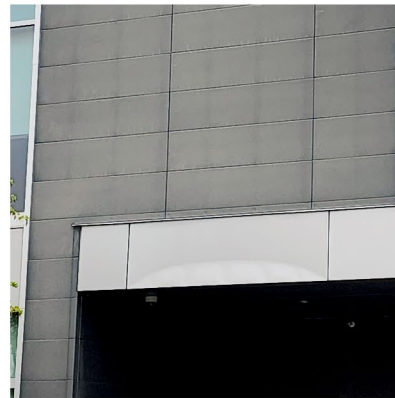
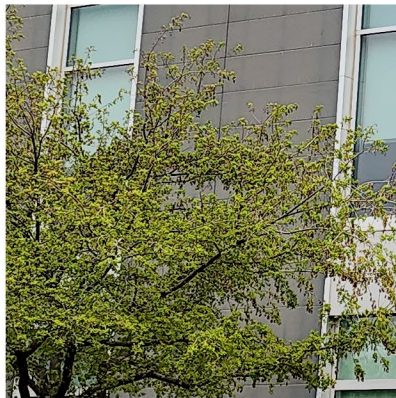
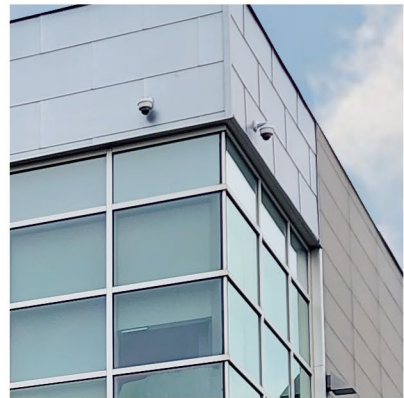
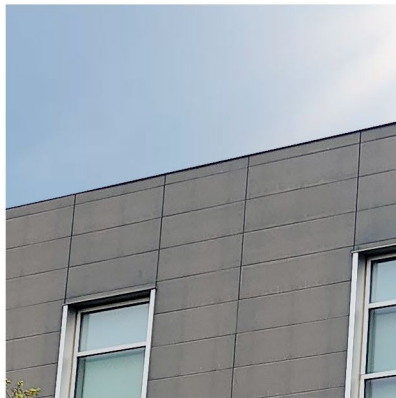


2023 2024

ANNUAL REPORT



NMPP **MEAN** **NPGA** **ACE**





NMPP Nebraska Municipal
Power Pool

Municipal Utility Advocacy

MEAN Municipal Energy
Agency of Nebraska

Wholesale Electric Supply

NPGA® National Public
Gas Agency

Wholesale Natural Gas Supply

ACE Public Alliance for
Community Energy

Retail Natural Gas Choice

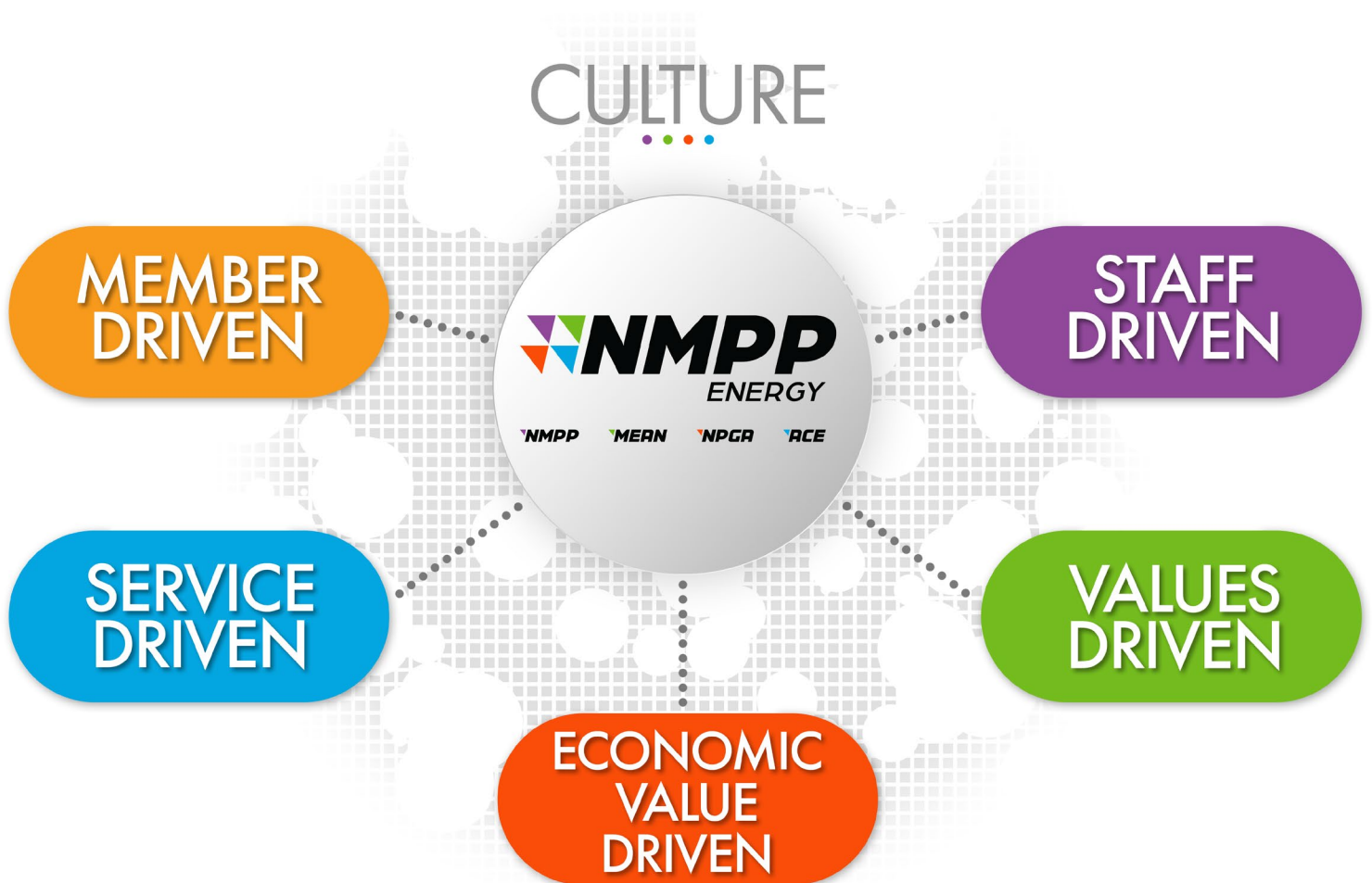






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Village of Stuart, Neb., voltage cutover project

From the Executive Director...

Fiscal year 2023-24 marked a year of transition and opportunity for the organizations of NMPP Energy.

The Nebraska Municipal Power Pool (NMPP), the oldest organization in the NMPP Energy coalition, completed its modernization initiative resulting in a streamlined governance structure and transition of several of its services to the Municipal Energy Agency of Nebraska (MEAN).

The transition was finalized upon a successful vote of the NMPP Members Council regarding recommendations by the NMPP Board of Directors. The successful initiative resulted in keeping NMPP intact as an organization moving forward while transitioning many value-added services for members under MEAN. This transition was done with as minimal impact to staff as possible.

Time and again, the motto of “Working Together Works” continues to be a successful formula for the NMPP Energy coalition of organizations.

As the energy industry continues to evolve on many fronts, the NMPP Energy organizations spent the year turning challenges into opportunities in their respective businesses. Below are just some of the accomplishments from the year:

- The MEAN Board of Directors approved a modernized version of its Total Power Requirements Power Purchase Agreement, known as the Service Schedule M contract. The approval capped a three-year process in which MEAN's Governance Committee and Board worked through the initiative that updates the original SSM contract, which is more than 40 years old.
- MEAN made strides toward its 2050 Carbon Neutral Vision, adding a carbon-free resource to its power mix by finalizing an agreement with Central Nebraska Public Power and Irrigation District for 42 megawatts from CNPPID's Johnson Lake hydro facilities.
- MEAN also continued to facilitate multiple community solar projects on behalf of its wholesale power participants as well as MEAN-owned solar power projects in several wholesale power participant communities.
- The ACE Board approved a \$350,000 revenue distribution, bringing the total overall revenue returned to its Nebraska member communities to nearly \$4 million since its formation.
- The ACE Board also reached a new gas supply agreement to move forward in the extremely competitive Nebraska Choice Gas program.
- The National Public Gas Agency locked in a natural gas pre-pay transaction that will provide annual savings on discounted natural gas.
- NPGA also helped to facilitate grant funding opportunities which resulted in two NPGA members attaining federal grant funding to upgrade their natural gas distribution system.

These are just a few of many accomplishments throughout the year of the NMPP Energy organizations. The successes of 2023-24 highlighted in this Annual Report are only possible through the dedication and hard work of board and committee members, internal staff, and staff and elected officials of the municipalities we serve.

Thank you for taking the time to read the NMPP Energy 2023-2024 Annual Report. I look forward to continuing to build upon the successes of the NMPP Energy organizations moving forward.



Robert Z. Poehling
Robert Poehling
Executive Director,
NMPP Energy

The Nebraska Municipal Power Pool provides municipal advocacy, networking opportunities, communications and mutual aid for the benefit of communities served by the NMPP Energy coalition.

Officers for 2023-24

- **President:** Mike Palmer, electric superintendent, Sidney, Neb.
- **Vice President:** Edward Dunn, city superintendent, Grant, Neb.
- **Secretary/Treasurer:** Randy Woldt, city administrator/utility superintendent, Wisner, Neb.

NMPP completes successful modernization initiative

Fiscal year 2023-24 was a year of transition for the Nebraska Municipal Power Pool. The Pool successfully worked through a modernization initiative that streamlined its governance structure and transitioned several of its services to the Municipal Energy Agency of Nebraska (MEAN).

With a 95 percent approval rate of the Pool's Members Council, the Articles of Incorporation were amended as part of the initiative. Prior to the Members Council vote the Pool Board recommended the following actions, pending Members Council approval:

- Termination of membership in the organization, making the Pool a memberless organization with no collection of annual member dues.
- Elimination of the Pool's Members Council and changing the composition of the Board from 16 members to nine members comprised of officers of the other three NMPP Energy organizations.

The Board also approved using the Energy Research and Development Funds (ERDF) to make automatic grants to all Pool member communities for the fiscal year.

As an organization, the Pool will continue to exist to provide assistance to the other NMPP Energy organizations such as regulatory and legislative advocacy, networking opportunities and coordination of activities that benefit municipalities.

The modernization initiative was prompted primarily due to the loss of annual revenue from the sale of PowerManager software earlier in the fiscal year due to pending retirements of key Salt Creek Software staff. NMPP and Salt Creek Software jointly provided the software to users for more than two decades.

Another driver was the passage of legislation in Nebraska that broadens services that can be performed by MEAN under the Municipal Cooperative Financing Act. Most of the services NMPP was providing are now being provided by MEAN to municipalities, including non-MEAN participants.

Champions program adds four businesses

The NMPP Energy Champions program included 29 businesses during the year, including four new Champion businesses. New Champions were Toth and Associates, inHANCE Utilities, Marsh McLennan Agency and Premier Energy. The Champions program supports NMPP Energy's organizations by providing products and services to communities served by the NMPP Energy coalition of organizations.



The Municipal Energy Agency of Nebraska provides wholesale power supply to 61 participating communities in Colorado, Iowa, Nebraska and Wyoming.

MEAN Board of Director Officers for 2023-24

- **Chair:** Tom Goulette, city administrator/utility superintendent, West Point, Neb.
- **Vice Chair:** Tom Ourada, city administrator, Crete, Neb.
- **Secretary/Treasurer:** Edward Dunn, city superintendent, Grant, Neb.

Board Approves Modernized SSM Agreement

The MEAN Board of Directors approved a modernized version of its Total Power Requirements Power Purchase Agreement, known as the Service Schedule M (SSM) contract.

The Board's approval capped a three-year member-driven process in which the MEAN Governance Committee and Board worked on the initiative that modernizes the SSM contract, which was more than four decades old.

Through the SSM contract MEAN matches participant electric load with long-term, low-cost and reliable power supply. The SSM is a contractual commitment that obligates MEAN to provide long-term wholesale power supply to participant communities and in-turn obligates those participating communities to take the power supply, with the exception of each participant's federal hydro allocation and certain qualifying local power projects.

The modernized SSM agreement accomplishes two primary goals: It brings the agreement up to date with current rules and regulations in today's electric industry and provides participants the option to terminate the contract with proper notice, while honoring pre-existing agency resource obligations.

MEAN held a series of regional virtual workshops for members and city attorneys earlier in the year regarding the initiative to share information and gain feedback on the draft agreement.

More than 30 MEAN SSM participants have approved the modernized agreement and more are anticipated to approve during the 2024-25 fiscal year.

Board Approves Rate Adjustment

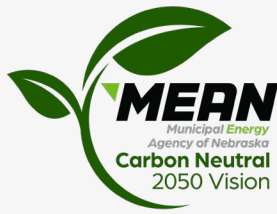
The MEAN Board of Directors in January approved an overall five percent rate adjustment as part of its total revenue requirement for fiscal year 2024-25 for wholesale power supply participants. It marked just the second increase in MEAN's rates in the past eight years.

The overall five percent rate adjustment includes a seven percent increase in MEAN's energy rates. There was no rate adjustment to MEAN's overall Fixed Cost Recovery Charge that is allocated to participants.

The approved rate adjustment addressed increasing power market activity costs resulting in higher electric energy costs.

The main components in MEAN's rate structure for collecting revenue include MEAN's energy rates for long-term (Schedule M) and shorter-term (Schedule K and K-1) participants and the fixed cost recovery charge.

The MEAN Board annually reviews rates and charges to ensure operating revenues are sufficient to pay operating expenses and to maintain financial viability in accordance with policies approved by the Board.



Making strides toward 2050 Carbon Neutral Vision

The MEAN Board of Directors have taken several recent steps in advancing MEAN's 2050 Carbon Neutral Vision, a resolution that was approved by the Board in 2020. Under the Board's direction, MEAN is working toward its vision of a carbon neutral resource portfolio by 2050. Recent achievements include:

- Finalizing a 10-year power purchase agreement with the Central Nebraska Public Power and Irrigation District (CNPPID) for 42 megawatts of carbon free capacity and energy from CNPPID's Johnson Lake hydro facilities. The contract began Jan. 1, 2024 and runs through Dec. 31, 2033. It includes all power output of Johnson Lake hydro units 1 and 2.
- Replacing 15 megawatts of coal with 15 megawatts of natural gas through a power purchase agreement with Black Hills Energy.
- Adding 5.4 megawatts of hydropower from the Ridgway Hydropower Facility through an agreement with the City of Aspen, Colo.
- MEAN facilitated 15 community solar projects for 16 MEAN participant communities in Colorado, Nebraska and Iowa totaling 21.3 megawatts. Construction at the sites began in 2024 and is expected to be completed in 2025.
- In addition to facilitating local solar projects for MEAN participant communities, MEAN as an organization has contracted for 12.7 megawatts of the solar energy output at four of the community project sites.

The Board continues to look for opportunities to transition its resource portfolio as it works toward its 2050 Carbon Neutral Vision. MEAN's Integrated Resource Plan, which is approved by the Board and updated every five years, aligns with MEAN's 2050 Carbon Neutral Vision.

MEAN Participants Respond During Arctic Blast

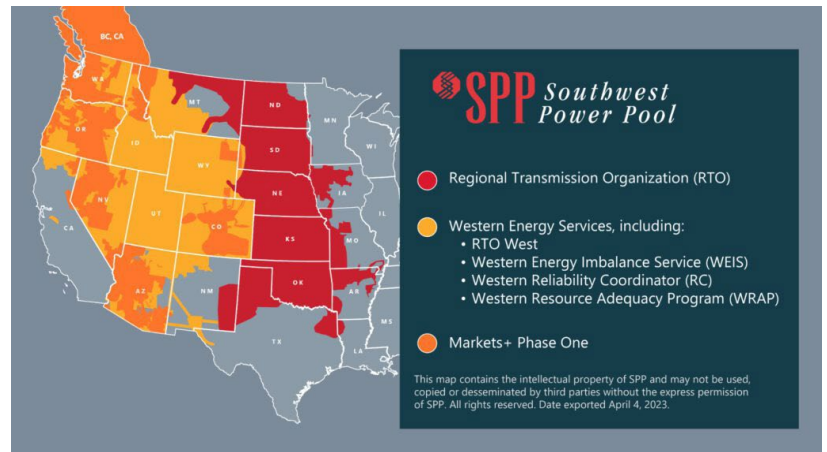
MEAN, along other regional utilities, was actively monitoring and responding to a January arctic weather event that posed electric grid reliability challenges for the Southwest Power Pool (SPP) and other regional transmission operators.

SPP and the Midcontinent Independent System Operator issued multiple advisories for their respective regions. SPP issued a Conservative Operations Advisory spanning from Jan. 14-16. High electric demand, generation outages and diminished wind generation output were the primary drivers of the advisories.

Several MEAN wholesale power participants were called upon to operate their local generating units, adding support to maintain reliability of the electric grid.

MEAN's wholesale power participants with local generating units maintain them year-round so they can be used for emergency situations like the January cold weather event.





Consideration of Possible SPP RTO West Expansion

MEAN is among several regional utilities considering participation in Southwest Power Pool's potential expansion of its Regional Transmission Organization (RTO) into the U.S. Western Interconnect as well as other potential market opportunities. MEAN is currently a member of SPP's RTO in the Eastern Interconnection and SPP's Western Energy Imbalance Service market.

SPP is a not-for-profit corporation mandated by the Federal Energy Regulatory Commission to ensure reliable supplies of power, adequate transmission infrastructure and competitive wholesale electricity prices on behalf of its members.

Cybersecurity Pilot Program Assists Utilities

A Cybersecurity Services Pilot Program was completed for several MEAN participant communities. The program was made available through a Demonstration of Energy and Efficiency Developments (DEED) grant through the American Public Power Association.

The pilot program, geared toward small utilities with limited resources to address cybersecurity challenges, provided a cybersecurity assessment, network audit and cybersecurity awareness training. Participating communities were provided a roadmap and dashboard for improving their cybersecurity posture.

Building off the success of its pilot program, MEAN continues to seek future grant opportunities to address cybersecurity challenges faced by smaller electric utilities.



Supporting Energy Efficiency

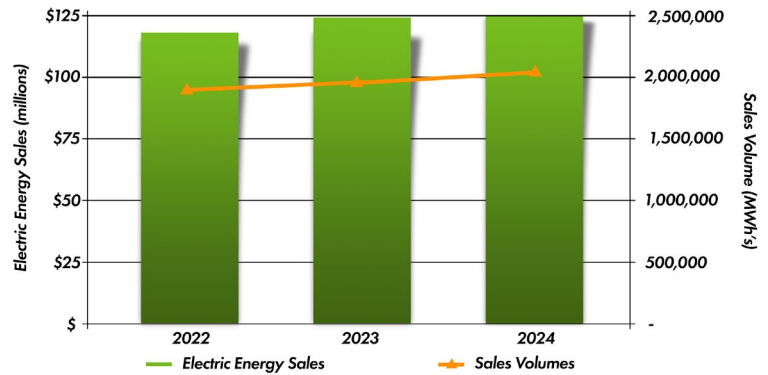
The MEAN Board continued to support a suite of energy efficiency programs for residential utility customers of wholesale power participants. The programs provide cash incentives for energy efficiency upgrades. The residential programs provide incentives for:

- Attic insulation
- Smart thermostat
- Cooling system tune-up
- High efficiency heat pump

MEAN also continued its LED lighting program for commercial customers. Overall, there were 23 commercial lighting projects in 12 communities during the year and 87 residential energy efficiency projects in 27 communities.



Electric Energy Sales



*Detailed information regarding MEAN's sales volumes and operating revenues is included in MEAN's Audited Financial Statements. (www.nmppenergy.org/about/financial-information).

Board Approves Participant Contract Changes

The Board approved the City of Holyoke, Colo., as a long-term power participant (Service Schedule M). The new contract took effect in October 2023. The Board also approved The City of Wray, Colo., as a Service Schedule K-1 (10-year) power participant. The new contract took effect in July 2023.

Participant Generation Units Earn High Passing Rate

MEAN's annual generation unit capability testing was completed in the fall with a passing rate of 97 percent. The annual testing process includes on-site visits to inspect generation units and a testing procedure to ensure they meet their specified capacity.

There are 19 communities with local generation units. This year's testing included 60 units. The units are leased by MEAN for a small portion of power supply capacity of MEAN's overall power supply portfolio. They also provide resiliency, serving as back-up generation during emergencies for local communities.

Other Utility Services

As a result of the Nebraska Municipal Power Pool's modernization initiative, the MEAN Board of Directors approved the transfer of some utility services that were previously administered by NMPP. Here is a breakdown of services as performed under MEAN during the fiscal year:

Electric Distribution System Program

41 utilities participated in the program

Regulatory Reporting Assistance

67 reports were completed for 32 utilities for regulatory reporting requirements for the U.S. Energy Information Administration and Nebraska Department of Environment and Energy.

Utility Training Program

18 utilities participated in utility training sessions held at three regional locations.



Generation Workshop 2023

The National Public Gas Agency provides wholesale natural gas supply to 13 member communities in Colorado, Kansas and Nebraska and five customer communities in Colorado, Kansas, Oklahoma and Wyoming.

Officers for 2023-24

Chair: Chris Anderson, city administrator, Central City, Neb.

Vice Chair: Bob Lockmon, utility superintendent, Stuart, Neb.

Secretary/Treasurer: Randy Woldt, city administrator/utility superintendent, Wisner, Neb.

Securing Discounted Gas Supply

The NPGA Board locked in favorable pricing on a natural gas pre-pay related transaction with the Municipal Gas Authority of Georgia that will provide more than \$91,000 in discounted annual savings. With the most recent agreement, NPGA members currently now benefit from savings created through four prepay-related gas supply agreements.

Members Awarded Federal Grants

Two NPGA members, the Village of Stuart, Neb., and the City of Trinidad, Colo., were awarded federal grant funding during the first round of funding through the Natural Gas Distribution Infrastructure Safety and Modernization grant program.

The program provides nearly \$1 billion in funding over five years to modernize municipally-owned natural gas distribution pipes. Overall, eight NPGA members applied for grant funding.

NPGA held a workshop the previous year for its member communities focusing on federal grant funding opportunities.



City of Trinidad, Colo., receives federal grant

Advocacy Efforts for Members

NPGA continued its advocacy efforts on behalf of its members with active participation in a shippers' group regarding a Tallgrass Interstate Gas Transmission pipeline rate case. NPGA staff also monitored a Northern Natural Gas pipeline rate case and possible tariff changes regarding Southern Star Central Gas Pipeline.

As NPGA's members are supplied natural gas on multiple interstate pipelines, advocacy efforts are aimed to minimize impacts to members served by their respective pipelines.

Minimal Impact from Winter Storm Gerri

Staff continually monitored the natural gas market, usage and storage conditions during Winter Storm Gerri, which hit the region for seven days in mid-January. Communication was sent to NPGA members and customers regarding potential pipeline operational flow orders due to storage restrictions and pipeline constraints.

Fortunately, the storm's impact was not as severe to NPGA members and customers as Winter Storm Uri in 2021.



No Changes to Hedging Program

NPGA's board-driven natural gas hedging policy and parameters remained unchanged during the year. The policy allows for a portion of members' anticipated usage to be hedged more than a year in advance. This serves to level the cost of gas and mitigate forward-exposure risk and provides savings to members during times of a rising spot market. NPGA's current hedging parameters were approved by the Board in 2022.

Asset Management Arrangements result in savings

NPGA continued finding value for members using Asset Management Arrangements (AMA) on Southern Star, Northern Natural Gas and Tallgrass Interstate Gas Transmission pipelines to save approximately \$108,000 for NPGA members served on those pipelines.

An AMA extracts value from capacity rights on interstate pipelines. Under an AMA, unused capacity is marketed and sold, creating value back to the NPGA members served by that pipeline.

Fiscal Year Natural Gas Market Trends

The U.S. benchmark (Henry Hub) natural gas price averaged \$2.44 per MMBtu for the year. Increased natural gas production, flat consumption and rising natural gas storage inventories were contributing factors to the lower pricing compared with the previous year.

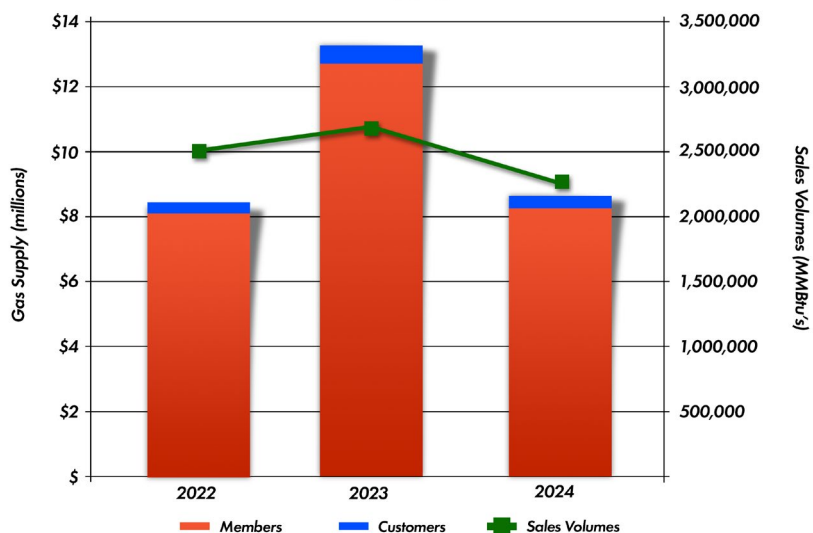
Predictions of potentially significantly higher regional basis pricing for the 2023-24 winter did not materialize with only February posting basis differential pricing significantly over Henry Hub pricing.

According to the U.S. National Oceanic and Atmospheric Administration December 2023 through February 2024 was the warmest winter on record for the contiguous U.S. with an average temperature of 37.6 degrees, 5.4 degrees above average at the March 2024 end of withdrawal season, putting downward pressure on domestic natural gas pricing.

Prices are expected to continue to be in the low-to-mid \$2 range for 2024, according to the March 2024 U.S. Energy Information Agency's Short Term Energy Outlook.



Gas Supply



*Detailed information regarding NPGA's sales volumes and operating revenues is included in NPGA's Audited Financial Statements (www.nmppenergy.org/about/financial-information).



*Public Alliance for
Community Energy*

The Public Alliance for Community Energy (ACE) is the community-owned retail natural gas supplier in the Nebraska Choice Gas program. Formed in 1998, ACE's membership includes 75 member communities and one public power district in Nebraska.

Officers for 2023-24

Chair: Andrew Devine, city administrator, Albion, Neb.

Vice Chair: Jeremy Tarr, city administrator, Plainview, Neb.

Secretary/Treasurer: Mike Palmer, electric superintendent, Sidney, Neb.

ACE Continues Support of Nebraska Communities

In 2023 ACE celebrated its 25th year of supporting Nebraska communities as a participating natural gas supplier in the Nebraska Choice Gas program.

ACE was formed by Nebraska communities that sought competition regarding natural gas rates in the Nebraska Choice Gas Program for the benefit of local communities.

In addition to providing competitive rates and local control to Nebraskans, ACE continues to serve as an advocate on behalf of Choice Gas customers. ACE advocates for all Choice Gas customers through active participation at Choice Gas program meetings and workshops and providing program feedback with the goal of program improvement for Choice Gas customers.

ACE Growth Amidst Strong Competition

Despite fierce competition from seven natural gas suppliers, ACE secured approximately 12,800 selections during the three-week 2023 selection period for a 16 percent market share of total Choice Gas customers, which was a slight increase from the previous year. Overall, ACE's market share was the third highest among the seven suppliers.

The Choice Gas program had approximately 80,400 overall customer accounts, which was a slight increase over the previous year.

Grassroots Marketing Continues

ACE member communities continued its strong grassroots marketing effort to share the benefits of choosing ACE as a natural gas supplier. In-house marketing efforts included a multi-media approach using newspaper advertising, a social media campaign on multiple platforms, letters/post cards, customized emails, signage and promotional items.

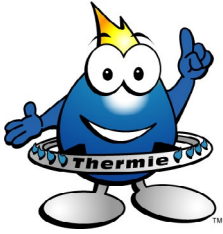
Several Community Power Projects were held by ACE member communities to help educate Choice Gas customers about ACE and its role in the Choice Gas program. Projects included a community meal, radio talk show, coffee talks, open houses, and an event booth.

Supporting Communities through Community Cleanup program

ACE's Community Cleanup Program continued to be strongly supported by member communities. ACE supported 15 community clean-up events in member communities. Through the program, ACE provides equipment, safety vests and a financial donation to volunteer groups for their efforts in keeping their community clean.



City of Laurel, Neb., community cleanup



ACE Projects of the Year

ACE awarded three Project of the Year Awards to ACE member communities that used their respective ACE funds for community improvement.

ACE member communities submitted project nominations and winners were determined through voting on ACE's Facebook page. The awards were presented at the 2024 NMPP Energy Annual Conference in three population categories: Under 500, 500-1,000 and more than 1,000.

The winners were:

- City of Long Pine, Neb., (Under 500) for its Standpipe Water Tank Renovation Project
- City of Chappell, Neb., (500-1,000) for its Thompson Park Upgrades Project
- City of Ogallala, Neb., (more than 1,000) for its Collister Park Unity Project

Each winner received a plaque and \$200 to be used toward future community betterment projects.



Board Approves Gas Supply Partnership

The ACE Board, following up on a 2022 strategic planning session and review of its role in the Choice Gas program and natural gas partnership options, approved a new natural gas supply contract to move forward in the program.

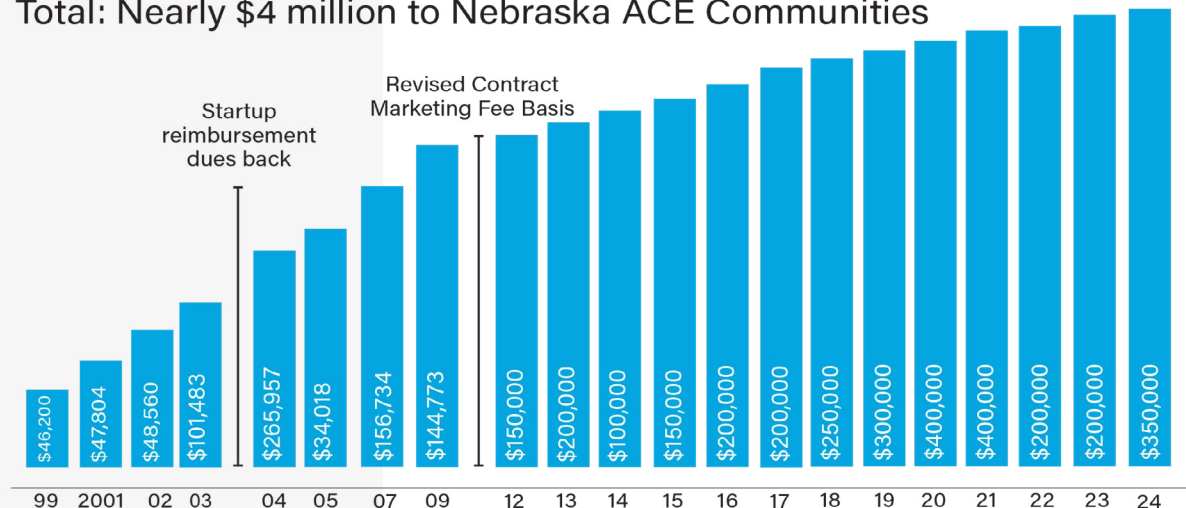
ACE Revenue Distribution to Communities Nearing \$4 Million

The ACE Board of Directors in January approved a revenue distribution of \$350,000 to ACE member communities. Through the revenue return program, the ACE Board may vote to return revenue to its member communities. Since forming, ACE has returned nearly \$4 million back to its Nebraska member communities.

These funds are used in various ways to benefit each ACE member community, including helping fund recreational trails, community swimming pools and park improvements.

ACE Distribution Returns by Year

Total: Nearly \$4 million to Nebraska ACE Communities





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