For decades Nebraskans have enjoyed the good life when it comes to low electric utility rates, but recently that’s changed. According to the Omaha World Herald, Nebraska Public Power District’s (NPPD) rates are continually rising, and Nebraska has lost its place among the top 10 lowest-cost electricity states after recent big price hikes.

Here’s how NPPD’s average household rates stack up to other utilities in Nebraska and Iowa:

<table>
<thead>
<tr>
<th>UTILITY</th>
<th>PERCENTAGE OF RENEWABLE ENERGY GENERATION</th>
<th>AVERAGE HOUSEHOLD RATES (2013)</th>
</tr>
</thead>
<tbody>
<tr>
<td>MidAmerican</td>
<td>85% Renewable Energy by 2019¹</td>
<td>$92/month</td>
</tr>
<tr>
<td>OPPD</td>
<td>33% by end of 2016</td>
<td>$110/month</td>
</tr>
<tr>
<td>LES</td>
<td>48% by end of 2016</td>
<td>$93/month</td>
</tr>
<tr>
<td>NPPD</td>
<td>10% by 2020</td>
<td>$128/month</td>
</tr>
</tbody>
</table>


LEARNING LESSONS FROM OUR NEIGHBORS BY TAPPING INTO RENEWABLE POTENTIAL

Lincoln Electric System (LES), Omaha Public Power District (OPPD), and other utilities in neighboring states are planning for the future and keeping bills low by investing in renewable energy. Nebraska has top-rated wind and solar energy potential, and Omaha and Lincoln have seized this potential by committing to ramp up renewable energy in the next few years, which will save their customer-owners money. In neighboring Iowa, the wind energy boom keeps electric rates lower and more stable than in Nebraska, all while attracting new businesses and ensuring clean air and clean water is available for the next generation. Despite wind’s impressive track record, NPPD lags behind, choosing instead to invest in aging coal-burning power plants.

NPPD: ON THE WRONG PATH WITH COAL

At the time NPPD was established, utilities were focused on baseload, traditional power plants and long-range transmission lines to serve a rural customer load. The vast majority of NPPD’s power plants were built in the 1970s or earlier, and as those plants approach the end of their useful life, NPPD has offered little insight on how it plans to replace those plants to build a long-lasting utility that will serve Nebraska into the future.

While not every Nebraskan writes their monthly utility check to NPPD, many towns and municipalities buy power from NPPD. Recently, Nebraskan towns have started questioning NPPD’s energy mix and what it means for their rates.

NPPD’S HOOKED ON COAL, A POWER SOURCE OF THE PAST

As other utilities phase out old, unreliable coal plants and make investments in wind, NPPD continues to throw money into its aging power plants like Gerald Gentleman in Sutherland and Sheldon Station in Hallam, NPPD’s largest coal-burning plants. Gerald Gentleman’s coal-burning units were built in 1979 and 1982 and continue to operate today with minimal pollution controls. As the cost and frequency of repairs go up at the aging Gerald Gentleman coal plant, so do our rates.

Many coal plants around the country have kept up with modern technologies, installing pollution controls to reduce harmful pollutants like mercury, sulfur dioxide (SO₂), and smog-forming oxides of nitrogen (NOx). NPPD
has deferred technologies like this on its plants, which are now among the top polluters in the U.S.

In terms of SO2 pollution, Gerald Gentleman is the 16th largest in the United States, despite being smaller than many other coal plants. Gerald Gentleman is the 67th largest coal plant in the US in terms of generating capacity. Of the coal plants that are larger than Gerald Gentleman, the vast majority (54 of 66) have installed pollution controls called scrubbers that remove 90% - 99% of the SO2 pollution.²

CUSTOMERS LOSE WITH RISING RATES ASSOCIATED WITH COAL

As the cost of NPPD’s coal-burning resources have increased, so have the rates of loyal customers throughout Nebraska. Many of NPPD’s customers have lost faith in NPPD’s ability to continue to provide low cost, reliable, and environmentally sensitive energy. Some customers like Northeast Public Power District and South Sioux City Public Power have opted to go elsewhere for less restrictive contracts that allow their communities to build up their own renewable energy while keeping rates lower.³

NPPD supplies power to dozens of retail and wholesale customers. In total, Nebraska Public Power District serves 600,000 customers statewide. Many of these customers want to see a long-term business plan that maps out the future of public power and ensures we lock in low-cost, reliable wind energy. NPPD is state-mandated to meet the needs of its customers, and as NPPD continues to fall short in meeting that agreement, other customers will look elsewhere for new and improved relationships with more forward thinking utilities.

A BETTER PATH FORWARD FOR NPPD AND NEBRASKANS’ RATES

The last time NPPD evaluated long-range resource options, investments in clean energy while phasing out coal use made smart economic sense.⁴ With great wind and solar potential across the state and lots of local support for clean energy, it’s time for NPPD to plan a smart transition away from coal to clean energy.

A recent report suggested Nebraska could triple its wind energy capacity,⁵ create thousands of jobs, and lock in low electric bills for decades to come. Instead of pouring money into outdated coal plants like Gerald Gentleman, NPPD should make smart investments in clean, renewable Nebraska-made energy like wind, solar, and energy efficiency.

TAKE ACTION TO KEEP PUBLIC POWER STRONG AND RATES LOW

NPPD has a tremendous opportunity to phase out costly coal dependence and invest in new modern energy sources that empower communities like ours to thrive.

For more ideas on how to get involved visit sierraclub.org/beyondcoal, or contact Graham Jordison graham.jordison@sierraclub.org 402-840-7033

ENDNOTES

1 http://www.desmoinesregister.com/story/money/business/2016/04/14/midamerican-energy-pours-36b-more-into-wind/83021574/
4 http://www.nppd.com/assets/newsletter/2013/june2.pdf