

Board of Directors Annual Meeting
Executive Committee Meeting
Public Alliance for Community Energy
Younes Conference Center South
416 W Talmadge St, Kearney, NE 68845
January 21, 2026 - 10:00 a.m. (CT)

A G E N D A

All agenda items are for discussion and action will be taken as deemed appropriate.

1. Call to Order
 - A. Section 84-1412 (8) – Nebraska Open Meetings Act
 - B. Roll Call
 - C. Public Comment
2. Introduction and Welcome
 - A. Introductory Remarks
 - B. Welcome New ACE Community Representatives
3. Consent Agenda
 - A. Minutes of the November 19, 2025, Meeting
 - B. Next Meeting – March 19, 2026
 - C. Financial Report
 - D. Consent Resolution
4. Reports
 - A. Director of Gas Operations
 - B. Retail Gas Services Coordinator
5. Budget for Fiscal Year 2026-2027
6. Member Distribution
7. Election of Officers
 - A. Chairperson
 - B. Vice Chairperson
 - C. Secretary-Treasurer
8. Election of At-Large Representatives to the ACE Executive Committee
9. Election of At-Large Representative to the Joint Operating Committee
10. Legislative Update
11. Contracts and General Counsel Report
12. Items for Future Agenda
13. Adjournment

CONSENT AGENDA

Date:	January 21, 2026
Initiator/Staff information source:	Chairperson Devine
Action Proposed:	Approval

Minutes of the November 19, 2025, Board of Directors meeting were previously distributed to Board Members and are included as Attachment A.

The next meeting of the ACE Board of Directors is set for Thursday, March 19, 2026, at the NMPP Energy offices, Lincoln, Nebraska.

ACE financials for November 2025 were previously distributed. Jamie Johnson, Director of Finance and Accounting, will review the November financials for the NMPP Energy organizations and for ACE in more detail at the meeting (see Attachment B).

CONSENT AGENDA (Continued)

Date:	January 21, 2026
Initiator/Staff information source:	Chairperson Devine
Action Proposed:	Approval

Consent Resolution

WHEREAS, certain business of the Board of Directors of the Public Alliance for Community Energy transpires on a regular and routine basis or is not of a controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that in the interest of economizing time yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the minutes of the November 19, 2025, Board of Directors meeting are hereby approved as presented; and*
- 2. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the next regularly scheduled meeting will be Thursday, March 19, 2026, at the NMPP Energy offices, Lincoln, Nebraska; and*
- 3. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the financial statements for November 2025 are hereby reviewed and accepted.*

DIRECTOR OF GAS OPERATIONS

Date:	January 21, 2026
Initiator/Staff information source:	Beth Ackland
Action Proposed:	Informational

Beth Ackland, Gas Operations & Administrative Assistant, will provide updates on various work activities since the last meeting and a preview of the 2026-27 Choice Gas Program.

RETAIL GAS SERVICES COORDINATOR

Date:	January 21, 2026
Initiator/Staff information source:	Mandy Heermann
Action Proposed:	Informational

Mandy Heermann, Retail Gas Services Coordinator, will update members on the various activities the ACE team has been working on since the last Board meeting.

BUDGET FOR FISCAL YEAR 2026-2027

Date:	January 21, 2026
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Approval

Johnson will discuss ACE's Budget for Fiscal Year 2026-2027. A detailed analysis of the budget including narrative discussion is included in the meeting packet as Attachment C.

Staff recommends the ACE Board of Directors approve the budget for FY 2026-2027 as presented.

BUDGET RESOLUTION

WHEREAS, the ACE Board of Directors is authorized to annually prepare, establish, adopt and maintain a budget of revenues and expenditures; and,

WHEREAS, the proposed budget for Fiscal Year Ending March 31, 2027, has been reviewed by the ACE Board of Directors.

NOW, THEREFORE, BE IT RESOLVED BY the ACE Board of Directors that the budget for Fiscal Year 2026-2027, as presented, is hereby approved and made a part of the official minutes folder.

MEMBER DISTRIBUTION

Date:	January 21, 2026
Initiator/Staff information source:	Jamie Johnson
Action Proposed:	Approval

Pursuant to the current ACE Policies and Guidelines Section 12: Member Distribution, the Board will consider whether to authorize a Member Distribution.

In accordance with the policy, the Board will first consider a Member Distribution based on Board meeting attendance. To qualify for the Member Distribution, the Member's representative or alternate representative must have counted toward meeting quorum. The Member Distribution will consist of \$300 for each Board meeting attended in-person by the Member's representative/alternate representative and \$100 for each Board meeting attended virtually by the Member's representative/alternate representative, rolling distribution to distribution.

The Board will then consider a Member Distribution consisting of \$1,000 per Member for completing a qualifying Choice Gas year marketing activity, as determined by ACE staff, rolling distribution to distribution.

Next, the Board will consider an additional Member Distribution of an amount to be determined by the Board to be distributed to Members and allocated as follows:

- 5% to all Members allocated based upon each Member's volumes as a percentage of the total volumes of all Members for the rolling last three calendar years.

- 90% to Qualifying Members allocated based upon each Qualifying Member's volumes as a percentage of the total volumes of all Qualifying Members for the rolling last three calendar years. Qualifying Members will consist of Members who had ACE as the natural gas supplier for the Member's eligible municipal accounts on the date the Member Distribution is authorized. Members who do not have a municipal account in the Choice Gas Program will also be deemed a Qualifying Member. Qualifying Members will be determined by ACE staff with discretion given to ACE staff for consideration of balloting errors by Members.

- 5% to Qualifying Founding Members allocated based upon each Qualifying Founding Member's contribution as a percentage of the total contributed by all Qualifying Founding Members. Qualifying Founding Members will consist of Founding Members who had ACE as the natural gas supplier for the Founding Member's eligible municipal accounts on the date the Member Distribution is authorized. Founding Members who do not have a municipal account in the Choice Gas Program will also be deemed a Qualifying Founding Member. Qualifying Founding Members will be determined by ACE staff with discretion given to ACE staff for consideration of balloting errors by Members

Staff will provide the Board with an illustrative analysis to assist the Board in considering what amount to authorize.

MEMBER DISTRIBUTION RESOLUTION

WHEREAS, the Public Alliance for Community Energy has adopted a Member Distribution policy as noted in the Public Alliance for Community Energy Policies and Guidelines, and

WHEREAS, the policy includes consideration of a Member Distribution consisting of a member attendance incentive of \$300 for each Board meeting attended in-person by the Member's representative/alternate representative and \$100 for each Board meeting attended virtually by the Member's representative/alternate representative, as long as the Member's representative or alternate representative counted toward meeting quorum, rolling distribution to distribution; and

WHEREAS, the policy includes consideration of a Member Distribution consisting of a marketing incentive of \$1,000 per Member for completion of a qualifying Choice Gas year marketing activity, as determined by ACE staff, rolling distribution to distribution; and

WHEREAS, the policy includes consideration of an additional Member Distribution of an amount to be determined by the Board to be allocated based on volumes for the rolling last three calendar years and Founding Members contributions, subject to the Qualification as noted in the Member Distribution policy.

NOW THEREFORE, BE IT RESOLVED THAT the Board of Directors of the Public Alliance for Community Energy approve the distribution and allocation of funds to its membership consisting first of the total amount applicable under the member attendance incentive for all Board meetings attended and the total amount applicable under the marketing incentive for qualifying activity between January 23, 2025, and January 21, 2026, and then the additional amount to reach the total of \$_____.

ELECTION OF OFFICERS

Date:	January 21, 2026
Initiator/Staff information source:	Michelle Lepin
Action Proposed:	Action

Election of Officers will be conducted at the January 21, 2026, meeting. Nominations have been received and additional nominations will be accepted at the meeting. Terms of the Officers are for fiscal year 2026-2027 (April 1 through March 31).

Officers also serve on the Joint Operating Committee, ACE Executive Committee, and NMPP Board of Directors.

Pursuant to Article VII., Officers, of the Amended and Restated Bylaws of ACE:

Section 1. The officers of the Agency shall be a chairperson, vice-chairperson, and secretary-treasurer.

Section 2. At the initial meeting of the Board of Directors and thereafter following each annual meeting, the Board of Directors shall elect one of its members as Chairperson, one as Vice Chairperson and one as Secretary-Treasurer. Each officer so elected shall serve for a term of one year or until the successor is elected and qualified, whichever is later, such term to begin the first day of April each year, except that each initial officer shall serve until April 1, 1999, or until the successor is elected and qualified, whichever is later.

Following is the current list of Officers of the ACE Board of Directors (all are eligible for re-election):

Chairperson:	Andrew Devine, Albion
Vice Chairperson:	Jeremy Tarr, Plainview
Secretary/Treasurer:	Mike Palmer, Sidney

ACE has received the following nominations:

Chairperson:	Andrew Devine, Albion
Vice Chairperson:	Jeremy Tarr, Plainview
Secretary/Treasurer:	1. Mike Palmer, Sidney 2. Chris Rector, Holdrege

Additional nominations will be accepted from the floor the day of the board meeting.

ELECTION OF AT-LARGE REPRESENTATIVES TO THE ACE EXECUTIVE COMMITTEE

Date:	January 21, 2026
Initiator/Staff information source:	Michelle Lepin
Action Proposed:	Action

Election of At-Large Representatives to the ACE Executive Committee will be conducted at the January 21, 2026, meeting. Nominations have been received and additional nominations will be accepted at the meeting. Terms of the representatives are for fiscal year 2026-2027 (April 1 through March 31).

Pursuant to Article VI. Committees, of the Amended and Restated Bylaws of ACE:

The Board of Directors may create an Executive Committee composed of Directors from at least ten percent of the membership, but shall be composed of no less than five Directors. The Executive Committee shall include the Chairperson, Vice Chairperson, and Secretary-Treasurer. The terms of office of the Executive Committee and the method of filling vacancies shall be the same as those of the officers of the Agency. The Executive Committee shall have and exercise the power and authority of the Board during intervals between the Board's meetings in accordance with the Bylaws, rules, motions, or resolutions, except that the Executive Committee shall not be empowered to authorize the issuance of bonds. At all meetings of the Executive Committee, the presence of the majority of the Directors constituting the Executive Committee shall be necessary for the transaction of business and the affirmative vote of a majority of the Directors present constituting the Executive Committee shall be necessary for any action.

Current membership in ACE stands at 76 members (10% is 8); therefore, five (5) At-Large Representatives shall be elected to the ACE Executive Committee.

Current At-Large Representatives to the Executive Committee:

1. Kellie Crowell, Ravenna
2. Raquel Felzien, Franklin
3. Duane Hoffman, Oxford
4. Andrew Lee, Curtis
5. Chris Rector, Holdrege

ACE has received the following nominations:

1. Kellie Crowell, Ravenna
2. Raquel Felzien, Franklin
3. Duane Hoffman, Oxford
4. Andrew Lee, Curtis
5. Chris Rector, Holdrege

Additional nominations will be accepted from the floor the day of the board meeting.

ELECTION OF AT-LARGE REPRESENTATIVE TO THE JOINT OPERATING COMMITTEE

Date:	January 21, 2026
Initiator/Staff information source:	Michelle Lepin
Action Proposed:	Action

Election of an At-Large Representative to the Joint Operating Committee will be conducted at the January 21, 2026, meeting. Nominations have been received, and additional nominations will be accepted at the meeting. Term of the representative is for fiscal year 2026-2027 (April 1 through March 31).

Current At-Large Representative to the Joint Operating Committee:
Duane Hoffman, Oxford

ACE has received the following nomination:
Duane Hoffman, Oxford

Additional nominations will be accepted from the floor the day of the board meeting.

LEGISLATIVE UPDATE

Date:	January 21, 2026
Initiator/Staff information source:	David Russell
Action Proposed:	Informational

David Russell, Director of Government Affairs and Digital Solutions, will provide an update on legislative advocacy.

CONTRACTS AND GENERAL COUNSEL REPORT

Date:	January 21, 2026
Initiator/Staff information source:	Michelle Lepin
Action Proposed:	Informational

Contracts Report:

There were no contracts fully executed since the last Board meeting.

Legal and Regulatory Report:

The General Counsel will provide a report at the January 21, 2026, meeting.

Unapproved Minutes
Board of Directors Meeting
Executive Committee Meeting
Public Alliance for Community Energy
Younes Conference Center South
416 W Talmadge St, Kearney, NE 68845
November 19, 2025 - 10:00 a.m. (CT)

The Board of Directors and Executive Committee of the Public Alliance for Community Energy (ACE) met on Wednesday, November 19, 2025, at the Younes Conference Center South, 416 W Talmadge St, Kearney, Nebraska, 68845. Notice of the meeting was given to the Board of Directors and Executive Committee by email. The public was advised by publication in print and online in the *Lincoln Journal Star* newspaper and website on November 12, 2025, and on the NMPP Energy website. The notice and agenda were posted upon issuance at the NMPP Energy office, 8377 Glynoaks Drive, Lincoln, Nebraska, and kept continually current and available for public inspection. All documents being considered at the meeting and the current version of the Nebraska Open Meetings Act were made available on NMPP Energy's Public Meeting Information website.

CALL TO ORDER

Secretary-Treasurer, Mike Palmer, called the meeting to order at 10:01 a.m. (CT). Palmer announced that pursuant to Section 84-1412(8) of the Nebraska Open Meetings Act, a current copy of the Open Meetings Act was posted in the meeting room.

ROLL CALL

Quorum was declared with 19 of the 76 Directors present. As there was quorum for the Board of Directors, a meeting of the Executive Committee was not called.

Quorum = 19 Directors

1. Alliance – Kirby Bridge	12. Lewellen – Joy Trim
2. Arapahoe – Dixie Sickels (Arrived after roll call)	13. Loup City – AJ Reimers
3. Bartley – Ronni Harding	14. McCook – Gene Weedin
4. Bridgeport – Mark Wickard	15. Minden – Michael Krings
5. Cairo – Jaime Rathman	16. Morrill – Janine Schmidt
6. Chappell – Todd Rust	17. Neligh – Leonard Miller (Arrived after roll call)
7. Curtis – Andrew Lee	18. Oshkosh – Kim Martin
8. Franklin – Raquel Felzien	19. Oxford – Duane Hoffman
9. Gibbon – Matt Smallcomb	20. Plainview – Robert Smith
10. Gothenburg – Gary Greer	21. Ravenna – Kellie Crowell (Arrived after roll call)
11. Holdrege – Chris Rector	22. Sidney – Mike Palmer

Absent: Ainsworth, Albion, Ansley, Atkinson, Bassett, Bayard, Beaver City, Benedict, Benkelman, Bertrand, Blue Hill, Brady, Broken Bow, Burwell, Cambridge, Chadron, Clay Center, Cozad, Creighton, Dalton, Edgar, Edison, Gering, Gordon, Gurley, Hartington, Hemingford, Henderson, Holbrook, Indianola, Kimball, Laurel, Long Pine, Loomis, Lyman, Mitchell, NPPD, Ogallala, Ord, Orleans, Osmond, Paxton,

Potter, Red Cloud, Rushville, Saint Paul, Sargent, Scottsbluff, Shelton, Spalding, Stamford, Terrytown, Wausa, and Wood River

PUBLIC COMMENT

Palmer asked if there were members of the public in attendance who would like to make agenda comments. There were no public comments.

INTRODUCTION AND WELCOME

Palmer announced the new representatives to the board and thanked all for being in attendance.

CONSENT AGENDA

Minutes

Minutes of the May 21, 2025, meeting were previously distributed as Attachment A. There were no changes to the minutes.

Next Meeting

The next meeting of the ACE Board of Directors is set for Wednesday, January 21, 2026, at the Younes Conference Center South, Kearney, Nebraska.

Financial Report

Jamie Johnson, Director of Finance and Accounting, reviewed the September financials for the NMPP Energy organizations and October financials for ACE. Financial summaries were included as Attachment B. April, May, June, July, August, September, and October 2025 ACE financials were previously distributed.

Acknowledge Receipt of the Minutes of the June 4, 2025, and November 5, 2025, Joint Operating Committee (JOC) Meetings

Approved minutes of the June 4, 2025, Joint Operating Committee (JOC) meeting were included as Attachment C. Unapproved minutes of the November 5, 2025, Joint Operating Committee (JOC) meeting were included as Attachment D.

CONSENT RESOLUTION

Motion: Chris Rector Holdrege, moved to approve the following Resolution. Kellie Crowell, Ravenna, seconded the motion, which carried unanimously on a roll call vote. Not yet present at the time of voting: Dixie Sickels, Arapahoe; and Leonard Miller, Neligh.

Consent Resolution

WHEREAS, certain business of the Board of Directors of the Public Alliance for Community Energy transpires on a regular and routine basis or is not of a controversial nature; and

WHEREAS, roll call votes on each individual issue greatly extend the meeting time.

NOW THEREFORE, BE IT RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that in the interest of economizing time yet complying with the Open Meetings Act of the State of Nebraska, which requires roll call voting, the following issues are hereby consolidated in this Consent Resolution:

- 1. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the minutes of the May 21, 2025, Board of Directors meeting are hereby approved as presented; and*
- 2. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the next regularly scheduled meeting will be Wednesday, January 21, 2026, at the Younes Conference Center South, Kearney, Nebraska; and*
- 3. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the financial statements for April, May, June, July, August, September, and October 2025 are hereby reviewed and accepted; and*
- 4. BE IT FURTHER RESOLVED BY the Board of Directors of the Public Alliance for Community Energy that the receipt of the approved minutes of the June 4, 2025, and unapproved minutes of the November 5, 2025, meetings of the Joint Operating Committee are hereby acknowledged.*

DIRECTOR OF GAS OPERATIONS REPORT AND RETAIL GAS SERVICES COORDINATOR REPORT

Closed Session

Motion: Gene Weedin, McCook, moved to go into closed session for the protection of the public interest to discuss proprietary and competitive information relating to ACE marketing and pricing. ACE reps, alt reps, any ACE Member community employee or elected official, as well as any NMPP Staff member may participate in the closed session. Matt Smallcomb, Gibbon, seconded the motion, which carried unanimously on a roll call vote. Not yet present at the time of voting: Dixie Sickels, Arapahoe; and Leonard Miller, Neligh. Did not vote: Andrew Lee, Curtis.

Palmer restated on record that the limitation of the subject matter of the discussion was proprietary and competitive information relating to ACE marketing and pricing.

The board went into closed session at 10:11 a.m.

The meeting reconvened in open session at 10:45 a.m. There was no action taken during or as a result of the closed session.

LEGISLATIVE REPORT

David Russell, Director of Government Affairs & Digital Solutions, provided updates on Nebraska's LR234, the upcoming legislative session, and informed the Board that NMPP Energy's 2026 Legislative Guidelines are available on the NMPP Energy website.

CONTRACTS AND GENERAL COUNSEL REPORT

Information regarding the following executed agreements was included in the meeting packet:

Other Party	Agreement Name	Effective Date	Termination Date
Black Hills Nebraska Gas, LLC	Supplier Participation Agreement for 2025-2026 (Residential and Commercial Choice Gas Program)	1/1/2025	12/31/2025
Black Hills Nebraska Gas, LLC	Agreement Regarding Mailing List and Marketing Practices (Addendum to Supplier Participation Agreement for 2025-2026 for Residential and Commercial Choice Gas Program) includes Exhibit A (Mailing and Marketing Practices Chart) and Exhibit B (Cybersecurity Requirements)	1/1/2025	12/31/2025
Nelnet Servicing, LLC	Amendment No. 5 to First Amended and Restated Call Center Agreement	10/28/2025	Remains in effect through term of base agreement, which rolls year-to-year each April 1 until terminated on 90 days notice before end of the then-current term.

General Counsel Report:

Michelle Lepin, General Counsel, noted topics covered at the American Public Power Association (APPA) Legal and Regulatory Conference.

ITEMS FOR FUTURE AGENDA

Palmer reminded Directors to forward any additional agenda items to ACE staff so they may be included on the agenda for the next meeting.

ADJOURNMENT

There being no further business, the meeting adjourned at 10:50 a.m.

Recorded by:
Laurie Keiser, Administrative Assistant

Submitted by:
Mike Palmer, Secretary-Treasurer
ACE Board of Directors

NMPP Energy**Balance Sheets
November 2025**

	NMPP	MEAN	NPGA	ACE
Assets and Deferred Outflows of Resources				
Cash and cash equivalents	\$ 25,500	\$ 32,095,557	\$ 2,177,848	\$ 1,410,281
Investments (Short-term, Long-term & Restricted)	-	36,276,858	-	2,606,115
Accounts receivable	836,328	22,187,588	1,842,668	115,977
Gas in storage	-	-	1,618,409	-
Prepaid expenses and other	(67,844)	292,258	-	9,879
Productive capacity & lease assets, net & related operating assets	-	114,004,734	-	-
Capital and subscription assets, net	-	5,574,000	-	17,473
Costs recoverable from future billings	-	38,875,309	-	-
Deferred loss on refunding	-	4,231,889	-	-
Deferred costs for asset retirement obligation	-	424,848	-	-
Fair value of derivative investments	-	-	358,000	-
Total assets & deferred outflows of resources	\$ 793,984	\$ 253,963,041	\$ 5,996,925	\$ 4,159,725
Liabilities and Deferred Inflows of Resources				
Accounts payable and accrued expenses	\$ 776,139	\$ 10,888,973	\$ 694,017	\$ 4,180
Storage deposits	-	-	1,769,000	-
Lease & subscription liabilities, net long-term debt, & interest payable	-	141,266,884	-	-
Asset retirement obligation	-	424,848	-	-
Deferred inflow - deferred revenue - rate stabilization	-	29,100,000	-	-
Deferred inflow - deferred gain on refunding	-	1,984,236	-	-
Deferred inflow - derivative instruments	-	-	358,000	-
Total liabilities and deferred inflows of resources	776,139	183,664,941	2,821,017	4,180
Net Assets/Net Position	17,845	70,298,100	3,175,908	4,155,545
Total liabilities, deferred inflows & net position	\$ 793,984	\$ 253,963,041	\$ 5,996,925	\$ 4,159,725

NMPP Energy**Statements of Revenues and Expenses
For the Fiscal Year Ending March 2026: As of November 2025**

	NMPP*	MEAN	NPGA	ACE
Operating Revenues	\$ 15,800	\$ 97,192,394	\$ 3,101,389	\$ 700,000
Operating Expenses				
Commodity costs (electric energy & gas)	-	77,050,473	2,696,191	-
Administrative and general	1,210	8,332,804	361,003	434,135
Depreciation and amortization	-	5,852,782	-	6,328
Total operating expenses	1,210	91,236,059	3,057,194	440,463
Operating Income (Loss)	14,590	5,956,335	44,195	259,537
Nonoperating Revenues (Expenses)				
Net costs to be recovered in future periods	-	(414,192)	-	-
Investment return	3,255	1,778,582	66,145	108,793
Interest expense	-	(2,324,753)	-	-
Net Revenue (Loss)	\$ 17,845	\$ 4,995,972	\$ 110,340	\$ 368,330
Budgeted Net Revenue (Loss)	15,163	1,295,476	13,342	277,065
+/- Variance to Budget	\$ 2,682	\$ 3,700,496	\$ 96,998	\$ 91,265
Fiscal Year Budgeted Net Revenue (Loss)	\$ -	\$ 2,978,546	\$ -	\$ 442,885

* NMPP activity is shown net of payroll and benefits expense and related reimbursement.

Public Alliance for Community Energy

Balance Sheets

	November 2025	March 2025	\$ +/-
Assets			
Cash and cash equivalents	\$ 1,410,281	\$ 1,279,541	\$ 130,740
Investments	2,606,115	2,406,098	200,017
Accounts receivable	115,977	112,629	3,348
Prepaid expenses	9,879	32,562	(22,683)
Capital assets, net	17,473	23,801	(6,328)
Total assets	\$ 4,159,725	\$ 3,854,631	\$ 305,094
Liabilities			
Accounts payable	2,248	10,980	(8,732)
Due to coalition members	1,932	56,436	(54,504)
Total liabilities	4,180	67,416	(63,236)
Total Net Position	4,155,545	3,787,215	368,330
Total liabilities and net position	\$ 4,159,725	\$ 3,854,631	\$ 305,094

Public Alliance for Community Energy

Statements of Revenues and Expenses

For the Fiscal Year Ending March 2026: As of November 2025

	Fiscal Year Ended			Prior Year	vs. Prior Year
	Actual	Budget	\$ +/-		\$ +/-
Operating Revenues					
Marketing fees	\$ 700,000	\$ 700,000	\$ -	\$ 700,000	\$ -
Operating Expenses					
Administrative and general	434,135	491,103	(56,968)	452,575	(18,440)
Depreciation	6,328	9,832	(3,504)	4,111	2,217
Total operating expenses	440,463	500,935	(60,472)	456,686	(16,223)
Operating Income / (Loss)	259,537	199,065	60,472	243,314	16,223
Investment return	108,793	78,000	30,793	128,838	(20,045)
Change in Net Position	\$ 368,330	\$ 277,065	\$ 91,265	\$ 372,152	\$ (3,822)



*Public Alliance for
Community Energy*

**Year-End Projections
Fiscal Year 2025-2026**

**Budget
Fiscal Year 2026-2027**

**ACE Board of Directors Meeting
January 21, 2026**

Public Alliance for Community Energy
Budget
Fiscal Year 2026-2027

	Page
Year-End Projections Narrative	1
Budget Narrative	2
Revenues and Capital Narrative	3
Statements of Revenues and Expenses	4
Administrative and General	
Administrative and general narrative	5-7
NMPP Energy – Detail by Company – ACE	8

**Public Alliance for Community Energy
 Budget
 Year-End Projections Narrative**

Year-End Projections for Fiscal Year 2025-2026

The Fiscal Year is April 1 to March 31. Throughout the packet, Proposed Budget refers to Fiscal Year 2026-2027 and Current Budget refers to Fiscal Year 2025-2026.

The *Statements of Revenues and Expenses* report included in the packet includes a comparison of the Proposed Budget to the Projected Fiscal Year 2025-2026 and a comparison of the Projected Fiscal Year 2025-2026 to the Current Budget. Projected Fiscal Year 2025-2026 is calculated based on actual results for April through November 2025 and budgeted activity for December 2025 through March 2026 with adjustments for known and expected differences.

Net revenue is projected to increase compared to results through November 2025. The primary drivers continue to be positive investment return compared to budget and the waiver of payroll and benefits from NMPP.

Projections are prepared primarily to assist the Board of Directors in evaluating a potential Member Distribution. The following table reconciles net revenue to the change in Operating Fund before any Member Distribution:

Change in Operating Fund			
	Projected Fiscal Year 2025-2026	Current Budget	Projected vs. Current \$ +/-
Net Revenue - Before Distribution	\$ 550,683	\$ 442,885	\$ 107,798
Plus: Non-Cash Depreciation	9,964	15,164	(5,200)
Plus: Unrealized (Gain)/Loss on Investments	61	-	61
Less: TheRMS Enhancements	(17,000)	(15,000)	(2,000)
Change in Operating Fund - Before Distribution	\$ 543,708	\$ 443,049	\$ 100,659

**Public Alliance for Community Energy
 Budget
 Budget Narrative
 Fiscal Year 2026-2027**

Public Alliance for Community Energy (ACE) was established for the purpose of creating a local gas supplier to participate in the Choice Gas Program. Annually, an operating budget is prepared based on operating costs and activities under the marketing agreement and Choice Gas Program.

Budget Process

ACE's budget is prepared annually by ACE staff. Assumptions related to operations are discussed in more detail in the respective sections of the budget materials.

The administrative and general (A&G) budget is prepared annually based on strategic focus areas identified by the management team of NMPP Energy. In September, accounting staff compiles historical data and populates budget templates based on information available. The management team holds a strategic planning session to review short-term and long-term plans across the four companies of NMPP Energy. Department directors then prepare budgets during September and October based on anticipated projects and needs resulting from the strategic focus areas discussed. The strategic focus areas identified continue to stem from the technical complexity of the industry including the evolving energy markets.

Nebraska Municipal Power Pool (NMPP), Municipal Energy Agency of Nebraska (MEAN), National Public Gas Agency (NPGA), and ACE have entered into an agreement establishing a Joint Operating Committee (JOC) due in part to the companies sharing common staff all of which reside under NMPP. By combining and sharing their respective staffs and resources each company benefits by being able to perform obligations and responsibilities efficiently and at a lesser cost.

Duties of the JOC, as detailed in the JOC Agreement, include the following:

- Review, prior to the respective annual meetings, the annual payroll and benefits and other shared administrative costs budgeted for each of the Parties (NMPP, MEAN, NPGA, and/or ACE).
- Determine the allocation of payroll and benefits and other shared administrative and general costs to be used as the basis for reimbursement for services rendered or resources utilized by a Party.
- Approve the appropriate compensation structure and benefits of employees of NMPP.

The JOC meets in November and receives a detailed proposed A&G budget packet. The packet, along with additional discussion and presentation at the meeting, assist the JOC in fulfilling the duties noted.

The Fiscal Year is April 1 to March 31. Throughout the packet, Proposed Budget refers to Fiscal Year 2026-2027 and Current Budget refers to Fiscal Year 2025-2026. The Current Budget includes the final numbers as approved by all respective Boards.

Approval of the ACE budget resides with the ACE Board of Directors.

Net Revenue and Cash Flow

ACE looks closely at both net revenue and annual cash flow. Due to the cyclical nature of TheRMS enhancements, ACE recognizes the change in operating fund may be less than net revenue year to year. See the summary below.

	Proposed Budget	Current Budget	Proposed vs Current	
			\$ +/-	% +/-
Net Revenue	\$ 428,085	\$ 442,885	\$ (14,800)	-3%
Plus: Non-Cash Depreciation	16,000	15,164	836	6%
Less: TheRMS Enhancements	(15,000)	(15,000)	-	0%
Change in Operating Fund	\$ 429,085	\$ 443,049	\$ (13,964)	-3%

**Public Alliance for Community Energy
Budget
Revenues and Capital Narrative
Fiscal Year 2026-2027**

Operating Revenues

Operating revenues consist of marketing fees ACE receives under the agreement with the wholesale natural gas supplier. Currently, ACE receives a fixed annual marketing fee paid in equal monthly installments over the contract year. Certain royalties are also reimbursed. The agreement does not provide any funds for advertising. Budgeted marketing fees are summarized below:

	Proposed Budget	Current Budget	Proposed vs Current	
			\$ +/-	% +/-
Marketing Fees	\$ 1,050,000	\$ 1,050,000	\$ -	0%

Capital Plan and Related Depreciation

Capital costs and depreciation expense are related to the development and enhancement of the TheRMS software used by ACE for operations and customer service. The functionality and interface of the software is critical during the annual selection period. The amount paid to the developer is capitalized and depreciated over a three-year period. The budgeted capital costs represent the expected cash outlay related to the TheRMS software. Current expectations of enhancements result in \$15,000 in capital costs in the Proposed Budget and \$15,000 in each of the following five fiscal years through Fiscal Year 2031-2032 for a total over the six years of \$90,000.

Enhancements made annually to TheRMS help keep it robust to handle changes to ACE pricing options, automated pricing and other communication with ACE's wholesale supplier, and program changes made by the Choice Gas Administrator. Before approving a project with the developer, enhancements and modifications are analyzed to determine whether the requested item is cost effective. The table below shows recent capital costs by fiscal year.

Historical TheRMS Enhancements	
Fiscal Year	Amount
2021-2022	\$ 5,791
2022-2023	-
2023-2024	12,709
2024-2025	15,766
2025-2026 - Projected	17,000

Depreciation expense reflects enhancements from projects that have been put into service. Depreciation fluctuates annually as a direct result of fluctuations in annual capital projects year to year. Budgeted depreciation expense is summarized below:

	Proposed Budget	Current Budget	Proposed vs Current	
			\$ +/-	% +/-
Depreciation Expense	\$ 16,000	\$ 15,164	\$ 836	6%

Investment Return

Actual investment return consists of changes in market value and interest earnings on investments. The annual budget only includes the expected interest earnings. Investment return is budgeted to decrease compared to projected due to a decrease in the actual average interest rate on funds held. The average interest rate on investments has decreased from 4.68% in November 2024 to 4.17% in November 2025. ACE also utilizes a money market fund to capture better earnings than funds held at the bank. Money market fund returns were 3.88% in November 2025 vs. 4.59% in November 2024. Budgeted investment return by type is summarized below:

Type of Return	Proposed Budget	Current Budget	Proposed vs Current	
			\$ +/-	% +/-
Money Market and Bank Funds	\$ 24,100	\$ 43,500	\$ (19,400)	-45%
Investments	105,900	73,500	32,400	44%
Total Investment Return	\$ 130,000	\$ 117,000	\$ 13,000	11%

**Public Alliance for Community Energy
Budget
Statements of Revenues and Expenses
Fiscal Year 2026-2027**

	Proposed Budget	Current Budget	Proposed vs. Current Budget		Projected Fiscal Year* 2025-2026	Proposed vs. Projected		Projected vs. Current Budget	
			\$ +/-	% +/-		\$ +/-	% +/-	\$ +/-	% +/-
Operating revenues									
Marketing fees	\$ 1,050,000	\$ 1,050,000	\$ -	0%	\$ 1,050,000	\$ -	0%	\$ -	0%
Operating expenses									
Administrative and general									
Payroll and benefits	460,600	441,900	18,700	4%	410,788	49,812	12%	(31,112)	-7%
Internal office	106,525	105,232	1,293	1%	104,315	2,210	2%	(917)	-1%
Member	60,583	60,504	79	0%	39,779	20,804	52%	(20,725)	-34%
Consultants and outside services	108,207	101,315	6,892	7%	97,673	10,534	11%	(3,642)	-4%
Total administrative and general	735,915	708,951	26,964	4%	652,555	83,360	13%	(56,396)	-8%
Depreciation	16,000	15,164	836	6%	9,964	6,036	61%	(5,200)	-34%
Total operating expenses	751,915	724,115	27,800	4%	662,519	89,396	13%	(61,596)	-9%
Operating income	298,085	325,885	(27,800)	-9%	387,481	(89,396)	-23%	61,596	19%
Nonoperating revenues									
Investment return	130,000	117,000	13,000	11%	163,202	(33,202)	-20%	46,202	39%
Net revenue	\$ 428,085	\$ 442,885	\$ (14,800)	-3%	\$ 550,683	\$ (122,598)	-22%	\$ 107,798	24%

* Projection based on actuals through November 2025, budget for remaining months of fiscal year, and estimated adjustments.

**Public Alliance for Community Energy
 Budget
 Administrative and General Narrative
 Fiscal Year 2026-2027**

Administrative and General Expenses

For ease of analysis, ACE breaks administrative and general (A&G) expenses into the following four categories: payroll and benefits, internal office, member, and consultants and outside services.

Payroll and Benefits

Payroll and benefits consist of gross wages, employer payroll taxes and costs of benefits provided by NMPP to each employee. As noted, one of the duties of the JOC is to approve the appropriate compensation structure and benefits of employees of NMPP. The annual review and approval for any changes in compensation structure and benefits is part of the November JOC meeting. There is no change in benefits offered. The budgeted increase for NMPP Energy related to anticipated performance/merit pay adjustments is 4.64% in the Proposed Budget (Current Budget was 5.10%). The Proposed Budget also reflects the final benefit renewals for calendar 2026 and estimates for calendar 2027.

Under the methodology approved by the JOC, payroll and benefits expenses are allocated to NPGA, ACE, and NMPP based on the estimated market payroll and benefits expenses each Party would incur if each company employed their own independent staff. Annual payroll and benefits costs for NPGA, ACE, and NMPP are established during the JOC budget process based on the hypothetical estimates of payroll and benefits expenses. The total budgeted payroll and benefits costs net of the established amounts for NPGA, ACE, and NMPP are allocated to MEAN. The allocation of payroll and benefits expenses is reviewed and recommended by the JOC annually.

Under the allocation methodology approved by the JOC, the payroll and benefits paid by NPGA, ACE, and NMPP are fixed annually unless a business change occurs during the year requiring a change in personnel or a change occurs to the underlying compensation and benefit assumptions. As a result, MEAN bears the risk and reward related to over or under spending in payroll and benefits, unless the variance is related to a business change for NPGA, ACE, or NMPP.

As part of the budget process, management of the NMPP Energy companies discussed whether changes in the operations of each of the underlying companies resulted in changes in roles or responsibilities of current positions or resulted in a need for additional personnel. No additional personnel were identified for ACE.

The following table summarizes the budgeted payroll and benefits cost by company, including adjustments for final benefits renewals after the November 2025 JOC meeting.

Payroll and Benefits						
	Proposed Budget		Current Budget		vs. Current	
	Amount	% of Total	Amount	% of Total	\$ +/-	% +/-
MEAN	\$ 8,858,462	90%	\$ 8,765,196	90%	\$ 93,266	1%
NPGA	485,400	5%	465,600	5%	19,800	4%
ACE	460,600	5%	441,900	5%	18,700	4%
Total	\$ 9,804,462	100%	\$ 9,672,696	100%	\$ 131,766	1%

Other A&G Expenses

Other A&G expenses consist of direct costs and shared costs. NMPP Energy attempts to assign costs whenever possible to the specific company with which the cost is associated. Direct costs include the A&G expenses that are specific to the business operating needs of each individual company. The costs incurred are generally attributable to invoices and/or contracts with vendors relating to a cost incurred by the specific company. Shared costs consist of the payroll and benefits allocation, rent – building and equipment paid to MEAN, ACE's share of JOC meetings, and ACE's allocation of NMPP services.

**Public Alliance for Community Energy
Budget
Administrative and General Narrative
Fiscal Year 2026-2027**

The following provides highlights of the budgeted changes in other A&G costs for ACE. See the *NMPP Energy – Detail by Company - ACE* report.

Other A&G	Proposed Budget	Current Budget	Proposed vs Current	
			\$ +/-	% +/-
Internal Office	\$ 106,525	\$ 105,232	\$ 1,293	1%
Member	60,583	60,504	79	0%
Consultants and Outside Services	108,207	101,315	6,892	7%
Total Other A&G	\$ 275,315	\$ 267,051	\$ 8,264	3%

Internal Office

- **Conferences and training** - registration fees for industry and job specific conferences and trainings; increased based on planned activity.
- **Dues and subscriptions** - subscription to natural gas price reporting service; annual rate increase expected.
- **Equipment lease and maintenance** - costs related to cyclical replacement of computer and other equipment used directly by ACE. Activity is not directly budgeted but occurs as needed.
- **Insurance** – consists of the allocated portion of insurance costs that is direct to ACE due to requirements of the Choice Gas Supplier Agreement; decreased based on recent actuals.
- **Postage** - no costs are budgeted due to limited annual activity.
- **Rent – building and equipment** - use of space in the building, use of operating equipment, use of technology and shared products and services is allocated to NPGA and ACE based on the estimated market expenses each Party would incur if each company operated independently. The allocated cost is reimbursed to MEAN as rent paid. The amount of rent paid to MEAN is reviewed and recommended by the JOC annually.

As part of the budget process, the shared costs are reviewed for any significant changes that would result in a change to rent other than the standard annual rate of 2%. Upon review of the shared costs, no significant items were identified that would result if modifications to the rent amount. Therefore, the rent charges for NPGA and ACE were each increased by 2% as shown in the table below.

Building and Equipment Rent Paid to MEAN				
	Proposed Budget	Current Budget	vs. Current	
			\$ +/-	% +/-
NPGA	\$ 84,500	\$ 82,824	\$ 1,676	2%
ACE	94,900	93,024	1,876	2%
Total Rent Paid to MEAN	\$ 179,400	\$ 175,848	\$ 3,552	2%

- **Telecommunications** - ACE specific service related to the annual selection period; increased based on recent actuals.
- **Travel, lodging and meals** - this category includes both staff travel to attend various conferences and industry meetings as well as travel to members; decreased based on planned activity.

Member

- **Advertising – corporate image** - consists of community-based marketing efforts and other general advertising to promote selection of ACE during the Choice Gas Program annual selection period. Budget is based on maximum expected spending.
- **Board and committee meetings** - ACE budgets for all planned Board meetings to be held in person. Costs include ACE's 1/3 share of JOC meeting costs; decrease in total costs budgeted is based on recent actuals.

**Public Alliance for Community Energy
 Budget
 Administrative and General Narrative
 Fiscal Year 2026-2027**

- **Services from/(to) NMPP** - all NMPP costs not covered by NMPP revenues will be allocated to MEAN, NPGA and ACE based on each company's share of total budgeted payroll and benefits. Costs consist of holding the NMPP Energy annual conference, the annual audit and tax consulting, lobbying contract with a Nebraska lobbyist, and other small miscellaneous items. These costs are offset in part by annual conference revenues equal to budgeted conference expenses and champion dues. NMPP's budget was approved by the NMPP Board. The budget was also reviewed by the JOC and the JOC determined the allocation. The following table provides a summary of the budgeted services reimbursement. Increase relates to lower revenues and increasing costs.

Services Reimbursement					
	% of Total Payroll	Proposed Budget	Current Budget	Proposed vs. Current	
				\$ +/-	% +/-
MEAN	90%	\$ 25,789	\$ 19,327	\$ 6,462	33%
NPGA	5%	1,433	1,074	359	33%
ACE	5%	1,433	1,074	359	33%
Total Services Reimbursement to NMPP		\$ 28,655	\$ 21,475	\$ 7,180	33%

Consultants and Outside Services

- **Audit and consulting** - these costs relate to the costs for the annual financial statement audit; costs increase annually.
- **Call center** - costs are related to contracted service with an outside party to run the call center during the Choice Gas Program annual selection period. Actual costs vary based on call volume resulting in variances from budget.
- **Legal** - budgeted costs are based on review of historical actuals and planned projects requiring outside counsel. Costs related to potential litigation/dispute/arbitration are not budgeted. Annually, the budget includes a minimal amount for a filing fee. The Proposed Budget increased due to cyclical trademark related activity.
- **Other consultants and outside services** - includes various projects that don't fall within other identified categories. Budget includes ACE related web services, bank charges, and translation services; increase relates to higher web service fees and bank charges.
- **Software, licenses, maintenance, and support** - costs for both maintenance of and support for ACE's TheRMS software and other software products used directly by ACE. Costs generally increase annually; however, estimated increases used for the budget when quotes haven't been received by the budget deadline may result in a decrease when comparing the budgeted amounts year to year.

**NMPP Energy
Administrative and General Budget
Detail by Company
Fiscal Year 2026-2027**

	ACE							Actuals Fiscal Year 2024-2025
	Proposed Budget	Current Budget	Proposed vs. Current		Projected Total	Proposed vs. Projected		
			\$ +/-	% +/-		\$ +/-	% +/-	
	Total	Total	Total	Total	Total	\$ +/-	% +/-	Total
Payroll and Benefits	\$ 460,600	\$ 441,900	\$ 18,700	4%	\$ 410,788	\$ 49,812	12%	\$ 414,400
Internal Office								
Conferences and training	800	500	300	60%	347	454	131%	248
Dues and subscriptions	3,250	2,950	300	10%	3,035	215	7%	2,876
Equipment lease and maintenance	-	-	-	-	1,600	(1,600)	-100%	3,510
Insurance	645	1,100	(455)	-41%	664	(19)	-3%	1,032
Postage	-	-	-	-	-	-	-	49
Rent - building and equipment	94,900	93,024	1,876	2%	93,024	1,876	2%	91,200
Telecommunications	1,200	1,000	200	20%	1,063	137	13%	1,037
Travel, lodging and meals	5,730	6,658	(928)	-14%	4,582	1,148	25%	6,098
Total internal office	106,525	105,232	1,293	1%	104,315	2,210	2%	106,049
Member								
Advertising - corporate image	50,000	50,000	-	0%	30,441	19,559	64%	37,703
Board and committee meetings	9,150	9,430	(280)	-3%	8,264	886	11%	7,648
Services from / (to) NMPP	1,433	1,074	359	33%	1,074	359	33%	-
Total member	60,583	60,504	79	0%	39,779	20,804	52%	45,351
Consultants and Outside Services								
Audit and consulting	15,500	15,050	450	3%	15,050	450	3%	14,625
Call center	46,000	45,500	500	1%	39,696	6,304	16%	44,186
Legal	2,180	30	2,150	7167%	426	1,754	412%	26
Other	12,800	8,000	4,800	60%	10,806	1,994	18%	7,573
Software licenses, maint., support	31,727	32,735	(1,008)	-3%	31,695	32	0%	32,013
Total consultants and outside services	108,207	101,315	6,892	7%	97,673	10,534	11%	98,423
Total other administrative and general	275,315	267,051	8,264	3%	241,767	33,548	14%	249,823
Total Administrative and General Expenses	\$ 735,915	\$ 708,951	\$ 26,964	4%	\$ 652,555	\$ 83,360	13%	\$ 664,223