

EXPLORING A NEW CUSTOMER OPPORTUNITY FOR CKPPD

Recently, Cedar-Knox Public Power District has been in the news and in conversations about a potential new large load customer near Hartington. Talus, the potential new customer is going through the zoning process and has a few people asking questions. Here are answers to some of those questions regarding CKPPD's involvement.

What and who is Talus?

- Talus is a company that provides low-cost, carbon-free nitrogen fertilizers through a distributed network of on-site, green ammonia systems. They use a process that uses water, air, and electricity to make anhydrous ammonia. It is intended to be delivered to regional distributors, to then be used locally or create a cost competitive product to dry urea that should bring the cost of fertilizer down to our area farmers.

Why did Talus select the CKPPD site?

- Talus reached out to CKPPD nearly 3 years ago in a search to find a site in this region of Nebraska that had electrical capacity on a site that could provide power at an affordable price. CKPPD has a previous substation just west of Hartington with partial existing assets still in place. We were hopeful to find a customer to take advantage of those assets and aid in CKPPD stabilizing rates to all customers.

Why does CKPPD want this customer?

- This customer is expected to use an estimated peak amount of about 11,500 Kilowatts (11.5MW); that is about the equivalent of 150 irrigation systems all having 100hp wells. This is a customer that will potentially provide CKPPD with an estimated revenue impact up to 3-5% annually. While this sounds small in percentage, it is substantial and provides a positive impact when it is applied to the rates of all 8300+ customers.

Will this not allow my irrigation to run as much in the summer?

- This will not affect our existing irrigation load control program. They will be applicable to an interruptible power rate through NPPD that will react with electrical grid needs that when power usage is high; due to pricing, lack of generation, emergency, or other reasons, this load will be taken offline. This gives utilities a better load factor and thus only uses power when available and creates an efficient usage of generation and delivery. A load like this helps to fill the low usage periods seen through typical daily, monthly, and annual fluctuations. CKPPD will operate the Load Control program with the same methodology and in the same manner as we have in the past.

Did CKPPD buy land?

- CKPPD purchased 2 acres of land next to the prior existing substation site with an option for 2 more acres if needed, for exactly this type of scenario. By owning the land, it is more attractive to a potential customer and increases the chances of a customer selecting our location. The customer will need to purchase the land to proceed with the project, through the land option contract we have.

Is Talus the right choice for CKPPD?

- Public Power in NE is a great local control system that is here to serve customers in our service territories with safe, affordable, reliable power. This means if any potential customer comes to us and is willing to pay for necessary upgrades and infrastructure cost, the state regulates that we must serve that customer.

When would this come online?

- Projects like this take years in today's environment of purchasing substation transformers and equipment. Talus and CKPPD are currently estimating late 2027 or early 2028 to potentially come online.

Why did we not hear about this sooner?

- While we have been working with Talus for almost 3 years, there was no certainty that it would come to fruition. These projects take many steps just to approve the electrical development, before being successful. A project that comes to CKPPD today, will need to complete a "new load process" with NPPD/CKPPD that is over 15 steps, including things like; system and transmission studies, zoning, interconnection agreements, memorandum of understanding, just to name a few. These studies alone are taking up to a year or more just for one step in the process. CKPPD believes in transparency but due to customer privacy and contracts involved we needed to respect their information and wait until Talus securitizes further in the project.

What happens if it falls through?

- If this project is unsuccessful, CKPPD will keep pursuing other alternative customers to fulfill the capacity we have available at this site.

While projects like these historically do not come along very often, we are in a period of time that power is coveted. Nationally we are in an electricity boom and while 11.5 MW to CKPPD is significant, in today's environment we are hearing loads that need 100, 200, 800MW of power. Talus has a long-term goal to place 15-30 sites across the United States to target the imported ammonia from other countries and create a competitive option in the industry. The CKPPD board has supported this project throughout the 3 years; we feel this is good for our ag producers and CKPPD. This may lower two inputs; fertilizer and electrical cost, and that is good for everyone in our opinion. We are an ag driven area that when agriculture does well so does all the businesses in our area. We will continue to pursue opportunities that will help all rate payers of Cedar-Knox PP.



Mike Lammers

SHOULD I USE A SPACE HEATER OR TURN UP THE HEAT?



Drafty room? Before reaching for your space heater, consider whether it's better to plug it in or simply turn up the thermostat.

Space heaters are designed to warm small, targeted spaces — not your entire home. If you find yourself relying on one often, it may be time to address your home's energy efficiency.

Fix efficiency first, then supplement with a space heater

Improving your home's efficiency helps it retain heat, reduces drafts and reduces your energy use. Many solutions are affordable and DIY-friendly, such as:

- **Seal air leaks.** Use caulk and weather stripping around windows and exterior doors to prevent drafts.
- **Add insulation where it matters.** Attic insulation has the biggest return on investment, and loose-fill insulation is an affordable option.
- **Check your heating system.** Schedule regular service for your furnace or heat pump. If it's outdated or struggling, it could be time for an upgrade. Check with your utility for potential rebates and incentives.
- **Use programmable thermostats.** These can help reduce energy waste by heating only when and where needed.

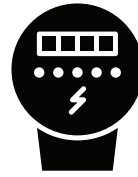
Once your home is sealed and insulated, a space heater can be used to increase comfort and warm specific rooms, like a home office or bedroom, without turning up the heat for the whole house.

A space heater is like a ceiling fan; it can improve comfort in a small area, but it's not a whole-house solution.

Use space heaters efficiently:

- Heat only the room you're currently in.
- Close doors to keep heat contained.
- Choose the right size — too small and it won't warm you; too big and it wastes energy. Check manufacturer sizing guides.
- Use a heater with a thermostat and timer to avoid overheating the room or wasting electricity.

METER CHANGE OUTS



Cedar-Knox PPD will begin District wide meter change outs beginning mid-January lasting throughout the year. District personnel will attempt to notify you at your business or residential service at the time of your meter replacement. Please note there will be a brief interruption to your power service while the meter is being changed.

ATTENTION IRRIGATORS:



Cedar-Knox PPD will be holding an irrigation meeting Tuesday, February 24th.

Topics to include information about our new load control equipment and how it operates, the future of energy generation, texting changes, billing updates, energy efficiency and more.

Please plan to attend. A formal invitation and more information will be shared soon.

SCHOLARSHIP OPPORTUNITY



The Cedar-Knox Public Power District Memorial Scholarship will proudly be offered again this year. The scholarship is designed to provide assistance to individuals enrolled in the Utility Line Program at Northeast Community College in Norfolk.

Applicants must be a resident/dependent in our service area. Deadline to apply is March 1st.

For more information, please call our office at (402) 254-6291, visit the website: www.northeast.edu or contact your high school guidance counselor.

START THE YEAR OFF RIGHT!

Consider our convenient payment options of automatic payment or electronic billing.

With automatic payments, customers can fill out paperwork once and have their payment deducted from checking each month on the 20th or 25th of the month. This payment option has NO affiliated processing fees!



With electronic billing, customers can request to only receive their bills in email format to eliminate the paper copy. Bills can be sent to multiple email addresses, and helps to cut down on unwanted paper clutter.



Give our office a call at (402) 254-6291 to discuss these and other solutions to help make things easier for you, our customers!