Quotes



By Chris Dibbern

"Drive thy business or it will drive thee."

— Benjamin Franklin

Iowa, Illinois, South Dakota and Nebraska. The utility is part of the MidAmerican Energy Holdings Company, a consolidated subsidiary of Berkshire Hathaway Inc.

Climate change bill passes House, heads to Senate

The U.S. House of Representatives passed the climate change bill in June. The bill, formerly known as the American Clean Energy and Security Act, includes legislation for a Cap and Trade system to reduce CO₂ emissions.

As I mentioned in the July Essent newsletter, NMPP does not support this bill as it is drafted. The legislation would be detrimental to MEAN members and their communities with respect to the impact it would have on electric rates. The Senate is preparing to debate the bill in the fall so now is the time to contact

your U.S. senators and let them know your thoughts.

NMPP joins the American Public Power Association and the Colorado Association of Municipal Utilities in believing the legislation is flawed by being overly stringent, having no price certainty in cost mitigation, containing significant regional inequities and having unrealistic generation performance standards.

The legislation could raise electricity prices significantly in coal-dependent states. All coal generators will be short allowances on day one and have to buy in a shrinking market. For public power organizations, the increased electricity prices will be passed on to the consumer dollar for dollar.

NMPP supports a national energy strategy that limits carbon emissions, but with respect to the cap and trade issue, the current bill falls short regarding affordability for end-use customers.

Chris Dibbern is general counsel of NMPP Energy. Contact her at cdibbern@nmppenergy.org or (800) 234-2595.

Report: Unprecedented amount of natural gas supply in U.S.

According to its latest biennial report on the assessment of the nation's natural gas resources, the Potential Gas Committee (PGC) announced the United States possess a significantly larger supply than previously thought.

The assessment found the U.S. has a total natural gas resource base of 1,836 trillion cubic feet (Tcf) and a total available future supply of 2,074 Tcf—the highest resources

evaluation in the PGC's 44-year history, equaling about a 100-year supply of domestic natural gas. Americans consume an average of 22 Tcf per year.

According to the PGC, domestic natural gas reserves and estimates of undiscovered resources have grown significantly, in great part due to the emergence of technologies that are able to unlock newly discovered reserves such as natural gas from shale in the Appalachian basin,

as well as in the Mid-Continent, Gulf Coast and Rocky Mountain areas.

The PGC is an incorporated nonprofit organization supported by the Colorado School of Mines, comprising experienced volunteers who work in the natural gas exploration, production and transportation industries. The committee also receives input from various observers in academia and government agencies.

Climate policy

Continued from page 1

In fact, this issue is still under discussion as some members believe permits should be allocated based on retail load served regardless of generation mix used. This would favor hydro based utilities who could resell their permits to fossil fuel generation based utilities that need the additional permits to serve wholesale load.

Certainly representatives of utilities who either generate directly or purchase bulk power generated with fossil fuels would prefer the allocations flow to them to reduce the ultimate cost impact to loads they serve. The task force will continue to discuss this issue to determine a balanced approach for all public power entities.

Q. For you personally, what have you taken away from participating in the task force?

A. I am challenged to grasp the enormity of the climate change dynamic, frustrated by the lack of reality in the promises and predictions made by politicians and concerned that real people have no concept of potential changes required in their lifestyles.

Q. Does the climate change bill that recently passed the House measure up to the guidelines agreed upon by the task force?

A. The House bill is more than 1,500 pages. It is complex, costly and without price safety valves necessary to derail speculative trading in carbon

allowances. Additionally the House bill allocated 5 percent of all allowances to merchant coal generators who compete for profit in the deregulated bulk power market. This special allocation to merchant generators could place them at a competitive advantage in the daily bulk power market.

Q. Can you put in perspective how this bill would affect the general public in our region if it ultimately passes?

A. It's difficult to say because the actual price for the CO₂ emission permits will be determined only after an active market for the permits is established. Some projections indicate the cost of bulk power in our area could rise by 50 percent or more. Higher bulk power costs to utilities most likely will be passed through to consumers. Remember, the main purpose of the cap and trade bill is to price CO₂ at a level that will induce less CO₂ creation by stimulating investments in renewable energy and technologies yet to be established to capture and store CO₂. Either alternative is very expensive when compared to baseload fossil generation.

Q. Where does the Task Force go from here?

A. The taskforce will continue to meet both in person and on conference calls as the newly passed House bill on climate change and renewable electric standards works its way through the Senate later this year.

States receive Recovery Act funding

Colorado, Iowa, Kansas, Nebraska and Wyoming were among several states in June and July receiving American Reinvestment and Recovery Act funding from the U.S. Department of Energy to support energy efficiency and renewable energy.

States received only a portion of the total funding earmarked for to each state. After demonstrating successful implementation of their plans, states will receive additional funding.

More information on the use of each state's funding is available at your state energy office.

Some of the projects include:

- In Colorado, the Governor's Energy Office will provide products aimed at removing financial barriers to rapid deployment of renewable energy and energy efficient initiatives. The state will also focus on energy efficiency in existing buildings and homes and expand its Renewable Energy Rebates and Grants Program.

- In Iowa, the state plans to expand the Building Energy Smart Iowa Program under the Iowa Office of Energy Independence;

- In Kansas, the state seeks to improve energy efficiency for commercial buildings, increase financial options for investing in renewable energy and increase cost savings for homeowners;

- In Nebraska and Wyoming, the states will increase weatherization for homes for qualified persons; Nebraska also will implement plans for several programs to improve energy efficiency and advance renewable energy within the state.

What ‘capitals’ are in your community?

When considering a strategic planning process – thinking in terms of “community capitals” may be helpful for community planning.

The Community Capital Framework was developed by Iowa State Sociology Professors Cornelia and Jan Flora as a way to analyze how communities work.

Community Development Clips



By Corrinne Pedersen

According to the Floras, community capital consists of two main groups of resources every community has but often fails to assess. The Floras divide seven capitals into two groups:

Human Capital

- Social Capital (interactions among groups and individuals for mutual support);
- Human Capital (attributes of individuals: education, skills, health and leadership);
- Cultural Capital (how we see the world, how we explain what happens and what we think is possible to change);
- Political Capital (dependent on cultural capital to determine community norms that lead to formal standards that lead to rules and regulations and enforcement);

Material Capital

- Natural Capital (quality and quantity of natural resources such as air, water, land, soils and forests);



- Financial Capital (cash and other financial instruments that can be invested to create new resources, impacting all other capitals);

- Built Capital (community infrastructure).

Thinking about your community in terms of these capitals is empowering because the starting point is what communities already have, instead of what they need or lack. It highlights the fact these resources (capitals) are within the community and can be grown.

The next time you are thinking about a strategic planning process – think in terms of these capitals. The concepts can be used in a variety of ways for community planning.

Community foundations – a philanthropic powerhouse

Most of our member communities have community foundations or are trying to organize one. A successful foundation takes constant marketing, including explaining the steps citizens can take to invest in

their community.

While on my way to visit one of our newest NMPP Energy members, **Fonda**, Iowa, I noticed an article in the Fort Dodge newspaper, *The Messenger*, promoting the local community foundation’s new vision and expanded mission. The article listed the foundation’s funding priorities and emphasized that foundation participation enhances the community by improving the quality of life and touching the lives of citizens, youth and families – today and in the future. What a wonderful way to market the foundation.

Several years ago, I picked up a paper place mat in **Imperial**, Neb., explaining the Imperial Community Foundation — another way to educate potential contributors.

Be creative and make things happen in your community.

Corrinne Pedersen is manager of member development of NMPP Energy and can be contacted at cpedersen@nmppenergy.org or (800) 234-2595.

Champions are businesses and organizations that support NMPP Energy's



effort to provide products and services to members. Consider these businesses when your utility or municipality has a business need. If your business is interested in becoming an NMPP Energy Champion, call Tim Sutherland at (800) 234-2595.

THIS MONTH'S FEATURED CHAMPION

Sega Inc.

Sega Inc. is an engineering and technical services firm focused on providing energy-related services for power generation, power delivery, air quality and environmental and control systems. Sega has been providing quality services to the power industry for more than 35 years.

Sega offers a full range of engineering services including planning studies, project management, detailed design, construction management and commissioning. In addition to providing engineering services to support the traditional design-bid-build delivery system, it can provide procurement and construction for a total turnkey package.

Sega is best known for their control system services. It has special capabilities to provide control system configuration, simulation, training, check-out, startup and ongoing maintenance in the field. Our personnel are specially trained to support all major control equipment supplier platforms.

Today, Sega is an employee-owned company with 170 employees. It is proud to serve electric utility companies and municipalities with their power generation and delivery needs. It has completed numerous projects for clients in Nebraska, Iowa, Kansas and Missouri. For more information, visit their website at www.segainc.com or call Steve Hinderliter at (913) 681-2881.

Champions Directory

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Ameritas Investment Corp. Omaha, Neb.
Banc of America Securities LLC Denver, Colo.
D.A. Davidson & Co. Omaha, Neb.
Goldman Sachs & Co. New York, N.Y.
Nebraska Energy Federal Credit Union Columbus, Neb.
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Sawvel & Associates, Inc. Findlay, Ohio
Sega Inc. Stilwell, Kan.
Stanley Consultants, Inc. Muscatine, Iowa

Legal Services

Chapman and Cutler, LLP Salt Lake City, Utah
Spiegel & McDiarmid Washington D.C.

Telecommunication Services

River Oaks Communications Corp.
Centennial, Colo.

Upcoming Board Meetings

August

19 MEAN Committees
20 MEAN Board/Management Committee
26 NPGA Board

Employment

Electric lineman

The City of **Imperial**, Neb., is accepting applications for the position of electric lineman. The successful applicant must be able to work from bucket truck heights of over 50 feet and will also be capable of working with high voltage electricity. The applicant should also be able to operate heavy equipment such as a digger derrick, backhoe, dump trucks and bucket trucks. The applicant must have or be able to obtain a Nebraska

CDL within six months of hire. Wages are dependent upon experience. Applications may be picked up at the City office at 740 Court St, Imperial NE or call the Imperial City Office with questions at (308) 882-5151. Applications will be accepted until position is filled. The City of Imperial is an EOE.

Education

Natural Gas R&D Forum

The APGA Research Foundation will host this forum on Sept. 16-17 in Chicago. It will focus on new technologies, domestic sources of supply and lowering operational costs. The first 40 registrants receive free lodging and meals.

For more information go to www.apga.org/RDregistration.

To submit an ad... NMPP members may advertise job openings and equipment for sale for free in the *Essent* newsletter. The deadline is the 15th of each month to run the following month. E-mail Kevin Wickham at kwickham@nmppenergy.org.

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