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Comments concerning the Municipal Energy Agency of Nebraska (MEAN) draft Integrated Resource Plan (IRP) issued on April 19, 2022.

I am a tenured, chaired professor at the University of Denver Sturm College of Law. I have been teaching at law schools for more than 30 years, and my teaching, research, and scholarship specialty is Energy Law. My comments are based on this expertise even though I am not purporting to represent the views of the University of Denver or its law school.

I have reviewed the draft Integrated Resource Plan for MEAN issued very late on April 19 and also virtually attended the April 21 workshop hosted by MEAN to summarize the IRP. Although I was given the opportunity to provide very brief comments at the workshop (which I understand was one of the only true opportunities for public comment), I am writing these additional comments to express serious concerns about the following components of the IRP:

Need to establish an Interim Goal:

It is laudable that MEAN has established a goal of reaching carbon neutrality by 2050: <https://mean.nmppenergy.org/means-2050-carbon-neutral-vision> However, this goal is nothing more than an aspiration if this planning process does not display phased efforts for reaching that benchmark. Because the IRP has a 15-year planning horizon, it should display some reduction in carbon emission sources, yet the IRP shows the percentage of fossil-fuel consumption as going up in the charts below and in the executive summary on pages 13-14 (up from 51% today to 59% in 2029). If MEAN does not make any progress in carbon reduction for the next 15 years, it is unrealistic to assume it can meet its carbon-neutral goal in just 12 years after that. **Importantly, 65% of MEAN's own board of directors agrees that an interim goal is favorable (page 135 of the IRP), yet the IRP does not take this into consideration.**

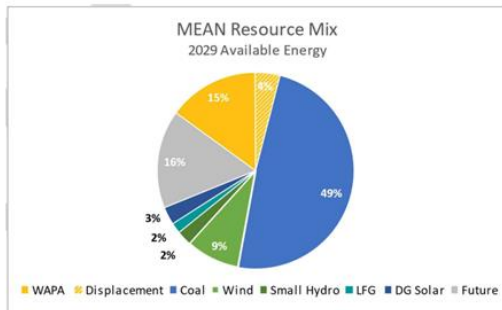
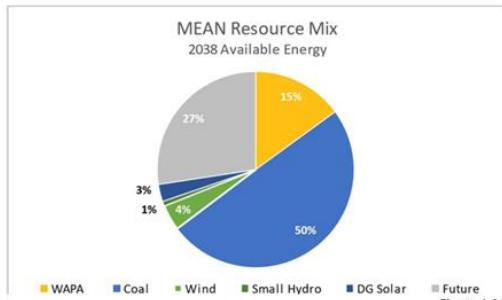


Figure I-10



The IRP underestimates the potential of Demand Side Management (DSM) and Energy Efficiency (EE)

The IRP states that it made an assumption of less than 4% in any DSM programs, so DSM was not included at all in the plan modeling. Furthermore, the IRP uses a figure of \$0.4209 for avoided cost due to EE. Both of these assumptions undervalue the potentials. In contrast to the modeling in the IRP, the American Council for an Energy Efficient Economy shows EE benefits exceed costs at a ratio of at least 1. Electric vehicles (such as the electric Ford-150) that can also provide building back-up power have significant potential for adoption and DSM benefits in the MEAN service areas where it would give customers some self-sufficiency and relief if there are outages due to fires or extreme weather. MEAN is also working on providing Advanced Metering Infrastructure (AMI) to member communities starting in 2022. Fourteen communities have signed letters of intent to participate in MEAN's AMI project, which represents approximately 10,500 meters and promises to provide significant additional opportunities for DSM.

Current best practices for considering demand-side resources in utility planning include conducting a potential assessment that considers a wide range of resources and either include those resources as options in the IRP analysis (often bundled by measures with similar costs and end uses) or to perform a benefit-cost ratio calculation outside of the IRP. A recent catalogue of energy efficiency potential studies from the US Department of Energy found that most studies identified potential energy efficiency savings of 1%-1.5% per year, far above what MEAN has quantified.

Financial risks to consumers of new Natural Gas and Carbon-Capture Technologies were downplayed

The IRP shows a power deficit from 2024 to 2029, but it does not indicate how this deficit will be filled other than to reference MEAN's Power Supply Committee. At the time of this public comment period, the Power Supply Committee has not released its official recommendation. Doing so in the "final report" will not allow any public input if the MEAN board intends to stick to its current schedule to approve the IRP.

There is some indication that the 2024-2029 power deficit will be filled with new fossil fuel capacity along with carbon capture. The 2050 carbon neutrality goal will be more difficult to obtain if MEAN is planning to build any new fossil fuel capacity to meet this deficit because of the decades-long commitment to this new infrastructure. In addition, MEAN's modeling assumes that Natural Gas is cleaner because of its "emissions factor," but that does not include climate considerations of fugitive methane in producing and transporting gas. In addition, the IRP does not fully disclose its assumptions about the costs of carbon capture technologies. Carbon capture is not currently cost viable. Consequently, there is significant risk to MEAN customers of added costs and risk of purchasing infrastructure that will not be used or that has not been proven economically viable. Finally, the modeling assumed a more stable price for natural gas. The results would differ to conclude that consumers paid a lower price (their highest priority) if they focused on renewables that are not subject to these supply-price fluctuations and wars in Ukraine, etc.

Renewable Resources and Storage were undervalued

Citing a lack of MEAN member focus on renewable energy in the form of community targets, the IRP modeling downplayed renewables and retained the 5% cap on community projects for Renewable Energy or Distributed Generation. First, this unfairly ties the hands of communities that do care about renewables and does not allow flexibility for communities that start to better appreciate the significant benefits of flexibility with renewable deployment such as electricity backup from one's vehicle to one's home

Perhaps more importantly, cost was a major concern for all MEAN members, and the IRP modeling did not fairly value renewable energy resources. First, the assumption that customer rates would increase if MEAN built renewable energy infrastructure is patently incorrect. Many industry studies (including by Xcel, Guzman Energy, and others) have shown dramatic reductions and very competitive pricing for renewable energy resources. Furthermore, these studies show that while there may be more costs upfront, cutting back on coal actually SAVES customers money over time.

Furthermore, the IRP modeling did not include the federal Production Tax Credit (PTC) for wind or the Investment Tax Credit (ITC) for solar. The assumptions were that the PTC and ITC weren't certain and that the federal government might create other incentives for continuing

to burn fossil fuels such as carbon capture and storage, etc. While it might be fair to avoid modelling with unpredictable federal incentives, it unfairly biases renewable resources if they are not given credit for incentives currently established by federal law.

Thank you for giving me this opportunity to comment. Please let me know if you have questions or if I can provide additional information that would be helpful.

Sincerely,

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