

Transcript Prepared by Clerk of the Legislature Transcribers Office
Natural Resources Committee February 19, 2020

HUGHES: Good afternoon, everyone. Welcome to the Natural Resources Committee. I am Senator Dan Hughes. I'm from Venango, Nebraska, and I represent the 44th Legislative District. I serve as Chair of this committee. The committee will take up the bills in the order posted. Our hearing today is your part of the legislative process. This is your opportunity to express your position on the proposed legislation before us today. The committee members may come and go during the hearing. This is just part of the process as we have bills to introduce in other committees. I ask that you abide by the following procedures to better facilitate today's proceedings. Please silence or turn off your cell phones. Introducers will make initial statements followed by proponents, opponents, and then neutral testimony. Closing remarks are reserved for the introducer or senate-- introducing senator only. If you are planning to testify, please pick up a green sign-in sheet that is on the table at the back of the room. Please fill out the green sign-in sheet before you testify. Please print and it is important to complete the form in its entirety. When it is your turn to testify, give the sign-in sheet to the page or the committee clerk. This will help us make a more accurate public record. If you do not wish to testify today, but would like to record your name as being present at the hearing, there is a separate white sheet on the tables that you can sign in for that purpose. This will be part of the official record of the hearing. If you have handouts, please make sure you have 12 copies and give them to the page when you come up to testify and they will distribute them to the committee. When you come up to testify, please speak clearly into the microphone. Tell us your name and please spell your first and last name to ensure we get an accurate record. We will be using the light system today for all testifiers. You will have five minutes to make your initial remarks to the committee. When you see the yellow light come on, that means you have one minute remaining and the red light indicates that your time has ended. Questions from the committee may follow. No displays of support or opposition to a bill, vocal or otherwise, is allowed in a public hearing. The committee members with us today will introduce themselves beginning on my left.

MOSER: Mike Moser, District 22.

QUICK: Dan Quick, District 35, Grand Island.

HUGHES: Yes. Elizabeth Hilyard, you're on the line.

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ELIZABETH HILYARD: Yes. Hello.

HUGHES: OK, very good. Could you hold for just a second? We're just getting open on our committee hearing.

ELIZABETH HILYARD: Absolutely.

HUGHES: We'll be with you shortly. And the senators on my right.

GRAGERT: Good afternoon, Senator Tim Gragert from District 40, northeast Nebraska.

ALBRECHT: Hi. Joni Albrecht, District 17, Wayne, Thurston, and Dakota Counties in northeast Nebraska.

BOSTELMAN: Bruce Bostelman, District 23, Saunders, Butler, and majority of Colfax Counties.

HUGHES: Senator Bostelman serves as Vice Chairman of the committee. To my left is our committee counsel, Andrew Vinton, and to my far right is our committee clerk, Mandy Mizerski, and our page today-- pages today are Kaitlin McKenna. She is a senior at UNL majoring in political science and history and-- I can't see that far. Pardon.

HALLETT MOOMEY: Hallett Moomey.

HUGHES: Very good. Thank you both for joining us. With that, we will begin with our appointments. First up today is Elizabeth Hilyard. She is for the Nebraska Power Review Board. So thank you, Ms. Hilyard, for your patience and calling in today. If you would like to give us just a brief background about yourself and then tell us why you want to serve on the Nebraska Power Review Board.

ELIZABETH HILYARD: Sure. First, thank you for letting me do this via a phone call. You all are saving me a lot of windshield time so it's greatly appreciated. I am originally from Omaha. I went to UNL for both my undergraduate and graduate work. I've been in Scottsbluff now for 20 years. I am currently the director of finance for the city of Scottsbluff. I've been here five years. Prior to that I was-- I sat on our city council. I was also in public accounting prior to that. I-- my goals, I guess first and foremost, I am a graduate of the Leadership Scottsbluff Program and also the Leadership Nebraska Program, and I think the idea of completing programs like that is the opportunity for us to give back. And I've certainly done that on a

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local level to a great extent through my council position and then also through lots of board seats for nonprofits, churches, things like that. I've never had any exposure at the state level. So this is an opportunity for me to do that, to give back at a state level for the first time. I also-- the electric industry is something that is new to me, a new industry. I have a lot to learn. I've-- I've been an auditor for some electric utilities for Roosevelt, for the village of Morrill, city of Bridgeport, but I've never been on the front side of an electric utility. So this is an opportunity for me to inform myself and educate myself on a completely new industry, completely out of my wheelhouse. So I look forward to it. Is that enough of a background?

HUGHES: Yes, that's fine.

ELIZABETH HILYARD: OK.

HUGHES: Are there questions from the committee? Senator Bostelman.

BOSTELMAN: Thank you. Thank you, Ms. Hilyard, for your interest in this for the Nebraska Power Review Board. Could you tell me a little bit about what position you'll be filling on that board? Are you taking up a certain industry position on it or what is your role going to be?

ELIZABETH HILYARD: Yes, sir. I'm a licensed CPA, and so it's my understanding that I will be filling the vacancy for the accountant position on the board.

BOSTELMAN: And have you had an opportunity yet to attend any of the meetings or already been a part of those meetings?

ELIZABETH HILYARD: I have not. To date what I've done is research online. I've read reports. I've requested information from Tim, which he's given me a lot of background information. So, no, I have not attended a meeting.

BOSTELMAN: And will there be any challenges for you as far as travel? I don't know if you got to travel to Lincoln often or not, or somewhere else in state.

ELIZABETH HILYARD: You know, we're used to it out here. Pretty much all of our continuing education and everything is east. So it's kind of just a given for us out here in western Nebraska. So, no, I don't

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anticipate any issues other than weather and hopefully that won't come up a whole lot.

BOSTELMAN: OK. Thank you.

HUGHES: Any additional questions from the committee? I have. How often does the Power Review Board meet, Ms. Hilyard?

ELIZABETH HILYARD: Once a month.

HUGHES: OK. Is that a set day or does it kind of rotate?

ELIZABETH HILYARD: It's-- we actually set it for the second Monday of each month, which was at my request just because I've got three high schoolers at home and we have a lot of weekend activities and so they were gracious enough to allow the meetings to be moved. They used to hold them the last Friday of every month, I believe. But now we are going to move that to the second Monday of each month, which is a little bit easier for me to juggle with my work and family life

HUGHES: And how many members are on the Power Review Board?

ELIZABETH HILYARD: Five.

HUGHES: OK, very good. Any additional questions? Seeing none, thank you, Ms. Hilyard, for your willingness to serve the state of Nebraska as a member of the Nebraska Power Review Board. You can stay on the line if you like or you can connect off and we'll see how it goes. We will ask anyone wishing to speak as a proponent of the appointment of Elizabeth Hilyard to the Nebraska Power Review Board. Seeing none. Anyone wishing to speak in opposition to Ms. Hilyard's appointment? Seeing none. Anyone wishing to speak in the neutral capacity of Elizabeth Hilyard into-- on to the Nebraska Power Review Board. Seeing none, that will close our hearing for Elizabeth Hilyard, Nebraska Power Review Board. And we will move on to the next appointment of-- reappointment of John Rundel to the Nebraska Oil and Gas Conservation Commission. Welcome, Mr. Rundel.

JOHN ARLEY RUNDEL: Good afternoon, Chairman Hughes, Senators. It's a distinct pleasure to be here with you this afternoon. My name is John Arley Rundel, J-o-h-n A-r-l-e-y R-u-n-d-e-l. I live in Trenton, Nebraska. I have been serving on the Nebraska Oil and Gas Conservation Commission for five years. This will be my third re-appointment. I filled in an unexpired term for six months, my first term. I've

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currently served as chairman the last two years, as a commission, and really enjoyed it. I think we've done some good work. Try to give you some background. I've been in the oil, gas industry right at 41 years now. I started young. [LAUGHTER] But It's been a very rewarding career. I think with the Oil and Gas Conservation Commission we've got several things that we look at. We look to maximize the oil and gas production for the state of Nebraska, protect the environment and ensure landowner interests are protected. And so those are probably our big categories that we try and regulate. We're probably one of the smallest, if not the smallest aid agency in the state of Nebraska. We operate with eight employees. But we have a director, a deputy director, some office staff, and two field inspectors to cover the entire state. I believe you have a handout in front of you, had some bullet points, some of our statistics. But it is a huge economic driver. And in certain parts of Nebraska, they have been blessed with oil and gas production. In the Trenton area, I'd say probably 50 percent of the people derive their livelihood from oil and gas and it has a lot of spin-offs of that. And so it's an important industry from an economic standpoint to generate some tax base for school districts. The county benefits from it. And so it's a-- I think a beneficial industry and we try very hard to maximize the potential benefits from it.

HUGHES: Very good. Thank you, Mr. Rundel. I do apologize for the noise. We'll see if we can't do something about that here shortly, due to the renovations here in the Capitol. Are there any questions for Mr. Rundel? Senator Moser.

MOSER: What was your business in the oil and gas business?

JOHN ARLEY RUNDEL: I'm a petroleum geologist. I consult on drilling of oil and gas wells. I've also been an oil and gas operator.

MOSER: So you would try to predict good places to drill a well to hit oil?

JOHN ARLEY RUNDEL: That's correct.

MOSER: Is there science to that or are you just kind of drop it?
[LAUGHTER]

JOHN ARLEY RUNDEL: Well, when it works, when you hit oil, you could do no wrong.

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MOSER: Yeah.

JOHN ARLEY RUNDEL: When you don't hit oil, then you've done everything wrong. There's quite a bit of technology involved and a good, fair amount of luck.

MOSER: Yeah. Thank you. I was just interested in it.

HUGHES: Additional questions? You've had a-- I think within the last year you had a transition with the staff in the oil and gas committee--

JOHN ARLEY RUNDEL: Yes, our--

HUGHES: --new executive director.

JOHN ARLEY RUNDEL: --our long-term director, William Sydow, retired. We moved our deputy director, Stan Belieu, up to the directorship. Stan is doing a very nice job. We've been-- he's been with the Oil and Gas Commission 26 years. And so, he's not like a new hand. He has a tremendous amount of experience and he's done very well. We-- we lost one of our very good commissioners, Bob-- Robert Goodwin here first of January, and we miss him very much. He was a very knowledgeable man. We really appreciated his input.

HUGHES: So with moving of the the assistant director up to the director, have you filled that position? Do you have an assistant director on board now?

JOHN ARLEY RUNDEL: Yes. We've moved up our staff, petroleum geologist, Todd. We moved him up into the deputy director position. He's doing a very good job.

HUGHES: OK. So you're fully staffed now?

JOHN ARLEY RUNDEL: We could still have an opening for a staff engineer, and so I think we will be advertising for that position soon.

HUGHES: Okay. Very well. Any-- any questions, additional questions from the committee? Seeing none, thank you, Mr. Rundel, for your willingness to serve the state of Nebraska.

JOHN ARLEY RUNDEL: Thank you, Senators. Appreciate your time.

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HUGHES: Is there anyone wishing to speak as a proponent of Mr. Rundel for the Nebraska Oil and Gas Commission? Welcome.

CHRIS PETERSON: Chairman Hughes, members of the committee, my name is Chris Peterson, C-h-r-i-s P-e-t-e-r-s-o-n, and I'm here this afternoon representing the Nebraska Petroleum Producers Association and in support of the reappointment of Mr. John Rundel to the Nebraska Oil and Gas Conservation Commission. We, the association, and our members appreciate the steady and firm hand of the Commission and its staff when it comes to regulating the oil and gas industry. It has been consistent and as I said, firm, and the industry is very well-regulated and Mr. Rundel's experience is certainly helpful in that regard to fairly review and pass judgment on issues that come before the Commission. And so we're-- we're pleased as an association to lend our support to his reappointment, and grateful for his willingness to serve.

HUGHES: Thank you, Mr. Peterson. Are there any questions from the committee? Seeing none, thank you for your testimony.

CHRIS PETERSON: Thank you.

HUGHES: Anyone else wishing to speak as a proponent for Mr. Rundel? Seeing no one, anyone wishing to speak in opposition? Seeing none, anyone wishing to speak in the neutral category? Seeing none, that will close our hearing on the reappointment of John Rundel to the Nebraska Oil and Gas Conservation Commission. And Mr. Timothy Else as a reappointment to the Nebraska Ethanol Board. Welcome.

TIM ELSE: Good afternoon, Senators. My name is Tim Else. That's spelled T-i-m E-l-s-e. I live outside of Belvidere, Nebraska, and this is my fourth reappointment hearing to the Ethanol Board, a graduate of UNL with a degree in ag economics and also Nebraska LEAD Program. My desire to serve on the Ethanol Board, I guess stems maybe from being part of the LEAD Program to give back to the state. It's been a very learning experience on the board. When I started on the board things were really blowing and going you might say, a lot of new construction, new plants. Now our focus is sort of shifted to promotion of ethanol and helping alleviate any bottlenecks or problems that the plants have within the state. Of course, the ethanol industry, in my mind, is one of the three legs of the Golden Triangle with corn and cattle and ethanol. So it's-- I don't have to tell you all the importance of the industry. It's-- it's been good for me

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personally as well as the whole state, so I would just like to continue to serve the best I can on the Ethanol Board.

HUGHES: Thank you, Mr. Else. Are there questions from the committee? Senator Moser.

MOSER: How's the ethanol world, is it pretty unprofitable?

TIM ELSE: It's pretty tight right now, from the way I understand. So, yes, there's-- there have been better times.

MOSER: Are there policies that the board undertakes to affect how ethanol businesses operate in the state? Are you more or just kind of a steadying hand?

TIM ELSE: More of a steady hand, I'd agree with that term. Really can't set policy very much, but we can do what we can to help the plants work their way around things that come up that are obstacles to them, so.

MOSER: OK.

TIM ELSE: And promote ethanol the best that we can.

MOSER: All right. Thank you.

HUGHES: Any additional questions? This is your fourth term, is that correct?

TIM ELSE: Well, this will be my fifth term.

HUGHES: Are there any-- is there a maximum amount you can serve?

TIM ELSE: I'm not sure. I guess I may-- may be term limited out. I don't know.

MOSER: You'll find out.

HUGHES: Just walking and talking is sufficient?

TIM ELSE: I'm sorry?

HUGHES: Never mind. [LAUGHTER] Any other questions? Seeing none. Thank you, Mr. Else, for your willingness to serve extensively for-- to the state of Nebraska on the Nebraska Ethanol Board. We appreciate that.

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Is there anyone wishing to speak as a proponent of the appointment of Mr. Else to the Nebraska Ethanol Board. Welcome.

ROGER BERRY: Thank you, Senator Hughes, Chairman Hughes, and members of the Natural Resources Committee. I'm here today to speak as a proponent for the reappointment of Tim Else to the Nebraska Ethanol Board. My name is Roger Berry. That's R-o-g-e-r B-e-r-r-y, and I am the administrator of the Nebraska Ethanol Board. I've known Tim for-- for some time. Tim mentioned, as he was talking, that he is a graduate of LEAD. Tim and I were actually in the-- we are LEAD fellows of Class 19, so we got to know each other very well for two years when we were in the LEAD Program. It's at-- at that time that I realized the-- Tim's passion for what he does and how he wants to help in these things. And it's been a pleasure seeing-- watching him over the years in his leadership position with the Nebraska Ethanol Board. There's another reason, though, why I feel it's very important for Tim to be reappointed back in to the Nebraska Ethanol Board. Before I go into that, though, I do want to say there are no tim limit--- or term limits with the Nebraska Ethanol Board. It's not written in our statutes that there are term limits in there. I have been the administrator now for about nine months, and when I heard that Tim was going to be interested in seeking reappointment into the board, I was very excited about that because Tim is basically our institutional knowledge person. He's been there long enough that he has that institutional knowledge and as a-- shall I say, a freshman administrator, it's very valuable to me to have that institutional knowledge that's there that I can just reach out and ask questions about, well, how come this was done this way or why was this done that way. So very, very important to me that he be reappointed, so I would highly recommend that you do recommend reappointment for Tim Else to the Nebraska Ethanol Board. Before I leave, I did give eight copies of a pamphlet to-- to the page. When we were here a couple of weeks ago for the appointment of Jan tenBensel, Senator Halloran, I believe you had a question on aromatics for Jan and I have brought a-- a pamphlet for-- that really goes into depth on aromatics for you. So I thought each-- each member of the committee could have a copy of that and I wanted to have that for you today.

HUGHES: Very good. Thank you, Mr. Berry. Are there any questions from the committee? Seeing none, thank you for your testimony.

ROGER BERRY: Thank you.

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HUGHES: Anyone else wishing to testify as a proponent of the appointment of Timothy Else? Seeing none. Anybody wishing to testify in opposition? Anyone wishing to testify in the neutral position? Seeing none, that will close our hearing on the reappointment of Timothy Else to the Nebraska Ethanol Board. And we're proceeding to the agenda. Senator Bostelman has to go, so I will turn the meeting over to Senator Albrecht.

ALBRECHT: Thank you. So next step is LB1071. Senator Hughes will be opening on adopting the Wildlife Damage Recovery Act bill.

HUGHES: Thank you, Senator Albrecht and members of the committee. I've been debating-- you'll notice I'm not going to open my book. This is a bill, LB1071, that is not ready for prime time. This is a bill that came out of our interim hearings in McCook and Scottsbluff when we heard about the damage specifically from the gentleman with the elk in his cornfield. As you know, one of the issues that I've been working very hard on is trying to get-- help Game and Parks be more responsive to the landowner. This bill does not do that. So, it was a-- an attempt and we'll go from there. But I prefer that this bill not go any farther today. Happy to answer any questions if you need more information than that.

ALBRECHT: OK. Does anybody have any questions? Committee? No. Well, that was simple enough. Thank you. So we don't have to go through proponents and opponents do I? I do. Oh. Well, you all came maybe you want to have a few words. Do we have any proponents wishing to speak? Any opponents? Oh, here we go. They want you to go on.

TIMOTHY McCOY: Thank you, Senator Albrecht, members of the committee, my name's Timothy McCoy, T-i-m-o-t-h-y- M-c-C-o-y. I'm the deputy director at Nebraska Game and Parks Commission Office in Lincoln, Nebraska, 2200 North 33rd Street. I will try to follow the lead of the-- of Chairman Hughes and I'll be brief. We were-- were opposed to this bill, and I've talked to Senator Hughes about some of our concerns. The issue is important and-- and we-- we will continue to work with the-- with Senator Hughes, this committee, any other senators that are interested in this issue.

ALBRECHT: Well, thank you. Any other questions from the committee? Thanks for coming. Any other opponents?

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MICHAEL O'HARA: Senator Albrecht, members of the committee, my name is Michael J. O'Hara, M-i-c-h-a-e-l, middle initial J, O'Hara, O'H-a-r-a. I'm here presenting the Sierra Club and we're opposed. I'm a retired business professor. I focused on law and economics and as part of-- at the University of Nebraska in Omaha and part of my research I turned to honeybees because they were on the intersection of law and economics. Is a honeybee a trespasser or an implied invitee? That was fascinating issue to get into and deer, elk, antelope presents some of the same question. The law has all sorts of concepts like attractive nuisance. This bill would attempt to make nature unlawful. From a more technical standpoint, the word damage is a legal term of art and it requires that you have a wrongful act and are legally recognized a harm. And there is an ancient property right dating back to the Roman Emperor Justinian, and it's called an usufruct. I'll spell that, u-s-u-f-r-u-c-t. And an usufruct is the right to use without the right to own. And that would be that you have the right to use it without damage or waste. Again, another legal term and you get the income, but not the principal. When a deer, elk, or antelope come on to farm property and eat, they are taking the income, not the principal. And that's important because Nebraska Constitution, Article XV, Section 25, adopted by initiative, has as one of its provisions, this section shall not be construed to modify any provision of law relating to trespass or property rights. And the state owns all the wildlife, and the wildlife have the right to go wherever they are in the state and take the income of the property and, therefore, I wonder whether or not this is subject to a constitutional challenge. Also it may even be completely unnecessary. We have an existing statute 37-560 where the commission is authorized upon written request filed by the property removed by any means, at any time, any deer, antelope or elk causing damage to real or personal property. If it is necessary to kill any such deer or antelope or elk to remove the same, the carcass thereof shall be offered for hum-- first offered for human consumption, and if human consumption is not possible, the carcass must be sold, disposed of in any other manner. And the commission may adopt and promulgate rules and regulations to carry out the section. This bill does not modify that section, does not refer that section, and where I suspect it contemplates that section is the top of page 5, line 1, where unreasonable access is to significantly and adversely reduce the necessary harvest. And I suspect that as-- but Sierra Club does not favor making wildlife unlawful and we would recommend against this and

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say it's unnecessary, impossible-- possibly unconstitutional. If you have any questions, be glad to answer them.

ALBRECHT: Thank you, Mr. O'Hara. Do we have any questions from the committee?

MICHAEL O'HARA: Thank you.

ALBRECHT: Seeing none, thanks for being here. Next opponent.

SCOTT SMATHERS: Chairman Hughes, members of committees, my name is Scott Smathers, S-c-o-t-t S-m-a-t-h-e-r-s. I represent the Nebraska Sportsmen's Foundation as the executive director and co-founder of the Big Game Conservation Association. And as you notice, I didn't even bring my book up. I left it in the chair following Senator Hughes' direction. We need to testify, one, I got all dressed up for the last hearing of the year before Mr. Hughes, Senator Hughes, so. Two, we have been working on this issue for a long time. We've sat across the desk on many different locations having these conversations. We appreciate your efforts to spend this next session and summer working on the said issues that we've been discussing for a long time. Just simply want remind every member of the committee that the North American Model of Conservation is hand-in-hand with ag production and we want to find a solution. So we offer our-- our voice, our time at the table, as we did last year, we'll do it again this year and we appreciate it. With that, I'll conclude and be short.

ALBRECHT: Thank you for your time. Any questions from the committee? Seeing none.

SCOTT SMATHERS: Thank you.

ALBRECHT: Thanks for being here. You look nice.

JERRY McDONALD: Chairman Hughes, committee members, thank you. My name is Jerry McDonald, J-e-r-r-y M-c-D-o-n-a-l-d, and I'm here representing Pheasants Forever, Quail Forever as a senior regional representative of eastern Nebraska. We have 62 pheasant chapters, quail chapters throughout the state and over 10,000 members in Nebraska. And in light of Senator Hughes testimony, I will not read my prepared statement, but all I want to do is be on the record and testify in opposition of LB1071. Thank you very much.

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ALBRECHT: Thanks for being here, Mr. McDonald.. Any questions from the committee? Seeing none, thank you for being here.

JERRY McDONALD: Thank you.

ALBRECHT: Any other opponents? Seeing none, anyone in a neutral position? We do have two letters of support, Joe Herron and Nebraska Farm Bureau, and in opposition, Doug Johnson, Wachiska Audubon Society, Mike Lutt, Nebraska Wildlife Federation-- the Wildlife Society, Nebraska chapter and Jenny Prentice. And no one in neutral, so that will end the hearing and up next, Senator Hughes waives closing, so we're all finished with that one.

HUGHES: OK. Very good. Thank you, Senator Albrecht, for filling in for me and Vice Chairman Bostelman. With that, I don't see Senator Wayne in the room. Can we give him a-- pardon? We'll stand at ease until we can get Senator Wayne to come.

[BREAK]

HUGHES: We'll bring us back into session and open on LB1132. Welcome, Senator Wayne.

WAYNE: Thank you, Chairman Hughes, and I do apologize, I was opening on my bill in Judiciary. My name is Justin Wayne, J-u-s-t-i-n W-a-y-n-e, and I represent Legislative District 13, which is north Omaha and north Douglas County. For those who were on this committee, my first year, this has been a growth and transformation experience in front of this committee. If you recall, my first bill in front of this committee had a hundred and seventy opposition letters. I think everybody except my parents opposed the bill. And even then my mom called me telling me it was a bad bill. But what's before you today, I think, is a very conservative bill that fits within what we are trying to do in Nebraska as it relates to energy. The purpose of this bill is to stimulate growth, is to maintain low energy costs for businesses and other consumers throughout the state and to support the rights of any consumer to utilize energy generation systems and to difers-- diversify energy generation systems in Nebraska. This bill seeks to promote greater allowances in net metering, to limit costs for consumers statewide and more importantly, just allow an alternative for those who want to go, quote unquote, green. The economy or economic stimulation of this bill is pretty straightforward. This bill allows local small businesses or a large business-- businesses to

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reduce their operating expenses. This came to me when I was traveling across my district and outside of my district, particularly at warehouses and in two beverage distributors. They have to maintain certain temperatures. And one of their biggest cost is energy. They also have great big buildings that have flat or semi-flat roofs and they would love to do solar. But right now, it's still cost prohibitive. And it's not just that. The reason I started in my look into energy and how to produce it was the time when Omaha Public School Board we were doing a bond for four hundred and twenty one million, and part of that process there was a dis-- a school in my district at Northwest High School that had about an acre and a half of land that was just sitting there, actually two acres sitting there and we wanted to put a solar project there. And then as we started talking and looking at other school boards across the country, this was actually a way for schools to save money was to build out on their land or on their roofs solar and it was just a way across the country, schools are doing this. And to start a conversation at that time with OPPD, it just wasn't feasible. And I didn't understand that. Solar is something that we can work out, we can make it cost feasible, but it was the net metering that ran into the problem. And we still have that same problem four years later. Greater allowances for net metering will create local jobs and encourage local development and investment. An increase in behind the mete- meter generation projects was often increase control for local contractors, local businesses and local people who want to do generation facilities. Again, large corporations, I think benefit and I think you have to look no farther than up in the Norfolk area there was an article which I was going to hand out, but I ran from my committee and didn't stop back at my office so I'll email it to the committee, where Nucor actually was looking at a project for solar and they end up doing a project, a big solar project in Missouri. And I always thought Nebraska should be able to compete for those and I felt would be able to compete for that kind of project if we had a clearer definition of net metering. And what I mean by that is, I hear all the time from mainly my conservative colleagues who are in the business world who say risk and uncertainty are why people won't invest. And when you look at our net metering laws at twenty five and above, there is no clarity. So if I want to do business and invest, I don't know what I'm getting. So that adds to the risk. And what we're trying to do in this bill is lower that risk, provide some clarity and provide it to where it's parallel to the grid. We're not competing. We're not trying to take out any public power. What we're trying to do is just say you as a consumer,

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you as a local business who wants to drive down their operating costs here is an option. There is no secret grid being built. There is no way that-- I mean, it has to work in conjunction. But we are trying to provide clarity to the business community who wants to invest in this type of projects. And if you look at our solar put out, especially down in the southeastern part of Nebraska, it's very high. We have more days than Colorado, yet Colorado is still doing better when it comes to solar. We can change that. And I believe looking from year one to year now-- to year two, Chairman Hughes, I think you would agree that I have grown and I have-- and this bill is much more conservative. Well, with that, I'll answer any questions.

HUGHES: Thank you, Senator Wayne. Are there questions from the committee? Seeing none, you'll stay to close?

WAYNE: Yes.

HUGHES: Very good. Very good. We'll open that up to proponents of LB1132. If you wish to testify if you please-- please come populate the front row. Welcome.

SHANE OSBORN: Thank you. Good afternoon, Chairman Hughes, Senators, my name is Shane Osborn, S-h-a-n-e O-s-b-o-r-n, and I'm the CEO of RWH Energy. I appreciate you having me here today. Start out, my company I started about six years ago is a energy efficiency company, an energy services company that is made up solely of combat veterans. So we're all-- we're all disabled vets and we work together and if we can't handle a job, we bring in another disabled vet firm and we work together doing ener-- energy efficiency. One important note I'd like to make with this bill is-- and it's how I do business. If it doesn't make economic sense, I'm not going to do it. So we're not into mandates. This bill is definitely not a mandate. That's what I like about it. It's not forcing anything on anyone. It's not-- it's not setting standards of being all renewable, anything like that. But what it is, is allowing a business to make a business decision as to whether or not the economics make sense to do behind the meter power generation. This isn't solely a solar bill. It's not a wind bill. It's power generation. It includes combined heat and power. How we got here today is a lot of my projects are on the coast, as you can imagine. And I started looking at home and I live over in Waterloo and I've had a couple of opportunities to look at projects. One was for Skutt Catholic High School. Good roof on the top. We looked at it and you've got a letter from Skutt as well. But we-- we looked at the economics

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of it first and foremost. And believe it or not, you can produce solar at a power that's going to save them money. Skutt Catholic would save over a million dollars a year if this was available. We tried to work with OPPD, but obviously there's a limit of twenty five kilowatts, which is extremely small. And I was informed by OPPD that there would need to be a legislative change, and that's why I'm glad this is being proposed, because it would allow for this. What-- what this bill has is-- is common sense. It's not letting somebody build some huge overbuilt system and try and bleed a bunch of energy back into the grid, it's allowing for studies to make sure that it's feasible. Right? And the size of the system is feasible and it's not going to do damage. It makes the developer pay for the costs that are incurred, including of a slight profit of 10 percent to the utility. So I think that makes sense as well. And ultimately, the utility does have some say in how this works and limits the size. You know, there's-- there are some statements that I've heard in the past and arguments against this that it would be a damage to the nonself-generating folks in a utility situation. And there's been studies across the country. There's 38 states at least now that they will allow and we technically allow it, it's just at a small level. But there was a study in Arkansas on the benefits and costs of net metering. And I'm not going to read the whole thing. I was just going to give you three highlights from it. It was done in 2017 and the principle conclusions were this. Solar-- solar is a cost effective resource for the utility if the benefits equal or exceed the costs of the total resource. As a result in the long run deployment of solar DG, distributed generation, will reduce the utilities cost of service. It actually helps in that it can help bring down infrastructure costs and losses from long transmission. One other note is net metering does not cost a cost shift to nonpartic-- participating ratepayers as shown by the results in this impact measure test from this study and I can get this study to you if you'd like. Third, it also noted that modifications to net metering are not needed to recover the utilities full cost of service over time from net metering customers. So it's saying there's no major rate desig-- design changes for the customers. There's no increased fixed charges. The use of demand charges are too channel billing to set different compensation rates for imported and exported power are not needed. So there is a lot of science that says that it actually can help the utilities. It's not here to hurt them. And so I think that, you know, this bill is very carefully written, makes sense. And I'd like to entertain any questions you might have.

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HUGHES: Thank you, Mr. Osborn. Are there any questions from the committee? Senator Albrecht.

ALBRECHT: Thank you, Chairman Hughes, and thank you for being here today. Why do you suppose there's so much opposition with the other side? Obviously, you're in the business and what do they tell you when, I mean--?

SHANE OSBORN: I don't know that there's a ton of opposition, I think it's understanding what-- what you're trying to do.

ALBRECHT: So, so do you feel like the utility companies are starting to move toward allowing some?

SHANE OSBORN: Well, they have across the country. There are several that I have-- that have. And there's, you know this isn't-- this bill is an experiment. You know, the initial onset of this was an experiment. But once again, this isn't just for solar or for wind, for power generation, allowing a private business owner to generate their own power, if it's going to save money in the long term. And that's really what it is. So the-- there's-- the opposition is waning, there's-- but you have to be careful and that's what this bill is.

ALBRECHT: You say you have a lot of business that you do outside of the state of Nebraska, but they're more willing to work with--

SHANE OSBORN: Well, right now, I can't-- I can't do a lot of this other than like an LED upgrade or something like that in the state of Nebraska. Power generation with a 25 kilowatt limit, I can't do it.

ALBRECHT: Well, what do some of the other states have? Do they have the 100 hundred?

SHANE OSBORN: Hundred?

ALBRECHT: Watts. Kilowatts.

SHANE OSBORN: You know, this state was written right-- this state-- the state, I mean, sorry. This bill is, I think, a five megawatt limit. So that's big, but not huge. And I think that's a good medium range. But it also says you can't produce more than what you would use in a year. So you can't, you know, if you're using three megawatts,

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you can't go build eight megawatts and put it back into the grid.
Right? It prevents that.

ALBRECHT: OK. Thank you.

HUGHES: OK. Senator Gragert.

GRAGERT: Thank you, Chairman Hughes. Thank you for testifying-- your testimony. Is Nebraska set up, is the power company set up for this type of net metering with individuals?

SHANE OSBORN: Well, yes, they currently allow it just up to 25 kilowatts. What we're trying to do is raise the limit here and put the protections in for the utilities as well, but.

GRAGERT: So those that don't take advantage of this, or is it going to cost them any more money?

SHANE OSBORN: No, it's and that was that study from Arkansas that I cited that says it doesn't. It helps defer infrastructure costs. It helps, you know, when you have outages, this can actually help power other areas. You can bleed back into the grid, especially if you have a large off-taker. You know, one area of note that might be beneficial to Nebraska is combine heat and power, which is cogeneration. Real quickly, you're generating your own electricity, but you're capturing all the heat exhaust, either cool or heat something. And so utilities, when they're generating at some big plants, they are usually 30 to 40 percent efficient. This is 80, and so a great example in Nebraska would be using our low cost natural gas cogeneration at ethanol plants, which would use all that energy and all that heat to do the DDG, you know, to dry the grains. And that would be another large opportunity. But even more so to our ethanol plants is it would lower their-- their-- their carbon footprint, their CI score. So now they could sell their fuel to California for a lot more money. It would be seven figures difference a year to any ethanol plant of any size if they were to incorporate a CHP plant, but currently they wouldn't be able to do it under current law.

GRAGERT: So they would never get-- they would never get reimbursed for extra power that they generated.

SHANE OSBORN: This bill-- no, they would get-- they would never get a check. They would get-- they would get credited towards firs-- future

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use. So that's where the cap on how much you can generate. It wouldn't make sense to overproduce.

GRAGERT: Yeah, because I-- I mean, even power companies today that, you know, through the Southwest Power Pool--

SHANE OSBORN: Yep,

GRAGERT: --you got to use the power or you sell it off cheap or give it away.

SHANE OSBORN: Sure, sure.

GRAGERT: So there you-- no credit. No credit would be given--

SHANE OSBORN: But the credit would be used towards future use at your particular facility, but you couldn't exceed a credit beyond what you're using. So you're never gonna have a utility write you a check for buying power from you. Does that make sense?

GRAGERT: Sure. And if their power goes down, what happens?

SHANE OSBORN: With-- with the--

GRAGERT: With the individual, its maintenance somewhat goes down--

SHANE OSBORN: Sure.

GRAGERT: --is the company then have to be ready to supply them how?

SHANE OSBORN: Well, you would-- you would get-- you would still remain connected to the grid because your net metering back into the grid. So there will be times where you're taking from the grid and there'll be times where you have access and putting it back into the grid. And in the-- in the key in the way this bill is written is to model this so you're not having big swings in requiring high demand or feeding a lot back in the system.

GRAGERT: So the power company would have to keep track of all that where you--

SHANE OSBORN: Yeah, but the customer is responsible for the equipment to monitor it for the power company--

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GRAGERT: OK.

SHANE OSBORN: --the cost and the expense of all of it is on the developer.

GRAGERT: Thank you.

SHANE OSBORN: Uh-huh.

HUGHES: I guess the-- you mentioned that the-- the 10 percent profit back to the utility. Expand on that a little bit.

SHANE OSBORN: So basically this allows for a feasibility study to be done to make sure it's not going to-- you know, that the grid can take it. And if you have to put in any new equipment to accept the net metering or accept the electricity, then it's the developer who pays for it. And this allows OPPD or NPPD to charge for these services that make a 10 percent profit over direct cost to do these studies and reviews.

HUGHES: So that the 10 percent profitability that's on the construction or the production or--

SHANE OSBORN: No, no, no, on whatever-- whatever they expended to do the study and the research.

HUGHES: Oh, OK.

SHANE OSBORN: So, I mean, obviously, the utility is going to need to look at this and make sure it's not going to mess up their grid and they've got the correct equipment, and what we're saying is, we don't want to put a drain on the public utility for manpower time without reimbursing them for that.

HUGHES: OK. So the utility will get 110 percent of the--

SHANE OSBORN: Of their cost

HUGHES: --of the feasibility study of their cost.

SHANE OSBORN: Of their cost, yes.

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HUGHES: OK. Very good. Thank you. So currently we have a 25 kW limit on net metering and your bill would eliminate that and make it just to--

SHANE OSBORN: Cap it at a five megawatts.

HUGHES: Oh, you cap it at five. OK. Very good. Any other-- and that and that, that's still up to what you're using, that's the max.

SHANE OSBORN: Yeah, you can't go-- you have a max and you can't generate more than that out.

HUGHES: Yeah, you can't generate more than you're using.

SHANE OSBORN: Yeah. And you can't go above that. I think it's 110 percent-- 110 percent of that is what you're max, because you always want to build a little extra capacity in case you'd add on a facility or something, but you couldn't overbuild it and then just try and push all this power back into the grid.

HUGHES: OK. Senator Halloran.

HALLORAN: Yeah, thank you, Chairman Hughes. A recurring theme seems to be for those in opposition to it is-- maybe you're not the right person to ask, but the recurring theme is, is how to recover some of the fixed costs for the utilities companies-- utility companies, for their transmission lines to and from those that are net metered.

SHANE OSBORN: Well, the study I cited in Arkansas, which I'll share with you and there's several other out there, shows that this actually is a net benefit to the utility because they don't have to upgrade infrastructure as quickly as they might have to because some people are generating and that it's actually better for the grid to do this as long as it's within reason of size. So I'll send you that study that kind of answers that question and get you some other research, if you'd like, on it.

HALLORAN: OK. That would be fine. And there may be other testimonies coming up that might help with that--

SHANE OSBORN: Sure.

HALLORAN: --question as well. But also it's my understanding the statute to large utilities requiring liability insurance on the net

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metering folks, that-- do you find that to be a-- an issue of concern as a performer?

SHANE OSBORN: As--as-- what do you mean, requiring insurance?

HALLORAN: Well, the net metering customers are tied to the distribute-- distribution system for 365 days a year.

SHANE OSBORN: OK.

HALLORAN: And of course, the utility companies have some level of liability insurance coverage-- coverage from their perspective. So, but the net metering folks, it's my understanding will be this bill will bar them from being charged the liability insurance costs to that.

SHANE OSBORN: I-- I'm not up to speed on that aspect, I apologize.

HALLORAN: That's fine.

SHANE OSBORN: But I-- I-- so you're saying it wouldn't make them have insurance or they wouldn't be--

HALLORAN: Right or require-- that would require-- would not re-- would disallow requiring them to have to carry some form of liability insurance.

SHANE OSBORN: I'm not-- I'm not familiar with that part. I apologize, so.

HALLORAN: Thank you,

HUGHES: Senator Moser.

MOSER: The difference between 25 kilowatts and five megawatts is like a factor of two hundred and way-- how did you arrive at that or how do you justify that increase in size? I mean, there wouldn't be too many customers that draw that kind of current.

SHANE OSBORN: Industrial could. Right.

MOSER: Oh, yeah. Yeah. It's like 25,000 amps.

SHANE OSBORN: Yeah, no, no, absolutely. And that's-- we looked around the country, a lot of caps, some allowed no limits and that has not

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worked out well. Right? And there's been a lot of learning going on over the last 20, 25 years it's been going on, or longer. And that's-- the number seems like a reasonable size number and with in mind, when you think of, you know, just like, you know, Valmont's getting ready to install some solar and they've actually bought a solar racking company that kills the racking. And then we did an analysis for them and that-- they're about 4 1/2. You look at a small ethanol plant, if they were to do CHB combining heat and power, that would actually-- could easily exceed that in requirement. So there are, you know, there are users they're going to be bigger than that and that's why you have that limit. But that's why the 110 percent of your annual usage limit is in there as well. So you can't overbuild the system.

MOSER: OK. All right, thank you.

SHANE OSBORN: You bet.

HUGHES: Any additional questions? Seeing none, thank you, Mr. Osborn.

SHANE OSBORN: Thank you. Appreciate your time.

HUGHES: Next proponent. Welcome.

MICHAEL O'HARA: Senator Hughes and members of the Natural Resources Committee, I'm Michael J. O'Hara, M-i-c-h-a-e-l, middle initial J, last name O'Hara, O-'-H-a-r-a. I'm representing the Nebraska Sierra Club and we appear in support of LB1132. We strongly favor public power, public power as customer-owned power. And partly this bill is about an depth-- definition of what is customer ownership. The-- Nebraska occupies a unique position in the United States at being 100 percent public power, and that gives this Legislature unique powers relative to the federal government because in Nebraska the sale of electricity is an act of state, so we strongly favors continuing that. And that would be that when the customer owns generation, that the customer either consumes generation or must sell it to a public power entity to preserve that public power status which already exists as our policy in dealing with renewables. I've appeared multiple times in favor of renewable energy, and often the industry is saying, well, we can't do that. And here is somebody else coming in and saying, I want to do it and the industry will likely say, we don't want you to do it. One of the nice things I like about this bill is that it requires that the metering be based on cost of service. When I was director, OPPD purposefully priced net metering above the cost metering because they

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wanted to make sure no one engaged in net metering. One of things that has been mentioned is utility sets the price that they're going to be buying at and it's going to be a very low price that will always disappoint the customer trying to sell it because the avoided cost. And we would prefer that be a vertically integrated utility without customer ownership of generation and that the utility would engage in purchasing renewable. This will allow the utilities to purchase that infrastructure indirectly. To answer Senator Albrecht's question why would they often be opposed? This adds a lot of complexity and the best description I've heard in an electric transmission system is imagine the artwork known as a mobile thing that hangs in the air with a bunch of different pieces, have some of the pieces be a I-beam, some of the pieces be wood, some of the pieces be rubber and then have baseball bats striking baseballs, bowling balls and cannonballs. Now predict where anything is going to go. That's the complexity. And when you add generation operated by others, it adds a lot of complexity. That complexity is far more easily managed today than it was when I was director in the early '90s. We would like to see more renewable generation. The utilities don't want to buy it. This is a way for somebody else to buy it and then add it to the system. And one of the other concerns I have is, as we add renewable energy, you're going to end up with stranded assets, assets become less and less valuable. The price of solar kilowatt hours and wind kilowatt hours consumed fell below coal and nuclear in 17 and continues to fall and that's independent of any subsidy you might have from the government, which is why we allow private ownership of those renewables in Nebraska. If you have any questions, I'd be glad to answer them.

HUGHES: Thank you, Mr. O'Hara. Are there any questions from the committee? Seeing none.

MICHAEL O'HARA: Thank you.

HUGHES: Next proponent. No more proponents. We will move to opponents. Welcome.

CHET McWHORTER: Thank you. Thank you, Senator Hughes, members of the Natural Resources Committee, my name is Chet McWhorter, C-h-e-t M-c-W-h-o-r-t-e-r. I'm the general manager of Cuming County Public Dis-- Cuming County Public Power District-- easy for me to say --in West Point, Nebraska. We serve about 4,000 meters in Cuming, Thurston, Burt, Dodge, Colfax, Stanton and Wayne Counties. I'm also a member of the Nebraska Rural Electric Association's Net Metering Task Force, and

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I'm here today to testify in opposition to LB32-- on LB1132 on behalf of Cuming County PPD and Nebraska Rural Electric Association. As it originally was envisioned, net metering in Nebraska was created to allow for residential customers who wanted to install renewable energy generation at their homes to do so and to be able to use the distribution service system as a means to store energy that they generate until they need it. Essentially it was set up so that the customer generator could use the existing grid as a battery. The size of the allowable systems was heavily negotiated and it was determined that 25 kW was reasonable as an upper threshold since it would provide more energy than most homes use in an average month, as most homes use less than 15 kW. Systems are required to be designed to meter offset the energy demand of a customer, not to sell excess generation back to the utility. 25 kW was a negotiated threshold meant to provide adequate support for customers wanting to install renewable resources while keeping the subsidy at a manageable level. LB1132 would turn the current net metering law into a large commercial generation endeavor that could have significant impacts on nongenerating electric consumers and the utilities. While other states are rolling back their net metering programs due to the financial impacts to the utility and nonnet metering customer, Senator Wayne's proposal is a dramatic increase to net metering. Allowing customers to generate electricity from just about any size generator and any fuel resource completely changes the intent of net metering in Nebraska. Net metering was established to follow-- or to create a method to promote personal renewable generation. The existing law forces nongenerating customers to subsidize renewable generators due to a limitation in statute in regard to setting specific rates for net metered accounts. Eliminating the threshold and expanding the allowed generation resources and removal of the minimum monthly charge to collect fixed cost will further shift costs to customers that choose not to or cannot afford to self generate. This is further compounded by increasing the overall system cap. The 1 percent cap was intended to manage the impacts on the nongenerating customers. LB1132 states that a customer has a right to generate large amounts of electricity more than they need and a right to substantially use net metering. Distribution systems have limitations on the size of generation they can handle and our substations are designed for that and so are our lines. It was never designed for customers that want to become generators. We have many areas in our system that sizable generators like the ones envisioned in LB1132 could not be added without major upgrades. Public power systems, on the other hand, have an obligation to provide electric

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service at low cost nondiscriminatory rates and expanding net metering in the manner proposed makes it difficult, if not nearly impossible, to satisfy our statutory obligation. The difference between debt DG and net metering is that DG is a utility scale and size and set at their site, and net metering is the customer and they can put it wherever they want. There is a mandate here on public power and there is a mandate that other customers pay the difference between the net metering and the nonmetered. So we strongly encourage the Natural Resources Committee to indefinitely postpone LB1132, and I'll stop there for questions on the yellow light. Did pretty good.

HUGHES: Thank you, Mr. McWhorter.

CHET McWHORTER: Thank you.

HUGHES: Are there any questions? Senator Moser.

MOSER: When you say the average home draws around fifteen kilowatts, you're talking instantaneous power, right?

CHET McWHORTER: I'm talking average monthly demand.

MOSER: At any one moment.

CHET McWHORTER: Yes, yes.

MOSER: Yeah.

CHET McWHORTER: And that's an average number.

MOSER: Yeah.

CHET McWHORTER: Some months it's seven, some months it might be 22, but--

MOSER: Yeah, 10 cents a kilowatt, that would be a dollar fifty, so--

CHET McWHORTER: Yeah.

MOSER: It was pretty obvious that was--

CHET McWHORTER: Yeah.

MOSER: All right. This wanted to make sure I understood. Thank you.

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HUGHES: Do you have much net metering in your local area?

CHET McWHORTER: Yes, we have 10 accounts currently.

HUGHES: OK. Are they at the 25 max and wanting to go bigger or just--?

CHET McWHORTER: Uh, no, no. We-- the only, in Cuming County, the only system that's 25 kW is at my office. We have a 24.96 kW net metering system that is net metered through the city of West Point. It covers about 20 percent of our average monthly peak demand and it's more than enough. It's going to take about twenty one years to pay for it.

HUGHES: So that is for your facility.

CHET McWHORTER: For the Cuming County Public Power Office.

HUGHES: OK.

CHET McWHORTER: Our largest one in the field right now is fifteen kW.

HUGHES: OK. And-- and you said the payback to you is 21 years?

CHET McWHORTER: Yeah. That's what our math is showing right now. It's been in for almost 4 years.

HUGHES: So is that-- are the-- is there more efficiency in the newer solar panels or--?

CHET McWHORTER: Not according to what I've been able to find. We have got the micro inverters with optimizers. The only thing that is available now that's better than what we have is-- ours are stationary, sit on a flat roof facing south. Some of the newer models do rotate with the sun and you can also get a dual-sided panel, but I can't speak to how much that helps the efficiency.

HUGHES: OK. Very good.

CHET McWHORTER: Hopefully a lot.

HUGHES: Senator Gragert.

GRAGERT: Thank you, Chairman Hughes. Could you just expound a little bit then on nonusers? You say you've got 10 individuals in Cuming County right now using this?

CHET McWHORTER: Yes.

GRAGERT: What kind of cost increase does that put on the nonuser?

CHET McWHORTER: It's difficult to quantify, but I can-- I can give some examples. We have one customer that installed a 14 kW system on his property and then he ended up moving to Texas. And the guy that bought his place uses it as basically a hunting, fishing cabin-- it's up above the Elkhorn River, a beautiful spot. Anyway, he's hardly there. So every year at the end of the year, we write that gentleman a check for about \$400, \$500 for the gener-- for the generated electricity. And it's kind of an unintended consequence. That specific line has a lot of three-phase irrigation on it, but it only has one other home. And the nice thing is, is that it has one other home, because if it didn't have anything, it would push that all the way back to the substation, on to the subtransmission, and all kinds of bad things can happen there from a-- from a marketing perspective, not electrically. It's not going to make the world crash with 14 kW. But that said, that's-- that's \$400, \$500 add an avoided cost, but we're not allowed to calculate what it costs to bill that. What time-- the time that it takes to write the extra checks, the time that it takes to double-check all of that has to be absorbed across all other billing classes because as the net metering Bostik states today, you can bill or charge only facility charge as those in a light class. So if it's a 200 amp account, they get the same bill as a 200 amp account over here, regardless of the extra time, effort, energy that's spent with that net metering account. Did that answer your question or did I screw it?

GRAGERT: I believe so, yeah you went way down in the weeds.

CHET McWHORTER: Sorry, I apologize.

GRAGERT: In fact--

CHET McWHORTER: It was not intended.

GRAGERT: No, well, it's easy to do with me. The-- but the thing about-- so the individuals that are producing their own energy and you're giving them credit that-- is that at the same cost as somebody that turns-- flips on the switch not using.

CHET McWHORTER: So the way net metering works, if they produce a kilowatt, they get to offset a retail kilowatt. So if you're paying 10

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cents a kilowatt hour during their net period where they're equal, they get 10 cents a kilowatt hour. When they overproduce, it goes to an avoided cost. So they're not paying 35, 40 percent per kilowatt hour, roughly is what the delivery aspect and some demand and a few other things, but it's about 35 or 40 percent that they get off on their per kilowatt on the netted aspect.

GRAGERT: All right. Thanks.

CHET McWHORTER: Does that makes sense?

GRAGERT: Yeah.

CHET McWHORTER: Thank you.

HUGHES: So when you're figuring your 21 years, are you figuring retail or wholesale?

CHET McWHORTER: This is not retail because we don't ever overproduce.

HUGHES: OK.

CHET McWHORTER: And this is on city of West Point's utilities system at their rate.

HUGHES: OK. Very good. Any other questions? Seeing none, thank you, Mr. McWhorter.

CHET McWHORTER: Thank you for your time. Appreciate it.

HUGHES: Next opponent. Welcome.

SCOTT BENSON: Thank you. Good afternoon. Scott Benson, S-c-o-t-t B-e-n-s-o-n, testifying in opposition on behalf of Lincoln Electric System or LES. LES has embraced the current net metering laws in the state of Nebraska. We offer energy rates and incentives that are far beyond what's required under state statute. And in fact, we believe they're unrivaled in this region of the country. But we're still opposed to the changes proposed in this bill and that's because they would drastically increase the cost subsidy or the cost shift where you have nonparticipants, the many customers covering what would be the fair costs of a few customers, the participants in net metering. The primary driver for that is this particular proposal would not allow the utility to charge almost any of its normal fees to net metering customers. These are fees that typically go directly toward

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supporting the actual system that enables them to do net metering, fees for the lines and wires, constructing and maintaining those that allow the carrying of the power. Fees for generating units that the utility owns and operates that allow the net metering customer to keep their lights on at night when usually it's solar, the solar is not shining, allows the utility to be their battery. And if you actually go to extremes, depends on how you read this, but you could construe that the actual charges that the utility gives to the net metering customers for all the energy they consume couldn't be charged because that can be considered a fee. I don't think that was probably the intent, but you have to be careful because it could be read that way. Now not being able to charge for those fees gets exasperated by the fact that the bill doesn't lay out what is the minimum threshold for constituting a net metering customer. Again, I don't think this was intended, but under this proposed bill, I think what you could do is you could have a very large commercial or industrial customer put in a very small amount of generation, one solar panel hanging off their building and say, I am now a net metered customer and as a net metered customer, the utility can no longer charge me for all those normal fees that would go to any other customer. We still have to collect that money somewhere because we're cost of service, so who pays for it? All the rest of the customers on the system. So for those reasons we're opposed to this. It enhances that already existing cost subsidy that's inherent to net metering and it really creates this loophole where more people could call themselves net metering and push some of their costs off to other customers. Thank you, and do you have any questions?

HUGHES: Very good. Thank you, Mr. Benson. Are there any questions? Seeing none, thank you for your testimony.

SCOTT BENSON: Thank you.

HUGHES: Next opponent.

SHELLEY SAHLING-ZART: Good afternoon, Chairman Hughes, members of the Natural Resources Committee. For the record my name is Shelley Sahling-Zart. S-h-e-l-l-e-y, Sahling-Zart, S-a-h-l-i-n-g, hyphen Z-a-r-t. I'm vice president and general counsel for Lincoln Electric System, and I'm appearing today on behalf of the Nebraska Power Association. The Nebraska Power Association is the voluntary association representing all of the state's public consumer-owned electric utilities, including municipalities, public power district,

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public power irrigation districts, rural public power districts and cooperatives. The NPA is strongly opposed to LB1132. The NPA is not opposed to net metering. We view these as two different things. We have embraced the net metering laws. There are a number of utilities in the state that are offering net metering as-- in fact, in 2018 there were 541 net metering-- net metered facilities across the state. This bill is far different than net metering. Net metering was put in place across the states to encourage renewable energy development and to allow customers who wanted to install cleaner energy resources for themselves to do so. It was meant to incent that. This goes way beyond renewables. If you read the definition closely, it allows gas-fired combustion turbines. Those are utility scale types of projects. They're quite large. The customer charges that would be avoided are quite large. So you end up with what's already a somewhat regressive program and it becomes incredibly regressive under this bill. With regard to-- Senator Wayne mentioned trying to do a project in Omaha and that OPPD was restricted by the 25 kW limit. They're not. No one in the state is restricted by the 25 kW. What the law says is that we are required to offer net metering up to 25 kW, there is nothing that prohibits any of us from voluntarily agreeing to exceed 25 kW. Now why would you not exceed it? Well, generally, if you're looking at a proposal that exceeds that, my guess is that it didn't work out real well on OPPD's end on behalf of their customers. When you're striking that deal, there's got to be benefits for both sides. So while you have people here wanting you to help make their business case for solar better, we're sitting here trying to make sure we retain a good business case for our customers as well. And that's what your job is when you're looking at this-- these pieces of legislation is to balance those interests. It is not our role to help make those business cases better. I understand that people want to put in more solar. It is difficult to do in a low cost state like Nebraska. It's easier to do in a high cost state like Arizona. Doesn't make it good or bad, we just have different situations. The net metered laws across the state, there are a lot of them. By the way, Arkansas was mentioned. Arkansas right now is considering changing its net metering provisions to-- to pay avoided costs for excess generation rather than for retail. Many states have started to rethink their net metering law. Most of the net metering laws exempt publicly owned utilities. Why? Because we aren't typically governed at the state level, we're governed by those locally appointed elected boards of directors. You've heard me a lot talk about local control and that's where we're at. We have supported what's in the state law and the policies that go

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beyond what you've laid out should be discussed at that local utility level. What-- what is appropriate for a rural public power district out in Senator Hughes's area of the state is going to be radically different than what may be appropriate here in Lincoln, Nebraska. And those local boards can account for that. So I encourage you to look at the analysis that Mr. Benson provided. We went through the bill in pretty good detail. There's a lot of small technical things in here that would be problematic. But by and large, we can have discussions about net metering, but you've got some utilities that are already exceeding the minimum requirements in the bill. Those are not hard caps. And we encourage you to not advance this bill. I'd take any questions.

HUGHES: Thank you, Ms. Sahling-Zart. Are there any questions? Senator Moser.

MOSER: I just got one about cogeneration. I don't see anybody here from NPPD, but they've got ADL and they have some generators and they generate some electricity and then they use some of the heat that they use to generate electricity to help their processes of breaking the corn down into various components. But are those things negotiated?

SHELLEY SAHLING-ZART: Yes.

MOSER: And--

SHELLEY SAHLING-ZART: We have cogeneration customers here in Lincoln as well.

MOSER: Oh, OK, well, good. Then I don't have to worry about providing an example because I wouldn't know everything about it, but-- so they can be larger than 25 kW. But you're not forced going into it to agree to a rate you can negotiate the rate and--

SHELLEY SAHLING-ZART: Actually a lot of those are governed under the Public Utility Regulatory Policies Act, which is a federal act. And under that act, we are required to pay for the cost. Now we work out agreements in terms of the interconnection with that customer and some other things. But the cost that's paid is our avoided cost, which is basically the wholesale price of what it would cost us.

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MOSER: Are some of those so large that you have to coordinate them with your load limits so you use them to balance your load, or you just allow them to generate whenever, whatever they want.

SHELLEY SAHLING-ZART: Scott Benson would have been a way better person to answer that question, but I would tell you that the balancing, the balancing is largely done by the Southwest Power Pool today. But we do work and we will have periods where we interact with that customer because we often curtail our large customers in the summer. So there are arrangements with that. I think our bigger concern under this bill is we would be real concerned that those cogeneration customers and we're still looking at this bill, may look at this bill and decide rather than being cogeneration, I want to be net metered, because not only are you going to pay me more for what I generate, but I'm going to avoid a whole ton of customer charges that you're charging me today you wouldn't be able to under this bill.

MOSER: So the bill might change the balance of power when you're negotiating deals with these big power dealers.

SHELLEY SAHLING-ZART: Yeah, and I know there was testimony from the proponents that there's a five megawatt limit. It's really unclear because when you look at the definition of a net meter, it says 110 percent of the load, which could be anything. And then there's a portion later when they talk about the four levels where it talks about five megawatts, but that is not clear in the bill.

MOSER: OK. Thank you.

HUGHES: Thank you. Senator Moser. Are there any other questions? Seeing none, thank you, Ms. Sahling-Zart.

SHELLEY SAHLING-ZART: Thank you.

HUGHES: Next opponent. Welcome.

MICHAEL SHONKA: Thank you. My name is Michael Shonka, it's Michael, M-i-c-h-a-e-l, Shonka, S-h-o-n-k-a. I'm from Omaha. I have a company called Solar Heat and Electric. And I'm also here, not representing Nebraskans for public power, but I was past president of-- or no, I'm sorry, Nebraskans for Solar, but I was past president of it, anyway. I've been thinking a lot about public power the last week or so as I've been discussing this with colleagues and some of them were from public power. I'm unfortunately in a position where I need to oppose

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this because they don't think it's even in the best interests of public power. And I think some of our public power testimonies before me highlight that also. The-- I just want to look at first off, and I don't have much time, but I have basically outlined this seven page document, it's sort of a past, present and future. And I don't want to go into a lot of detail about that because I think really what we need to be talking about here is the future. I think my colleagues have already covered sort of what the issues are with-- with LB1132. One of the things I wanted to highlight also is and I'll start that on page three if we will. I have three cases. These are current cases where the current bill is not being followed by my colleagues with public power. And these are from some of the conservative areas of the state where they have a different interpretation. And I don't know what to do about that. It's really hard to fight a monopoly, but I would encourage them to reconsider reading the document as it was originally passed. What I really think we need to do is work on the future and that is considering our need for change because we import 95 percent of our energy in the state that means 95 cents out of every dollar is exported. That's a huge trade imbalance and that's on the top of page 4. That's where I'm at there. We want to consider solar as a resource for the state. Wind and sun are just as valuable to us in many ways for power as our-- our soil and water conservation that we do. And ultimately, we have the ability with public power as the only public power state in the union to do some really incredible things that other states cannot do. And there is no reason that this can't catapult us way to the top of the list for renewable energy. But the current way that it's being done is through PPAs and RFPs and these are simply going to substitute sending money out of state to pay for coal or what fuels or natural gas and substitute that by paying some other investor group out of state, and we need to focus on community solar. That's what we've got to be doing here today is focusing on that. And I'm hoping that in the next year when this bill comes up again, if indeed it does and we tackle that issue, we'll have more conversations around that. But I wanted to end with the last page, page 7, which it really speaks to the heart of the matter. We have a lot of small towns in our state and they're hurting economically and some of them are are really needing support in different ways. One of the things that touched me so much about Tekamah is that there is an interest by the community housing group itself to add solar. But under the present structure, it makes it very difficult for them to do that. And if we were able to work with this higher goal in mind on reducing our exports of energy and come together with my colleagues of public

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power, which helped pass the original law, was-- it was really welcoming to see particularly the rules come on board with this. I think we can make a huge difference on our state and I look forward to any questions that you might have.

HUGHES: Thank you, Mr. Shonka.

MICHAEL SHONKA: Shonka, yes.

HUGHES: Shonka. Very good. Any questions from the committee? I guess I have a question here on the top of page 4, you say Nebraska imports over 95 percent of its energy.

MICHAEL SHONKA: Yes.

HUGHES: Which means we export 95 cents of every dollar.

MICHAEL SHONKA: Yes.

HUGHES: That seems awfully high.

MICHAEL SHONKA: No, that's real. That came right out of the annual report from the Nebraska Energy Office.

HUGHES: And that's electricity or--

MICHAEL SHONKA: That's energy. That's all energy.

HUGHES: So that's--

MICHAEL SHONKA: Yeah, we're--

HUGHES: That would include gasoline and diesel.

MICHAEL SHONKA: Yes, absolutely.

HUGHES: OK.

MICHAEL SHONKA: All of that.

HUGHES: That makes a little more sense. Okay. Very good. We have the oil and gas commissioner guy here, we need him to step up his game a little apparently. [LAUGHTER] OK, very good. Any other questions? Seeing none, thank you for your testimony today.

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MICHAEL SHONKA: Thank you.

HUGHES: Next opponent. No more opponents?

JOHN HANSEN: Mr. Chairman, good afternoon, members of the committee, for the record, my name is John Hansen, J-o-h-n, Hansen, H-a-n-s-e-n. I'm President of Nebraska Farmers Union. Thank you for the opportunity to appear before you today. We worked on the net metering issue for a number of years before we finally developed enough consensus to be able to come together with Senator Haar's bill ten years ago. And so there was a lot of give and take. There was a lot of negotiation. There was a lot of back and forth. And I thought we did a reasonably good job of meeting somewhere in the middle. And so with that background, I look at what this bill does. It is a completely different batch of kittens than what we think about in terms of normal net meter. It's a different kind of issue, but it would drag the net metering law that we now have into that. And so from our standpoint, while it does some very innovative things, it also creates, I think, a lot of additional problems for the low guys, the smaller folks. And so I-- I have a couple of members of my board of directors that are-- that do solar installations. I have another member of my board of directors that has a solar installation. And so the view from our folks is that this is a-- not a-- in total a constructive improvement. And I think that I do give Senator Wayne credit in that he's brought together both the utilities and-- and the folks in my shop who created the net metering law in the first place they brought us together in that we both think this is not a good idea. So there is that. And so while we're able to bring folks together on that, maybe next year, our folks and our friends in public power can get together and we might be able to do something more to our liking and more constructive relative to updating net metering, which is, in my world, right in there with property tax relief and brand bills and a whole bunch of other things that are just habitual issues. It's-- net metering and the improvements in net metering was one of the issues that our organization flagged in special order as the business at our recent convention. So it's one of our five issues. But with that I would just end my comments and be glad to answer any questions if you have any.

HUGHES: Are there any questions for Mr. Hansen? Seeing none, thank you.

JOHN HANSEN: Thank you very much.

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HUGHES: Next opponent.

JOHN HANSEN: Good luck.

HUGHES: Welcome.

ROBERT BEST: Thank you. My name is Robert Best, R-o-b-e-r-t B-e-s-t. I'm not a paid lobbyist and I'm not someone that sells solar systems. I am the public. I was encouraged to own a renewable energy resource and to stimulate the economic growth of the state. A few years back, my wife and I purchased a solar system for our home. We wanted to be able to generate more energy than we consumed and be able to pay all the fees that our power distribution district charges, as well as additional power usage needed in the future. Last year we bought an all electric car and perhaps another one in the future. To make this happen with the current net metering law, we needed to stay below the 25 kilowatt max. I have some concerns on the proposed LB1132 bill. Page 3, line item 10,11 it states separate net metering monthly administrative fee based on the costs for reading the current-- or reading the energy generator. Currently I'm being charged two fees, energy charge of \$9 and a customer charge of \$26. Before installing our solar system, our power distribution district said these charges are on everyone's bill even if you don't have solar system, it was for the cost of maintaining the power grid. All meter readings are file based. If they require human interaction for solar customers, then they need to update their billing software instead of adding more fees. Page 4, line item 14 through 16 intended to meet customer generators requirements for electricity based on the average monthly usage and kilowatt hours for the previous calendar year. So potentially I would be disqualified for net metering in the winter months when my energy needs are greater than my yearly average. Classes at DC or AC kilowatt hours, it doesn't state. Page 4, line item 20 through 28 has a rated capacity of up to 110 percent of the customer generators average annual usage. If this bill would be adopted, then the power distribution district would be able to reduce our solar system output even more than what they do now. Plus, is this DC or AC kilowatts? Currently the extra energy produced goes towards paying the fees that are added. Page 7, line item 17 through 20 require insurance amount of \$300,000 for 100 kilowatts or less of generation. The public power district does not pay for damage in our home in anything that's tied to the grid when we receive voltage spikes from their power grid. Page 7, line item 24 and 25 adopt standards governing other net metering requirements. This opens it

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wide up for the public power district to add additional requirements. Page 8, line item 3 and 4 application fee of \$250 plus \$1 per kilowatt of nameplate capacity. Is this for the new systems going on to the grid or is everybody currently having to pay it even if you already have one? To recap, when we are encouraged to own a renewable energy resource and to stimulate the economic growth of this state, we followed the net metering laws to determine our solar system size. If we would have known that the state was going to change the law and reduce the benefits on net metering, we would not have made such a large investment. Grandfather in the current customers that generate electricity that currently qualify for net metering to prevent power distribution districts from lowering our systems output and adding additional fees. Nebraska State Statute 70-2001, 2002 and 2003 on net metering needs to be amended and add AC on to the 25 kilowatts to read 25 kilowatt AC. LB76 was presented to the Governor on February 6 of 2020 which is to change the nameplate capacity on solar systems using AC value. This would prevent double standards that we currently have. And I was there a year ago in regards to the AC, DC issue. My system, I don't have all the solar panels hooked up because my power distribution company rates it according to the DC value of what the solar panels produce, not after it goes through the inverter on to the power grid.

HUGHES: Thank you, Mr. Best. Are there any questions from the committee? Senator Moser.

MOSER: How much do you have invested in your system?

ROBERT BEST: You really want to know? [LAUGHTER]

MOSER: Well you said you wouldn't have done it if you'd have known they were going to change the price?

ROBERT BEST: It's--

MOSER: You don't have to answer if you don't want to.

ROBERT BEST: Well, it's seventy five thousand.

MOSER: Wowzers.

ROBERT BEST: In my lifetime, I don't see it paying itself off.

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MOSER: Wow. What's the capacity of your system?

ROBERT BEST: Depending on who you talk to. If it's AC-wise it's just below the 25 kilowatts if I have all the panels hooked up. But the power distribution company that I currently, or that I'm under uses DC so I'm-- and they're saying it's no, 24 point something kilowatts DC. But I physically cannot put 25 kilowatts AC on to the power grid. They won't allow it for me to retain that metering. I have a string of emails from the CEO of my power district and I'm sending it back and forth, so you won't let me put 25 kilowatts on the power grid, and this final reply I just gave up. He says, we are following the law.

MOSER: Now, is this in a home or a business or--

ROBERT BEST: It's our home.

MOSER: Thank you,

HUGHES: Senator Gragert.

GRAGERT: Thank you, Chairman Hughes. I'm just interested, what's the O&M on something like that on a system like that?

ROBERT BEST: I'm sorry?

GRAGERT: Operation and maintenance, what-- do you have any operational maintenance costs on that?

ROBERT BEST: As of right now, no. It sits there and it's nice and quiet. It doesn't do anything.

GRAGERT: Thank you.

HUGHES: Any other questions? Thank you, Mr. Best.

ROBERT BEST: Thank you.

HUGHES: Good to see you again. Next opponent. Anybody wishing to testify in neutral? We have letters. Oh, I'm sorry. You're neutral?

EDISON McDONALD: Yep.

HUGHES: OK, very good. Welcome.

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EDISON McDONALD: Hello, Committee. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d, representing GC Revolt. We are a solar developing company that develops about 20 percent of the net metered projects in Nebraska right now. We are tremendously appreciative of Senator Wayne doing and bringing this legislation. This is a complex issue and this is not my first time in front of this committee trying to work on this and trying to find a solution. I think, ultimately, probably what really needs to happen so we don't just come back to you with another bill next year, what I tried to get done during this interim and we didn't, is sitting down with all the stakeholders and working on coming up with something that a majority of the folks agree on and a direction forward. This bill, I think does have some issues that would make it difficult to move forward, in particular with net metering bills. We're always concerned about the retroactivity. So current projects that we've already had individuals develop and ensuring that their rates are going to be messed up because a lot of these requirements would really mess up some of the projects that are already out there. With that said, we-- we need to go and we need to change our net metering standards. Ultimately, what we developed 10 years ago no longer fits the market. Currently, I think that there is a lot of confusion around that interpretation. Earlier, I believe you heard Mr. Shonka say that the 1 percent cap was interpreted by several utilities as mandated, and we have seen that too. I think that the representative from LES said that that's not how it's supposed to be interpreted, but that's what's happening. That's how it's working. And I think that's tremendously detrimental, especially for rural communities. We've seen that has basically completely stopped development in some counties. We do mostly development for farmers in rural communities. This is another income stream for them, another way for them to go and try and deal with issues like high property tax values and more low corn valuations. As we're trying to go and find a way to move forward, I think we need to really consider the situation that they're in and consider that the market and the deal that was struck 10 years ago now makes no sense and is not anywhere near-- the market has gone and evolved so quickly, we couldn't have even expected it. So I would sincerely urge this committee to work on over the interim, trying to find a direction forward. And I would welcome a legislative resolution and an interim study really digging into this and asking everyone to come together and have a serious conversation about how we move this forward. Thank you.

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HUGHES: Thank you. Mr. McDonald. Are there any questions from the committee? Seeing none, thank you for your testimony. Anyone else wishing to testify in the neutral position? Seeing none, Senator Wayne. We have several letters. Two proponents, from Nebraska Farm Bureau and Skutt Catholic High School in Omaha. Opponents, Cedar-Knox Public Power District, KBR Rural Public Power District. Highline Electric Association, Crawford Public Power District, Southern Public Power District, Norris Public Power District, Nebraska Chamber of Commerce and Industry, Elkhorn Rural Public Power District, Niobrara Valley Electric Membership Corporation, Omaha Public Power District and Transduction Technologies. Senator Wayne, you want to close.

WAYNE: Yes. I appreciate all the government entities opposing my bill. To answer Senator Halloran, who is not here, question about the insurance piece. The insurance piece said that they may charge, and what's happening is almost what you heard from the testimony in the neutral, or the opposition is where there's additional fees. So sometimes what is happening is a local public utility will add requirements as additional insurance. We we were trying to come up with a balance. I'm open to any suggestion on that balance. But to say that you need a \$4 million policy on a piece of equipment that's only \$20,000 and you got a shut off valve to where it isn't backflowing into the grid if something happens, doesn't make sense. And so contractually that's been what's been going on. And I really hope that you look at what he handed out, because the examples that are being said on page 3 and then again on page 5 are exactly the issues that were run into. And you heard him testify today in opposition to my bill that he was told he couldn't put 25 on. There is no negotiation half of the time with public utilities about what they can and what they can't. Now, if you're a big player like AMD or some major corporation like in my district, Lozier or something like that, of course you can sit down at the table and have a conversation. But if you're Skutt Catholic, you can't, or the fees become so outrageous and the price is so outrageous that it makes it not economically viable. And the most interesting thing about today was they're missing one critical component of the bill. There has to be a feasibility study that has to make sure that paralyzing works and plugs into the-- the grid currently. In addition, it has to make sense. If the school district OPS or anybody else or the individual business does not want to go forward with that venture because the payback might be 30 years. But if the payback is 7, 10 years, they may want to. But that's why there has to be a study that is required by this-- this piece of

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legislation. I also found it very interesting that we're-- we're so concerned about the costs for the nongenerator that a public district decided to do their own net metering at 24 kilowatts. They're not that concerned from themselves. It just doesn't make sense. And the cost of generation for non-- costs for nongeneration just doesn't make sense to me because you're paying a fee in the end. Actually, it's a fee, so you shouldn't tax on it, which most public utilities do. But that's next year's topic. You can't tax on fees per our statutes. But regardless, you're paying a fee for that delivery. You're paying that maintenance delivery. Whether you have a net metering or not, you're going to pay that same fee or same cost. Now, the net metering costs, according to this bill, is paid for by the developer. So if there's any additional that has to happen from that farmer, from that business, that developer, and that business is going to pay that cost to go in to plug into that network. There isn't any additional maintenance or-- or it won't meet the feasibility study. This is the logic that I'm having a hard time understanding. And the one thing I will always say is that everything is local until it's not. We're going to have a big conversation around property taxes and that's all local. But yet most of us are going to ask for limits on that, local caps on that local to make sure we can restrain some things. There's oftentimes we give organizations or political subdivisions extra things because they can't do it locally. So everything is local until it's not. And what we're hearing and what I'm hearing from my constituents and what I'm hearing from across the state, when we're talking about businesses who are thinking about staying here, coming here or leaving here is we have a statewide energy problem of how we're going to grow and build our own local businesses in this space. Because the fact of the matter is, is we're not. There are companies in my district, two warehouses that are thinking about leaving primarily because of energy costs. It went from their highest, most efficient facility to now to their bottom three. And they do tool and die and things like that. And they're looking at moving operations down to Arkansas and the only major difference is the utility costs in the last 15 years. That's a problem. We need to address it. And I think this is one way we can address it. So I'm more than happy to open up to any amendments regarding this bill, but I do think it's a conversation that we need to have and we need to have immediately, because this year there's the federal rate for solar dropped 4 percent on a rebate and the tax incentive will go down again from 26 to 20 next year. So the ability for developers who have some incentive to do this, the risk sometimes will outweigh the the benefit when we start

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reducing some of these benefits that are happening at the federal level that we just aren't taking advantage of. And with that, I'll answer any questions.

HUGHES: Thank you, Senator Wayne. Are there any questions from the committee? Seeing none.

WAYNE: Thank you, sir.

HUGHES: That will close our hearing on LB1132 today. Thank you, everybody, for coming.