

TALKING POINTS to address SIERRA CLUB FLYER

Sierra Club Flyer Copy

NPPD's RESPONSE

OPPORTUNITY TO DEVELOP CLEAN NEBRASKA ENERGY

[Clean energy] creates jobs and economic development for Nebraska and helps build a bright future for our young people OR

ADDICTION TO DIRTY COAL That sends Nebraska dollars out of state and dooms us to major rate increases

The choice is ours

WE NEED TO LET NPPD KNOW THAT WE SUPPORT CLEAN NEBRASKA ENERGY

Nebraska Public Power District is considering spending at least \$1.5 billion to retrofit old dirty coal electric generating plants.

NPPD HAS BEEN DEVELOPING CLEAN ENERGY FOR DECADES

NPPD's generation mix is 40% carbon free; and we have led the development of wind energy in Nebraska.

NPPD has a voluntary goal to generate 10 percent of its electricity with new, renewable resources by 2020, and our study's scenarios examine adding up to 20%, which includes renewables and energy efficiency.

NPPD ASSISTS COMMUNITIES WITH ECONOMIC DEVELOPMENT

Over the past five years, NPPD has helped communities bring more than 5,000 permanent (primary and secondary) jobs to the state. Low-cost energy attracts and preserves business and jobs to Nebraska.

NO ADDICTION; JUST LOW RATES

Nebraska's electric rates are among the lowest in the US due, in part, to generating electricity with coal from Wyoming and other western states.

Wyoming coal is noted for its extremely low-sulfur content (0.4% to 0.06 % with Eastern coal at 3% to 5% or more); low-sulfur has less impact to the environment.

NPPD SUPPORTS CLEAN ENERGY, TOO.

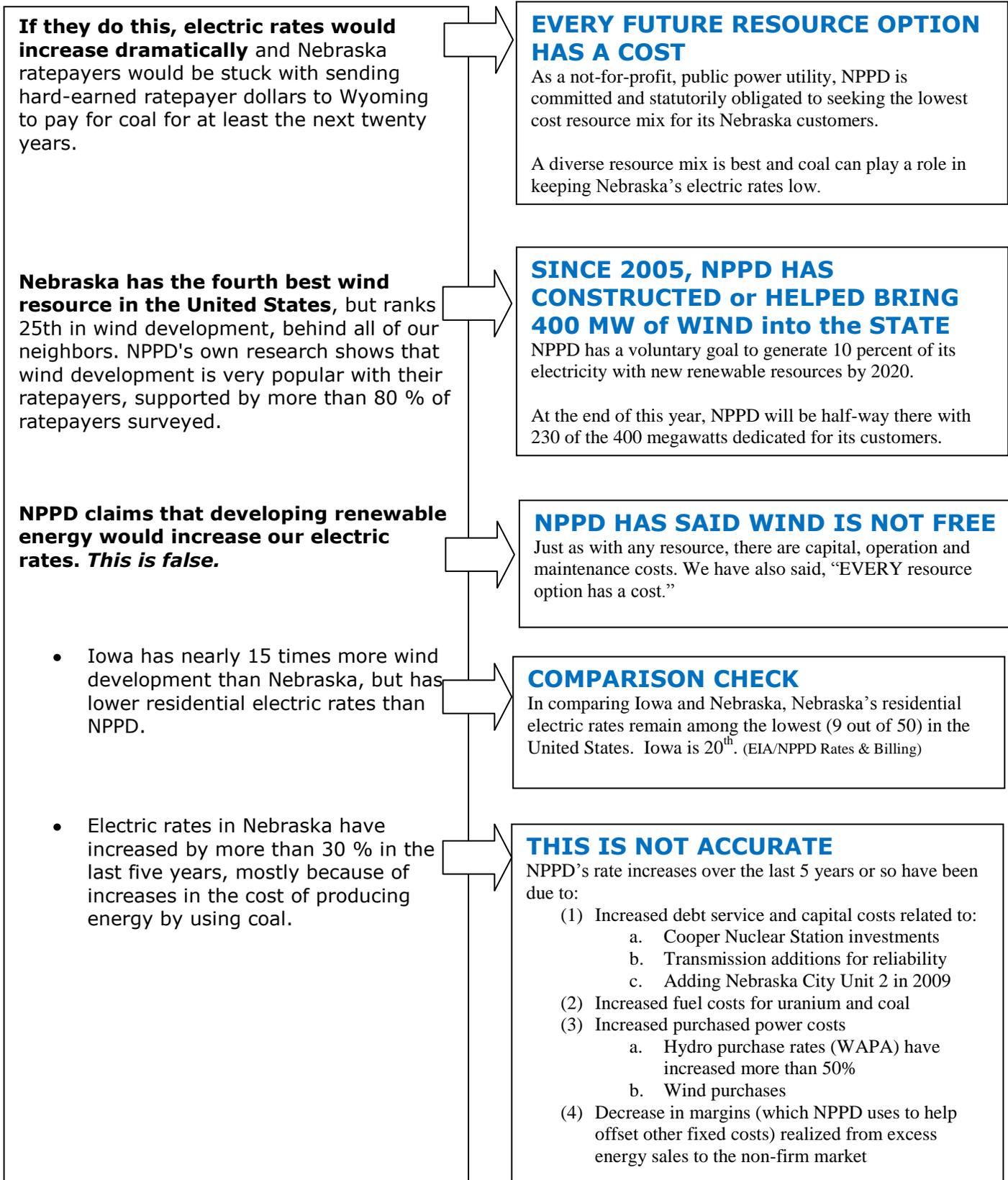
This is why NPPD has a diverse generation mix and is currently installing *additional* environmental control equipment on our existing assets.

Our facilities meet all current state and federal requirements for clean air and clean water.

NPPD IS CONSIDERING MANY OPTIONS.

No decisions have been made; however, our analysis shows spending \$1.5 billion on additional environmental control equipment will make the investments we have made in our facilities even more beneficial and help keep electric rates low.

The \$1.5 billion option is more economical than the other options NPPD looked at in its analysis.



LET'S INVEST IN CLEAN NEBRASKA ENERGY

Wind development can provide significant economic benefits. For example, farmers in Iowa received 13 times more in lease payments than Nebraska farmers and ranchers received. The health of Nebraska's economy is heavily dependent on agriculture, and having more money in rural areas would be a big help to our rural residents and to our economy as a whole.

The cheapest and most environmentally sound kilowatt is the one not generated.

NPPD's own analysis shows it is far cheaper to spend money on energy efficiency than any generation option. They create jobs, reduce electric bills and reduce the need for our utilities to spend money on generation infrastructure. Expert analysis indicates that 17 jobs are created for every \$1 million invested in energy efficiency.

Solar energy represents another opportunity for Nebraska. Nebraska has the 9th best solar potential in the United States. Recent reports indicate that Nebraska's own Warren Buffett is investing in solar energy in other states. If the Oracle of Omaha believes it is a good investment, our public power districts should be investigating its potential.

WE ARE!

By the end of this year, NPPD will have helped bring 8 wind farms (representing more than 400 megawatts of wind generation) to the state.

It is true Nebraska's economy is heavily dependent on agriculture; that said, consider that the average income for NPPD's customers is less than \$60,000, with the majority of our customers (32%) having a family income level between \$20k and \$40k. (Source: NPPD customer load survey)

In addition, NPPD contributes millions to rural communities in the form of lease payments and gross revenue taxes. In 2011, approximately \$34 million went to communities NPPD serves at retail.

Yes, rural areas can benefit from property taxes when a wind facility is located in their area. Some farmers benefit from lease payments, but not all.

Low rates benefit all.

NPPD PRACTICES and PROMOTES ENERGY EFFICIENCY

There are many benefits to energy efficiency. Please check out NPPD's Energy Efficiency booth in the open house.

NPPD would like to know from what "expert analysis" these numbers were derived.

SOLAR ENERGY HAS BOTH PROMISE AND COST

NPPD has researched and continues to monitor the viability of solar energy. To date, investment in this resource on a commercial scale would be one of the more expensive options for our customers.

Solar units consume extensive amounts of land that might have been used for agriculture or pastureland – eliminating land for growing of corn and soybean, and eliminating pastureland for cattle.

We cannot afford to speculate with our customers' money.

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The best thing about investments in renewable energy and energy efficiency is the way they protect the future for our children and young people. Since there is no cost for fuel for wind and solar energy, they don't have the increasing fuel costs associated with fossil fuels. These investments would provide economic benefits to Nebraskans, keeping money in the state.

They don't require massive water usage like a coal-fired power plant. And they protect the environment because they don't emit harmful pollution like mercury, sulfur dioxide or greenhouse gases.

LET'S MAKE THE SMART INVESTMENT

- GOOD FOR OUR ECONOMY
- GOOD FOR OUR ENVIRONMENT
- GOOD FOR OUR FUTURE

If you want to send comments to NPPD go to GOAinput@nppd.com

NPPD and ITS EMPLOYEES WANT TO PROTECT OUR CHILDREN'S FUTURE, TOO.

BOTH WIND AND SOLAR ENERGY HAVE COSTS

One commercial, 2-megawatt wind turbine costs approximately \$3 million to construct (without transmission infrastructure). Multiply 2,000 wind turbines at \$3 million each, and the total replacement cost to replace the energy generated by conventional resources like nuclear and coal could cost ratepayers as much as \$6 billion –with a 'b'.

The state must also add significant transmission infrastructure to accommodate more wind energy, at an average cost of \$1-2 million per mile.

These costs do not include ongoing operation or maintenance costs, nor the replacement power needed when the wind turbines are not operating.

Wind generation is variable with a capacity factor of approximately 35-45%.

NPPD's EXPERTS ARE SMART.

Our engineers, economists, statisticians, environmentalists, etc. work every day to help NPPD meet its responsibility of safely generating and delivering low-cost, reliable and sustainable energy to our customers every second of every day.

In the end, NPPD wants what is good for our state's economy, environment and future just as much as our customers do.

YES, PLEASE!! -- NPPD wants to know what our customers think about future generation options.