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For Immediate Release

## **NPPD to begin negotiations for wind energy from Petersburg and Broken Bow sites**

**Columbus, Neb.** – More wind energy is expected to be added to Nebraska Public Power District's energy portfolio in the near future.

Friday, NPPD's Board of Directors authorized entering into power purchase agreement (PPA) negotiations with Midwest Wind Energy/Edison Mission Midwest. NPPD will seek an agreement for 80 megawatts of wind-powered generation from a site near Petersburg, Neb.

The District is also interested in negotiating an agreement for a second project northeast of Broken Bow, Neb., to also be developed by Midwest Wind Energy/Edison Mission Midwest, if NPPD can find other utility participants to purchase up to half of the output of the total projects.

It is expected that once negotiations are concluded, NPPD would approve final contract(s) later this year. The facilities would be operational by the end of 2010 or early in 2011.

Selection of Midwest Wind Energy/Edison Mission Midwest was based upon achieving the lowest cost possible for the electricity purchased, including transmission costs, and minimizing any environmental concerns.

NPPD President and CEO Ron Asche said that seeking the power purchase agreements for additional wind-powered energy keeps the District on schedule to meet a strategic goal of adding more renewable energy to its portfolio. "By taking a systematic approach to wind development, we will be able to further diversify NPPD's generation portfolio and help the state broaden economic development opportunities related to deployment of wind energy in Nebraska," said Asche.

In November 2008, NPPD issued a request for proposal (RFP) for projects up to 80 megawatts in size that could be built near Broken Bow and/or Petersburg. In April 2009, NPPD received 22 proposals from seven different developers for the construction and operation of wind energy facilities. After proposals were reviewed, a short list of responses was selected for further negotiations based on the lowest power and transmission costs, plus environmental considerations.

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“By utilizing a power purchase agreement for additional wind-powered generation, NPPD minimizes the cost of wind energy to our customers. The private developer takes the risk of construction and maintenance of a wind farm and receives the benefit of the federal production tax credits. NPPD pays only for the electricity generated at an agreed upon price,” said Dave Rich, NPPD Renewable Energy Development Manager. “Our Board of Directors’ decision to enter into landowner agreements and install meteorological towers has resulted in very competitive bids, saving Nebraska rate payers millions of dollars.”

For NPPD, securing a PPA with a developer instead of constructing a facility is largely driven by the lack of federal production tax credits not available to public power utilities, but available for private wind farm developers. Midwest Wind Energy/Edison Mission Midwest is planning to use the Community Based Energy Development (C-BED) model for both proposed projects. C-BED projects qualify for state sales tax exemptions on wind-generation facility equipment, lowering the costs of construction and continued operation and maintenance. By partnering with wind-farm developers, NPPD can acquire lower cost renewable energy for its customers.

In February 2008, NPPD’s Board of Directors established a goal of having 10 percent of its energy come from renewable resources by 2020, primarily from wind. That goal would amount to 533 megawatts of renewable energy in its portfolio of generation resources.

NPPD currently owns and operates the Ainsworth Wind Energy Facility south of Ainsworth, Neb., where 36 turbines produce approximately 60 megawatts of wind-generated power. Omaha Public Power District, the Municipal Energy Agency of Nebraska, the City of Grand Island, and the Jacksonville Electric Authority purchase approximately half of the power produced at Ainsworth. A PPA is also in place with Edison Mission to purchase the electrical output of the 80-megawatt, Elkhorn Ridge Wind Farm northwest of Bloomfield, Neb. NPPD takes half of the energy produced with Omaha Public Power District, Lincoln Electric System, and the City of Grand Island sharing the other half.

Always there when you need us, NPPD’s mission is to safely generate and deliver low-cost reliable energy and provide outstanding customer service. Working in partnership with the state’s rural public power districts, cooperatives and municipalities, NPPD helps serve an estimated 1 million Nebraskans with retail or wholesale electric power and energy-related products and services. For more information about NPPD visit [www.nppd.com](http://www.nppd.com).