



MEAN Finance Committee Meeting

Younes Conference Center, Kearney, Nebraska

November 19, 2025

2



Call to Order

Brent Nation
Committee Chair



NMPP MEAN NPCR ACE

NMPPEnergy.org



3

Call to Order

- Nebraska Open Meetings Act – Section 84-1412 (8)
- Roll Call



NMPPEnergy.org



4



Public Comment Period



NMPPEnergy.org



5

Public Participation Policy - Summary

- Any member of the public may speak, subject to these rules
- Individuals must state the following:
 - **Name**
 - **Address** (unless the address requirement is waived to protect the security of the individual), and
 - **Name of any organization represented** by such person
- Public comment period will be a maximum of 30 minutes
- Comments are limited to 3 minutes per person
- Address comments to the Committee as a body and not to any individual member thereof
- Disruptive conduct is not allowed & individual may be asked to leave meeting



NMPPEnergy.org



6

Consent Agenda

- Approval of Minutes of the October 22, 2025 Meeting
- The next meeting of the Finance Committee will be held jointly with the Risk Oversight Committee on Wednesday, December 17, 2025, with a virtual option provided.



NMPPEnergy.org



7

Consent Resolution

Approval of the consent resolution on page 3 of the meeting packet



NMPPEnergy.org



8



Financial Report

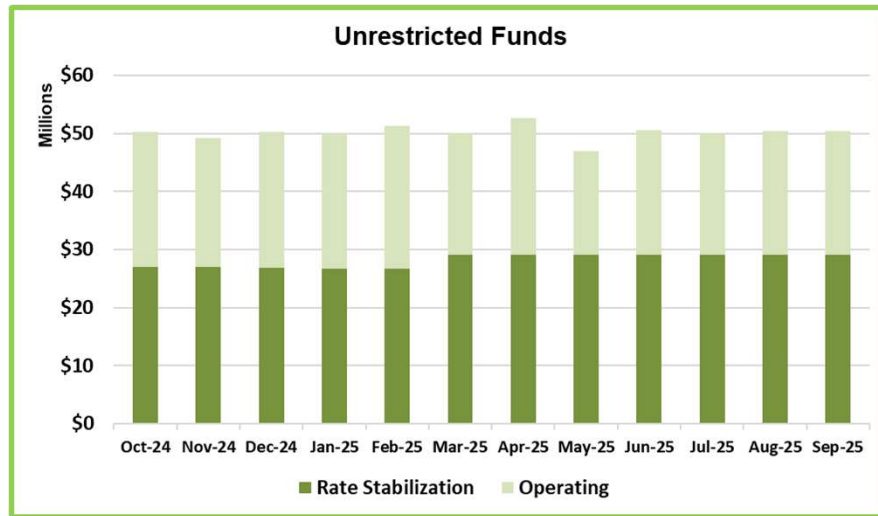
Jamie Johnson
Director of Finance and Accounting



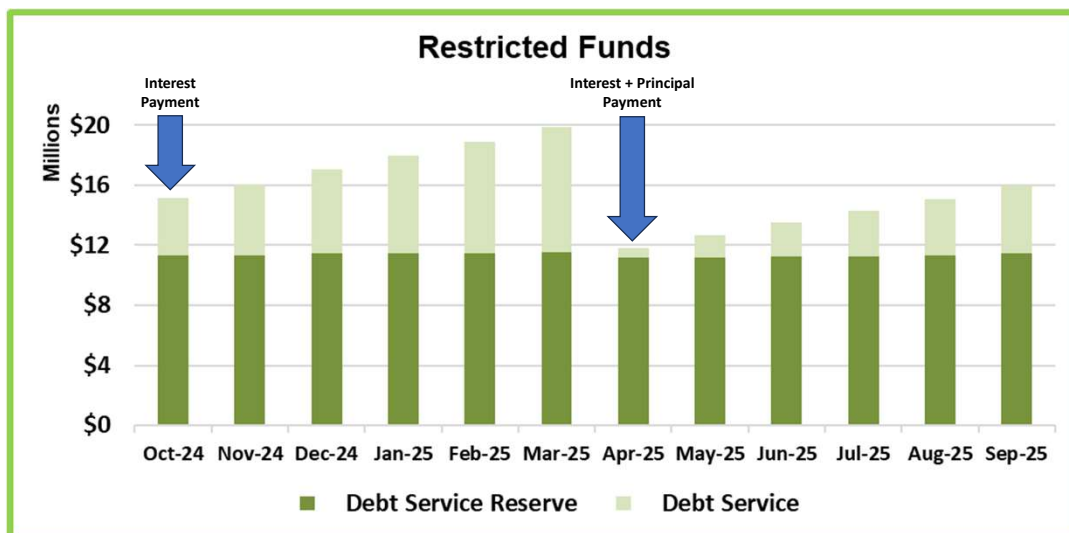
NMPPEnergy.org



9



10



11

Owned Generation Capital (Productive Capacity)

Fiscal Year Ending March 2026:
As of September 2025

(dollars in millions)

	Actual	Budget	Actual vs. Budget \$ +/-	Prior Year
Wygen Unit I	\$ 1.8	\$ 1.4	\$ 0.4	\$ 1.2
LRS Units 1, 2, and 3	0.2	0.5	(0.3)	0.5
WSEC 4	2.5	1.5	1.0	0.3
Total	\$ 4.5	\$ 3.4	\$ 1.1	\$ 2.0



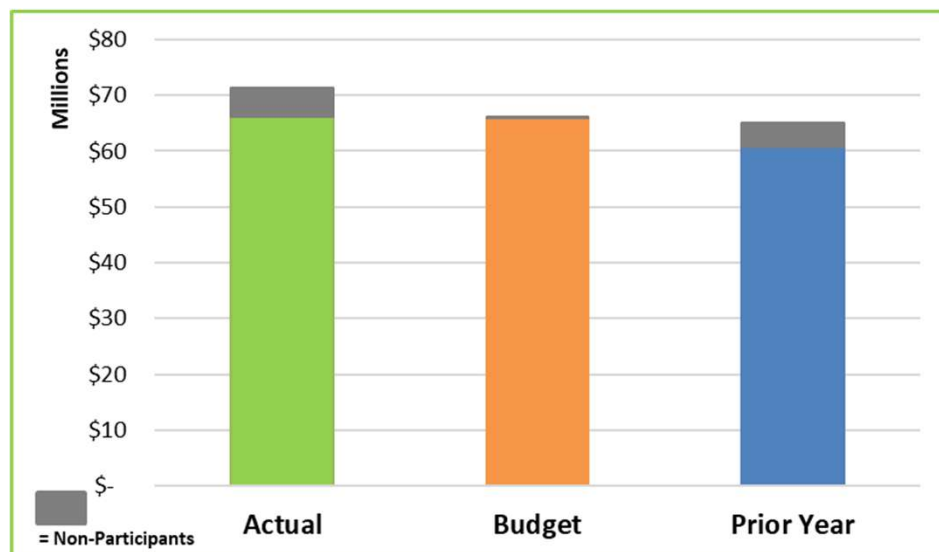
NMPPEnergy.org



12

Electric Energy Sales

Fiscal Year
Ending March
2026:
As of
September 2025



NMPPEnergy.org



13

Operating Expenses

Fiscal Year Ending March 2026:
As of September 2025

		(dollars in millions)					
Line		Actual	Budget	Prior Year	Actual vs.		
					Budget	Prior Year	
Electric Energy Costs							
Purchased Power							
A	Contracted Purchases	\$ 40.4	\$ 40.6	\$ 37.2	\$ (0.2)	\$ 3.2	
B	Market Activity	6.3	(2.6)	4.1	8.9	2.2	
C	Total Purchased Power	46.7	38.0	41.3	8.7	5.4	
D	Production	8.9	10.0	9.0	(1.1)	(0.1)	
E	Transmission	4.1	3.8	3.6	0.3	0.5	
F	Total Electric Energy Costs	\$ 59.6	\$ 51.9	\$ 53.9	\$ 7.7	\$ 5.7	
G	Administrative and General	\$ 6.1	\$ 8.2	\$ 5.8	\$ (2.1)	\$ 0.3	



NMPPEnergy.org



14

Cash Analysis

Fiscal Year Ending March 2026:
As of September 2025

		(dollars in millions)		
Line		Actual	Budget	\$ +/-
A	Net Revenue / (Loss)	\$ 2.7	\$ 1.8	\$ 0.9
B	Less: MEAN Debt Principal, Lease & Subscriptions	(2.7)	(2.7)	-
C	Less: Interest Expense Amortization	(0.6)	(0.6)	-
D	Less: MEAN and Owned Generation Capital	(4.6)	(3.6)	(1.0)
E	Plus: Depreciation and Amortization	4.4	4.2	0.2
F	Plus: Net Costs to Be Recovered in Future Periods	0.3	0.3	-
G	Change in Operating Fund - Accrual Basis	\$ (0.5)	\$ (0.5)	\$ -
H	Change in Rate Stabilization Fund	\$ -	\$ -	\$ -
I	Total Change in Unrestricted Funds - Accrual Basis	\$ (0.5)	\$ (0.5)	\$ -



NMPPEnergy.org



15



Capacity Commitment Compensation

Kyle Kaldahl
Manager of Rates and Charges

Jamie Johnson
Director of Finance and Accounting



NMPPEnergy.org



16

Rates and Charges

Rate	Current \$/Unit	Proposed \$/Unit
Capacity	\$2.50/kW-month @ Contract Capacity	\$3.00/kW-month @ Contract Capacity
Variable O&M	\$5.00/MWh	\$5.00/MWh
Fuel	Average Fuel Tank Price Per Gallon	Average Fuel Tank Price Per Gallon
Labor	\$44.00/unit Operating Hour	\$44.00/unit Operating Hour



NMPPEnergy.org



17

Statement of Power and Energy Delivery Credit

- Currently \$\$s flow multiple directions
- Staff proposes transitioning reimbursement for Capacity Commitment Compensation to a monthly Statement of Power and Energy ("Power Bill") credit

Transaction	Participant	MEAN
Monthly Power Bill	\$\$ out to MEAN →	\$\$ in from City
Capacity Commitment Compensation	\$\$ in from MEAN ←	\$\$ out to City
Proposed with Credit	Net \$\$s out to MEAN →	Net \$\$s in from City

Proposed modifications to Schedule of Rates and Charges – Attachment B



NMPPEnergy.org



18



Contract Purchaser Changes – Modifications to Financial and Administrative Policies and Guidelines and Schedule of Rates and Charges for Service Schedule M

Jamie Johnson
Director of Finance and Accounting



NMPPEnergy.org



19

What is a Contract Purchaser?

- Contract Purchaser is a City which has **elected** pursuant to the legacy SSM **not to participate in a new MEAN power project**
- **Fundamental change** in nature of relationship with MEAN
- City transitions from a total requirements purchase obligation to a fixed purchase obligation
- City becomes responsible for many functions previously provided by MEAN



NMPPEnergy.org



20

Contract Purchaser Arrangements and Responsibilities

- Market Registration
- Demand Bids (MISO/SPP) or Scheduling (WEIS)
- Energy
- Billing
- Out of Market Settlement
- Metering & Load Data
- Transmission
- Congestion Hedging
- Resource Adequacy/Planning Reserve Obligations and Reporting
- Compliance/Regulatory Obligations



Summary Only - Not an exhaustive list of responsibilities



NMPPEnergy.org



21

Contract Purchaser ≠ Total Requirements

- City shall continue to be a [Total] Requirements Purchaser until the latest date such Project or any other Project which constitutes a Related Project for the City commences commercial operation, whereupon City shall become a Contractor Purchaser, and its obligation hereunder to purchase, and MEAN's obligation to supply, electric power and energy shall thereafter be at a **Contract Demand equal to the Firm Power Requirement** for the City at the date such Project commences commercial operation.
 - ▶ **"Contract Demand"** means the number of kilowatts (KW) that MEAN agrees to have available for delivery to the City and that City agrees to purchase, in the event that the City becomes a Contract Purchaser.
 - ▶ **"Firm Power Requirement"** means the maximum clock hour integrated system demand of the City occurring during the current Billing Period, or the 11 preceding months.



NMPPEnergy.org



22

Why a Different Rate Structure?

- **Fundamental change** in nature of relationship with MEAN
- City transitions from a total requirements purchase obligation to a fixed purchase obligation
- By law, all MEAN rates must be adequate, fair, reasonable, and non-discriminatory
- MEAN has a statutory duty to recover its costs



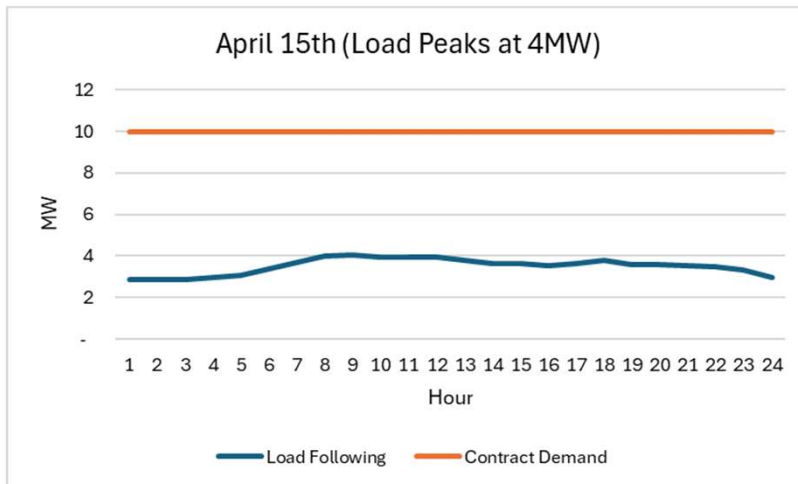
NMPPEnergy.org



23

Illustrative Example – Daily Volumes Purchased

Contract Demand of 10 MW



Hypothetical Community

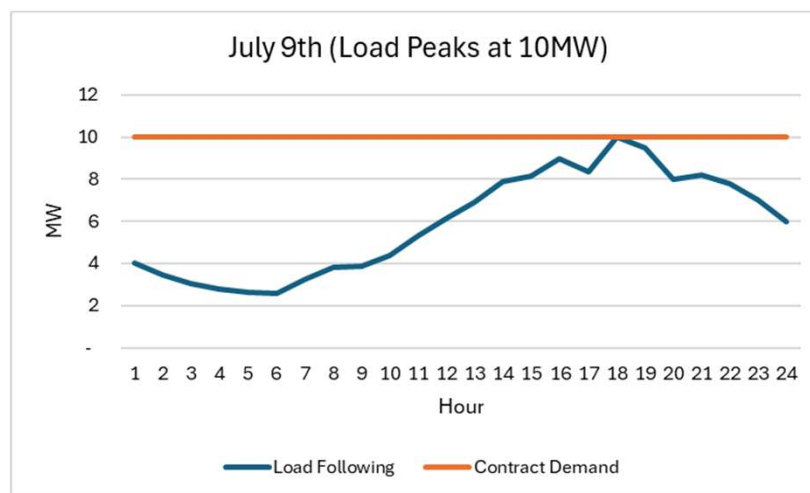
NMPPEnergy.org



24

Illustrative Example – Daily Volumes Purchased

Contract Demand of 10 MW



Hypothetical Community

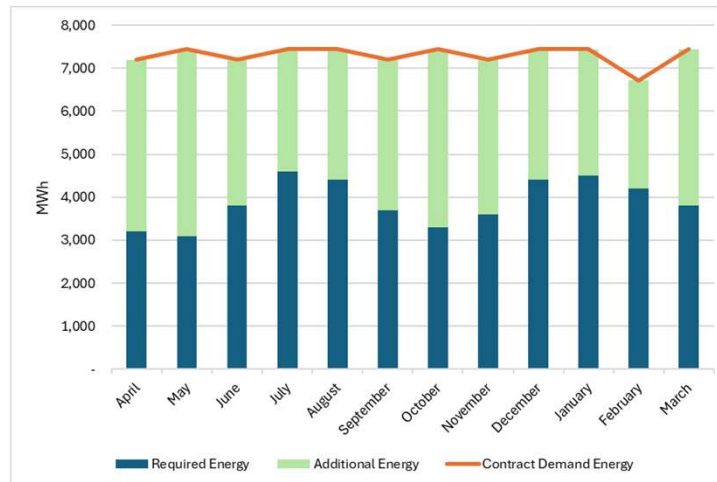
NMPPEnergy.org



25

Illustrative Example – Monthly Volumes Purchased

Contract Demand of 10 MW * 24 Hours * Days in Month



Hypothetical Community

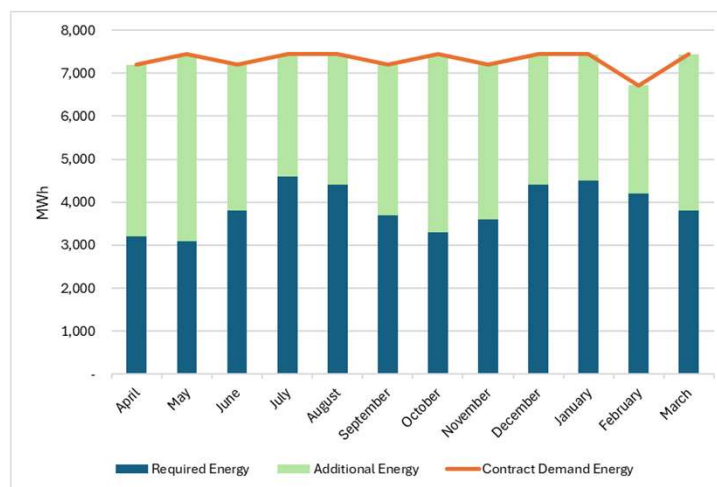
NMPPEnergy.org



26

Illustrative Example – Monthly Volumes Purchased

Contract Demand of 10 MW * 24 Hours * Days in Month



Required Energy
Annual = 46,600



Hypothetical Community

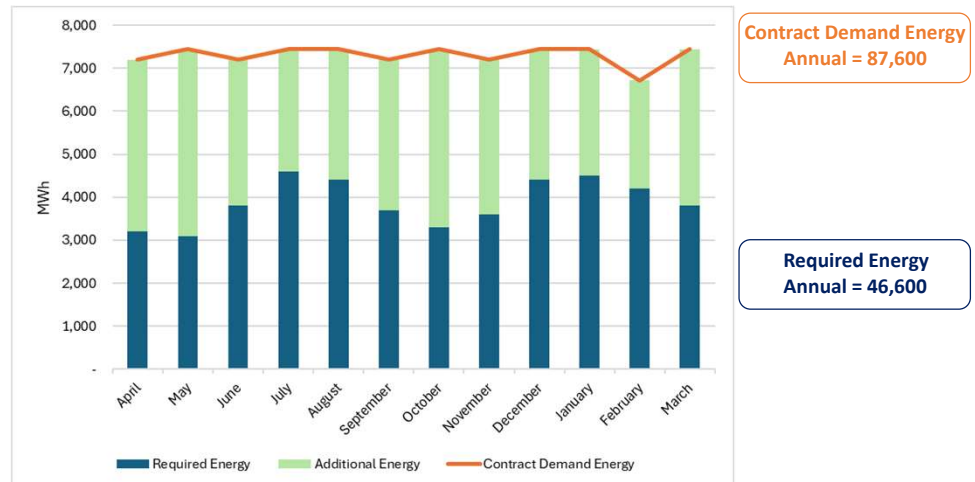
NMPPEnergy.org



27

Illustrative Example – Monthly Volumes Purchased

Contract Demand of 10 MW * 24 Hours * Days in Month



Hypothetical Community

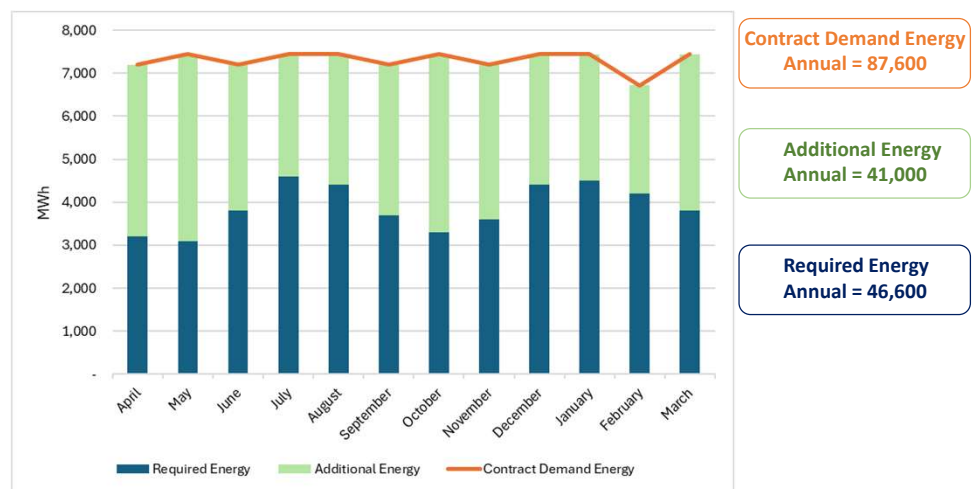
NMPPEnergy.org



28

Illustrative Example – Monthly Volumes Purchased

Contract Demand of 10 MW * 24 Hours * Days in Month

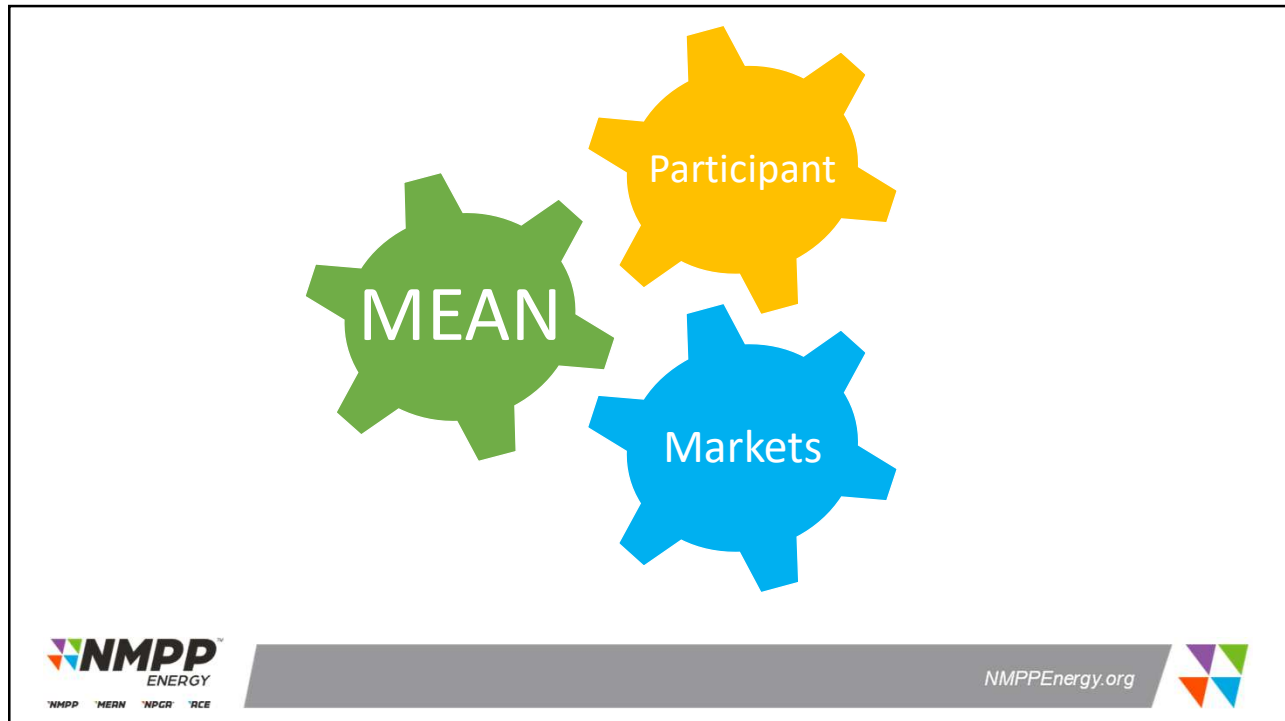


Hypothetical Community

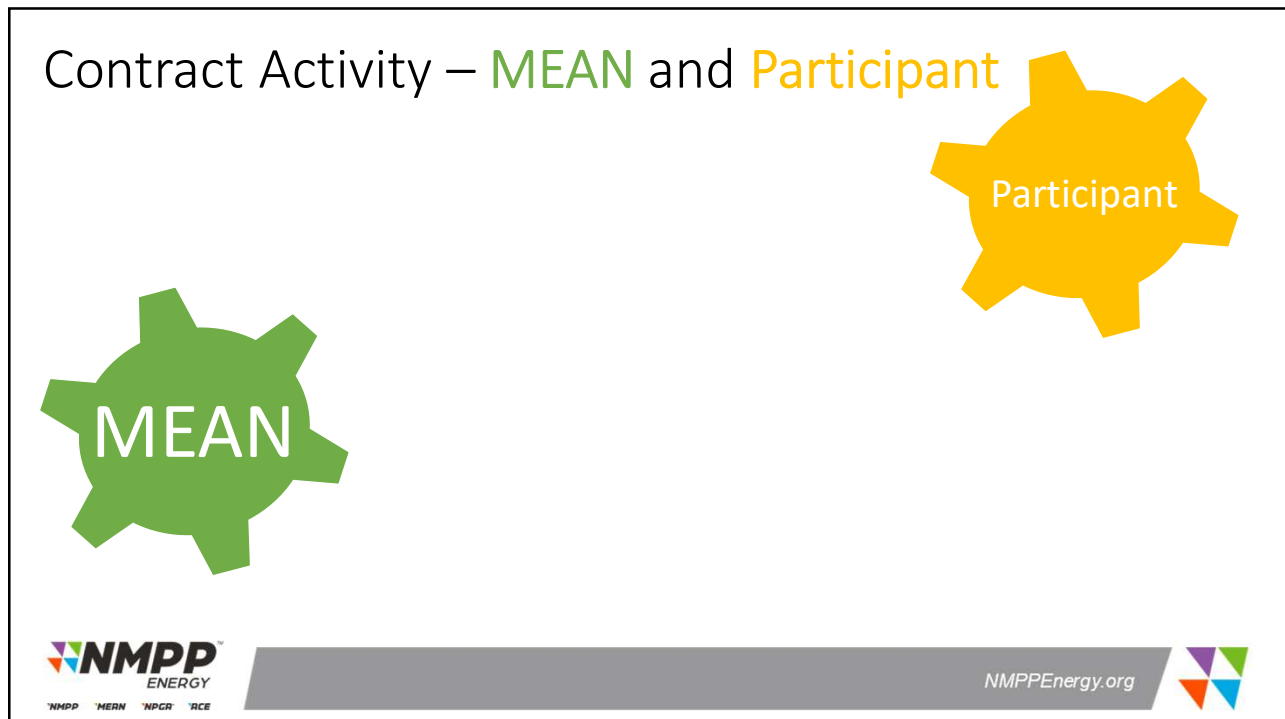
NMPPEnergy.org



29

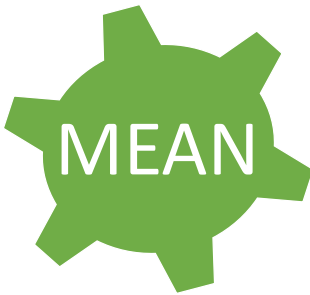


30



31

Contract Activity – MEAN and Participant



Requirements Purchaser

MEAN sells Load Requirements (Variable KW and KWH) to Requirements Purchaser at established Rates and Charges
\$\$\$ in from Participant

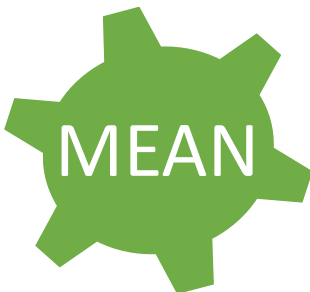


NMPPEnergy.org



32

Contract Activity – MEAN and Participant



Requirements Purchaser

MEAN sells Load Requirements (Variable KW and KWH) to Requirements Purchaser at established Rates and Charges
\$\$\$ in from Participant

Contract obligation changes from **Variable** to **Fixed**



Contract Purchaser

MEAN sells Contract Demand (Fixed KW and KWH) to **Contract Purchaser** at established Rates and Charges
\$\$\$ in from Participant

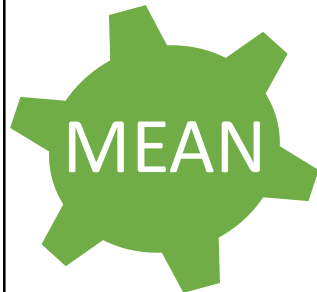


NMPPEnergy.org



33

MEAN's Participant Related Market Activity

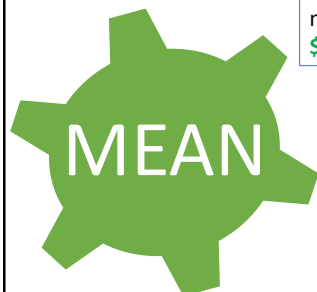


NMPPEnergy.org



34

MEAN's Participant Related Market Activity



Requirements Purchaser

MEAN purchases Load Requirements (KWH) for **Requirements Purchaser** in the respective market at market prices
\$\$s out to Markets

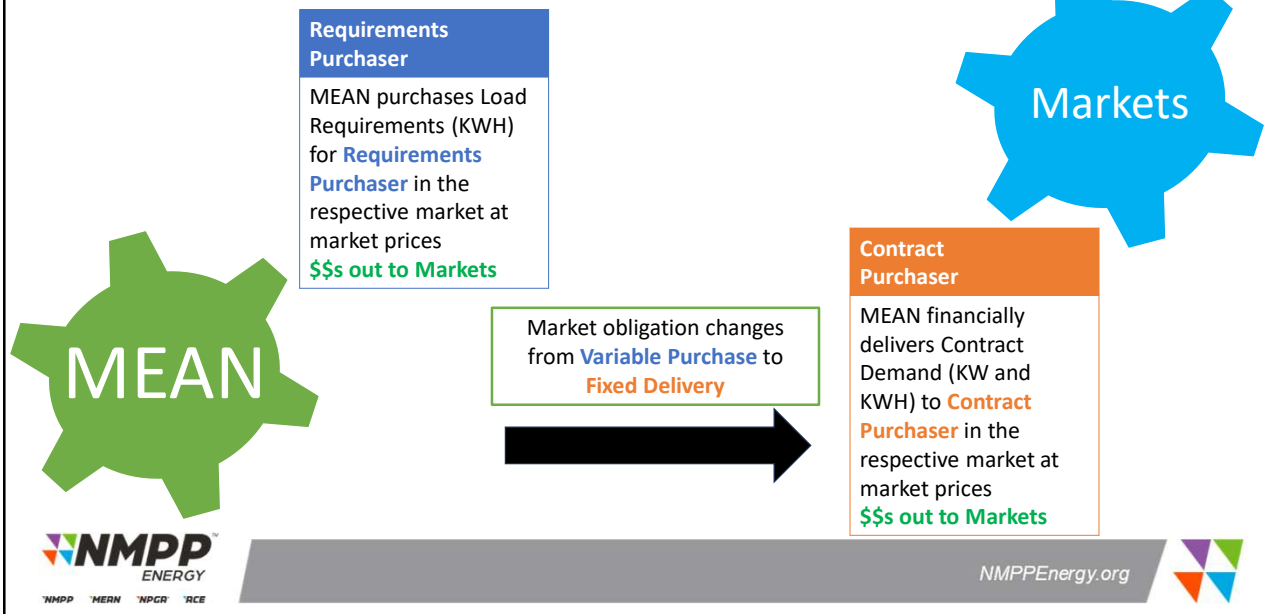


NMPPEnergy.org



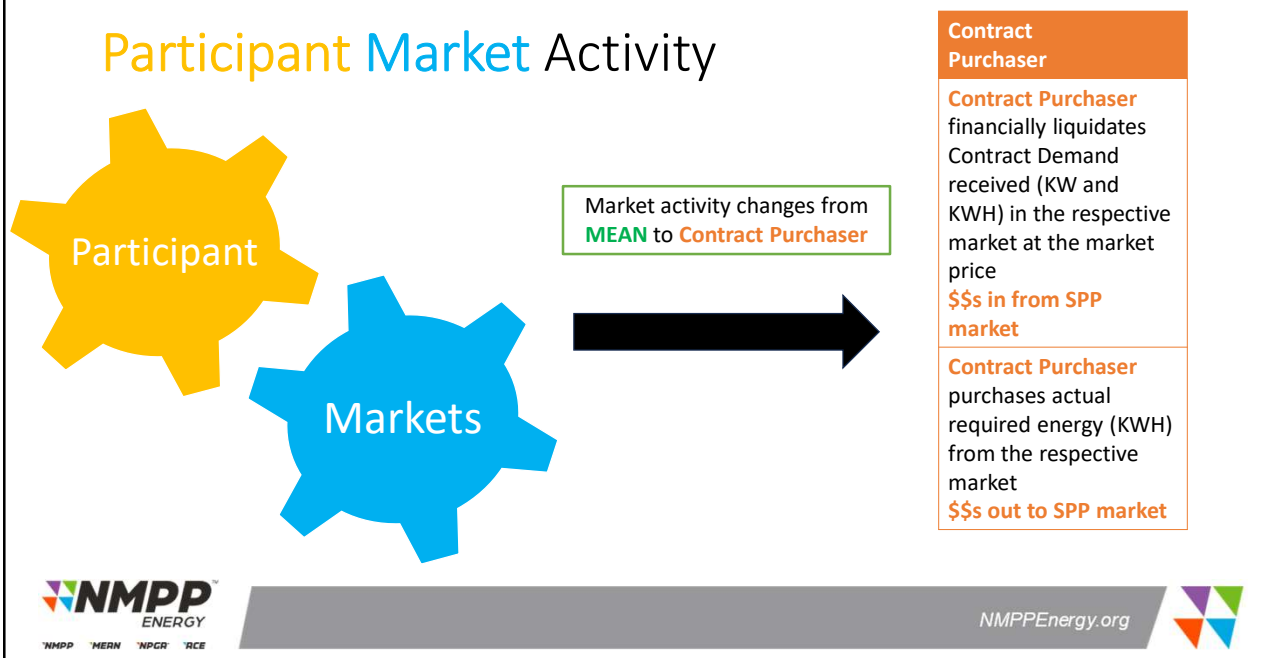
35

MEAN's Participant Related Market Activity



36

Participant Market Activity



37



38

Contract Guides the Rate Structure

- Energy Charge “rate” must be “determined on the basis of Related Project Costs”
 - Related Project Costs = those Project Costs determined as though all the electric power and energy delivered to the City were derived from the Related Projects
 - Related Projects = the Projects specified on the Contract Purchaser’s Exhibit D
- Project Costs generally equals all costs of MEAN
- Structure may include other charges
- Updates will be made to the Service Schedule M Schedule of Rates and Charges



39

Proposed Rate Structure – Contract Purchaser

Energy Charge = Related Projects Charge

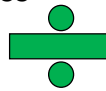
Based on Budget

- Assessed on each contracted kilowatt-hour sold
 - Kilowatt-hour sold calculated by Contract Demand
 - Contract Demand defined by contract
- MEAN's charge for underlying cost of capacity and energy
 - Only includes Project Costs from Related Projects
 - Projects on Contract Purchaser's Exhibit D
- Calculated annually during the budget process

Related Projects Charge
Rate



Budgeted
Related Project Costs



Budgeted
Related Projects
kilowatt-hour
production



NMPPEnergy.org



40

Proposed Rate Structure – Contract Purchaser

Energy Charge = Produced Energy Cost Adjustment

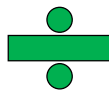
Based on Actuals

- The Produced Energy Cost Adjustment (PECA) is similar to the current Pooled Energy Adjustment (PEA)
- The PECA ensures MEAN recovers and a Contract Purchaser pays actual Related Project Costs on an annual basis
- Calculated annually after completion of the Fiscal Year

PECA
Rate



Actual
Related Project Costs



Actual
Related Projects
kilowatt-hour
production



Related Projects Charge
Rate



NMPPEnergy.org



41

Proposed Charge Structure – Contract Purchaser

Other Charge = Administrative Charge

- Recovers other Project Costs
 - Administrative and general
 - MEAN capital costs
 - Includes applicable offsets
- Modeled after current Fixed Cost Recovery Charge
 - Allocation based on three-year historical average non-coincident monthly peak demand (supplied by MEAN)
 - Contract Demand phases in beginning the month it becomes effective
 - Calculated annually during budget process
 - Include an annual true up provision from budget to actuals



NMPPEnergy.org



42

MEAN Financial and Administrative Policies and Guidelines

Section 17: Rates and Charges

- 17.1 Avoided Cost and Standard Rate
 - Clarified the standard Avoided Cost rate is applicable to total requirements Participants
- 17.6 Contract Purchasers
 - Added language describing the proposed rates and charges
- 17.7 Capacity Commitment Compensation
 - Clarified applicability is to M, K, and K-1 Participants that have Contract Capacity



NMPPEnergy.org



43



44



45



Adjourn



NMPPEnergy.org