



Meeting Information

MEAN Board Portal

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MEAN Finance Committee Meeting

Younes Conference Center, Kearney, Nebraska


January 22, 2025

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Call to Order

Brent Nation
Committee Chair



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Call to Order

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

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Public Comment Period



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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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Consent Agenda

- Approval of Minutes of the December 18, 2024 Meeting
- The next meeting of the Finance Committee will be held virtually on Thursday, May 15, 2025.



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Consent Resolution

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



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Financial Report

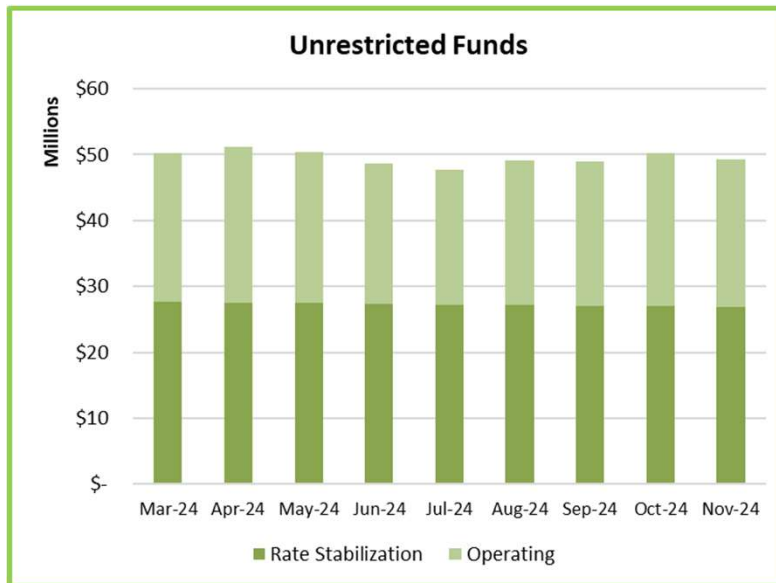
Jamie Johnson
Director of Finance and Accounting



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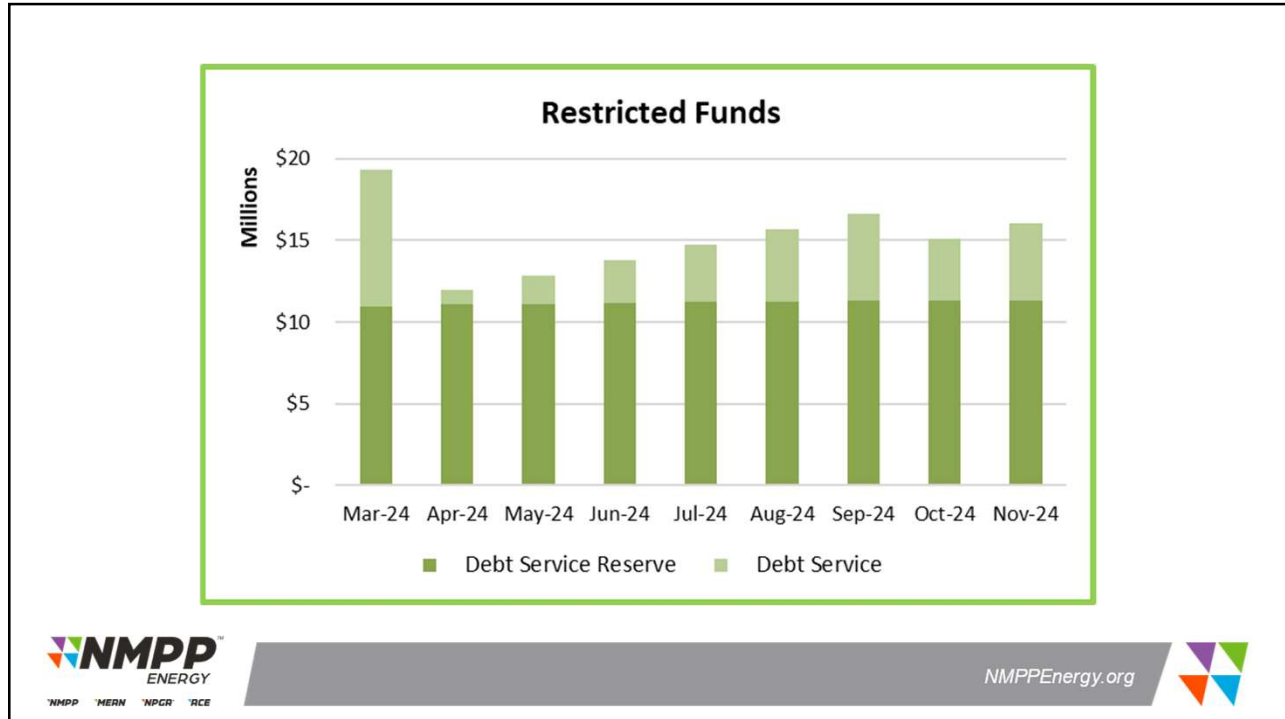
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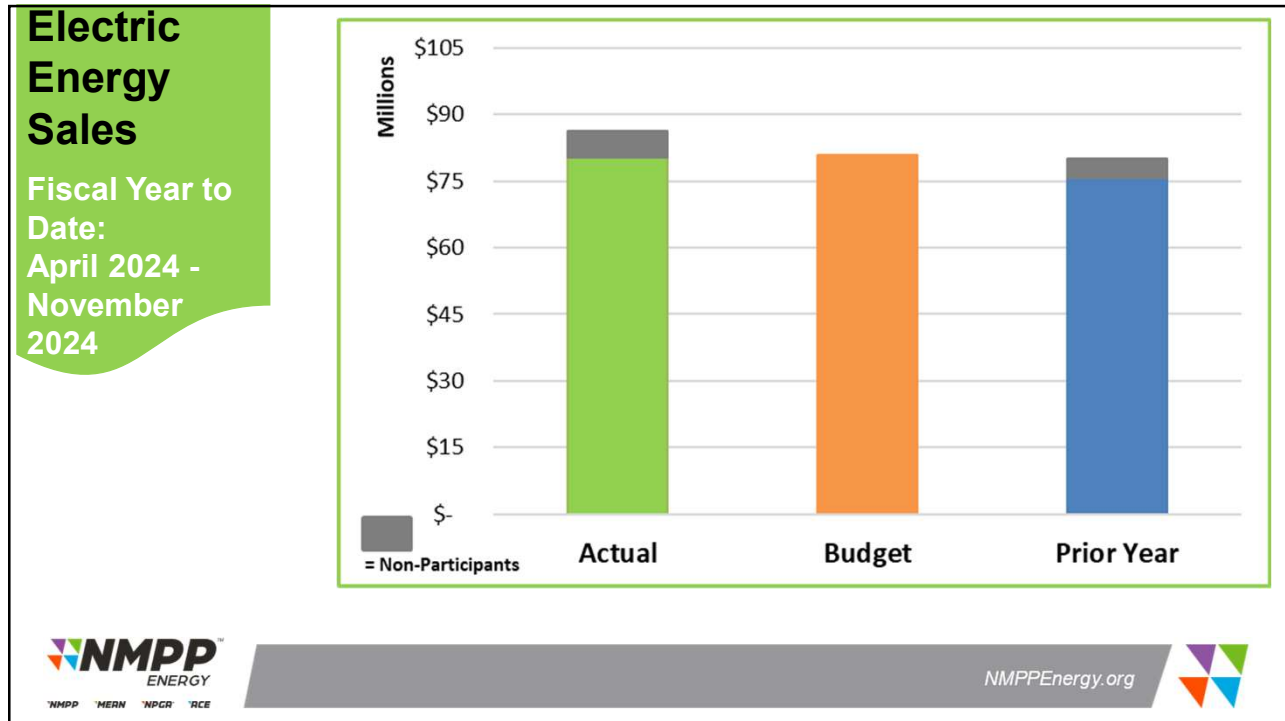
Owned Generation Capital (Productive Capacity)

Fiscal Year to Date: April 2024 - November 2024

(dollars in millions)

	Actual	Budget	Actual vs. Budget \$ +/-	Prior Year
Wygen Unit 1	\$ 1.3	\$ 0.8	\$ 0.5	\$ 0.2
LRS Units 1, 2, and 3	0.6	0.4	0.2	0.3
WSEC 4	0.6	0.8	(0.2)	0.6
Total	\$ 2.5	\$ 2.0	\$ 0.5	\$ 1.1

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Operating Expenses

Fiscal Year to Date: April 2024 - November 2024

(dollars in millions)

Line	Actual	Budget	Prior Year	Actual vs.		
				Budget	Prior Year	
Electric Energy Costs						
Purchased Power						
A	Contracted Purchases	\$ 48.0	\$ 51.4	\$ 52.3	\$ (3.4)	\$ (4.3)
B	Market Activity	5.5	(3.1)	(1.6)	8.6	7.1
C	Total Purchased Power	53.5	48.2	50.7	5.3	2.8
D	Production	11.6	13.2	12.2	(1.6)	(0.6)
E	Transmission	4.1	4.4	3.8	(0.3)	0.3
F	Total Electric Energy Costs	\$ 69.1	\$ 65.8	\$ 66.7	\$ 3.3	\$ 2.4
G	Administrative and General	\$ 7.8	\$ 8.1	\$ 7.2	\$ (0.3)	\$ 0.6

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Cash Analysis

Fiscal Year to Date:
April 2024 – November 2024

Line	(dollars in millions)		
	Actual	Budget	\$ +/-
A Net Revenue / (Loss)	\$ 3.5	\$ 0.8	\$ 2.7
B Less: MEAN Debt Service, Lease & Subscriptions	(4.3)	(4.3)	-
C Less: MEAN Interest Expense Non Cash Amortization	(0.8)	(0.8)	-
D Less: MEAN and Owned Generation Capital	(2.7)	(2.1)	(0.6)
E Plus: Non Cash Depreciation and Amortization	5.5	5.3	0.2
F Plus: Net Costs to Be Recovered in Future Periods	1.1	1.1	-
G Change in Operating Fund - Accrual Basis	\$ 2.4	\$ 0.1	\$ 2.3
H Change in Rate Stabilization Fund	\$ (0.7)	\$ (0.7)	\$ -
I Total Change in Unrestricted Funds - Accrual Basis	\$ 1.7	\$ (0.5)	\$ 2.2



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Budget, Rates, and Charges Fiscal Year 2025-2026,
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

Attachments B, C, and D



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Year-End Projections

Fiscal Year 2024-2025

Targets and Coverage Analysis

	Projected	Current Budget
Net Revenue / (Loss)	\$ 1,954,582	\$ 1,119,413
Change in Unrestricted Funds	\$ (976,721)	\$(1,076,891)
Debt Service Coverage 1.00X required, 1.20X per policy	1.37	1.29
Cash Reserve Amount > <u>Minimum?</u>	Yes	Yes



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Summary of Rates and Charges

Rate/Charge	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Fixed Cost Recovery Charge	\$ 47,500,000	\$ 42,900,000	\$ 4,600,000	11%
Energy Charge Rate (\$/MWh) Schedule M	\$47.66	\$43.60	\$ 4.06	9%
Energy Charge Rate (\$/MWh) Schedules K and K-1	\$50.05	\$45.78	\$ 4.27	9%
Green Energy Charge Rate (\$/MWh) Schedule M	\$50.05	\$45.78	\$ 4.27	9%
Green Energy Charge Rate (\$/MWh) Schedules K and K-1	\$52.56	\$48.07	\$ 4.49	9%
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 9.8% overall increase.



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Proposed Budget

Notable Items

- Stable load
 - ▶ Renewable distributed generation
- Plant **capital**, operations and maintenance
 - ▶ **No final budget** for Walter Scott Jr. Energy Center Unit 4
- Market expansion
- Other wholesale power-related
 - ▶ Price increases for power
 - ▶ Staffing



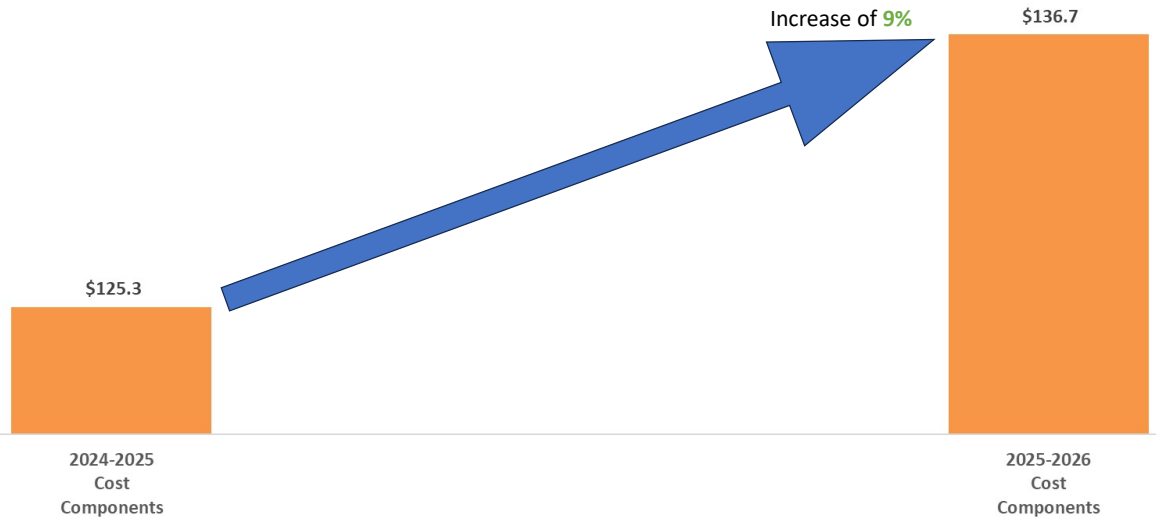
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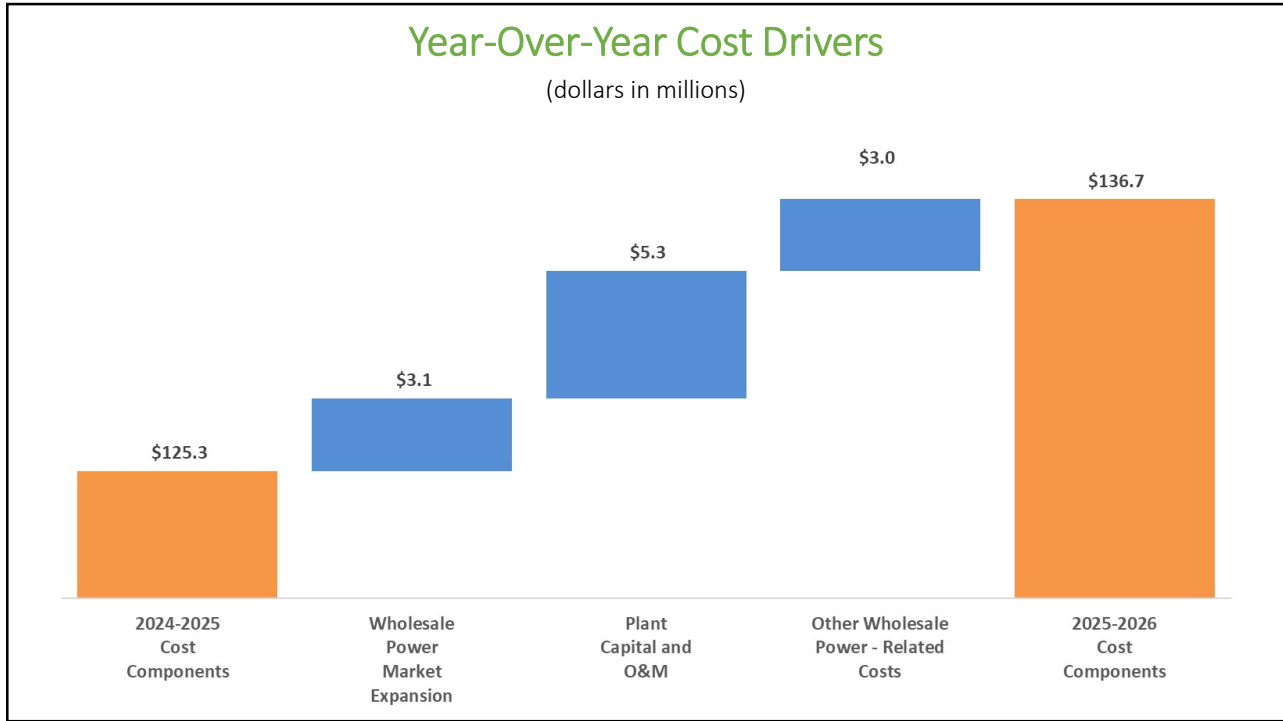
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Year-Over-Year Cost Increase of \$11.4 million

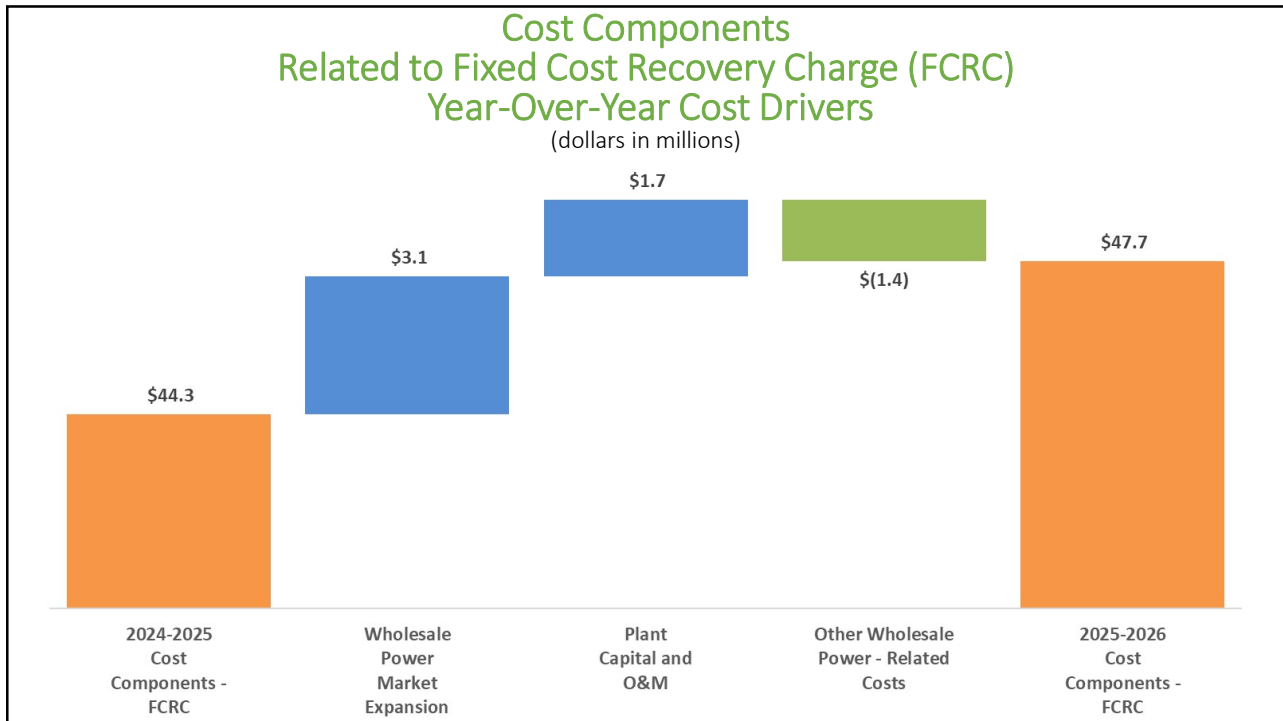
(dollars in millions)



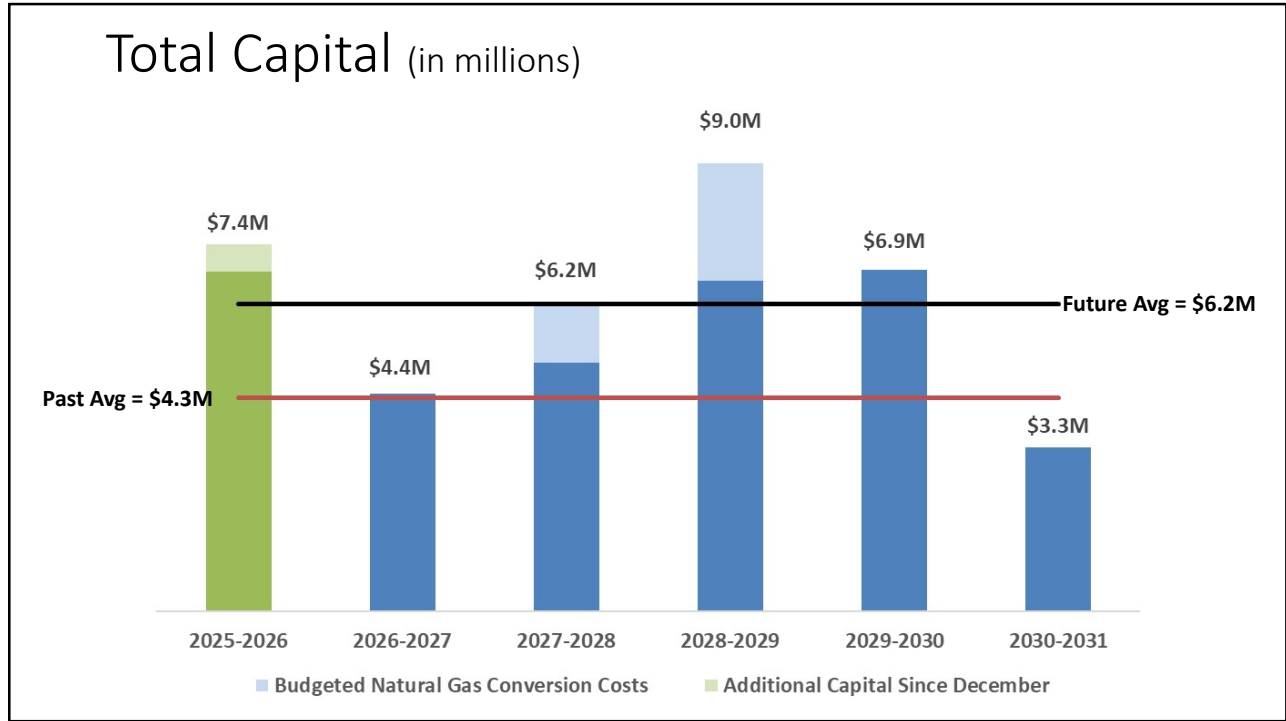
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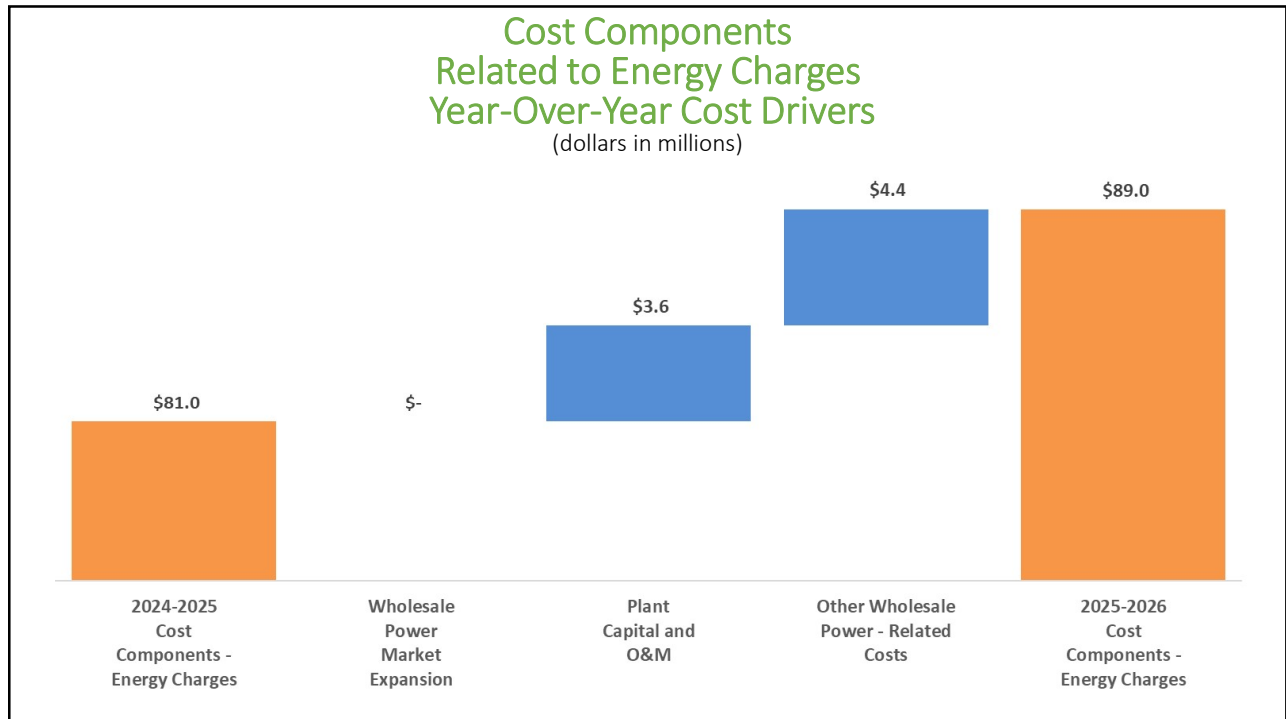
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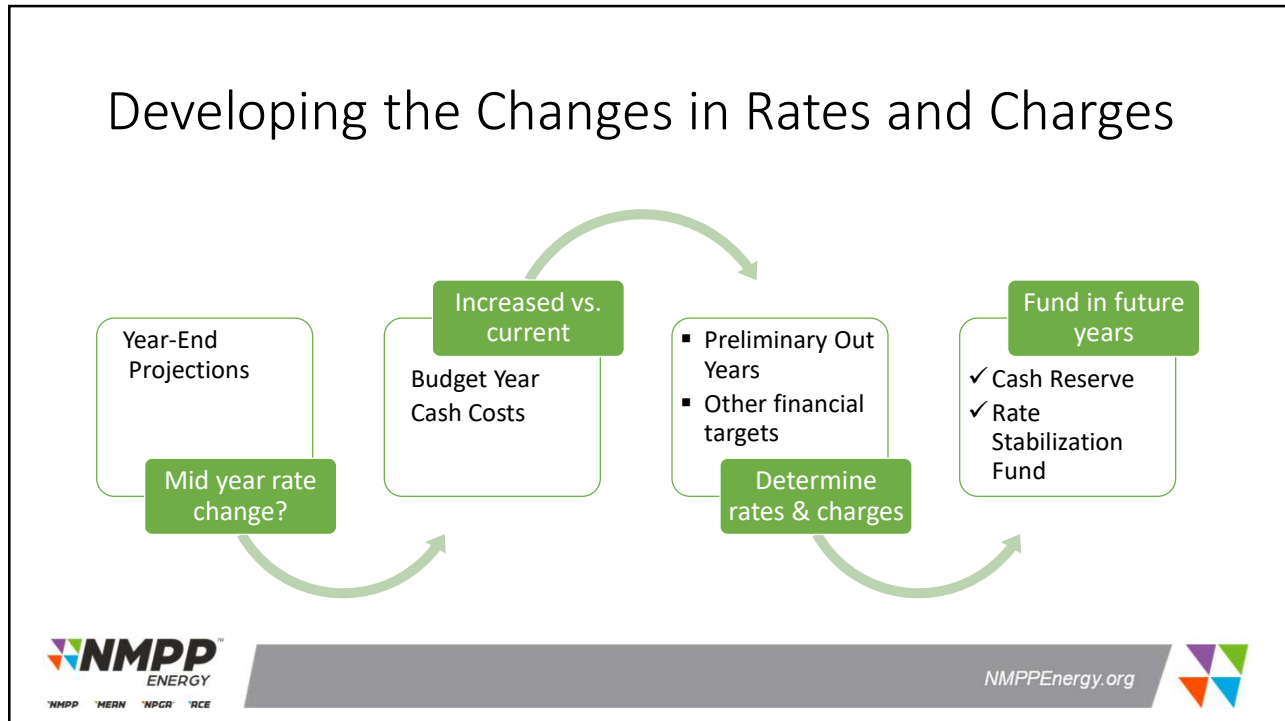
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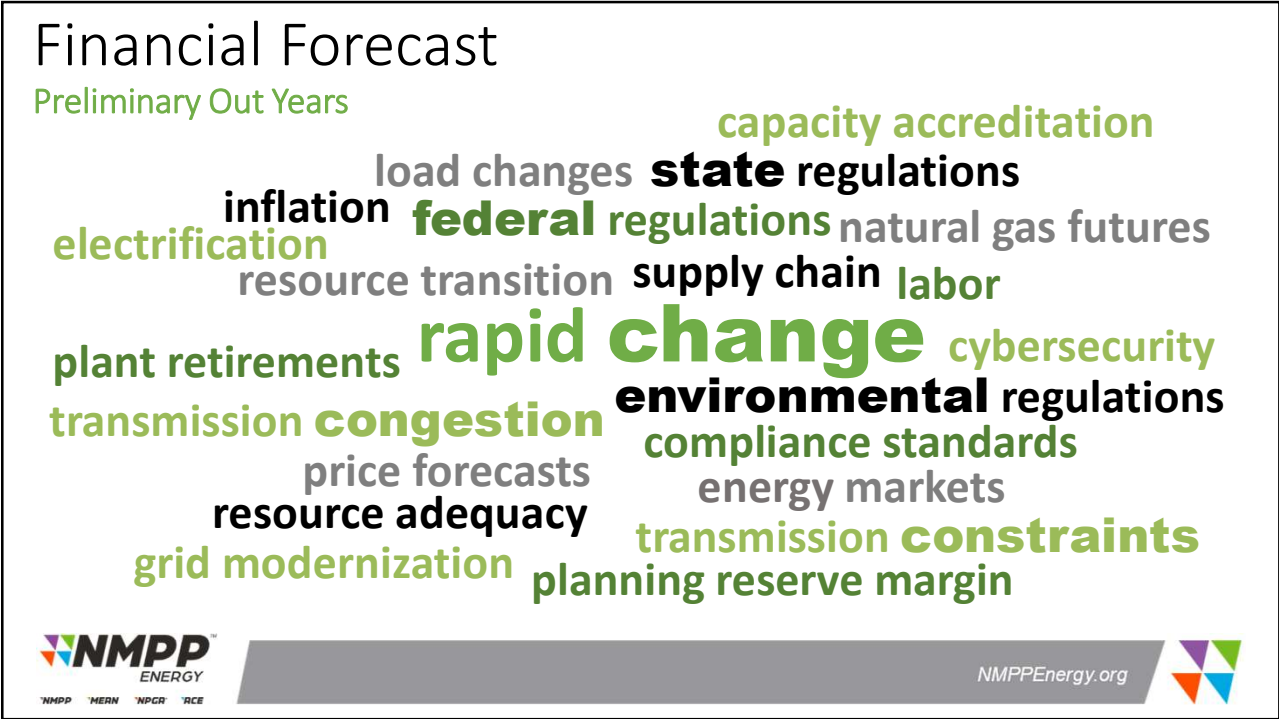
Targets and Coverage Analysis - Proposed Budget

Net Revenue / (Loss)	\$ 2,978,546
Change in Unrestricted Funds	\$ (502,131)
Debt Service Coverage 1.00X required, 1.20X per policy	1.52
Cash Reserve Amount > <u>Minimum</u>?	No

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Financial Forecast

Preliminary Out Years: Fiscal Years Ending 2027 through 2031

	Proposed Budget	Preliminary
Total Revenue Requirement - Cost Components	\$136.7M	Ranges from \$130.8M to \$144.4M
Minimum Calculated Cash Reserve	\$48.7M	Ranges from \$48.2M to \$50.9M
FCRC Cash Costs	\$47.7M	Ranges from \$42.7M to \$48.5M

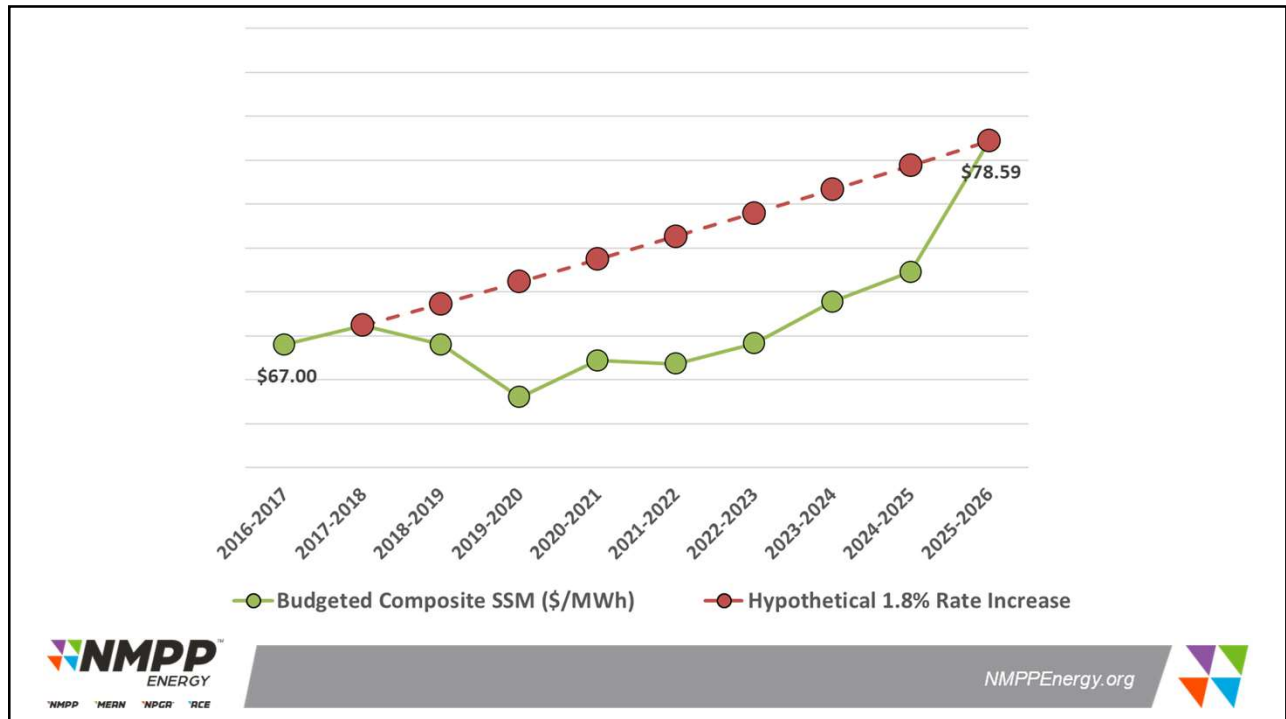


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Other Rates and Charges

Capacity Commitment Compensation and Hourly Rate

Rate	Proposed Budget	Current Budget	Proposed vs. Current	
			\$ +/-	% +/-
Demand Rate (\$/kW per Month)	\$ 2.50	\$ 2.00	\$ 0.50	25%
Variable O&M Rate (\$/MWh)	\$ 5.00	\$ 5.00	\$ -	0%
Labor Rate (\$ per unit Operating Hour)	\$ 44.00		\$ 44.00	100%
Hourly Rate	\$ 180.00	\$ 175.00	\$ 5.00	3%



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Modifications to Rate Schedules

Effective April 1, 2025

- ✓ Approval and effective dates
- ✓ Energy Charge
- ✓ Green Energy Charge
- ✓ Administrative Fee hourly rate
- ✓ Capacity Commitment Compensation
 - ✓ Demand Rate
 - ✓ Labor Rate
- ✓ Fixed Cost Recovery Charge allocation (Attachment 1)



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Budget, Rates, and Charges Fiscal Year 2025-2026, 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 on page 7 of the meeting
packet



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Modifications to Financial and Administrative Policies and Guidelines

Jamie Johnson
Director of Finance and Accounting



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Capacity Commitment Compensation

Policy Framework

- Asset Management Policies and Procedures
 - ▶ Eligibility and definitions
- Schedules of Rates and Charges
 - ▶ Approved rates and charges
- **Financial and Administrative Policies and Procedures**
 - ▶ Section 17: Rates and Charges
 - 17.7 Capacity Commitment Compensation
 - ◆ Add the rate methodology



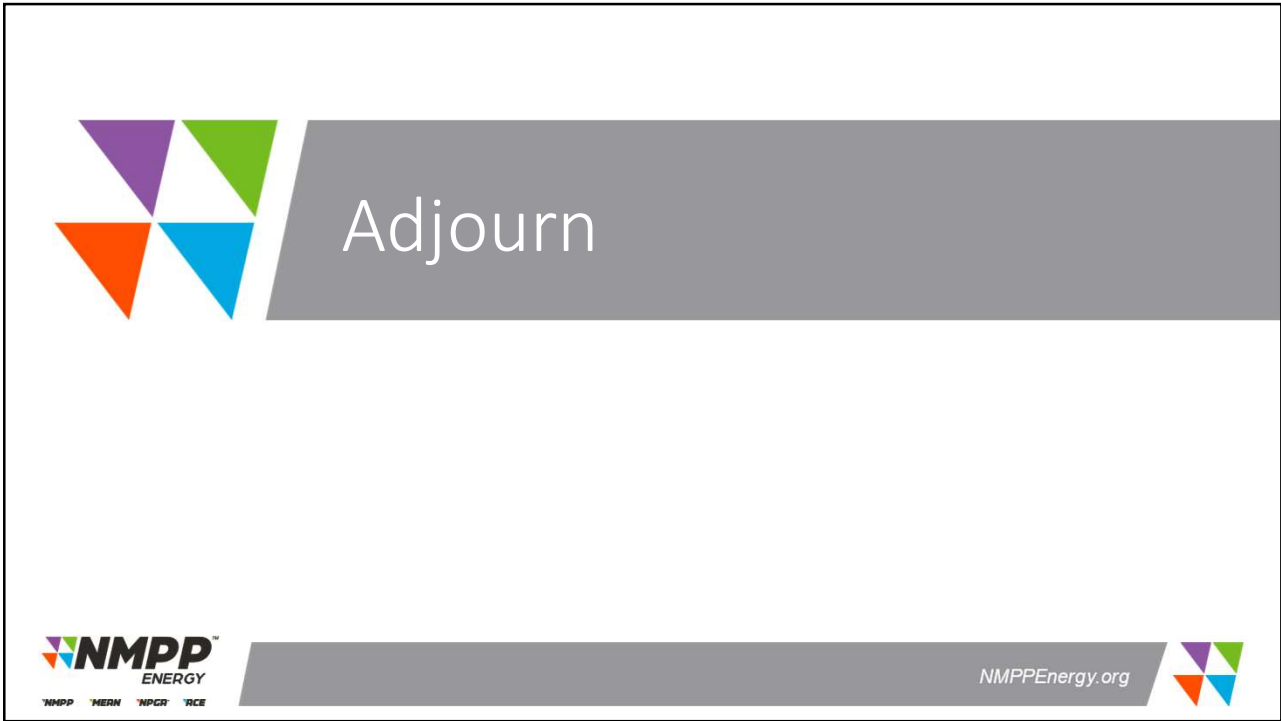
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Modifications to Financial and Administrative Policies and Guidelines*

Consider a recommendation to the Board of Directors to approve the modifications to MEAN's Financial and Administrative Policies and Guidelines, as presented.



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Adjourn

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The slide features a central grey horizontal bar with the word "Adjourn" in white text. To the left of this bar is a logo consisting of four triangles (purple, green, orange, blue) arranged in a square pattern. At the bottom left, the "NMPP ENERGY" logo is displayed, with "NMPP" in a large, bold, multi-colored font and "ENERGY" in a smaller, black font below it. Underneath "ENERGY" are the letters "NMPP MERN NPCR RCE" in a very small font. At the bottom right, the website "NMPPEnergy.org" is written in a grey font, followed by a smaller version of the four-triangle logo.