



MEAN Finance Committee Meeting

Younes Conference Center, Kearney, Nebraska

January 21, 2026

2



Call to Order

Brent Nation
Committee Chair



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3

Call to Order

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



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4



Public Comment Period



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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



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6

Consent Agenda

- Approval of Minutes of the December 17, 2025 Meeting
- The next meeting of the Finance Committee will be held virtually on May 14, 2026.



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7

Consent Resolution

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



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8



Financial Report

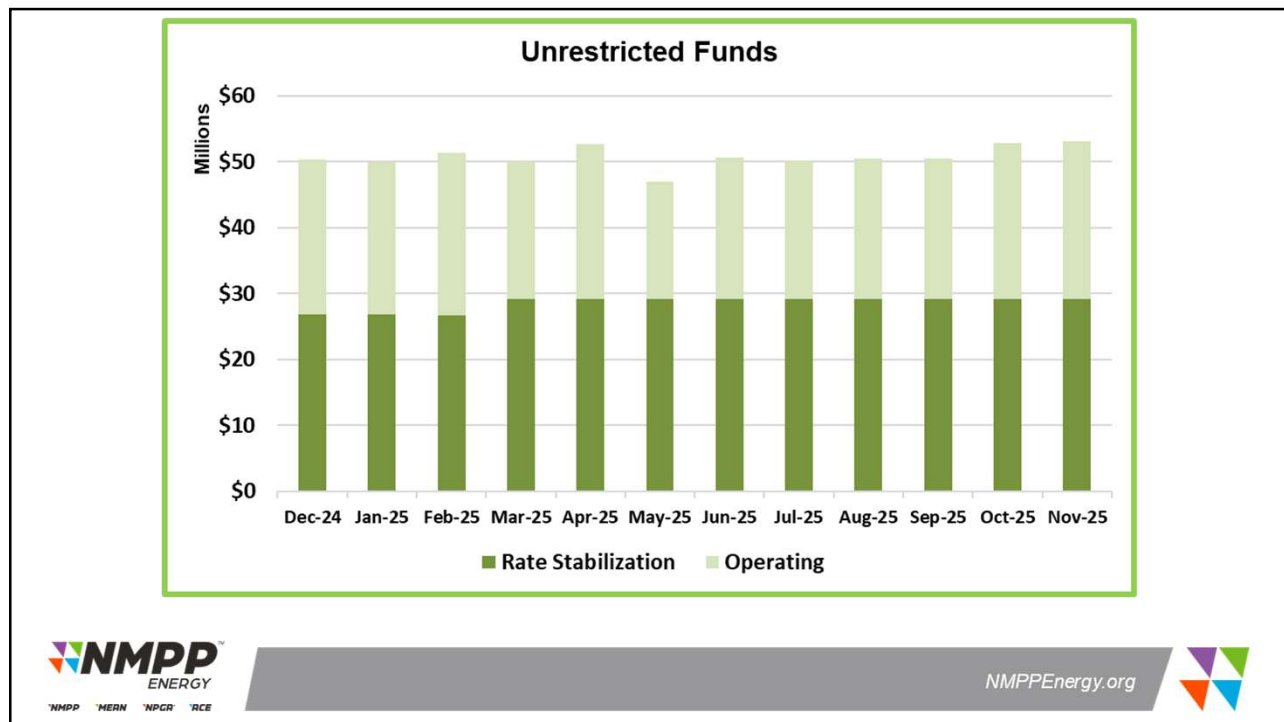
Jamie Johnson
Director of Finance and Accounting



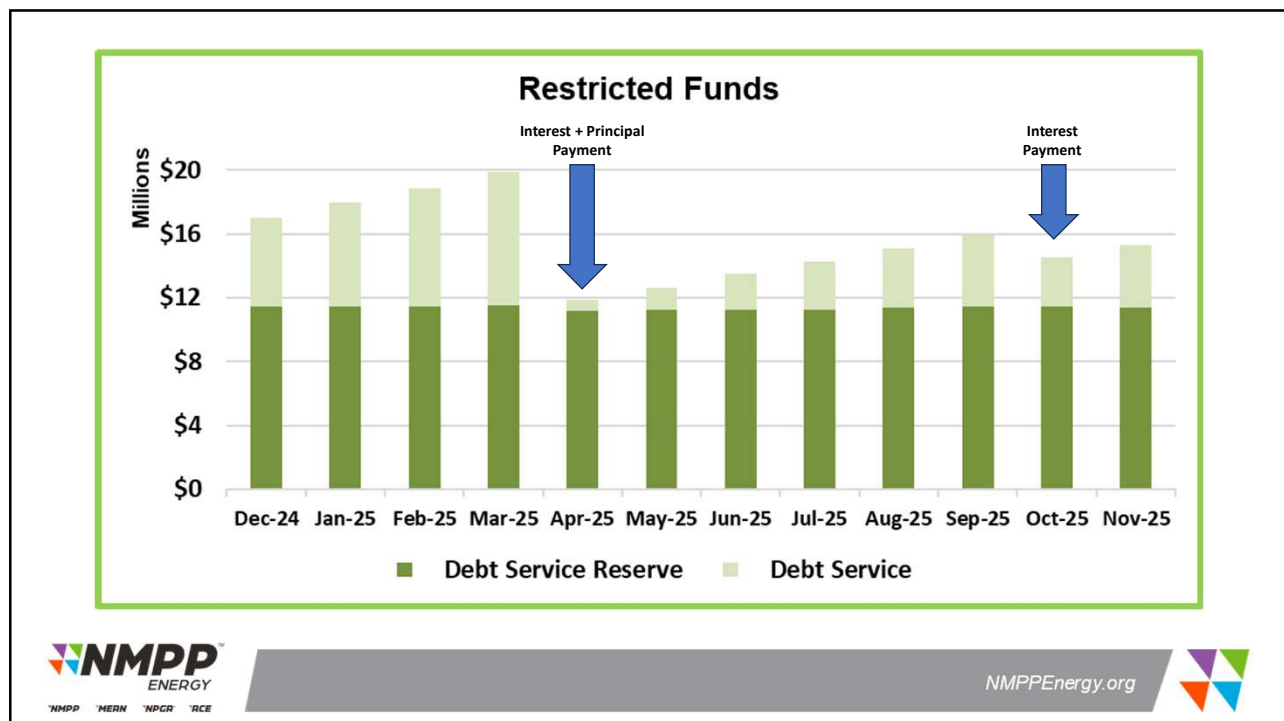
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9



10



11

Owned Generation Capital (Productive Capacity)

Fiscal Year Ending March 2026:
As of November 2025

(dollars in millions)

	Actual	Budget	Actual vs. Budget \$ +/-	Prior Year
Wygen Unit I	\$ 1.8	\$ 1.5	\$ 0.3	\$ 1.3
LRS Units 1, 2, and 3	0.2	0.7	(0.5)	0.6
WSEC 4	3.0	2.0	1.0	0.6
Total	\$ 5.0	\$ 4.2	\$ 0.8	\$ 2.5



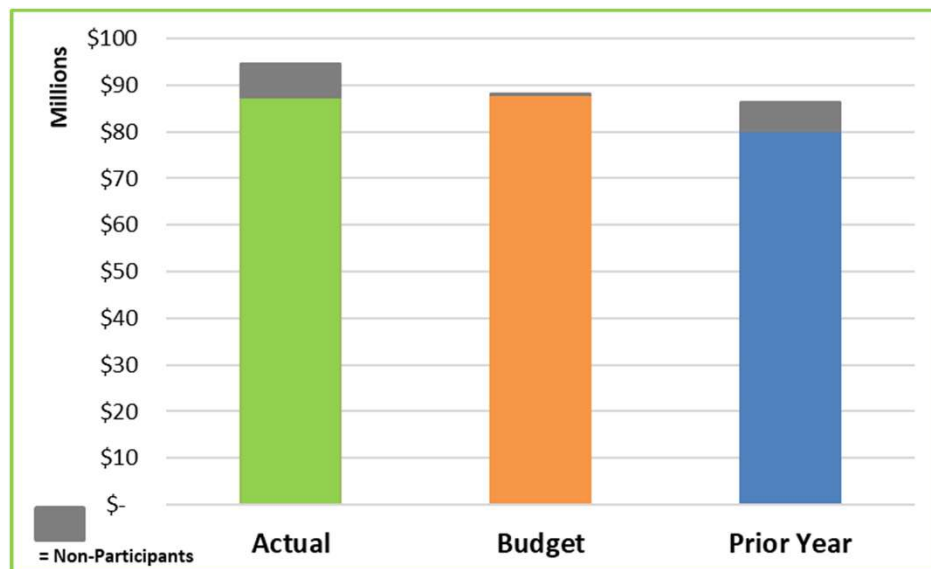
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12

Electric Energy Sales

Fiscal Year Ending
March 2026:
As of November 2025



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13

Operating Expenses

Fiscal Year Ending March 2026:
As of November 2025

		(dollars in millions)				
Line		Actual	Budget	Prior Year	Actual vs.	
					Budget	Prior Year
	Electric Energy Costs					
	Purchased Power					
A	Contracted Purchases	\$ 51.6	\$ 52.9	\$ 48.4	\$ (1.3)	\$ 3.2
B	Market Activity	8.2	(1.0)	5.0	9.2	3.2
C	Total Purchased Power	59.9	51.9	53.5	8.0	6.4
D	Production	11.8	13.2	11.6	(1.4)	0.2
E	Transmission	5.4	5.1	5.1	0.3	0.3
F	Total Electric Energy Costs	\$ 77.1	\$ 70.2	\$ 70.1	\$ 6.9	\$ 7.0
G	Administrative and General	\$ 8.3	\$ 11.0	\$ 7.8	\$ (2.7)	\$ 0.5



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14

Cash Analysis

Fiscal Year Ending March 2026:
As of November 2025

		(dollars in millions)		
Line		Actual	Budget	\$ +/-
A	Net Revenue / (Loss)	\$ 5.0	\$ 1.3	\$ 3.7
B	Less: MEAN Debt Principal, Lease & Subscriptions	(3.5)	(3.5)	-
C	Less: Interest Expense Amortization	(0.8)	(0.8)	-
D	Less: MEAN and Owned Generation Capital	(5.1)	(4.3)	(0.8)
E	Plus: Depreciation and Amortization	5.9	5.6	0.3
F	Plus: Net Costs to Be Recovered in Future Periods	0.4	0.4	-
G	Change in Operating Fund - Accrual Basis	\$ 1.8	\$ (1.3)	\$ 3.1
H	Change in Rate Stabilization Fund	\$ -	\$ -	\$ -
I	Total Change in Unrestricted Funds - Accrual Basis	\$ 1.8	\$ (1.3)	\$ 3.1



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15



Modifications to Financial and Administrative Policies and Guidelines*

Jamie Johnson
Director of Finance and Accounting



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16

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



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17

Modifications to Financial and Administrative Policies and Guidelines*

Approval of a recommendation to the MEAN Board of Directors to approve the modifications to the Financial and Administrative Policies and Guidelines as presented.



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18



Budget, Rates, and Charges Fiscal Year 2026-2027,
Modifications to Schedule of Rates and Charges for
Service Schedule M and to Schedule of Rates and Charges
for Service Schedule K and K-1*

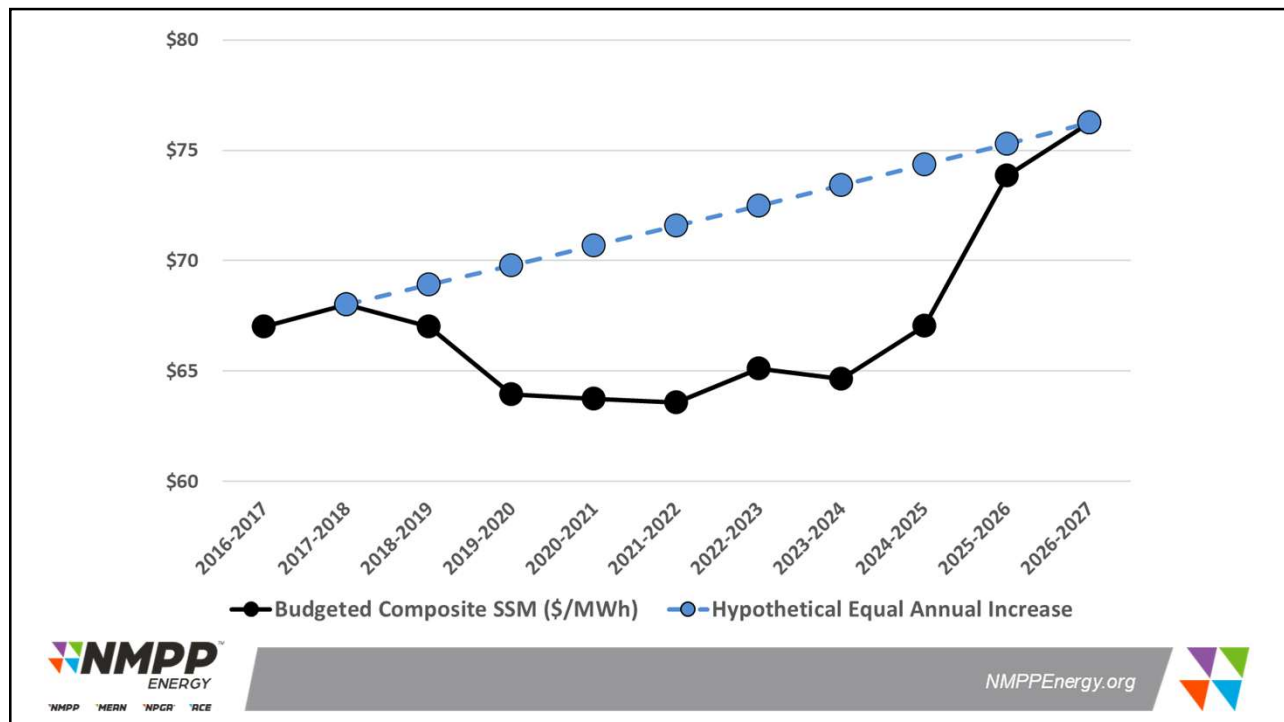
Jamie Johnson
Director of Finance and Accounting



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19



20

Summary of Rates and Charges

Rate/Charge	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Fixed Cost Recovery Charge - Schedules M-RP, K and K-1	\$ 45,700,000	\$ 47,500,000	\$ (1,800,000)	-4%
Energy Charge Rate (\$/MWh) - Schedule M-RP	\$ 51.00	\$ 47.66	\$ 3.34	7%
Energy Charge Rate (\$/MWh) - Schedules K and K-1	\$ 53.55	\$ 50.05	\$ 3.50	7%
Green Energy Charge Rate (\$/MWh) - Schedule M-RP	\$ 53.55	\$ 50.05	\$ 3.50	7%
Green Energy Charge Rate (\$/MWh) - Schedules K and K-1	\$ 56.23	\$ 52.56	\$ 3.67	7%
Related Projects Charge (\$/MWh) - Schedule M-CP	\$ 60.68		N/A	N/A
Administrative Charge - Schedule M-CP	\$ 640,872		N/A	N/A
Transmission (Pass Through)	Billed at Transmission Provider's Rates			
Western Area Power Administration (WAPA) (Pass Through)	Billed at WAPA's Rates			

Total impact of the changes in proposed rates and charges is a **3% overall increase.**

21

Contract Guides the **Contract Purchaser** 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



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22

Proposed Rate Structure – Contract Purchaser

Energy Charge = **Related Projects Charge**

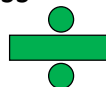
Based on Budget

- 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



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23

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



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24

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



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25

Other Rates and Charges

Capacity Commitment Compensation and Hourly Rate

Rate	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Demand Rate (\$/kW per Month)	\$ 3.00	\$ 2.50	\$ 0.50	20%
Variable O&M Rate (\$/MWh)	\$ 5.00	\$ 5.00	\$ -	0%
Labor Rate (\$ per unit Operating Hour)	\$ 44.00	\$ 44.00	\$ -	0%
Hourly Rate	\$ 185.00	\$ 180.00	\$ 5.00	3%



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26

Proposed Budget Updates since December

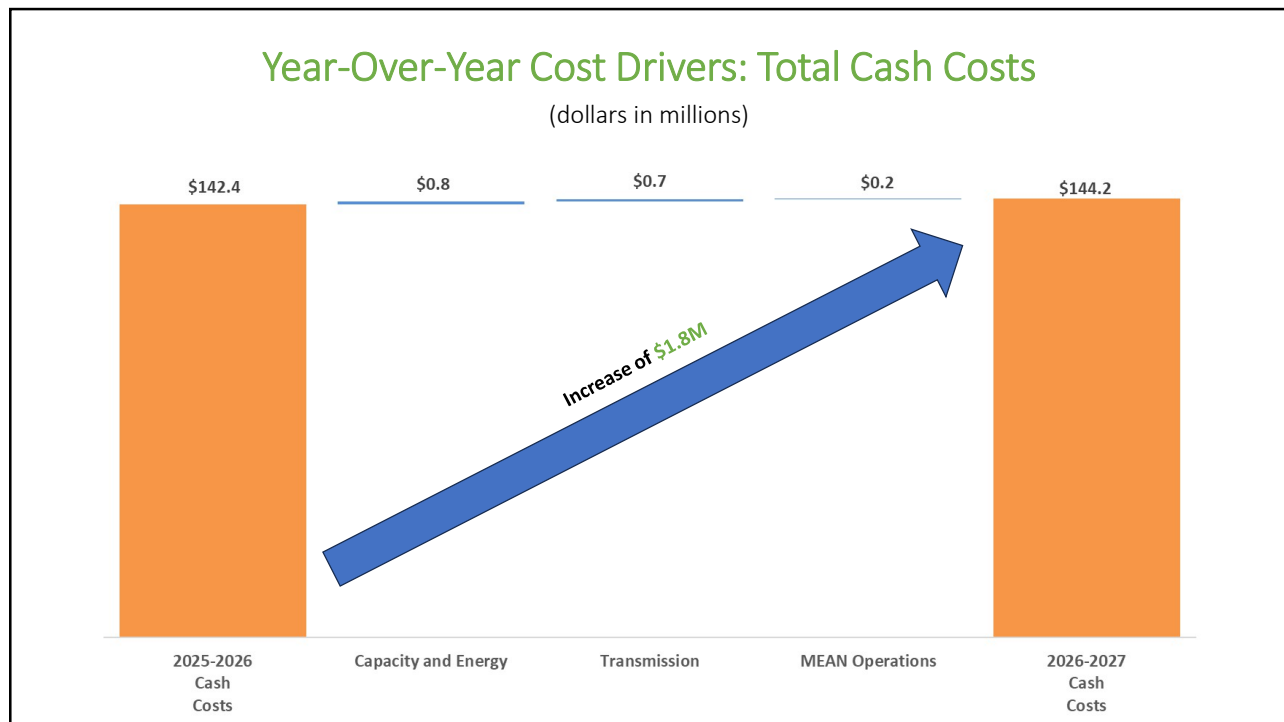
- Proposed rates and charges
- Finalized inputs
 - MWh generation
 - Renewable energy certificates
 - Market pricing
 - Operator budgets
- Market development
- Integrated Resource Plan tools



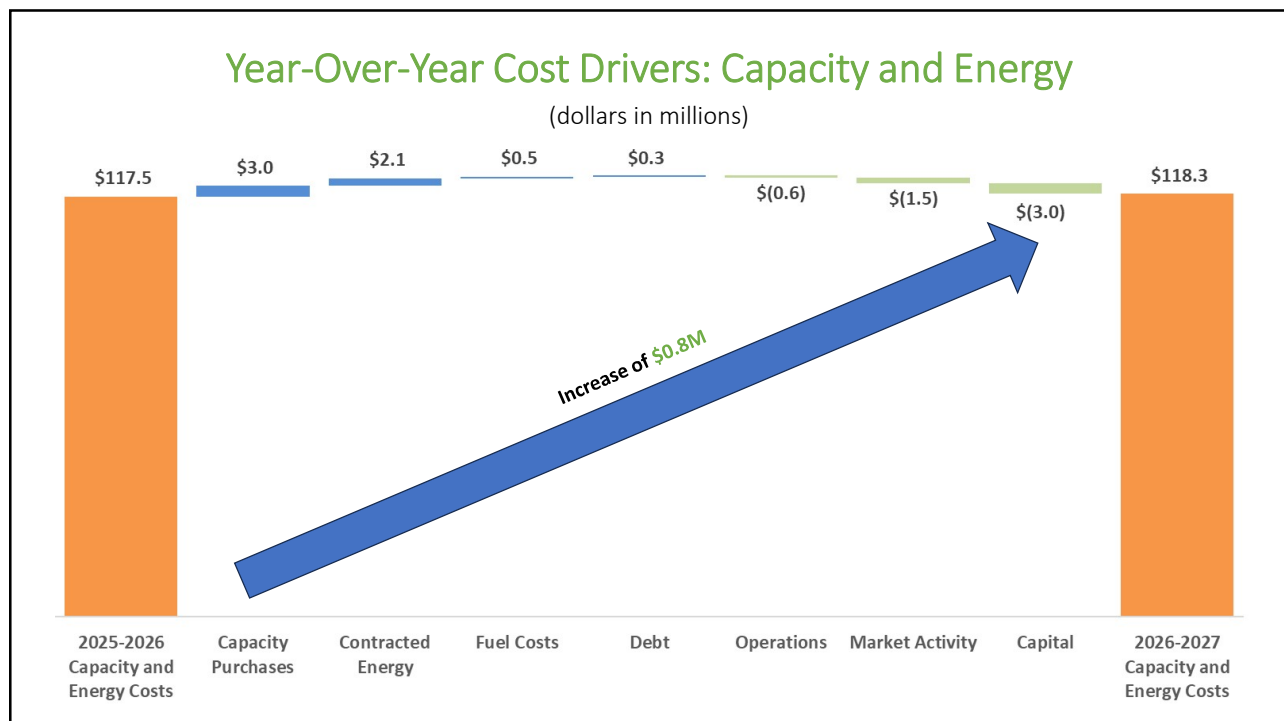
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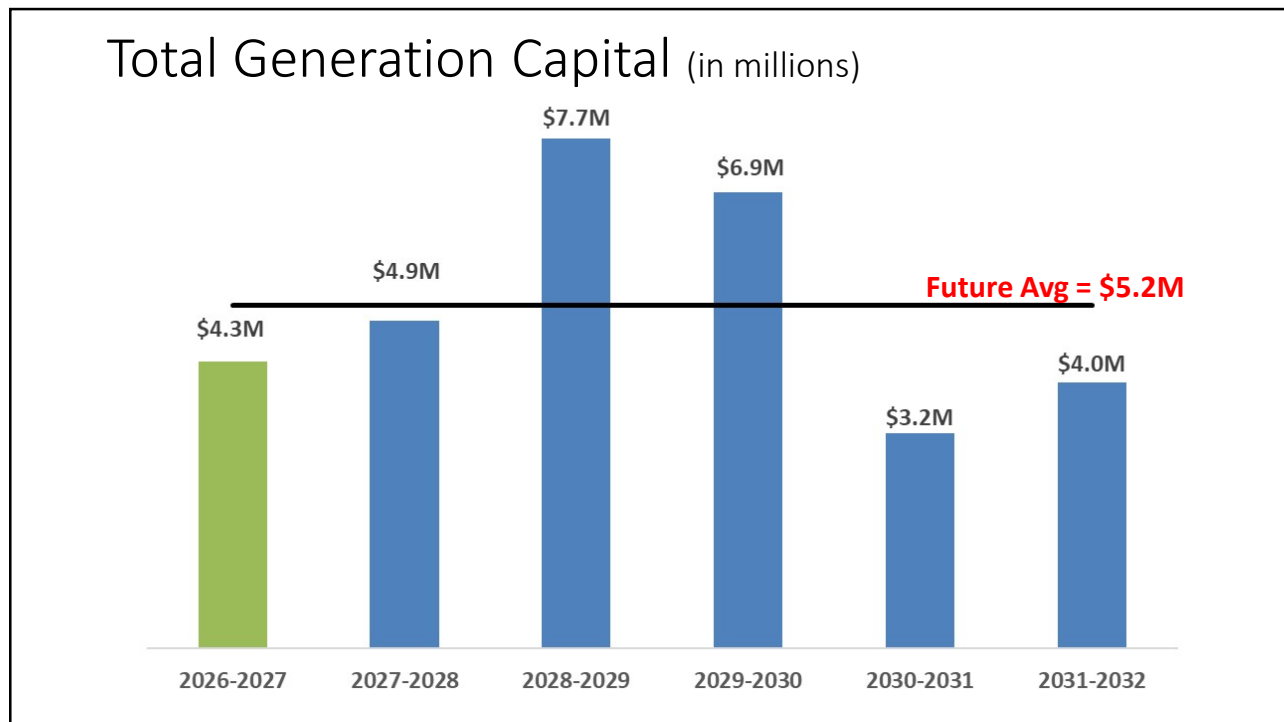
27



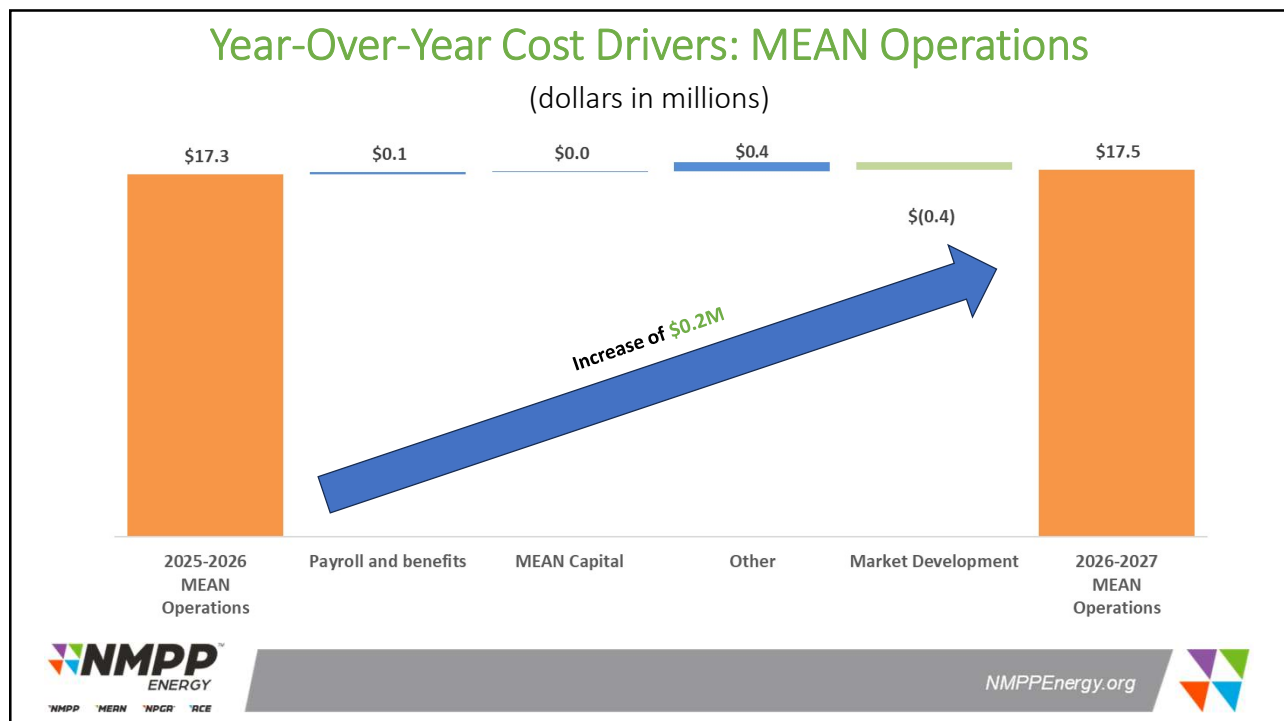
28



29







30



31

Market Development (in millions)					
	Proposed Budget	Current Budget	vs. Current		
			\$ +/-	% +/-	
RTO Expansion	\$ 0.0	\$ 0.6	\$ (0.6)	-93%	
Markets+	0.4	-	0.4	100%	
Other - Pseudo Tie Infrastructure	2.3	2.5	(0.2)	-8%	
Market Development	\$ 2.7	\$ 3.1	\$ (0.4)	-12%	



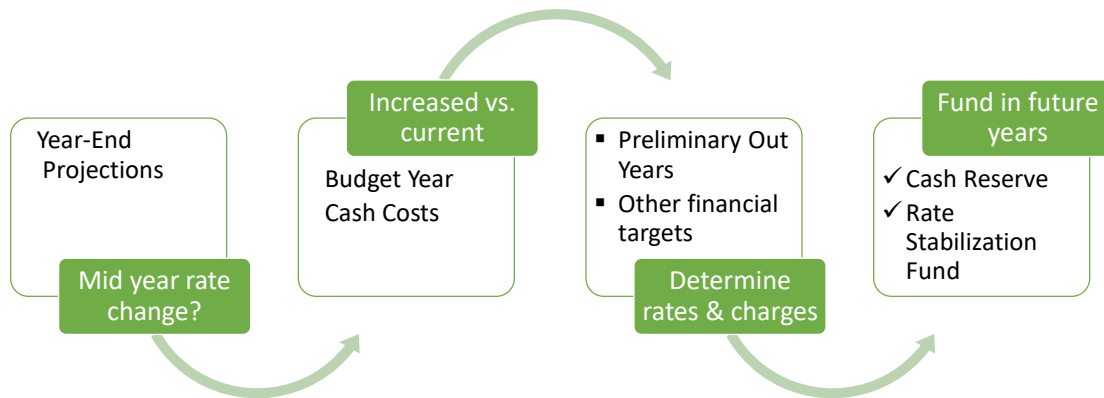




32



33

Developing the Changes in Rates and Charges



34

Financial Forecast

Preliminary Out Years: Fiscal Years Ending 2028 through 2032

	Proposed Budget	Preliminary
Total Revenue Requirement - Cost Components	\$130.6M	Ranges from \$133.4M to \$142.1M
<u>Minimum</u> Calculated Cash Reserve	\$50.2M	Ranges from \$51.0M to \$54.2M

35

Proposed Rates and Charges

Notable Drivers

- Budgeted costs increase now and in future years
 - SPP RTO expansion
 - Resource adequacy
- Unknowns of the developing markets
- Direction to prioritize smaller incremental overall changes to rates and charges



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36

Targets and Coverage Analysis - Proposed Budget

Net Revenue / (Loss)	\$ 6,940,061
Change in Unrestricted Funds	\$ 6,955,347
Debt Service Coverage	1.93
1.00X required, 1.20X per policy	
Cash Reserve Amount > <u>Minimum?</u>	Yes



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37

Modifications to Rate Schedules

Effective April 1, 2026

- ✓ Approval and effective dates
- ✓ Contract Purchaser transition
- ✓ Updates to rates
 - ✓ Energy Charge, Green Energy Charge, and Related Projects Charge rates
 - ✓ Administrative Fee hourly rate
 - ✓ Capacity Commitment Compensation Demand Rate
- ✓ Charges allocated by Participant
 - ✓ Fixed Cost Recovery Charge (Attachment 1)
 - ✓ Administrative Charge (Attachment 2)



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38

Budget, Rates, and Charges Fiscal Year 2026-2027, Modifications to Schedule of Rates and Charges for Service Schedule M and to Schedule of Rates and Charges for Service Schedule K and K-1*


Approval of the resolution as shown on page 8 of the meeting packet



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39



Adjourn

