

LEGISLATURE OF NEBRASKA  
ONE HUNDRED THIRD LEGISLATURE  
SECOND SESSION

**LEGISLATIVE BILL 1100**

Introduced by Haar, 21.

Read first time January 22, 2014

Committee: Natural Resources

A BILL

- 1 FOR AN ACT relating to public power; to create the Public Power Task
- 2 Force; to provide powers and duties for the task force;
- 3 and to provide a termination date.
- 4 Be it enacted by the people of the State of Nebraska,

1           Section 1. (1) The Legislature finds that the public  
2 power entities have provided multiple benefits to the state and its  
3 residents, including expanding electric service into rural areas,  
4 providing reasonable rates and reliable service, generating economic  
5 benefits to communities, and creating a system of direct oversight of  
6 Nebraska's electric utilities by elected representatives with  
7 opportunity for public input in the decision-making process.

8           (2) It is the intent of the Legislature that the public  
9 power entities continue to provide benefits for the state's residents  
10 well into the future. Public power entities are increasingly  
11 purchasing power generated outside the state, and the Legislature  
12 finds that this trend does not provide economic benefits to state  
13 residents.

14           Sec. 2. (1) The Public Power Task Force is created.

15           (2) The task force shall study if and how the public  
16 power entities should be restructured and modernized. The study shall  
17 include, but not be limited to, an examination of the following:

18           (a) The current organizational structure of public power  
19 entities and how the entities could be made more efficient  
20 considering the administrative and duplicative costs of having  
21 approximately one hundred sixty-five different public power entities;

22           (b) A reorganization and consolidation of the numerous  
23 public power districts, rural electric cooperatives, municipal power  
24 suppliers, and similar entities;

25           (c) The role of the Nebraska Power Review Board in

1 determining duplication of electricity generation and transmission;

2 (d) The economic benefits of developing more electricity  
3 generation in the State of Nebraska;

4 (e) Alternatives to reduce the need for generation, such  
5 as efficiency in operations;

6 (f) Methods of providing a sustainable market for  
7 electric power produced in the State of Nebraska;

8 (g) The effect of public power districts purchasing power  
9 from sources outside the State of Nebraska for retail sale in the  
10 State of Nebraska;

11 (h) The effect of regional transmission organizations on  
12 local public power entities, including how changes brought about by  
13 regional transmission organizations will affect the efficiency of the  
14 current organizational structure of public power entities;

15 (i) How public power entities could be made to work more  
16 seamlessly within the system of regional transmission organizations;  
17 and

18 (j) The goals and mission of public power entities,  
19 including entities that have electricity generation capacity and  
20 entities that sell retail electricity.

21 (3) In examining the goals and mission of public power  
22 entities, the task force shall take consideration of the following  
23 factors:

24 (a) Reliability of electric service;

25 (b) Costs of generation of electricity;

- 1           (c) Alternatives to generation, including demand  
2 management and efficiency;
- 3           (d) Current and projected generation fuel costs;
- 4           (e) Cost of regulatory compliance;
- 5           (f) The procurement process for developing a project in  
6 the State of Nebraska for sale to a public power entity;
- 7           (g) The appropriate level of bonded indebtedness for a  
8 public power entity;
- 9           (h) How public power entities could take advantage of  
10 exporting electricity generated in the State of Nebraska;
- 11           (i) Short-term and long-term electric energy portfolio  
12 risks;
- 13           (j) Environmental impacts, including the cost of climate  
14 change;
- 15           (k) Health impacts, including public costs related to  
16 production of electricity;
- 17           (l) Water usage costs;
- 18           (m) The fiscal impact on the local and state economy of  
19 customer-owner dollars sent out of the State of Nebraska;
- 20           (n) Economic benefits provided to the state or local  
21 community;
- 22           (o) Efficient use of resources;
- 23           (p) Portfolio diversification; and
- 24           (q) Beneficial impacts to water or other environmental  
25 resources.

1           (4) The Public Power Task Force, at the conclusion of its  
2 study, shall submit a report with recommendations for any legislation  
3 to the Governor and to the Clerk of the Legislature no later than  
4 December 1, 2014. The report submitted to the Clerk of the  
5 Legislature shall be submitted electronically. Any recommendations  
6 shall include a strategic plan for a reorganization of public power  
7 entities which prioritizes benefits for the State of Nebraska and  
8 maximizes economic development and the use of resources of the State  
9 of Nebraska, while minimizing the costs to residents of the State of  
10 Nebraska. Recommendations shall also include proposals for a  
11 regulatory system that achieves the goals studied by the task force  
12 and any other recommendations the task force deems necessary.

13           Sec. 3. (1) The Public Power Task Force shall consist of  
14 the following members:

15           (a) The Natural Resources Committee of the Legislature;

16           (b) Two members each from the Agriculture Committee of  
17 the Legislature, Revenue Committee of the Legislature, and  
18 Appropriations Committee of the Legislature to be appointed by the  
19 Executive Board of the Legislative Council;

20           (c) One representative appointed by the Governor from  
21 each of the following:

22           (i) The Nebraska Power Review Board;

23           (ii) The State Energy Office;

24           (iii) The Department of Economic Development;

25           (iv) A statewide health organization;

- 1           (v) A statewide environmental organization;  
2           (vi) A wind energy advocacy organization;  
3           (vii) A solar energy advocacy organization;  
4           (viii) A labor union;  
5           (ix) An electric energy efficiency business;  
6           (x) An electric energy service business; and  
7           (xi) The University of Nebraska; and  
8           (d) Four members, each one representing a different  
9 public power entity;  
10           (e) Three residential electricity customers, each one  
11 residing in a different congressional district;  
12           (f) One commercial electricity customer; and  
13           (g) One industrial electricity customer.  
14           (2) The Public Power Task Force shall elect a chairperson  
15 and a vice-chairperson from its members at its first meeting. The  
16 chairperson of the Natural Resources Committee shall convene the  
17 first meeting of the task force. Members of the task force shall be  
18 appointed within thirty days after the effective date of this act.  
19 The task force may meet as often as necessary and may hire a  
20 consultant or consultants to facilitate the work and meetings of the  
21 task force and enter into agreements to achieve the objectives of the  
22 task force. The task force may create and use working groups or  
23 subcommittees as it deems necessary. Any contracts or agreements  
24 entered into under this subsection shall not be subject to the  
25 Nebraska Consultants' Competitive Negotiation Act or sections 73-301

1 to 73-306 or 73-501 to 73-510.

2                   Sec. 4. The Public Power Task Force terminates on

3 December 31, 2014.