

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

[]

The Committee on Natural Resources met at 12:00 p.m. on Monday, November 17, 2008, in Room 1113 of the State Capitol, Lincoln, Nebraska, for the purpose of conducting a public hearing on gubernatorial appointments. Senator present: LeRoy Louden, Chairperson; Tom Carlson; Mark Christensen; Annette Dubas; Deb Fischer; and Norm Wallman. Senators absent: Carol Hudkins, Vice Chairperson; and Gail Kopplin. []

SENATOR LOUDEN: Okay, is everyone on the line? Mr. Stuart? []

JAMES STUART: Yes, I'm here. I'm in my vehicle in Oshkosh, Nebraska. I'm sorry I can't...wasn't able to be there in person. But I'm here and it's a beautiful day out here in western Nebraska. []

SENATOR LOUDEN: Well, we appreciate that on such short notice. We appreciate what you're doing to get this thing taken care of. Tod Brodersen, are you on the line? []

CHARLES BRODERSEN: Yes, I am. I'm here at Hastings. []

SENATOR LOUDEN: Okay. And Dick Mercer, are you on the line? []

RICHARD MERCER: Yes, sir, I'm here in Kearney. []

SENATOR LOUDEN: Okay, then Mr. Neil Moseman is here in person. So we can proceed. Good afternoon. I'm chairman of the Natural Resources Committee. And today we're having a public hearing on confirmations of the gentlemen I've just mentioned. I'm LeRoy Louden, chairman of the Natural Resources Committee. To my right is Laurie Lage, the committee counsel; to her right is Tom Carlson from Holdrege; and on his right is Senator Annette Dubas from Fullerton. To my left is Barb Koehlmoos, committee clerk; next to her is Senator Deb Fischer from Valentine. Next is Senator Mark Christensen from Imperial; and Senator Norm Wallman from Cortland. I would ask at this time that you turn off your cell phones and pagers and so forth. With that, we will begin the testimony. We're doing it by telephone conversation with three of the gentlemen today. And I would ask that Mr. Stuart start first and give a little bit of his history and what he does and what he is doing with the Nebraska Environmental Trust Board. Mr. Stuart. []

JAMES STUART: (Exhibit 1) Thank you very much, Senator and your committee. Again, I'm sorry I wasn't able to be present for your hearing. I am 65 years old. I was born and raised in Lincoln, Nebraska and have lived and loved our good state of Nebraska for...since I was born. I went to high school, I went through the school system in Lincoln. I went to Lincoln Southeast High School. Went to University of Nebraska and

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

graduated from the business college in 1965. And then after that went to the military where I flew helicopters for the Army and was in the Viet Nam war flying helicopter gunships for about a year, in 1967/68. And then after that went to New York City and worked for Citicorp for about six years, traveling the southwestern part of the country in their Correspondence Division. And then back to Lincoln in about 1975. And then in about 1978, became the president of First Commerce Bancshares, which was the company that owned the National Bank of Commerce and many banks around the state and was the chairman and chief exec of that company for about 25 years. We sold that business about eight years ago. I have served two terms on the Game and Parks Commission. Been a director of the National Forrest Foundation and on balance am just looking forward to making a contribution to the state of Nebraska by my service on the Environmental Trust Board, which I think is a marvelous organization that has done some really important things. And I think there's a lot on our plate that will need to be done in the future, and I'm looking forward to serving the state of Nebraska. []

SENATOR LOUDEN: Thank you, Mr. Stuart. Questions for Mr. Stuart? Senator Carlson.  
[]

SENATOR CARLSON: Senator Louden, Mr. Stuart, what would you say would be the most important functions of the Environmental Trust? And how do you see yourself plugging into that? []

JAMES STUART: Well, for starters I would say that I'm new on the board. But I go back to the basic tenets of what the Environmental Trust Board is all about. And again, I go back to the mission statement of the Environmental Trust Board where we say that what we are there for is to conserve, enhance and restore the natural environments of Nebraska. And a sound...we need a sound natural environmental, which we must act dynamically, progressively and systematically to ensure bountiful and thriving natural resources. Now that's pretty broad stuff. And I don't have any unique axe to grind in terms of whether I care more about water or care more about air or care more about waste disposal or things like that. I think I have and bring to the board a balanced view of many different aspects of what is and should be important to the environment of the state of Nebraska and, think I can serve the state well in that regard. []

SENATOR CARLSON: Thank you. This is Tom Carlson. One other question. You've checked off an area of interest in agriculture. And just expound on that a bit, would you.  
[]

JAMES STUART: Well, the agriculture, of course, is one of the fundamental parts of the economy of the state of Nebraska. And as a matter of fact, I own a ranch up near Hyannis, Nebraska and run 1,200 cows up there. And, of course, I'm very interested in making sure that the agricultural environment gets a fair shake as we move through the processes of trying to figure out how to do things as best as we can. And again, I think

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

balance is important here. I think that, you know, these farmers need water, but I don't think we need to take so much water that there is no water left. And so I think we need balance here. And, you know, I think we can, with good intelligence and good thinking on these issues that we can find ways where nearly everyone can win. And I think this is an important thing for the state. []

SENATOR CARLSON: Okay, thank you for your answers. []

SENATOR LOUDEN: Other questions for Mr. Stuart? I have one, Mr. Stuart? This is Senator Louden. []

JAMES STUART: Yes, sir. []

SENATOR LOUDEN: As I've...as we're working on this special session today, I've had folks come through my office and stuff. And there are people with...well, beginning education and early child development. Do you think the Environmental Trust should have any money available for something like that as a grant for some of this early child education? []

JAMES STUART: Well, I think you...I think we need to wait until the children get...well, I think that there is some room at even early ages, at even early ages where the children begin to learn about our environment. And I'm not a teacher and so I don't know exactly at what years you begin to plug this into their educational processes. But clearly, and the Environmental Trust has been doing a pretty good job with their information and education grants. Clearly, through the developmental process of the younger people in the state, our people need to learn and understand that this is not all just about the bottom line, that this is...there is a real piece that is important about the quality of life of all of us. As many have said, and there are songs that have been written about this, that we're all in this together. And so yes, I think we need to, you know, with balance figure out the right way to, as our youngsters grow up that they begin to understand that taking a deep breath of fresh air isn't just free, that we need to pay for this. We are so fortunate in Nebraska that we have this...these resources available to us that we can begin to make that natural dent in things that need to be done. []

SENATOR LOUDEN: Okay, thank you. Other questions for Mr. Stuart? Seeing none, why, thank you, Mr. Stuart, for your testimony and appreciate you doing this. At this time I would ask, is there anyone else that wishes to testify in favor of James Stuart to the Environmental Trust Board? Anyone wish to testify in opposition? Anyone wish to testify neutral? Seeing none, thank you. And I would close the hearing part on the appointing of James Stuart, Jr. And thank you, Mr. Stuart, for your participation. And thank you for...willing to serve on this committee. []

JAMES STUART: Thank you, Senator. And thank you to all of your committee and the

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

work that you do for the state. []

SENATOR LOUDEN: With that, now we will proceed to Charles Brodersen for the Nebraska Ethanol Board. Mr. Brodersen, are you there? []

CHARLES BRODERSEN: Yes. []

SENATOR LOUDEN: Would you like to proceed with something...tell us something about yourself and what you do. []

CHARLES BRODERSEN: (Exhibit 2) All right. I was born and raised on a farm near Herman, Nebraska, a small town north of Omaha by 30 miles. I went to high school in Herman, graduated there. I graduated from Dana College in Blair. Spent two years in the Marine Corp, active duty. Didn't do anything exciting. I spent two years at a reserve station in Florida for the Marines, probably about as choice a duty as a man could get. But then went to work for Phillips Petroleum, part of Conoco Phillips now, and worked for them from 1962 to 1975. The last eight years I was in...on a territory in Grand Island, called on jobbers and dealers in south central Nebraska. Bought one of the jobbers I called on, Thomsen Oil. Have been here since 1975. My son is in business with me. And I've been interested and active in ethanol since about 1979. I believe it was '79 or '80 we had a real short-term fuel shortage and that was a real good way you could stretch your fuel allocation by putting in 10 percent of ethanol. But then actually I received a grassroots award from ACE, American Coalition on Ethanol, as a long-term ethanol distributor. I am interested in the ethanol business. Basically, ethanol is going to be somewhat of a substitute for a little bit of the petroleum products we're using. But to me, the more important part of it is the economic boost it can give to outstate Nebraska. In 2000 there were six ethanol producing plants in Nebraska; in 2008 there are 24. And those 24 plants buy up about 600 million bushel of corn, produce about a 1.7 billion gallons of ethanol, a big share of it is shipped out of state as an after...oh, value...added-value product, I'm sorry. So my main interest is the big boost it can give the economics of outstate Nebraska. Because these ethanol plants, they're not built in Omaha and Lincoln, they're built in Plainview and the small towns out here. An ethanol plant will employ about 40 people on good jobs, well-paying jobs. And you think about it, 40 people in a town of 1,000, on a percentage basis that's just like putting 1,000 people in a town the size of Kearney or many thousands in the size of Lincoln. So the Ethanol Board's purpose in life is to promote the production and sale of ethanol and that's where my interest comes in. []

SENATOR LOUDEN: Well, thank you. Questions for Mr. Brodersen? Senator Dubas. []

SENATOR DUBAS: Thank you, Senator Louden. Mr. Brodersen, this is Senator Dubas from Fullerton. And I appreciate your willingness to serve on this board. Right now the ethanol industry maybe is facing some more challenging times than they have in the

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

past, just due to the fluctuation... []

CHARLES BRODERSEN: I'm sorry, I just can't hear. []

SENATOR DUBAS: Can you hear me better now? []

CHARLES BRODERSEN: It's a little better now. []

SENATOR DUBAS: Okay. Does this microphone make any difference whether he hears or not? Okay, I'll just...yeah, I'll come closer to the mic. []

SENATOR LOUDEN: Senator Dubas is moving closer to the microphone at this time. []

CHARLES BRODERSEN: Okay. []

SENATOR DUBAS: I was sitting at the far end of the room. []

CHARLES BRODERSEN: Oh, good now I can hear you. []

SENATOR DUBAS: My kids never tell me they have a hard time hearing me, so...(Laugh) []

CHARLES BRODERSEN: Well, I have a little hard time hearing anyway. []

SENATOR DUBAS: Okay. Well, my question was that right now ethanol is probably facing some more challenging times than they have in the past just due to the fluctuation in the prices with grain. And we're seeing some, you know, some of the bigger companies even filing bankruptcy and that's definitely a concern of mine. I want ethanol to succeed in the state. And so if you would just kind of fill me in on what your thoughts are as far as how do we overcome these challenges and keep the ethanol industry strong. []

CHARLES BRODERSEN: Well, as I tell people with the growth that the ethanol has experienced in the last few years, it's kind of like for years ethanol was kind of the illegitimate son. And then all of a sudden it's the chosen child, everybody is interested in it. Now we find out that even the chosen child has a few faults. If...and some of the companies have, and I can't say they've made mistakes. But things operate differently when...under ideal conditions than they do under hard times. Some of these plants were built and financed under expensive ethanol and relative to cheap corn. And then when you go the other way around it's a little tough to live with. I think you're probably thinking of VeraSun took Chapter 11. []

SENATOR DUBAS: Yes. []

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

CHARLES BRODERSEN: And they're just going to have to weather these things out, operate a little differently. I think perhaps some of them have contracted for corn on your...the high price at a long term and been a little tough. Once those things are over with I think it will smooth out a little bit. []

SENATOR DUBAS: I know the livestock industry, especially cattle, gets to take advantage of the distillers grain. But, you know, because of the higher prices that corn was bringing this summer especially it was creating hardships for our livestock producers. And so how do you see ethanol, you know, supporting the livestock industry and continuing to work with them successfully? []

CHARLES BRODERSEN: Well, it comes back the other way. When we hit the high price this summer for corn, now the corn has dropped back, what, \$3.70, somewhere back to what it should be normal. And the ethanol plants they can all make money at the price corn is now. And I think that the cattle feeders can also. Nobody was, in our part of the business, was doing better than the farmers that had corn to sell. Anybody that had to buy corn was having a hard time. And, of course, the distillers dry grain, the by-product, it was bouncing up and down comparably. So...but once it levels out, and it will, the old adage what goes up comes down, and I think we'll see this come back down. You're not hearing near the hue and cry from the cattle feeders now you were when the corn was so much higher. []

SENATOR DUBAS: Well, I appreciate your willingness to serve on this board. I think ethanol has definitely contributed to the economy of our state and especially the rural areas. So I appreciate your time. []

CHARLES BRODERSEN: I've been here for eight years. I didn't add that, but this is my third application. And I agree with you, I think it definitely has a place in the economy of Nebraska. []

SENATOR LOUDEN: Thank you, Senator Dubas. Other questions for Mr. Brodersen? The only one, as you already mentioned, I notice that this is a reappointment. And you've been there, as you say, eight years. And you're being reappointed for four more years. That is correct? []

CHARLES BRODERSEN: Yes. []

SENATOR LOUDEN: Yeah. Well, seeing no more questions, I guess, I thank you, Mr. Brodersen, for this interview like we've had. And I'm glad that you were able to do this by telephone. And I'm quite satisfied with the way it's working out. So appreciate you serving on these boards. And with that, I will close...well, I guess, I should ask for any objection to Mr. Brodersen? And I see none. Any, what do you call it? Neutral

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

testimony? And I see none, so with that I will close the hearing on the appointment of Charles Brodersen to the Ethanol Board. With that, we would start with the appointment of Richard Mercer to the Natural Resources Commission. Are you on the phone, Mr. Mercer? []

RICHARD MERCER: Yes, Senator. []

SENATOR LOUDEN: Go ahead, Dick. Tell us a little bit about what you do and about yourself. []

RICHARD MERCER: (Exhibit 3) Okay. I was born and raised in Kearney. After I graduated from high school, I spent two years in the service and came home in 1948 and began farming with my first wife. Neither her nor I had ever been on a farm, so I have to thank my father-in-law that he had a lot of faith that let the greenhorn get started. So this year is our sixtieth crop. I have to add that right now we're busy trying to harvest replanted milo that about 99 percent of it is on the ground. So it's going slow and tedious and very nerve-wracking, but we're working at it. I appreciate being able to do this on the phone. I have served on several boards and commissions. I am past president of the Nebraska Cattlemen. I was on the executive committee of the National Cattlemen at one time. I've been on the Central Platte NRD, well, almost since 1972. When my first wife passed away I moved, so I had to resign. And then I was asked to run again so I served at-large. Before that I was on the Buffalo Ravenna Conservation Board. I've also served on the Environmental Trust for ten years. I was previously, in the nineties, on the Natural Resources Commission. I served on Governor Johanns' and Governor Heineman's Platte River Cooperative Agreement Advisory Committee. And I'm also on the Nebraska Water Task Force. So I've tried to find the time that I could, at least tried to give something back to the state because it's been wonderful to I and my family. Incidentally, my sons and grandsons run the operation now. And the fifth generation is...maybe some day, they're only 3 and 4 years old, but they now are living on the farm. So we've been there and been in the state for quite some time. []

SENATOR LOUDEN: Okay, thank you. Questions for Mr. Mercer? Senator Christensen. []

SENATOR CHRISTENSEN: Thank you, Dick. What do you see that the Natural Resources Commission needs to be doing? []

RICHARD MERCER: (Laugh) Well, the responsibility is two things. They work with the NRDs and the NRDs come up with projects. And, of course, when they come to the commission they're asking for money and assistance. As I'm sure all the senators and a lot of the people know that there's never enough money to go around. So another part of the commission's job is to visit with the senator, like that, and see if we can get a little bit more out of the budget. But the main purpose for the commission is to make sure

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

that when natural resource districts come that we take a very in-depth look at the projects and put them in the right priorities, so the most needed and most...and the best that can get done with the money are the ones that go to the top of the list. []

SENATOR CHRISTENSEN: I guess, a little more in-depth, if you wouldn't mind. What do you see, though, as some of the main directions that you see the state needs to be going as you're ranking these money requests coming in, do you...are you willing to share any of that? []

RICHARD MERCER: Well, the Resource Development Fund has always been a little short. But I don't think there ever will be enough money there, because even though the commission and NRDs have been in business for 35 years, there always seems that there's plenty out there to do. But I really believe that somewhere along the line most of the governors have not quite put enough priority on resources and conservation funds of projects that could be done out there, and especially in the last few years when the cost of doing anything have increased so much. []

SENATOR CHRISTENSEN: Thank you. []

SENATOR LOUDEN: Other questions for Mr. Mercer? Senator Carlson. []

SENATOR CARLSON: Senator Louden. Dick, Tom Carlson from Holdrege. []

RICHARD MERCER: Yes, Senator. []

SENATOR CARLSON: Having served on the Water Policy Task Force and concern with the Cooperative Agreement, are you optimistic, pessimistic? What do you think the key is to reaching 1997 water use levels? []

RICHARD MERCER: Well, right now serving on the Central Platte NRD with our water banking and other things that we're trying to get done, there's a possibility we could reach, I feel that Central Platte definitely will reach their goal of getting back to July 1 of 1997. Some of the western NRDs are going to have more of a problem because they had a little more development in '97 to 2005 and like that. So it's going to be a real job. But I really believe that there's enough dedicated people out there, that with the Platte River Cooperative group that's got together and the money that's been allocated to them from the federal government and the work from the NRDs, that everything we can do will be done to reach it. I don't think that anybody can guarantee today that all of us west of Kearney, will get it all done. But there's a lot of work being done on it right now. []

SENATOR CARLSON: Okay, Dick. Thank you. One other question. In this process do you think it's important to address the vegetation control in the streambed of the Platte?



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

[]

RICHARD MERCER: How is that again? []

SENATOR CARLSON: How important do you think it is to control and remove vegetation from the streambed of the Platte as a part of this process? []

RICHARD MERCER: You're talking about the vegetation? []

SENATOR CARLSON: Yes. []

RICHARD MERCER: Oh, I think it's very important. All anybody has to do is go out there and take a look and see what we've done just in the last two years. It's too bad that we let it get so bad before we realized that we needed to do something. Because eliminating the vegetation in the Platte, the trees, and the phragmites and salt cedar and like that, they've taken a tremendous amount of water out. I'm sure you've seen the exhibit taken where they...in western Nebraska out there they were working on one small drainage. And they took a few days off and when they came back the equipment was sitting in water. So it does....removing the vegetation is right now one of the more important things. []

SENATOR CARLSON: Okay. Thank you for your answer. I'd encourage you to keep that thought as you serve. Thank you. []

RICHARD MERCER: (Laugh) Okay. []

SENATOR LOUDEN: Other questions for Mr. Mercer? Seeing none, why thank you, Dick, for your participation. And we certainly thank you for serving on this board. This is a new appointment for you, isn't it, on the Natural...you haven't...you don't... []

RICHARD MERCER: Well, yeah. I was on it for ten years back in the nineties. []

SENATOR LOUDEN: That's what I mean, for recent appointments anyway. []

RICHARD MERCER: That's right, that's right. []

SENATOR LOUDEN: Okay. And with that then, I thank you and I will close...ask for anyone wishing to testify in favor of Dick Mercer? Oh, Ron Theis. We do have a testifier here. []

RON THEIS: My name is Ron Theis, R-o-n T-h-e-i-s. I'm legal counsel for the commission and also serve as legal counsel for the Department of Natural Resources. I would speak for both organizations today and say that we are thrilled to have someone

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

with Dick's acumen and experience accept a reenlistment in the service of the state.  
Thank you. []

SENATOR LOUDEN: Okay, thank you. Questions for Ron? Seeing none, thank you, Ron, for your testimony. Anyone else wishing to testify in favor of Mr. Mercer? Anyone wishing to testify in opposition? Anyone in the neutral? Seeing none, thank you. And we will close the hearing on the appointment, confirmation appointments of Richard Mercer. Next we will go to...okay, and at this time we will disconnect the phones. And thank you, gentlemen, if you're still there, for being with us today. []

RICHARD MERCER: Okay, you're most welcome. []

CHARLES BRODERSEN: Thank you for the opportunity to testify over the phone. []

SENATOR LOUDEN: Okay. Now we will go to the confirmation hearing of Neil Moseman, director of Nebraska Energy Office. Thank you for being here today. []

NEIL MOSEMAN: Thank you. Are you ready, Mr. Chairman? []

SENATOR LOUDEN: Go ahead. []

NEIL MOSEMAN: (Exhibits 4 and 5) Good afternoon, everyone. My name is Neil Moseman. I'm director of the Nebraska Energy Office. I'm here today to answer any questions you may have regarding Governor Heineman's appointment of me to head the Nebraska State Energy Office. As a fifth-generation Nebraskan born and raised in Burt County, I've always had a strong commitment to the future of Nebraska's economy as a whole, including both urban and rural interests. After 20 years outside of the state due to military service and public and private sector opportunities in Washington, D.C., my family and I returned to Nebraska five years ago. I've been involved in development of state and federal policy and legislation for more than 17 years. I served in the U.S. Senate and U.S. House of Representatives as a professional staff member, working on authorizing and appropriation legislation at that time. As the agriculture director for Senator Chuck Hagel, I was his principal advisor on agriculture and energy appropriations, energy and also trade issues. I have had the benefit and also the pleasure of serving as a staff member to the House Agriculture Committee for eight years, and helped in the writing and implementation of several farm bills. As vice president of the United States Beet Sugar Association, also in Washington, for five years I worked to develop coalitions to support legislation of interest to my trade association and major authorizing, appropriations and revenue legislation. And in this capacity I should note, I represented Western Sugar in Scottsbluff, was one of my member companies. Finally, I honed management and financial expertise early in my career and managed money...personnel, money and materials as a U.S. Naval officer aboard the USS California. The highlight of my time in the service was completion of

Natural Resources Committee  
November 17, 2008

---

several overseas deployments on station in the Indian Ocean, specifically the Persian Gulf region. Immediately current to my...prior to my current appointment, I served as the assistant director of the Nebraska Department of Agriculture from December of '06 to June 30 of this current year. In this role I managed the Agriculture Promotion and Development Division, overseeing six staff members and providing daily direction and leadership. I assisted the director in managing regulatory issues and activities, including direct interaction with state and federal agencies. As you know, the Energy Office was created in 1997 to promote the efficient, economic and environmental responsible use of energy in Nebraska. From 1991 to June of 2008, the agency operated as a division of the governor's office within the Governor's Policy Research Office. On June 1 of this year, the Energy Office became a code agency under the governor. The Energy Office advises state leaders on energy policy issues and manages several programs, including the federally-funded Low-Income Weatherization Assistance Program and the State Energy Program, as well as the Dollar and Energy Savings Loan program which was funded from petroleum violation escrow funds. We provide technical assistance in the areas of housing, building energy codes, energy efficiency and renewable energy resources as well as state energy production and use and database and general energy information to consumers. Governor Heineman and I have identified four state energy priorities for the agency: (1) complete a new state energy plan; also, expand renewable energy efforts with a focus on environmental as well as rural development and job creation; also, build relationships with state and federal interests, including higher education; and then finally also, bolster state energy efficiency efforts. Briefly, I'd like to elaborate on each of these four priorities, if I may. First of all, the state, we in the Energy Office are in the process of soliciting Nebraskans' opinions on what they would like to see included in a new energy plan. This month long comment period, as a matter of fact just today we made the decision to extend this. Originally, it was supposed to close this Friday. We've extended it through December 1 to allow more comments, and based on some of the calls and e-mails we received in terms of particularly farmers and ranchers due to harvest and the rainy season, they've asked us to extend, and if they have a little more time to participate, and we are happy to oblige that. In December those comments will be summarized and shared with the public. At that point, specific goals and activities will be identified. It's my plan to provide Nebraskans and stakeholders with a second opportunity to provide their thoughts on the emerging list of priorities, goals and actions. And then finally, the agency will present its findings and recommendations to the governor and the Legislature in the first quarter of 2009. Nebraskans are now expanding renewable energy efforts. Nebraskans are now seeing a likely future for the state. In that future Nebraska becomes a world-class producer of energy, biofuels and electricity. We've seen how towns and farming can be transformed when grains are used to produce fuel. We've also experienced economic pains that can result from that transformation. Right now, there are some grain...production has hit a rough patch in terms of...that is typical of some emerging industries. The next stage of development will be a transition from grains to biomass to produce fuel. That is likely the result of another spurt of development across the state as nongrain resources are grown and

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

harvested for fuel production. We're also riding the wave of consumer interest in harvesting the state's wind resources for electricity production. The state's first wind energy conference just concluded last week. The state's largest utilities have announced new wind energy projects, growing the state's renewable energy portfolio as well. In terms of building partnerships with state and federal interest, including higher education, while the Energy Office has historically worked with other state and federal agencies and postsecondary educational institutions, I am hopeful those partnerships can expand into new areas. Soon I expect an announcement between the Energy Office and several of our state's largest utilities that will help all of the partners as well as Nebraskans achieve goals that save dollars for consumers as well as energy. And specifically, that would be a partnership with our Energy Savings Loan Program. We plan to work with the Nebraska Center for Energy Sciences Research at UNL as well as community colleges across the state. At the federal level, we enjoyed a partnership on wind energy with the National Renewable Energy Laboratory in Golden, Colorado. And we will continue our longstanding relationship with U.S. Department of Energy. And finally, bolstering state energy efficiency efforts, the Energy Office and the Department of Administrative Services are working together to identify energy efficiency opportunities within state government to reduce costs. We will also continue to review and update the state's building energy codes so that newly built homes and commercial structures will be as energy efficient as possible. A recent federal grant that the Energy Office received will explore how the state's new commercial buildings can achieve a 30 percent reduction over those built to current building codes. With that, I conclude my testimony. And I'm happy to answer any questions you may have. []

SENATOR LOUDEN: Okay. Questions for Neil? Senator Dubas. []

SENATOR DUBAS: Thank you, Senator Louden. Thank you very much, Neil, for coming and visiting with us today. I appreciate the working relationship that, I think, you and I have already started to develop on working with renewable energy issues. You and I, we're just a part of that what I would call a very successful wind energy conference last week. And I know the wind energy working group was in large part responsible for putting that conference together. But I believe it was under the auspices of your office, is that correct? They worked with NEO or... []

NEIL MOSEMAN: The wind working group, it's a federal grant that we administer through the National Renewable Energy Lab. And, yes, we administer that grant. So we are very actively engaged in that process and this conference. []

SENATOR DUBAS: Do you see them as being a very important part in helping us develop our wind resources? []

NEIL MOSEMAN: I believe so. The basic goal of the wind working group is promotion of wind energy and a lot of outreach and education, educational efforts throughout the

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

state. Really, not only through the state, I think we experienced and we also learned, through this wind conference last week, that there's a lot of national interest as well. The fact that we had 450 registered participants in this conference and vendors from throughout the country, I think the interest is certainly there. []

SENATOR DUBAS: Is there a...does this working group expire any time soon or do they get to be renewed or how exactly does that work. []

NEIL MOSEMAN: Very good question. It...the grant is from year to year. And basically, it's a \$75,000 grant, \$35,000 of that is subcontracted to the Nebraska Farmers Union for outreach and education. And then the other \$40,000 is administered here through the Nebraska Energy Office, and a significant part of that is dedicated to the wind conference. And I suspect that will be the case again, if we're funded in 2009, the same situation. []

SENATOR DUBAS: You have to reapply every year for... []

NEIL MOSEMAN: We do. I'll be talking to the National Renewable Energy folks lab...folks next week, actually, about how to start the ball rolling again for next year. []

SENATOR DUBAS: Okay. You know, it's just been in very recent history that the Energy Office has been elevated to a cabinet level position. What differences do you see between the way NEO operated within PRO as to how it can operate now. []

NEIL MOSEMAN: I think probably the biggest difference, and I...this week will be a good example that I go to Washington Thursday, later this week, to do some, you know, to meet with particularly a lot of folks--the U.S. Department of Energy, and the USDA. I'd say this ability to partner with federal agencies and then also other states that we haven't...things we haven't done in the past, also expand our relationship with the University of Nebraska. You know, I talked to the governor about this, too, prior to my appointment. You know, you will be dealing with this very soon. As a matter of fact, if you haven't already, it's obvious that the state budget is going to be very tight here in the coming year. So we realize there won't be any additional funds necessarily to work with. So how do we expand our influence? And my experience in Washington, for example, with...partnering with...understanding how to partner with federal agencies and federal interest groups, also other states, working with the National Association of State Energy Offices, which we'll be much more active with that organization here in the next...here in the short- and long-term. Also dealing with just other states, other state agencies in the Midwest, and the Midwest Governors' Association, Western Governors' Association, National Governors' Association, we're finding there are lots of opportunities out there that may not necessarily require more funds from Nebraska taxpayers. But it will also allow us to possibly do and expand some other things in terms of policy that would benefit the state. []

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

SENATOR DUBAS: Just kind of an expansion on that question, based on the guidelines that you are...the goals that you and the governor have established as far as renewable energy production and promotion, do you feel you can meet these objectives and carry out these objectives under your current budget constraints? []

NEIL MOSEMAN: I know we would always like more funds. I guess this is the way I look at it, Nebraskans are having to sharpen their pencils and tighten their belts, and the state government should do the same thing. So I anticipate we will have some successes here with our current budget. I submitted a flat budget for the next two years to the governor last September. And I would say if we can hang onto that, we'll be pretty lucky. So... []

SENATOR DUBAS: You and I also participated in just kind of an informal discussion, talking about transmission issues. And obviously, they are becoming...that's where our challenges lie. So how do you see the Energy Office working and helping us address the transmission issues? []

NEIL MOSEMAN: Very good question. I would say, in the state energy plan one common thread throughout all of our public comments and the public hearings that we had, it's all about...transmission is the 600 pound gorilla in the room. We will have to work with other states and the federal government, in particular. In one regard, in Nebraska we're certainly not an island in terms of the transmission challenges throughout the country in terms of electricity. We're going to have to partner with other states. It will be interesting to see what happens in the federal government here, starting in 2009, in relation to transmission efforts. There's talk that within the Obama administration that there will be more money and more focus on transmission issues. We've also, I would say probably the best analogy that I've heard in recent weeks in terms of the state energy test plan...testimony is that if you view transmission issues much like the federal interstate highway system from years ago, it was a federal effort and that was needed to connect all the states. And states were certainly partners in that. But it's going to take some assistance from federal and other states as well. []

SENATOR DUBAS: If you were going to key in on just one or maybe two particular things that Nebraska needs to do to really become a leader in renewable energy production and promotion and distribution, what would be those key areas? []

NEIL MOSEMAN: I would say it's transmission is probably the biggest challenge that we have. You know, Nebraska being an all public power state, very unique. We're unique compared to other states. But the fact that whether it's solar or wind or other types of renewable efforts, the transmission issue is going to be key. And there's just so many, really so many issues that are involved with that as well. How do we play those out? The second...the flip side of that as, well, I would say with keeping an eye on, you know,

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

Nebraska right now is the fifth least expensive, if you will, or cheapest electricity rates, utility rates in the United States. The charge of public utilities, of course, is to keep energy as cheap as possible for Nebraskans. So how do we work the utility and the transmission issues? How does this all work in relation to keeping utility rates low for Nebraskans? Folks have made that very clear too, here in recent weeks in terms of the energy plan, don't raise my utility rates. And with the economy here in a downturn, the way folks are struggling, we are very much in tuned to that. []

SENATOR DUBAS: A final question. You stated in your testimony about building partnerships and you've outlined some of the entities that you think you need to partner with. Would you see it as important for you to partner with other entities, such as Department of Ag or Economic Development, Power Review Board, PSC? Do you see those as important agencies that the Energy Office would need to create a working relationship with? []

NEIL MOSEMAN: Yes, ma'am, very much so. The Economic Development, as a matter of fact, I speak with Richard Baier, the director of Economic Development, if not daily, on a weekly basis about renewable energy opportunities, how do we bring...how do we create jobs in Nebraska working with their economic development goals as well. Yeah, it's very much a partnership. We spoke earlier today, for example, about outreach and wind for schools efforts. My hope is one of the things that comes out of our state energy plan, maybe we can mirror what the Nebraska Department of Agriculture does. They have on their website ag in the classroom, information and good information for teachers and schools that they can use to promote agriculture education. I see us, hopefully, being able to do that same sort of thing, too, through the Energy Office. []

SENATOR DUBAS: Thank you. []

SENATOR LOUDEN: Senator Fischer. []

SENATOR FISCHER: Thank you, Senator Louden. Thank you, Mr. Moseman, for being here today. I'd like to continue, if we could, on the renewable energy side. We had a couple businesses, I guess you could say, a couple groups come out to my area of the state. I happen to live in probably the windiest part of the state, no comments are necessary from my colleagues at this point. (Laughter) But we had a couple groups come out. And they got my neighbors and my friends and my families really excited about putting up turbines on their ranches. And in my area of the state we have big ranches. It's the nature of the land out there. And people are excited about that. And they don't possibly understand the effects that we're facing with the transmission lines in getting that wind energy that's produced out of Cherry County and the 43rd district. They don't seem to realize there's a time line here. Could you maybe address that? You know, public power in Nebraska has a constitutional responsibility, I believe, in producing and offering to the constituents in this state the cheapest power possible. And

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

that's a strength in Nebraska for our business climate, besides for our citizens being a benefit. What is the cost of first just putting up a turbine? And how many turbines would you need in a wind farm situation to make it profitable to even build a transmission line and what's the cost of that. []

NEIL MOSEMAN: Wow. The public utilities here in the last year or so have...actually have issued RFPs to address a lot of these issues. (A) The cost of a wind turbine depends on the size and its production capability. I can tell you from a residential perspective you can spend anywhere between \$15,000 to \$60,000 easily on a turbine. []

SENATOR FISCHER: When you say residential, it's to provide electricity for your home? []

NEIL MOSEMAN: For your home or particularly for a farming operation, for the place, if you will. The...I know the Nebraska Public Power District, for example, they estimate that some of the turbines are in excess of a million dollars. One, I believe that oh, the regeneration output for, depending on the size of the turbine, to get a significant wind operation if you get to 100 megawatts would probably take you probably about a dozen turbines of just say a moderate size. That if you're looking at a million bucks a pop, that's...the math just on the turbines, the transmission lines, also OPPD, NPPD tell us that it ranges anywhere from, also LES tells us the same thing, anywhere from a million dollars a mile to \$1.5 million, almost \$2 million a mile, depending on where you go. And that doesn't include the issues in terms of eminent domain and crossing people's property and whether folks like that or not, many don't, all sorts of legal issues that are involved with that as well. So it's an expensive proposition. []

SENATOR FISCHER: So we look at the cost of the turbines themselves, and I have Ainsworth in my legislative district with those 36 turbines. And there has been problems already after three, four years of them being up, a lot of maintenance concerns with those. So we have that cost. We have the cost of the transmission lines. I was going to bring up, you know, it would be great to put up about 60 turbines on my ranch. But I don't think my neighbors want the big transmission lines crossing their properties. So then you do get into the eminent domain issues, which power companies can exercise eminent domain. So what should I be telling my constituents and my friends and family on a time line here when they can start putting up turbines on their ranch and have everything set to go to produce power by wind energy, since we have no money, you've already stated that. []

NEIL MOSEMAN: It...I know the public power entities, I would hope folks wouldn't put turbines up without some sort of transmission capability in plans or built. In terms of a time line, I would say and this is a good example, something that T. Boone Pickens had addressed here in 2008 as well, in that the production tax credits, the federal production tax credits for wind are such a large component of that wind development. I know that



Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

it...well, actually those production tax credits were just extended for a year. Mr. Pickens, one of his best points was to really be...if they're serious about this they need...the federal government needs to expand that or extend those credits probably for at least ten years to give a window of opportunity for folks to invest and folks to be serious about investing. In terms of a time line, it's just really hard to say. I guess, our research and what I'm hearing from folks across the state in terms of...also public utilities in terms of investing in wind production, if those tax credits are extended beyond one year, we'll see a lot more development a lot faster. But for now that's probably the biggest inhibitor. I would...really it's just really hard to put a time line on that. []

SENATOR FISCHER: Here in Nebraska, do we produce the energy that we use right now? []

NEIL MOSEMAN: Yes, ma'am. []

SENATOR FISCHER: So really to make any sense of this, besides the benefits just of renewable energy, to make sense on the business side we need those transmission lines to send this extra energy that's being produced out of the state, correct? []

NEIL MOSEMAN: Yes, ma'am, that is one significant...one use of those...or a goal for expanding the transmission lines, exporting the wind or that wind energy, if you will. []

SENATOR FISCHER: Okay, thank you very much. []

NEIL MOSEMAN: Thank you. []

SENATOR LOUDEN: Senator Carlson. []

SENATOR CARLSON: Senator Louden. Neil, thank you for being here. And I'm hitting a little bit of what both Senators Fischer and Dubas have talked about. But you brought up we hold that enviable position of electrical utility costs in the country. I would hope we don't want to lose that position. In fact, I'd hope that maybe we could even improve upon that position. But then you look at...so I don't know if this is a fair question. Is it more important that we keep or improve the position that we're in terms of electrical costs or is it more important to expand to renewable energy, such as wind, to reach a certain percentage by a future date? I see those things conflicting. And I wish they didn't. []

NEIL MOSEMAN: I guess I look at it in terms of, for example, public utilities, the board of directors or the leadership of the utilities, they answer to the ratepayers and the taxpayers. And if the taxpayers or their ratepayers say we...do not increase my utility rates, then their...I think their direction is pretty much, unless they go against that direction, that that's where a lot of the direction, I guess, would come from unless there

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

again is some federal assistance or federal help at this time. But again being an all public power state, I know that these...the elected boards who serve on these organizations are certainly in tune with what their ratepayers say. So I could see that conflict you're talking about. It's, I guess, my goal is to investigate and see what opportunities, see what the federal government may have, what their direction and/or investment may be in this area. And perhaps it will remove some of that conflict. []

SENATOR CARLSON: Well, take Nebraska, we've got good wind potential here. And if we are producing enough energy to take care of our own needs, so we'd need a way to transmit that out of state. How different are the surrounding states in terms of their abilities to produce their own energy or how far do we have to carry that excess energy in order to make it profitable? Is it further than just the surrounding states? []

NEIL MOSEMAN: Well, the...actually Nebraska utilities here in 2009 will be entering the Southwestern U.S. Power Pool. And, I believe, their goal of the utilities to do that was actually to capture a larger growth area or an area that's expanding in terms of energy usage. So that...with an eye toward looking at what sort of energy capacity is out there, I think that's why the utilities are...have made that move. []

SENATOR CARLSON: Okay, thank you. []

SENATOR LOUDEN: Senator Wallman. []

SENATOR WALLMAN: Thank you, Senator Louden. Thanks for being here, Neil. How close are we being, right now, you know, like OPPD, coal...with a new coal-fired plant. How close are we to being maxed out with our present energy production? []

NEIL MOSEMAN: They...I have found the utilities generally don't offer that information. I guess, I'm saying I'm not privy to that information. I would like to know that as well. But I know we're not maxed out at this point. But if we start expanding or looking into shipping energy outside of the state, they may have to look at other sources of energy as well, production that is. []

SENATOR WALLMAN: Thank you. []

SENATOR LOUDEN: Senator Christensen. []

SENATOR CHRISTENSEN: Thank you, Chairman Louden. Thank you, Neil for being here. I guess I'm going to make the statement I've been told that we're within 20 years of needing more power in this state. My question comes more transmission. And I've looked at a national bridge system. And I know there's a lot of power moved from Canada down at times and across, through the United States. Is there anywhere that we could connect areas of the north to the south or east to west that would be

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

beneficial, that we might be able to help other states that have resource...that are short on electricity, that we could help transmit that electricity through here and also open up an opportunity to be able to open up wind energy, solar energy or the next power plant, however it happens to go? Is there areas that are looked at that we maybe could get help with from other states or areas that need to get juice moved? []

NEIL MOSEMAN: I would say, and the power grid, the way it's currently structured here in the United States most of the electricity, most of the power moves east to west and west to east, not so much north to south. My understanding the energy that's...electricity, for example, it's imported from Canada. Most of it goes to the Chicago area, Great Lakes region. So I know the utilities have looked at, and the reason for joining the Southwest Power Pool, is to try to find an area of growth in the United States where they can...there's just more opportunities. But again, with more transmission lines and a larger grid, I think their intent would be to continue...to focus probably on the I call it the Mideast area, but the Illinois, Ohio, Pennsylvania as well. []

SENATOR CHRISTENSEN: So there is not a major need here, then, trying to get more transmission through this state for areas. []

NEIL MOSEMAN: Well, not...probably I don't think the effort will be, or at least the utilities are looking at doing something in terms of north-south transmissions. But probably more to facilitate east-west and join existing lines that are moving east and west. []

SENATOR CHRISTENSEN: All right. Thank you. []

SENATOR LOUDEN: I have a question, Neil. Here in your presentation you mentioned one of the four things that you and Governor Heineman wanted to identify, and that was expand renewable energy efforts with a focus on environmental as well as rural economic development and job creation. Now I'm wondering, you're all talking about wind energy and transmission lines and everything. And I'm wondering if you can't see the forest for the trees. Where are we at with woodchips? I've been told that Kearney...University of Nebraska at Kearney is putting in a huge heating system there all new, and that they're using natural gas, that they didn't consider woodchips because they didn't know where they were going to find them. And all they had to do was look out there on the Platte River about a quarter of a mile away, and there was enough woodchips probably to last 100 years. Why haven't your office worked with that? Or have you been contacted...in contact with them from your office to see if there was a possibility to use woodchips for their heating and cooling, such as Chadron State College, and Peru has, and I think now some of the hospitals. I think Chadron hospital is considering some of that as they're building a new hospital. On some of these government entities or government buildings around there is the possibility that this can be done. Has your office worked with them or done anything along that line? []

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

NEIL MOSEMAN: Actually, through the State Energy Plan, through the input process we've heard from the University of Nebraska and also our Forest Service about the work that they've been doing particularly up in the Chadron area. So we're actually...I suspect that will be a part of our energy plan. And to seek opportunities we may have to work with the university to see how we can expand that. But they have certainly...they haven't been shy about bringing that to our attention and... []

SENATOR LOUDEN: Well, it's my understanding...are they doing construction now in Kearney on that thing? []

NEIL MOSEMAN: In Kearney, I'm not sure, Senator. []

SENATOR LOUDEN: Can you find out? []

NEIL MOSEMAN: Yes, sir. []

SENATOR LOUDEN: Because I'm wondering...we run across something like this here a couple of years ago with, what, that Norfolk regional facility up there, state facility. They were wanting...I think they sent us a note that they wanted \$14 million for a new heating and cooling plant. And at that time I, it was in Senator Flood's district. I sent him a letter and said, well, we've had Scott Josiah look into it, the State Forester. And there is enough wood in that area to probably service a system like that. So we sent that letter to them. And I think about two days later we got a letter back and said they couldn't do it. So I know they never even bothered to look into the matter. They were concerned that they couldn't store the chips and I don't know what all the problem was. But nonetheless, they wanted natural gas and that was it. And that's the same way what I'm hearing from the Kearney situation, they want to do it with natural gas. When we're trying to clean the woodchips out of the river, when you talk about environmental development, and we're trying...in western Nebraska where they're doing that they don't know what to do with the things. They're hauling them every place. People are hauling them out, put them in their blowouts, because they do hold the sand quite well, woodchips. But anyway, this is something that if we have that available why aren't we developing that instead of...I mean I'm not against wind farms and all that. But that's out there 15 years. That isn't something that could happen right away. Things like this can happen immediately, such as Peru, where it was able to change over in short order because they already had the heating system there. Woodchips can be used the same as if it's coal-fired or whatever it is, doesn't take that much to change over. One other thing I was wondering, when you expand renewable energy and you said the next stage of development will be a transition from grains to biomass to produce fuel. How much water does it take to produce ethanol out of grain, and how much water does it take to produce ethanol out of biomass? []

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

NEIL MOSEMAN: Probably in terms of...well, if you factor in growing the crops and...I think if...referring to the U.S. Department of Agriculture, the Ag Research Service, Ken Vogel, their expert here, it just happens to be here in Lincoln, from his...some of his initial research that I read it would appear that there are some crops, certainly biofuel crops that it would probably take less water than say corn production does. But then the...I just haven't seen the ratios in terms of how much biomatter you have from these crops versus what you are able to produce from corn production. That's...my understanding, some of the research that the USDA is doing here in Nebraska right now. But I'm happy to try to find that out for you. That's a good question. []

SENATOR LOUDEN: Okay. Well, I just wondered. I've been told, because this was Scott Josiah, and he was talking about doing...producing fuel from woodchips. And, of course, there is a pilot plant in Wyoming that's doing that now. But my understanding is that you go from about three gallons with grain to about ten gallons with biomass. So I'm wondering, are we trading water for gasoline? And I don't know if that's a very good trade or not. It's fine if the water isn't potable, but if it's potable water then I question about should we be very careful about what we do when we start saying move it from grains to biomass. And where...you know, what is your agency to make sure that we don't...that we still conserve our water, that we don't, you know, go into something that we're using more water than what we already are now. []

NEIL MOSEMAN: Well, that's actually part of our, in terms of energy plans, something that we'll look into. And we don't have that information yet, but I'll be happy to do that. []

SENATOR LOUDEN: Okay. Now my last question, this summer and fall I had a professor from the university who was out there looking at these alkali lakes. And he was trying to find these lakes that had the strong alkali in them to find out what the chemical composition of them was. And the idea of that was that it would break down this biomass and this...to make ethanol out of this alkali water. If they can find a way to reproduce alkali water. Does your office, are you doing any work with them on that, along that lines or do you get into something like that. Or do you wait until, I guess, the professors or the instructors come up with research before you make a move or where do you go on that? Are you involved in any of that research? []

NEIL MOSEMAN: We are not, but that's one of the...we see our role working with, for example, Dr. Cassman and the university's research...University Research Center in terms of if this is a priority for the university and a priority for the state of Nebraska. How can we assist them. We don't...we're the Nebraska Energy Office, we don't have folks who do research, if you will. But how we can assist the state or the university in getting this information or pursuing these ideas, we're happy to do that. []

SENATOR LOUDEN: Okay. Then when you are going to be applying for these grants from the federal government then, what do you intend to use that grant money for? []

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

NEIL MOSEMAN: It depends what the grants may be. If it is something we find in the biofuel area, it might be something that the university applies for, University Research applies for. But if it's something that we can help partner with or if there is some way the state of Nebraska can help bolster these grant applications, that's our intent as to how we can pursue these type opportunities as well. []

SENATOR LOUDEN: Okay. Thank you. Senator Carlson. []

SENATOR CARLSON: Senator Louden. Neil, something Senator Louden asked triggered this. And I'm not trying to embarrass you, but I'm going to ask you anyway. And if you don't know, that's perfectly okay. Are you very familiar with the Chadron State woodchips program that provides their heat and cooling? []

NEIL MOSEMAN: I have seen the information that the Forest Service shared with us through...here in the last weeks or so, basically, a one- or two-page plan. But I haven't seen it in person. []

SENATOR CARLSON: Well, and some of the rest of the committee can correct me. But their savings was in the hundreds of thousands of dollars on energy as a result of what they are doing. And I think that's correct. I don't remember how many hundred thousand, but it was a significant percentage of savings. And now UNK is not in my district, but it's close. But I'm going to inquire as to what's going on there, because I didn't realize that until I heard it today. We need to take opportunities and cash in on these chances to utilize that kind of technology when we've got the natural resources to do it. So I would encourage...both of us need to look into that []

NEIL MOSEMAN: Yeah, it sounds very promising. []

SENATOR CARLSON: Pardon? []

NEIL MOSEMAN: That sounds very promising, yes, sir. []

SENATOR CARLSON: Okay, thank you. []

SENATOR LOUDEN: Other questions? Seeing none, well, thank you for being here to testify today, Neil. We appreciate you...as your appointment to that board. With that, I guess, I would ask for anyone else wishing to testify in favor of Neil Moseman as director? Anyone wishing to testify in opposition? Anyone testify in neutral? Seeing none, that will close the hearing on the appointment of Neil Moseman as director of Nebraska Energy. With that, we'll close the hearing today on these public hearings for the confirmation appointments today. And with that, why, we will go into Executive Session. []

Transcript Prepared By the Clerk of the Legislature  
Transcriber's Office

Natural Resources Committee  
November 17, 2008

---

\_\_\_\_\_  
Chairperson

\_\_\_\_\_  
Committee Clerk