

Transcript Prepared by Clerk of the Legislature Transcribers Office  
Appropriations Committee March 6, 2023

**CLEMENTS:** Thank you. We'll get started today. Welcome to the Appropriations Committee hearing. My name is Rob Clements. I'm from Elmwood. I represent Legislative District 2, Cass County, eastern Lancaster. I serve as Chair of this committee. We will start off by having members do self-introductions, starting with my far right.

**ERDMAN:** Steve Erdman, District 47.

**LIPPINCOTT:** Loren Lippincott, District 34.

**DOVER:** Robert Dover, District 19.

**DORN:** Myron Dorn, District 30.

**CLEMENTS:** There are senators absent who may be presenting bills in other committees, and some senators may come and go as we go through this day. Assisting the committee today is Tamara Hunt, our committee clerk. To my left is our fiscal analyst, Clint Verner. Our pages today are Amelia from Hastings, a UNL student; and Kate from Kansas, a UNL student. At the entrance, you will find green testifier sheets on the table. If you're planning on testifying today, please fill out a green testifier sheet and hand it to the committee clerk when you come up to testify. If you will not be testifying but want to go on record as having a position on a bill being heard today, there are white sign-in sheets at the entrance where you may leave your name and related information. These sign-in sheets will become exhibits in the permanent record after today's hearing. To better facilitate today's proceeding, I ask that you abide by the following procedures. Please silence your cell phones and electronic devices. For bills, the order of testimony will be introducer, proponents, opponents, neutral, and closing. When we hear testimony regarding agencies, we will first hear from a representative of the agency. Then we will hear-- we will hear testimony from anyone who wishes to speak on the agency's budget request. When you come to testify, spell your first and last name for the record before you testify. Be concise. We request that you limit your testimony to five minutes or less. Written materials may be distributed to the committee members as exhibits only while testimony is being offered. Hand them to the page for distribution when you come up to testify. If you have written testimony but do not have 12 copies, please raise your hand now so the page can make copies for you. With that, we will begin today's hearing with LB560. Senator Blood. Welcome.

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**BLOOD:** Thank you and good afternoon to the Chair and members of the Appropriations Committee. My name is Senator Carol Blood. That is called C-a-r-o-l B as in boy, -l-o-o-d as in dog and I represent District 3, which is west-- the western half of Bellevue and eastern Papillion, Nebraska. Thank you for the opportunity to bring forward LB560. LB560 would require the state of Nebraska to apply for all available funds from the Inflation Reduction Act, also known as IRA, passed by the U.S. Congress in 2022. While there are numerous aspects of IRA which can provide benefits to the people of Nebraska, I'm going to focus on two specific aspects which require the state to apply for funds in order to receive them. These two provisions are the high-efficiency electric home rebate program and the high energy whole house rebate program. Both of these programs are administered by the U.S. Department of Energy and require the Nebraska Department of Environment and Energy to apply for funding. Approximately \$91 million will be available to the state of Nebraska through these two programs between now and 2031. The HEEHRA program provides funds for low to moderate income households to electrify their homes. It would prevent-- it would provide grants of up to 100 percent of the cost of upgrades to low-income properties with a maximum rebate of \$14,000. Moderate income properties can receive up to 50 percent of the cost of upgrade, with a maximum rebate of \$8,000. Eligible upgrades include heat pumps, heat pump water heaters, induction stoves, new wiring and breaker boxes, and funding for weatherization activities such as insulation, duct ceiling, and weather stripping. For the purposes-- purposes of this act, low income is defined as less than 80 percent of the area median income and moderate income is defined as between 80 and 150 percent of area median income. The home program also provides rebates based on energy savings. Households in all income levels would be eligible to receive rebates. This program is more complicated with the amount of rebate based on two factors: income and the measured performance energy savings based upon computer models. It will require a residential energy auditor or rater to determine the amount of projected savings and will require the use of computer modeling based on current bills and the types of upgrades proposed. I'd like to note that requested funds can also cover staffing costs needed to implement the program. Households would need to establish energy savings of at least 15 percent in order to be eligible for rebates. A low to moderate income household which has a projected energy savings of more than 35 percent would be eligible for the maximum rebate of up to 80 percent of the project cost with a maximum rebate of \$8,000. A higher income household with a projected energy savings of more than 35 percent would be eligible for 50 percent of the project cost with a maximum rebate of \$4,000. The maximum amount of rebate for a low to

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moderate income household with between 20 and 35 percent energy reduction would be 80 percent of the project costs, the maximum rebate of \$4,000. The maximum amount of a rebate for a higher income household with between 20 and 35 percent energy savings would be 50 percent of projected costs with a maximum rebate of \$2,000. There are three significant reasons to support the state obtaining full funding through these programs. Number one, if carried out in the way proposed, funds from these programs would enable more than 100,000 households to reduce their energy bills. This would make the homes of thousands of Nebraskans safer and more comfortable and provide them with additional money to pay for other things that would benefit the local economy. In addition, helping low-income people reduce their energy costs would help our public power districts by having fewer unpaid bills that have to be made up by the rest of their customer customer owners. Number two, purchasing heating and cooling systems, appliances, and insulation would generate millions of dollars in income for local businesses and contractors. Thousands of jobs would be created in communities across the state to install new heating and cooling systems, appliances, and weatherize homes. There would be a major economic multiplier from the original funds as local business owners, contractors and workers spend additional earnings in their communities. The final economic benefit would be to the state and local governments in the form of additional sales and income tax revenues. Number three, finally, these expenditures would be good for the government, excuse me, for the environment. Moving to more electric heating and cooling systems and appliances and reducing overall energy consumption will result in reduced greenhouse gas emissions. We need to reduce our greenhouse gas emissions if we're going to be able to mitigate the impacts of climate change, which has its greatest negative impact on agriculture, Nebraska's number one industry. Speaking of ag, these grants would allow farmers to invest in soil conservation programs. These programs can utilize methods like cover cropping, crop reduction-- rotation, and measures to reduce soil erosion thus producing higher yields while curbing their carbon emissions. There would be a focus on transforming farms to be more drought resistant as well, which we know with climate change is an ever-increasing problem. Farms will duly become more energy efficient, lowering energy costs for farmers. The net benefits for Nebraska ag are lower emissions and soil preservation for future generations. I mean, I got to be honest, the IRA is a large and complicated bill, but I've chosen to focus on those two aspects of the IRA, which require the state to apply for funds in order to receive them. And it is my understanding that if Nebraska fails to apply for these funds, the funds just go to other states and we'll miss out on the benefits that

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we could have received if we had applied for them. The state can use up to 10 percent of the available funds for administration, although I question whether they would need to spend that much for that purpose. Potential uses of administration plans would be to contract with a firm to carry out the purpose of the act and retain an official who would lead a public education and coordination effort to help people become aware of the programs and benefits available to Nebraska residents. LB560 also lists other areas where IRA funding may be provided to the state or local political subdivision. The bill was drafted broadly with the intention of making sure that the state receives all the funds for which it may be eligible. At this time I am not aware of other provisions of the IRA, which require the state to apply for the funds in order to receive them, but want to make sure that the state is able to receive all the benefits available from this legislation. Now, one of our handouts today is a blueprint of our eligibility for one of the programs within the act. Omaha, being one of the most populous 67 cities, is eligible for a \$1 million in CPRG funding, which is part of the Inflation Reduction Act, specifically for targeting the reduction of emissions. So moving forward, I'd be glad to work with the committee to ensure that the state receives all the funds that it's entitled to receive under the IRA. I ask you to advance LB560 for consideration by the entire Legislature, but I want to point something really important out. The deadline, because we got a later hearing, for the notice of intent is March 31. And so at the very least, we can start a discussion and encourage the department if we're not able to pass the legislation in time to follow through on this. And that's one of the biggest intents today is to bring light to the fact that we can leave money on the table if we don't act on this. And that would be really sad for our farmers and our ranchers and others of ag that would like to have the ability to benefit from these funds.

**CLEMENTS:** Very good. Thank you. Are there questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you. Thank you, Senator Blood, for coming. And I just had a simple question. So the-- the low-income are eligible to replace their--

**BLOOD:** Um-hum.

**ARMENDARIZ:** --furnace air conditioner. How are they? What kind of fuel are they using currently that it would be--

**BLOOD:** What do you mean?

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**ARMENDARIZ:** different or better?

**BLOOD:** So they're encouraging people to go electric because there's fewer emissions with electricity.

**ARMENDARIZ:** So our air conditioners already are.

**BLOOD:** Um-hum. But would you heat, is your heat gas heat or is it electric heat?

**ARMENDARIZ:** Natural gas.

**BLOOD:** Right.

**ARMENDARIZ:** But my understanding that that's not a-- that that's a clean.

**BLOOD:** Well, then you will probably not apply for the funds. It's for people that, that do not have items in their homes that are not considered clean energy or for people who have items in their homes that are antiquated, that need to be updated and they can be updated to clean energy.

**ARMENDARIZ:** But only if they're electric.

**BLOOD:** I, you know, you'd have to look through it. I'm not sure. I just know that that's the way it was phrased in the information that we received.

**ARMENDARIZ:** OK.

**BLOOD:** And there's people that are much more knowledgeable on this behind me. So the more complicated questions in reference to the very, very long piece of legislation that was put out by Congress would probably be better answered by them.

**CLEMENTS:** Other questions?

**DORN:** I'll wait.

**CLEMENTS:** Senator Dover.

**BLOOD:** Thank you, Senator Dorn, for waiting.

**DOVER:** I'd like to know, do you know what the position of the realtors and the homeowners association are?

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**BLOOD:** Well, we've not received any information in our office about it as far as negative. I've not looked online to see what your comments are as far as pros and cons. That would be something I'm sure you've already done, but we've not received anything negative. So I guess we'll find out today. I would assume that they would be in favor of it since it benefits them as well.

**DOVER:** Oh.

**CLEMENTS:** Senator Erdman.

**ERDMAN:** Thank you, Senator Clements. Senator Blood, so let me be clear on this. So if they made an application to replace their furnace, they have to replace it with electric?

**BLOOD:** I'm not sure on that. That's why I'm saying you should wait for the details. I know that electric was one of the options when we put together our presentation for today.

**ERDMAN:** Because, because we've done that in our home and it's almost twice as expensive as gas.

**BLOOD:** And I-- we have electric in ours and ours is cheaper than our neighbor's who has gas. I think it just depends on the homeowner and the type of equipment that you have. And I'm not going to argue that you may very well pay more. And I'm not here to be a proponent of one thing or the other. I'm here to be a proponent of the fact that we have funds available to help people who may be struggling and we can help them have better energy efficiency through this bill.

**ERDMAN:** So how many funds-- what's, what's the total we're looking at possibly getting?

**BLOOD:** I think I said \$19 million that-- that's the actual amount.

**ARMENDARIZ:** Did you have a handout of your?

**BLOOD:** I gave several handouts.

**ARMENDARIZ:** Yeah, I know. You were reading a lot of numbers off of there.

**BLOOD:** Oh, yeah. I don't--

**ARMENDARIZ:** --but I [INAUDIBLE]

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**BLOOD:** I don't usually hand out my presentation because what I find is the senators are usually staring at the presentation instead of listening to that presentation. So it's always been my personal choice to not hand it out, but I'd be happy to make you copies of this.

**CLEMENTS:** Are there other questions? I had a question. What state agency would need to declare an intent to receive this?

**BLOOD:** NDEE.

**CLEMENTS:** NDEE.

**BLOOD:** Because they're the ones that would handle the program.

**CLEMENTS:** OK. I just missed that. Senator Dorn.

**DORN:** I was-- I was going to wait maybe. Thank you, Senator Clements. But if-- so, in other words, the ag part of this I'm familiar with this because--

**BLOOD:** Right.

**DORN:** --that's already in the FSA offices or whatever you apply for that. But the energy, the climate pollution reduction grants, is that such that we had the ARPA fund, not the ARPA funding. We had some funding a year ago that if we didn't personally, if the state did not apply for it, we did not get it.

**BLOOD:** Right. We have to apply--

**DORN:** Is that the case here?

**BLOOD:** No, that is the case.

**DORN:** That's the case here.

**BLOOD:** If we don't apply for it, we don't get it.

**DORN:** I know the ag part it's not that way because that's already in the, the county offices that you could apply for these.

**BLOOD:** But the rest of it, you have to apply for it.

**DORN:** But the energy part, you do have to apply.

**BLOOD:** Right.

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**DORN:** Thank you.

**BLOOD:** And Senator Armandariz, \$91 million. I transposed my numbers.

**ARMENDARIZ:** \$91 million--

**BLOOD:** \$91 million--

**ARMENDARIZ:** --federal funds--

**BLOOD:** --is available to the state of Nebraska and that's an approximate.

**CLEMENTS:** Seeing no other questions, thank you.

**BLOOD:** Thank you.

**CLEMENTS:** We welcome-- we'll now welcome proponents for LB560. Welcome.

**DAVID CORBIN:** My name is David Corbin, D-a-v-i-d C-o-r-b-i-n, 1002 North 49th Street, Omaha. I'm a professor emeritus of public health from UNO and I also taught energy policy at Creighton University. I'm currently on a advisory board for the American Public Health Association Center for Climate, Health and Equity. When I was president of the Public Health Association of Nebraska, I was able to work with the Legislature at that time because the Master Tobacco Settlement had millions and millions of dollars. At the time, Nebraska was not involved in that lawsuit. Fortunately, after much convincing, we-- Nebraska did sign on to that. And as many of you know, that's about \$40 million a year that we could have missed out on. I don't want us to miss out on this money just like I didn't want us to miss out on that money. And unlike many other states, the Tobacco Settlement dollars we spent wisely because prior to that time, not everybody in Nebraska had a health department that served them. And because of the settlement money, we now have that in Nebraska. So-- and that's been, you know, like I said, about \$40 million a year. So LB560 would ensure Nebraska would not miss out on the IRA money and that states like ours actually would fare better than others. The American Clean Power Association pointed out that red states would receive about \$4,200 a year-- or \$4,200 per capita, and that's almost double what, what blue states would receive. The IRA funds would help improve public health by decreasing air and water pollution. And according to the Nebraska Asthma Coalition, Nebraska, although has a lower asthma rate than other states in general, we have one of the highest death rates from asthma. And the pollution that could be

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reduced because of the IRA would help the public's health. This is one of the-- this is one of the biggest bills that the state can benefit from in many ways. And you'll hear about agriculture, you'll hear about energy efficiency and all of those things. I'm here to talk about the public health benefits. So right away, as you heard earlier, by March 31, Nebraska needs to apply for the planning money and they need to submit a letter of intent. Now, remember that this has to go through the NDE most likely for this first one. And the Legislature last year approved money for a climate plan study for the state. So you already put money in this. This is much more money, that \$3 million. And if you don't put in for that, you're not eligible for the next round. So it's like turning down millions and millions of dollars. And of course, at the same time as we implement this, we're protecting the health of the citizens of Nebraska. Thank you.

**CLEMENTS:** Are there questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you, Senator. Thank you for being here and testifying. You mentioned red states get more than blue states. Why is that?

**DAVID CORBIN:** I think it's because of the fact that some of them have not had in their plans what some other states have. And so this, this tries to even the-- level the field of what some people perceive to be getting more from one part of the state than other red versus blue. And this would kind of level that playing field to make it even.

**ARMENDARIZ:** Would it be appropriate to say that you're saying blue states have adopted some more of the technology than red states have and we're trying to even that out?

**DAVID CORBIN:** Well, certainly, you know, when it comes to public health things, like I said, Nebraska, we didn't put much tax dollars into public health until we got that Tobacco Settlement. So it's a kind of similar thing. We were behind and now we've caught up and we've actually surpassed many other states because of the use of those funds.

**ARMENDARIZ:** OK. Thank you.

**CLEMENTS:** Other questions from the committee? Seeing none, thank you for your testimony.

**DAVID CORBIN:** Thank you.

**CLEMENTS:** Are there additional proponents for LB560?

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**AL DAVIS:** Good afternoon, Senator Clements, members of the Appropriations Committee. It's my first time testifying before all of you.

**CLEMENTS:** Welcome.

**AL DAVIS:** My name is Al Davis, A-l D-a-v-i-s. I am the registered lobbyist for the Nebraska Chapter of the Sierra Club. I'm also here today representing the Nebraska Farmers Union as a board member of that organization. The Inflation Reduction Act was enacted into law August of 2022. The bill is an all-encompassing piece of legislation with a great deal of money provided through grants to the states, tribal, and local governments. The Inflation Reduction Act seeks to transform the American energy structure by making investments in transmission, solar and wind energy, battery and storage systems, as well as significant investments in energy conservation through weatherization, tax credits to replace inefficient older furnaces and hot water heaters, etcetera. It is important that Nebraska step to the head of the line and focus our efforts on bringing these federal dollars to our state rather than see them go to other states which are not as well positioned to use these dollars as we are. Although the bill was promoted by Democrats in Washington, it is Republican-controlled states which have the most to gain by being proactive in seeking these funds. Markets Insider states that traditionally red states will gain \$4,221 per capita from the IRA, while blue states will gain only \$2,427 per capita. The funds are out there and available, but this body must do everything it can to bring these dollars to Nebraska. Nebraska is uniquely situated to generate investments in our state on top of the billions already invested here by the renewable energy industry. We rank near the top in wind energy potential and the top third in solar generation capability due to our clear skies and elevations in western Nebraska. These investments in Nebraska have already generated billions in invested dollars to the state, millions in income to affected landowners, and millions in property tax relief. The industry also offers good paying jobs to Nebraskans in parts of the state where job generation needs to be spurred. And as the nation transitions to electric vehicles, the IRA provides subsidies for the purchase of electric zero-emission trucks and buses for cities. Funds are available for significant investment in charging stations, which are essential if the nation hopes to transition away from fossil fuel vehicles. The IRA also includes funds to address water supplies in villages or cities experiencing droughts who are concerned about the quality of their water. All across Nebraska, community solar may be added in almost every village or city, adding resilience to the grid while reducing the cost of energy

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for homeowners and businesses. These bills contain tight deadlines. The state can apply for a \$3 million grant to develop a climate action plan, but that grant must be submitted by March 31. And you already heard about that. There appear to be multiple opportunities for local governments to access funds to modernize, but they will need leadership from the state working through these channels. Senator Blood's LB560 asks the state to be a proactive participant in securing IRA funds for Nebraska, its local governments, its tribal governments, and its residents. This investment in Nebraska will pay dividends for decades into the future, and it is essential that we take this step today. Thank you and I'll take any questions you might have.

**CLEMENTS:** Any questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you, Senator. Thanks for being here today.

**AL DAVIS:** Thank you.

**ARMENDARIZ:** And you sound like you probably know all these questions I'm going to ask you. And I'm sorry, I don't know the federal grant program, so I'm going to ask questions about what it entails. So our public power, is that not fueled mostly by natural gas, some nuclear, and a little bit of coal here in Nebraska?

**AL DAVIS:** Yes. I don't know the percentages, largely coal and nuclear and then some renewables.

**ARMENDARIZ:** So my brother-in-law worked for OPPD and he said almost all of OPPD is natural gas as opposed to coal now so.

**AL DAVIS:** I think that's true because they--

**UNIDENTIFIED ATTENDEE:** No.

**ARMENDARIZ:** He worked at the nuclear plant before it was closed down. So is this grant to support more wind energy? Can homeowners buy solar panels with it or?

**AL DAVIS:** So I don't have all the fine details of the IRA, but yes, there are subsidies available for the installation of solar panels. I think I read somewhere they thought it might be about \$7,000 per resident.

**CLEMENTS:** [INAUDIBLE]

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**AL DAVIS:** You heard me talk about the money and you had a question earlier about that. And I think one of the reasons that red states do better, for one thing, we've got Florida and Texas, which have a lot of population. California has taken a lot of steps to deal with solar and try to control fossil fuels. So those are the two big states have not done as much so they're kind of in the loop. And the red states actually just have just more potential to generate the kind of wind, solar that's necessary.

**ARMENDARIZ:** So is natural gas as clean as you would like it to be, I don't know, as an energy source?

**AL DAVIS:** So natural gas is largely methane.

**ARMENDARIZ:** Is what?

**AL DAVIS:** Methane, methane gas.

**ARMENDARIZ:** OK.

**AL DAVIS:** So it's, it's, it's not a-- it's not viewed as a very clean fuel. It's better than coal because it doesn't have the emission issues that coal has. But it's not viewed as, as good as, you know, solar or wind. Total renewables.

**ARMENDARIZ:** So then I'm a senator in Omaha, so how would OPPD generate power if they mostly used natural gas?

**AL DAVIS:** Well, I think there are going to have to be other alternatives. As time goes by, we're going to see more battery, battery supplements come in. I've read a lot about different ideas about essentially making a solar battery, a massive solar battery, which you manufactured by sort of focusing the solar rays onto a body of sand, really heating it up so that becomes the storage. But there are a number of different technologies in the works.

**ARMENDARIZ:** And that's preferable to the natural gas generation.

**AL DAVIS:** Well, it depends on how you feel about, you know, climate change. If you feel that climate change is an issue which the Sierra Club does, then we think we need to make the sacrifices necessary to get there so that we don't burn the planet up.

**ARMENDARIZ:** OK. Thanks.

**AL DAVIS:** Thank you.

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**CLEMENTS:** Are there other questions from the committee? Seeing none, thank you for your testimony, Mr. Davis.

**AL DAVIS:** Thank you, Senator.

**CLEMENTS:** Additional proponents for LB560. Welcome.

**TERRY LANGAN:** Thank you. My name is Terry Langan, T-e-r-r-y L-a-n-g-a-n. I'm an engineer and consultant who worked in many of the power facilities here in the state. It is true that OPPD used to generate a majority of its power from natural gas. They have made commitments to become fully renewable as well as LES and NPPD, 2030, 2040, 2050, the state of Nebraska has, our public power sectors have already made those commitments. I'd like to thank Senator Blood for introducing this, this opportunity for us as a state to reach out and get these funds. In addition to the lower energy costs for homeowners, some rebates, and it's on a sliding scale depends on income. So 50 to almost 100 percent of the cost of new appliances in your home, electric appliances in your home can be refurbished back to you through a rebate or a tax credit program, 30 percent tax-- 30 percent for renewable energy installations on private homes, solar and wind turbines. But what really interests me is the opportunity for good paying jobs, our rural sector. In 2021, we had 18,800 Nebraskans that worked in clean energy jobs. The IRA will expand these opportunities with an estimate of \$24.5 billion of investment by 2030, the end of the term of the bill. These credits include bonuses for prevailing wage businesses so Nebraska workers can earn a good paycheck. As far as our manufacturing sector, these are in addition to the two components. This is-- and in the handout you can see the numbers on some of the other programs in the bill. The two that have the deadline through the N-- the NDEE of Nebraska that the senator's bill are for residential applications. But all these other monies are also available to us here in the state. For manufacturing, we have 99,000 Nebraskans working in manufacturing. The Advanced Industrial Facilities Deployment Program, which is intended to lead the world in production of clean steel, aluminum and cement. The IRA will help us make technology of the future here-- here in the United States, strengthening our supply chains and local economies while lessening our reliance on China, American made clean technology. For our small businesses here in the state, over 180,000, 99 percent of our businesses in Nebraska are considered small businesses. There are commercial-- for commercial building owners, it makes them eligible for up to \$5 a square foot to support efficiency improvements for their buildings. Tax credits cover 30 percent of solar installations also for buying clean trucks, vans and transportation for their

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fleets. For our rural sector, these-- some of the programs here in this handout, the conservation based ag programs, which will reward our 45,000 farmers for their stewardship through EQIP, RCPP, CSP will provide our farmers a consistent source of funding over the next ten years, no matter commodity prices. And that's money straight into these rural communities. And it elevates the price of CRP land in some areas, smart timber management. If you have timber on your property, you can get paid for preventing buildup of, of what people do anyway, picking up your, your logs, you know, collecting your firewood, you can actually receive federal incentives. For our rural fire departments, there's direct money available to fund it. Some of our communities that are hurting from restricted tax base from people moving away, there's direct money to help fund our firefighters to help fight some of the fires we saw last year and the year before out west. So if Nebraska were to maximize the potential of all of the IRA funding available to it, Nebraska homes could realize up to \$1,800 a year in just energy savings on their bills, \$11,000 in incentives per household, an additional \$6,300 in tax credits. By the end of the IRA, Nebraska could realize up to \$6 billion of investment in just the electrification portion, generating 10,000 new jobs and over 35,000 direct new jobs in the state. And I have been in conversations in this body, the city council, the Governor's, the-- at the university, all concerning how do we retain talent in this state, how do we keep people in this state? And I think this is an excellent opportunity for our state to create these programs, create the jobs that will keep people here and also for a livable world, cleaner air, cleaner water for our future generations. So I encourage you to pass this along.

**CLEMENTS:** Are there questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you, Senator. Thanks for being here. And I know you introduced yourself addressing the renewable energy initiative that OPPD and LES have. And I did hear about it, so I didn't read it myself so correct me if I'm wrong. I'm open to being corrected. My understanding was that program would cost \$8 billion.

**TERRY LANGAN:** Just for OPPD?

**ARMENDARIZ:** Yes.

**TERRY LANGAN:** Their conversion?

**ARMENDARIZ:** Yeah. And then how would-- how would you suppose that that would get paid for? Would they not increase rates to help pay for that?

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**TERRY LANGAN:** That is the method. That's the business model of public--

**ARMENDARIZ:** Right, right.

**TERRY LANGAN:** --whatever they incur, they pass on to their ratepayers.

**ARMENDARIZ:** So then I'm wondering are we really saving--

**TERRY LANGAN:** Well--

**ARMENDARIZ:** --money transferring over to an \$8 billion project that's going to be put on then the ratepayers--

**TERRY LANGAN:** Sure.

**ARMENDARIZ:** --per kilowatt hour will go up, no doubt. And we have some of the lowest in the country.

**TERRY LANGAN:** Right.

**ARMENDARIZ:** Right?

**TERRY LANGAN:** Yes, we do.

**ARMENDARIZ:** And that's what we love about Nebraska and actually brings a lot of economic development, by the way. Right? All these large data centers know that.

**TERRY LANGAN:** Sure.

**ARMENDARIZ:** So that's not a mistake that they come here. And I had a daughter living in Hawaii, completely different scenario. And she couldn't run an air conditioner in Hawaii. It was so expensive.

**TERRY LANGAN:** Yeah.

**ARMENDARIZ:** So it is a big draw to Nebraska to have those low rates. So I am really kind of concerned if we're even with even the moderate rates across this country compared to what we are now. Are we driving those businesses away that do like to come here for our low energy rates? And, and energy is really important to business these days. So it's a really big concern of mine if we're, we're cranking those rates up--

**TERRY LANGAN:** Sure.

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**ARMENDARIZ:** --per kilowatt hour might drive businesses to any other state that would be comparable.

**TERRY LANGAN:** That, that is a concern. And when I worked at Facebook, that was part of their commitment to move to Nebraska was Nebraska's commitment towards renewable energy. The price of renewable energy is now lower than the price of fossil fuels. If it weren't for subsidies, we would not use coal at all. So over time, when you build a solar farm or put solar on the roofs of your houses after your cost of installation, you have no further input. So you're not paying to transport gas or to mine or any of those externalities that usually get passed on to us, unfortunately. So that has been the commitment. That is why OPPD, NPPD, and LES moved in that direction and committed to that movement. It's not just for the environmental benefit, the health benefits, but also financially. Because once those systems are in place, you no longer-- there are upkeep and maintenance jobs available in those areas, but it's quantitatively different than the way that we are currently sourcing our energy here in the state so we end up saving money. So kilowatt hour prices go down for consumers.

**ARMENDARIZ:** So you're saying OPPD would reduce their revenues once they move to this?

**TERRY LANGAN:** Their revenues?

**ARMENDARIZ:** Correct. They would charge people less.

**TERRY LANGAN:** That is-- that is my understanding, yes, for \$8 billion. So, for instance, Cooper nuclear station when I worked down there or Blair, to build a new nuke plant, you're looking at getting in there \$5 billion. The one down in Georgia was estimated to be 10, and now it's up to 33 and it's still not online, \$33 billion to build one nuclear facility, you know. We can do it better, we can do it smarter and more efficient and make our state more resilient. And overall--

**ARMENDARIZ:** I'm all for it if our rates are going down.

**TERRY LANGAN:** Right. So, yes, and natural gas is not a clean fuel. It's, it's-- that's nothing natural about it. It's methane gas pulled from the ground that you burn. When you burn it, you get nitric oxide, carbon monoxide, poisonous. And the reason, I mean, we use it because we've always used it; but it is dangerous, you know. And if you have electric appliances, you reduce that to the danger of carbon monoxide poisoning.

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**ARMENDARIZ:** But only if the electric is generated by wind or nuclear,--

**TERRY LANGAN:** That is a curve--

**ARMENDARIZ:** --not natural gas.

**TERRY LANGAN:** That is a curve that we will have to overcome, yes.

**ARMENDARIZ:** [INAUDIBLE]

**TERRY LANGAN:** If everybody went to electric cars right now, we would actually be using more coal than, than we are currently. So we have to-- and that is the intention of this, this legislation is to build grid scale. What the gentleman from Sierra Club is referring to in Moss Landing in California, it was an old coal plant right on the ocean. They retrofitted it to be a battery storage facility and now it's a wildlife preserve. The slough where they used to discharge into the water is known as the big bird sanctuary. But they essentially took the whole footprint of the plant, filled it up with batteries, and they use their solar and wind capability to charge those batteries during the day. And that power powers all of Monterey County up into Santa Cruz County, into the Salinas Valley, and that's been functional for over 15 years. So the technology has been available. It's the political will, and that has been lacking in some parts of the country. And this money will-- is the intention of that is to help us facilitate these operations in red states who, you know, haven't taken those initiatives.

**CLEMENTS:** Senator Erdman.

**ERDMAN:** Senator Clements, thank you. So recently, when it got cold there in California, they had that issue. They were having difficulty having enough power, and they asked people to turn their thermostats down. So how does the solar work at night? Or if we had a long extended period of cloudiness, how does that work?

**TERRY LANGAN:** There is a colleague, a gentleman who is far more intelligent than I, his name is Saul Griffith, he wrote a book called Electrify. It's very easy to follow. Essentially, you would-- you have to look at the whole country. You build your energy generat-- generating capacity about 20 percent over your total load. So when the sun goes down on the East Coast, the West Coast is providing that increased load. Because when people come home from work, they do their cooking, cleaning, their energy load goes up. It is a distribution

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issue. And what California has run into is everyone has solar. Solar is all over the place.

**ERDMAN:** We had that same distribution problem here a couple of years ago in the wintertime when they had rolling blackouts. Remember those?

**TERRY LANGAN:** Um-hum. Yeah, down in Texas.

**ERDMAN:** Germany tried this with going all solar and they had an issue and they're coming back to other fossil fuels and things that's reliable. Because what happens when you have solar and wind when they don't work, then you have to kick in the natural gas or coal, you know, so. And the other issue we have is you talk about CO2 and capturing CO2. CO2 is .04 percent of our atmosphere, .04 percent. Without CO2, you and I don't exist. Without CO2, we don't have any plants. And two years ago, we decided that we were going to capture CO2 and pump it into the ground. And it was the most obscene hearing I've ever listened to in my life. And I thought surely we won't do anything this stupid and we did it. And the vote was 48 to 1. OK? And so I happened to be the one. This capturing CO2 is a pipe dream. And when we have CO2 capture, we have no idea when we pump it in the ground, when it's full or when it escapes or anything like that. So all this solar talk and all this clean energy amounts to this. We're going to have blackouts and we're going to have to go back to coal and natural gas, something reliable. That's my opinion. I'm-- I can't see any possible way that this makes any sense if you have common sense at all. None of this stuff makes sense.

**TERRY LANGAN:** Well, I agree with you that carbon capture is-- it's just a-- a subsidy program for ethanol companies to continue their business as usual. It's unproven. It's dangerous. It takes actually more terawatts of electricity to compress carbon dioxide into a-- into a liquid and then transport it into a pipe. That if you look to Mississippi, one exploded. It's a mile-wide gas bomb like a World War II gas attack. It's unbelievable. The-- I argue-- I would answer your, your skepticism by asking you to turn to the policy wonks in our public energy sectors who do the numbers on this every day and look at their commitments and what they have committed to and how they will transition it to a zero carbon economy here in the united-- into-- in Nebraska. They will continue their nuclear generation, increase gas supply as those renewable energies are able to handle the overages in the total grid. So that's not going to happen overnight and it's going to take money and the money is available. You know, there is a lot of money available, a lot of investment available from the federal government that, in my opinion, I think Nebraska should benefit from.

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**CLEMENTS:** Senator Dorn, you have a question?

**DORN:** Thank you, Senator Clements. I, I would disagree with your comment there that the ethanol people are only here to-- because of the carbon issue. My local ethanol plant down there, they have been carbon capturing CO2 for years. And it all started because PepsiCo and companies like that needed to make their pop. So they-- most of theirs gets used in other entities that we have here already and that we're using here. So that's not the only thing for it. And we as farmers that raise corn, and I farmed all my life, we do more to get rid of CO2 with our cropping practices than anything else. So that's part of that ethanol also. One other thing I'll disagree with you, you said that coal companies wouldn't be here today if it wouldn't be for their subsidies they can get. I will also say that electric wind, solar, without subsidies, we wouldn't be having them at the cost we're having them. Part of these programs you have, that is because of federal subsidies that we're getting. My question to you, you gave the one year for agriculture.

**TERRY LANGAN:** Yes.

**DORN:** And you gave all that money and it says \$20 million-- billion. Is that for the state of Nebraska or is that for the total amount?

**TERRY LANGAN:** This would be on this sheet?

**DORN:** Yes.

**TERRY LANGAN:** This is the total current amounts allocated.

**DORN:** From the federal government.

**TERRY LANGAN:** From the federal government--

**DORN:** Yes.

**TERRY LANGAN:** --for these programs.

**DORN:** Do you happen to know what our state amount is?

**TERRY LANGAN:** On which, which--

**DORN:** What our state might get.

**TERRY LANGAN:** For rural ag?

**DORN:** Nebraska, from these programs here?

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**TERRY LANGAN:** It has-- we have the potential of \$6 billion income.

**DORN:** Not in the state of Nebraska, you don't, not out of the \$20 billion.

**TERRY LANGAN:** Well, the investment portion over a ten-year program, so the IRA goes till 2033. And I'm a huge fan of farmers. I come from farmers too. We grew corn, beans also. I didn't mean to offend you in any way.

**DORN:** Part of the problem with this program is I farm, I have young kids or my nephews and my nephews and son, they've been in to talk to these programs. We have been doing cover crops for more than 10 years, 25 to 40 percent of our farm ground. And yet this program, because we've been doing it, they won't fund us for anything. But if we never did an acre of it, they would fund you. So that's part of this program that I have an issue with. Why not help support us that have been doing this for years? We know what to do. We have improved the quality of everything. And yet this whole program is to start new. It's not to improve, help improve what we already have. So, yes. Sorry. I didn't mean to go on.

**TERRY LANGAN:** No, I can-- I couldn't agree with you more. The, the money available for farming, the no-till practices, cover crops, you can submit into these programs for reimbursement or you can't.

**DORN:** We already have. And they have told us because we are now doing it, we're not new. We have done-- since I was in high school 50 years ago, we've done no till on our farm.

**TERRY LANGAN:** Thank you.

**DORN:** And we would never go back the other way. And yet, because we're doing these programs we have been in to apply and they have told us, no, you're already doing them. We're not going to-- you're not eligible for the grant. It's just new.

**TERRY LANGAN:** You're ahead of the curve, sir.

**DORN:** Well, I know we're ahead of the curve, but--

**TERRY LANGAN:** Appreciate it.

**DORN:** --and I agree 100 percent they need to get more involved in it. That's not the issue. But because we're doing it, they say, no, thank you for doing it, and then they don't help you either. So--

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**TERRY LANGAN:** I'm sure you--

**DORN:** --I apologize for going off.

**TERRY LANGAN:** No, no. I'm sure you see a lot of your neighbors that do not do what you do. And--

**DOVER:** A lot of them probably do do it.

**DORN:** What?

**DOVER:** I'm guessing a lot of your neighbors do do it.

**DORN:** Most of my neighbors in Gage County, Nebraska, over 90 percent of them do it.

**ERDMAN:** [INAUDIBLE] started it.

**TERRY LANGAN:** Yeah.

**DORN:** Sorry. Thank you. I'm done.

**CLEMENTS:** And Senator Dorn, the Fiscal Analyst told me that \$91.3 million was quoted; \$45.8 million would be whole home rebates, is that what that-- yeah, and \$45.5 million high efficiency appliances.

**DORN:** That's the energy part of it. Yes, I was talking about the agriculture part of it. Yeah, sorry. Yeah.

**CLEMENTS:** OK.

**DORN:** No, I agree with the energy part of it, yeah.

**CLINT VERNER:** I do have a spreadsheet; I can give that to you.

**DORN:** Yeah, but on here it says that \$20 billion is available for agriculture. Well, not \$20 billion in Nebraska.

**TERRY LANGAN:** Right. OK, I see where you're--

**DORN:** Right.

**TERRY LANGAN:** This is the total for the country, yes, sir.

**DORN:** That's the total for the country.

**TERRY LANGAN:** Yeah.

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**DORN:** And these we don't have to ask for because these are already coming to the-- our fed-- our federal offices in each county. These monies are already there.

**TERRY LANGAN:** Um-hum.

**DORN:** Yes.

**TERRY LANGAN:** Yes. Senator Blood's--

**DORN:** Yeah.

**TERRY LANGAN:** --her amendment is--

**DORN:** Is more energy part.

**TERRY LANGAN:** Yes.

**DORN:** But she handed this out also for similar type of this she handed out. And that's why I thought it was for both of them. Yeah.

**TERRY LANGAN:** It's a encompassing--

**DORN:** Yeah.

**TERRY LANGAN:** --giant piece of legislation for sure.

**CLEMENTS:** We'll have the Fiscal Office provide a spreadsheet for the committee. Thank you for your testimony.

**TERRY LANGAN:** Thank you.

**CLEMENTS:** Are there other proponents for LB560? Yeah. Welcome.

**KENNETH WINSTON:** Thank you, Chairman Clements. My name is Kenneth Winston, K-e-n-n-e-t-h W-i-n-s-t-o-n. I'm appearing on behalf of the Nebraska Interfaith Power and Light. Nebraska Interfaith Power and Light supports LB560. Many faith traditions support care for the Earth and caring for people, particularly the poorest and most vulnerable among us. LB560 represents both elements by directing the state to seek funding for programs that help people reduce their energy usage, which will in turn reduce their energy bills and their greenhouse gas footprint. There's funding available for all income levels, but we particularly appreciate the fact that there's funding available for low-income households who often have the greatest need and the least ability to address the challenges they face. Numerous studies have found that low-income people spend a significantly greater amount of

their household income on energy costs than people with higher incomes. And the reasons for that are more obvious. Low-income people often live in homes which are poorly insulated and have leaky windows and other things that allow air to come in out of their home. Because of their income challenges, they struggle, struggle to pay the high energy bills they face. High energy bills impact their ability to pay other bills. The energy burden of Black, Latin, and other minority households is typically higher than other households. In addition, many rural households struggle with high energy costs. LB560 seeks to address this ongoing challenge. These funds can also expand the reach of the weatherization programs in programs like Community Action and Habitat for Humanity do. These, these weatherization programs typically have a waiting list for people seeking assistance. While these funds can be used for home-- are to be used for home energy improvements, they will also lead to economic benefits in the form of jobs for contractors and laborers and spin-off benefits in the form of additional money for the local economy. Additional money in the local economy will also generate tax revenues for both the state and local communities. These electric bills can also benefit our public power districts by reducing the number of people who are unable to pay their bills. LB560 is relatively straightforward. It just directs the state to seek funding that it's entitled to receive, and this funding is intended to benefit the people of the state. It's also important to note, note that the state can use up to 10 percent of these funds to pay for administration, which could include contracting with the private entity to educate the public about these programs and carrying them out. We would encourage the committee to advance LB560 so it can be adopted by the entire Legislature. And if I may, I'd like to respond to a couple of things that have been--

**CLEMENTS:** You still have some time.

**KENNETH WINSTON:** OK. Thank you. There are some questions about the renewable energy portfolio of some of our, our public power districts. I've spent a lot of time working with our public power districts. The Lincoln Electric System's current renewable portfolio is around 45 to 48 percent on a regular basis, and they also have very low rates. LES actually has the lowest rates of the, the major utilities in the state. And, and, and I know that reliability is a concern. But as Mr. Langan indicated, they've got people on staff who are very dedicated to reliability, and the Federal Energy Regulatory Commission, or FERC, requires them to maintain a certain level of reliability. So they're very concerned about that. So our, our electric-- they will make sure that our-- that we keep our lights on. Also OPPD is-- currently they range from about 30 to 35 percent renewable energy at the present

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time, and they've retired three units of their coal plant in north Omaha and they also retired Fort Calhoun nuclear plant. But they've invested a lot in wind energy in particular. They have over a thousand megawatts of wind energy. And I agree that the funds available at low rates are very important, not only for-- they're important for business, but they're also important for, for people all throughout society, I mean, low-income people in particular. We need to make sure that we keep our rates low. And I guess one other thing I wanted to mention, two other things about LES. They have one of the highest reliability records in the country. The average rely-- time for an outage in the country is about, about 2 hours, 120 minutes. LES, their average outage is 17 minutes. So, so you can do-- and they also have the lowest rates of the major utilities in the state of Nebraska. So you can have low rates, you can have reliability and you can have renewable energy. They can all work together. And, and they've got good people. All our utilities have good people working for them, people who were experts in this area. And I think they're-- I think they're doing an excellent job and I'm not being paid by them. So, so it's just that I spent a lot of time attending the meetings and working with people in-- with those organizations, and I have a great deal of respect for them. So I just wanted to address this.

**CLEMENTS:** That's time, sir. Is there questions? Senator Dover.

**DOVER:** Just briefly, so you said that renewable for LES is 45 percent?

**KENNETH WINSTON:** That's correct. Between 45 and 50 percent on a regular basis.

**DOVER:** What kind of capacity do they have in reserve then?

**KENNETH WINSTON:** I'm not sure what you're--

**DOVER:** I apologize if I don't know the terminology. So basically if 45 percent is being generated by renewable sources, that means that it's a continual thing, right? Electricity always has to kind of be there and it's always on or off.

**KENNETH WINSTON:** Exactly. Exactly.

**DOVER:** And so say 65 percent of it is being coal or whatever it may be as far as other energy is nonrenewable, then let's just say that 45 percent goes away. What capacity do they have in reserve to make up for those renewables, that 45 percent of whatever renewable energy?

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**KENNETH WINSTON:** Yeah they, they, they have-- they, they make sure they have that capacity so they, they're always covered. But part of what they make sure that they're covered is, as Mr. Langan implied, it's by being connected to the grid--

**DOVER:** Right.

**KENNETH WINSTON:** --so that, that there's other electricity that they can obtain from other--

**DOVER:** Oh, so they purchase from other, other sources then.

**KENNETH WINSTON:** Sure.

**DOVER:** OK. That's--

**KENNETH WINSTON:** Yeah.

**DOVER:** That makes--

**KENNETH WINSTON:** But--

**DOVER:** --sense to me now.

**KENNETH WINSTON:** But they do also have-- they've got contracts with coal plants in, in Nebraska and Iowa and Wyoming as well.

**DOVER:** That exp-- that filled in the missing piece.

**CLEMENTS:** Other questions from the committee?

**KENNETH WINSTON:** And one other, I'm sorry, if I can just expand on my answer. They also have wind generation in three different states, in Kansas, Oklahoma and Nebraska, so that if the wind's not blowing in Nebraska, it might be blowing in Oklahoma or Kansas.

**DOVER:** Thank you.

**KENNETH WINSTON:** So, so thank you.

**CLEMENTS:** All right. Thank you, sir. We'll go on to our next proponent for--

**KENNETH WINSTON:** Thank you for the opportunity--

**CLEMENTS:** --LB560.

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**KENNETH WINSTON:** --to speak to you.

**CLEMENTS:** Welcome.

**DAVID HOLTZCLAW:** Thank you, Senator. My name is David Holtzclaw, D-a-v-i-d H-o-l-t-z-c-l-a-w, 5005 Chicago Street, Omaha, Nebraska. Before I start, I will say at the end, I might be the best person to answer some of your technical questions regarding this bill. Today, I'm testifying in support of LB560. The Inflation and Reduction Act is one of the largest domestic job creation bills in over 75 years. Like many U.S. federal policy initiative, it uses the U.S. Tax Code as a primary vehicle for industrial change. It is an all carrots, no sticks approach. And by that I mean the bill has little to no requirements for utilities, municipalities, or states, but just incentives. Princeton University and the Energy Innovation band-- Innovation Lab predicts the IRA will create between one and one and a half million jobs in the U.S. by the end of 2030. And it is vital for Nebraska to be active, engaged with the federal government to ensure Nebraska gets its fair share of the IRA pie. As previously mentioned, there are two programs: the High Efficiency Electric Home Rebate program and the High Energy Home Rebate program that requires the state Energy Office to apply. These applications must be submitted by the end of 2025. And the Letter of Intent must be submitted by the end of this month. Currently, Nebraska has allocated \$91 million in both program-- total both programs through 2031. At least half these funds are targeted to low- to moderate-income recipients, specific allocations to rural population. So let me repeat that: specific allocations to LMI, rural, and tribal populations. Bloomberg reported on February 6 of this year that the IRA has already created over 100,000 new jobs. Climate power identified 90 new clean energy projects in 31 states, totaling approximately \$90 billion. The seven states that have gotten the most investment to date: Arizona, Georgia, Michigan, Ohio, South Carolina, Tennessee, and Texas. Arizona, Georgia, Michigan, Ohio, South Carolina, Tennessee, and Texas. Why are these seven states getting so much productivity? Not 100 percent sure, but I can tell you of the 11 webinars, request for information, and public inputs by federal agencies that I have attended, they were all there with multiple employees speaking on their behalf. Of those 11 webinars, request for public information and RFIs that I attended, I was the only person from Nebraska. Our firm is currently-- our engineering firm is currently receiving three to five inquiries about the IRA per week. We have advised 11 developers, 4 nonprofits, 6 home builders, 1 utility, and countless citizens on how they can best take advantage of the IRA. I have emailed NDEE and sent phone calls over half a dozen times requesting very simple questions like are you going to apply for the

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HOMES and HEEHRA programs? Who's the point person for the IRA at NDEE? Will these programs be managed in-house or will you hire a third-party contractor to manage them? The White House has required the identification of a point person or state czar for the Infrastructure Investment Jobs Act programs. Who is that person for Nebraska? Who's going to be that person for Nebraska for the IRA? These states have already made these appointments. In January, city-- the state of Ohio public put out a call for jobs advertising six new positions in their energy office for people to manage their IRA program. Several states have done this. If Nebraska wants its fair share of the pie for the next ten years, then they need to be more actively engaged with the 11 different federal agencies that have this funding. This is necessary for us to get our fair share of the federal tax dollars. With that, I'll take any questions.

**CLEMENTS:** Are there questions from the committee? Senator Armendariz.

**ARMENDARIZ:** Thank you, Senator. Thank you. Can you tell us what firm? You said you had your firm, what's it calls?

**DAVID HOLTZCLAW:** Trans-- Transaction Technologies. We're a mechanical engineering firm and you do a lot of efficiency, high performance, residential, commercial, industrial buildings. We do a lot of consulting regarding the energy sector, how to lower your energy consumptions, net zero, those type of things.

**ARMENDARIZ:** So, again, I don't know about this bill, this act, this-- these funds, so. It's titled the Inflation Reduction Act. How, how does this reduce inflation?

**DAVID HOLTZCLAW:** So what it does, well, in direct parts is it reduces inflation, but it lowers people's energy burden. So depending on your income levels, your energy burden can, can vary from 3 percent to 22 percent. So at the end of this ten years, energy will be cheaper across the country.

**ARMENDARIZ:** Will it go up--

**DAVID HOLTZCLAW:** No.

**ARMENDARIZ:** --during the interim?

**DAVID HOLTZCLAW:** No.

**ARMENDARIZ:** It'll stay the same, then go down.

**DAVID HOLTZCLAW:** Correct.

**ARMENDARIZ:** For, for Nebraskans across the board.

**DAVID HOLTZCLAW:** Yes.

**ARMENDARIZ:** If we get this money.

**DAVID HOLTZCLAW:** Yes.

**ARMENDARIZ:** So I guess my only concern and I'm not an economist, but my understanding is so these are federal funds being injected into our economy. And I hear over and over all the jobs created, right, the installers of the appliances and HVAC systems. But my understanding is that's why we are in such high inflation now because of government injection of funds into our economy.

**DAVID HOLTZCLAW:** That is a-- I don't know if there's any one right answer to that.

**ARMENDARIZ:** OK.

**DAVID HOLTZCLAW:** I mean, that's like an hour long seminar on federal. I don't know if you can give an answer. There is a lot of money put in the economy through the COVID period. OK. Some of that did lead to inflationary, but that also increased to a high number of jobs. So our unemployment is still low. So there's good and bad. This is a different program, not dealing with the same program that COVID, you know, response. This is spread out over ten years with funding coming in at regular intervals.

**ARMENDARIZ:** But these funds create these jobs.

**DAVID HOLTZCLAW:** These funds are to help build industries that will be self-sustaining.

**ARMENDARIZ:** So is it kind of similar to government jobs, then?

**DAVID HOLTZCLAW:** No.

**ARMENDARIZ:** So what private sector will be involved in paying these new jobs?

**DAVID HOLTZCLAW:** So a lot of these incentives are done through the Tax Code. So over 6 percent of the IRA is done through tax incentives. So somebody has to purchase something, install something, build something, and then their savings is coming from tax incentives that

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they get when they file their taxes. So these are all independent dollars that are going to provide the incentives, just as we do for low-income housing tax credits, just like we do for, for pretty much every industry in this country. Right? We-- everything's-- [INAUDIBLE] is driven through the Tax Code, which is why we have 17,000 page tax code.

**ARMENDARIZ:** Yeah. I got--

**DAVID HOLTZCLAW:** So that's what we're driving through is we're using Tax Code to incentivize private industry to do X-Y-Z.

**ARMENDARIZ:** So like when I got a new air conditioner, I was eligible for a tax rebate if it met a certain threshold of energy efficiency.

**DAVID HOLTZCLAW:** If that was the case, sure.

**ARMENDARIZ:** So it's administered the same way that the homeowner would get those rebates if they installed the appliances.

**DAVID HOLTZCLAW:** So the rebate, again, rebate goes to-- through the Tax Code through the IRA or the IRS. So if you install it in your building or your property or your rental or whatever the case may be, you being the owner would claim that tax credit when you file it for your tax-- taxes for that quarter .

**ARMENDARIZ:** So would these low-income people have to pay for all these appliances up-front?

**DAVID HOLTZCLAW:** It could be the owner. Right?

**ARMENDARIZ:** OK.

**DAVID HOLTZCLAW:** So the tenants, low income, low to moderate income tenants, those properties also qualify. So the owner who has low to moderate income tenants can make these upgrades and the owner can qualify for those tax incentives.

**ARMENDARIZ:** And then they would pay cash up-front for the appliances and wait for it to come [INAUDIBLE].

**DAVID HOLTZCLAW:** They would pay cash up-front regardless because all the money--

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**ARMENDARIZ:** Low income people with a low income home, they would have to pay for it and wait for the incentive to come back to them at the end of the year.

**DAVID HOLTZCLAW:** Correct and then they would get the incentive back. Now those are for the tax reductions. HEERA [SIC] program and the HOME program are rebate programs. Those are driven through the state Energy Office, NDEE, that will either manage it or hire a third-party contractor to manage it. And those are rebates. So after you purchase and install and you submit your paperwork to NDEE, they will cut you a check of whatever the dollar amount for that rebate is. So those are not tax incentives. Those two programs are rebate programs.

**ARMENDARIZ:** Gotcha.

**DAVID HOLTZCLAW:** But the majority, 60 percent of the IRA are tax incentive programs.

**CLEMENTS:** Other questions from the committee?

**ARMENDARIZ:** Yeah. I get it now that you have to have the money up-front.

**DAVID HOLTZCLAW:** Yes.

**ARMENDARIZ:** OK.

**CLEMENTS:** Excuse me. Are there other questions from the committee? Seeing none, thank you for your testimony. Are there additional proponents for LB560? Welcome.

**EDISON McDONALD:** Hello. My name is Edison McDonald, E-d-i-s-o-n M-c-D-o-n-a-l-d. I'm with GC Resolve and we support LB560 as an opportunity to take advantage of the federal Inflation Reduction Act, to grow Nebraska farms, update our grid, and support the tribes in Nebraska. This bill comes down to ensuring that Nebraska gets its tax dollars back. Are there issues? Yes. Should it be, as Senator Dorn mentioned earlier, that farmers who are already using good practices get those funds back? Yes, but this is the program that we have. We have an opportunity to either have those dollars come back to Nebraska or to go to another state. In particular, we are very focused on ensuring that we pursue these funds for tribes, small, mid-size energy development, and battery development. I want to start in talking about battery development and some of the pieces it brings. In our renewable energy development work, our customer base is significantly shifting. We've always worked mainly with family farms, small midsize businesses

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and tribes, but the motivations are shifting. While there have long been significant financial reliability and energy independence benefits, I always say I don't care if you believe in climate change as long as you believe in a cash flow. We are now seeing more who are concerned about the impacts of foreign affairs on our markets who want energy independence from energy they produce and control. This has particularly spiked our sales of batteries with solar systems here in the state of Nebraska. Included in the IRA, the federal investment tax credit will help most homeowners ensure that they can decrease the cost of a battery by an additional \$3,000 to \$4,000, while standalone storage has previously not been eligible for this credit but it will be as of 2023 thanks to the Inflation Reduction Act. This will help to get over the hump but not completely cover the full cost of those battery projects. As to the concerns mentioned earlier about reliability, I just want to say, you know, I think people always question how reliable is solar? When the blackouts came, none of our clients lost energy at any point. Second piece I really wanted to dig into is tribes. We've developed projects for the tribes and we know that they have significant interests in these funds. I think we are all still trying to figure out how, where, why, to figure out how we can work the mechanisms of the IRA. But we want to make sure we can bring back the maximum in investment to Nebraska as possible. The bill ensures that we can bring those funds back and help to support Nebraskans. In particular for tribal members, two programs that would be very beneficial to qualified low-income economic benefit project, a facility could be treated as part of a qualified low-income economic benefit if at least 50 percent of the financial benefits of the electricity produced by such facility are provided to households with an income of less than 200 percent of the poverty line or less than 80 percent of an area median gross income. The second program is the Tribal Electrification Program. In addition to amounts otherwise available, there is appropriated to the director of the BIA for fiscal year 2022 out of any money in the Treasury not already appropriated, \$145.5 million to remain available until September 30 of 2031 for the provision of electricity to unelectrified tribal homes through zero emission energy systems, transitioning electrified tribal homes to zero emissions energy systems and associated home repairs and retrofitting necessary to install the zero emission energy systems authorized under the program. I hope that you will move this bill forward so that we can bring back that investment to Nebraska farms, update our grid, and help to support the tribes in Nebraska. With that, I'll close. Any questions?

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**CLEMENTS:** Any questions from the committee? Could you remind me who you're representing because--

**EDISON McDONALD:** GC Resolve.

**CLEMENTS:** T-C?

**EDISON McDONALD:** G.

**CLEMENTS:** G.

**EDISON McDONALD:** Yeah.

**CLEMENTS:** GC.

**EDISON McDONALD:** We, we work with farmers, tribes, businesses to help really kind of grow and develop Nebraska.

**CLEMENTS:** OK. Thank you for your testimony. Are there other proponents for LB560? Welcome.

**ERIC MOYER:** Good afternoon. Hi. My name is Eric Moyer. That's E-r-i-c M-o-y-e-r, resident of Lincoln, Nebraska, actually reside in Ms. Wishart's district I'm happy to say. I grew up in, in, in Robert Dover's district up in Madison County. I've been in Nebraska the majority of my life. I'm a huge proponent for this bill. I can't say it enough. It's hugely beneficial. My day job, what I do for a living, how I earn a paycheck, is I install solar power systems. I did this previously for the last six years for my own company and now I do that for another employer, the point being why I am so in favor of this bill. It's not because of the solar panels. It's not because of the batteries I install. Sure, that's fantastic and great. That's not really the focus of what I think Senator Blood has done presenting this. It's instead looking at energy optimization, energy improvements for existing homes, looking at insulation, windows, doors, HVAC improvements. These things are incredibly important. No amount of solar panels can offset the amount of power consumed by an energy-- by a home that is just consuming gratuitous amounts of energy. And some small homes in rural Nebraska end up consuming a lot more power than some of the more modern, larger homes that you might have in Lincoln and Omaha. I've seen it firsthand where a small home is 1,200 square feet is consuming \$250 to \$300 a month in energy bills, whereas an 1,800 square foot home in Lincoln is only consuming about \$110 to \$150 for electricity. So what it all comes down to is leaky windows and doors and a lack of insulation. Being able to address those issues, especially when these are homes that are owned by, for example, you

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know, income opportunity, it's-- like it's a rental, you know. For individuals in that situation is there is no benefit to the rental owner to make improvements on that home. It's not their bill, but that house is still consuming a whole lot of energy that could otherwise be going to other sources, helping to do things like charge vehicles, helping to do things like keep the lights on at a school or a factory or help reduce the cost of electricity for irrigation. So those things are really, really important. I think they should be. They're important to me. They should be important to you, and I'm sure they are. Also, as far as the work that I do, just kind of put this in perspective, when we do a solar installation, I've got four guys directly employed with me doing a solar installation on a home. OK, there's four guys right there. There's four jobs. There's an electrician and a journeyman or an apprentice that also comes to do that job. Then along with that, there also had to be an engineer that was employed to put a stamp on that project before we could even come on out. And then, of course, the utility is going to swap out the meter. All told, there's probably about 20 to 25 people that touch a project, each and every project. Those are jobs for local guys, local people here in Nebraska. Whether they're living in Crete, they're living in Lincoln or they're living out in North Platte, these are local jobs. These are local projects. And this funding is federal funding. If it supports that, you know, you're keeping more Nebraskans employed. So thank you.

**CLEMENTS:** Are there questions from the committee? Seeing none, thank you for your testimony.

**ERIC MOYER:** Thank you.

**CLEMENTS:** Are there other proponents for LB560? Welcome.

**SHIRLEY NIEMEYER:** Good morning.

**CLEMENTS:** Good afternoon.

**SHIRLEY NIEMEYER:** OK. Yeah, good afternoon. I'm Shirley Niemeyer, and it's S-h-i-r-l-e-y N-i-e-m-e-y-e-r. Honorable senators, I strongly support LB560, an essential bill. I commend Senator Blood for her foresight and insight, and I thank you. Please enter the items that I am passing around into my testimony that I have submitted. And just a comment before I start. I have read a lot of research on solar and wind as well as wave action, cellular action, all of these new things that are being researched for the future. And what we need to do is buy time now with what we have and solar and wind and their

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advancement until we get to some of these newer things and wave action. OK. The U.S. Department of Defense in 2010 states that climate change could have significant geopolitical impacts around the world, contributing to poverty, environmental degradation, and further weakening of our fragile governments. Climate change will contribute to food and water scarcity, will increase the spread of disease and may spur or exacerbate mass migration. And we're already seeing these things happen. Political and social destabilization of a crowded nuclear armed world perhaps is the greatest and least predictable risk that will occur because of rapid climate change. The second thing, there is nearly 100 percent agreement among scientists that climate change is real. The UN's Intergovernmental Panel on Climate Change says that the government-- that global warming is accelerating and will reach, and this was earlier, at least one centigrade above pre-industrial levels around 230 [SIC], a full decade before previously, is happening faster. It's going to happen faster than they previously thought. And third, from the National Oceanic and Atmospheric Administration on climate change. NOAA monitors global climate data. Global temperatures rose 1.8 degrees Fahrenheit from 1901 to 1920. Sea levels has accelerated 1.7 million-- 1.7 millimeters per year throughout most of the 20th century to 2.-- 3.2 millimeters since 1993. Glaciers are shrinking average thickness of 30 well-studied glaciers have decreased more than 60 feet since 2080 [SIC]. The area covered by sea ice in the Arctic at the end of this summer has shrunk 40 percent since 1979. The amount of carbon dioxide in the atmosphere has risen 25 percent since 1958 and 40 percent since the Industrial Revolution. And that's from NOAA. And then I'm going to make some comments about the other materials. There was a legislative resolution in 2020 that states: The state of Nebraska has contributed to climate crisis and has done little to nothing to slow the, the effects. And this is a resolution. Therefore, be it resolved the members of the One Hundred Sixth Legislature of Nebraska, that the Legislature acknowledged that we are in the midst of an anthropological climate change and ecological crisis. That the Legislature has a moral obligation to take steps to combat climate and ecological crisis. And I give to you climate change impacts, which is from the national and this is from the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, Climate Science and Climate Risk. And this is from Massachusetts Institute of Technology, MIT. This was a letter I sent earlier, and I have some other materials. I just want to say in response to one thing or a couple of things that have been mentioned, in Australia, the research has been done and they're developing batteries that store four times the amount of electricity that we have, currently have. And that is so very, so

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important. And that gives me hope that we'll be able to address this because I really worry about the children, our grandchildren, our children and the future. It's significant. And I know most of you know about climate change, but in looking at this LB, I believe we need to move forward on this so that we can at least try to approach some of these things that are happening. It's really significant. And I appreciate your time and I thank you and I hope that this bill passes.

**CLEMENTS:** Thank you, Ms. Niemeyer. Are there questions from the committee? Seeing none, thank you for your testimony. Are there other proponents for LB560? Seeing none, is there anyone here in the opposition for LB560? Is there anyone wishing to testify in the neutral capacity? Seeing none, Senator Blood, you're welcome to close.

**BLOOD:** So first of all, I want to apologize. I didn't know how many people were going to be coming today. I appreciate being bumped forward since I have to leave early today. So I just wanted to put that out and say that that was not my intent to take this long. I feel like we got a little off into the weeds today and start talking about utility plants and people's opinions on things that really have little to do with what this bill does. Here's the bottom line. We have an opportunity to utilize funds for the benefit of all Nebraskans, especially those that may be struggling. We have the opportunity with these funds to generate new jobs or to help people that have existing jobs keep their jobs. We don't have to use every aspect of the, the opportunities that are set out in the congressional bill. We can cherry-pick what we would like to do and follow those guidelines and move forward with that. So perhaps we want to emphasize only the weatherization and making sure that people have the abilities to receive rebates if they decide to be more energy efficient. We know, Senator McDonnell knows that very well, that when it comes to things like weatheriza-- weatherization here in Nebraska, there are a lot of homes that can benefit from that. And there are a lot of people that save real money by weatherizing their homes. So we can't continue to leave money on the table when we have an opportunity that costs us nothing but the ability to ask for those funds and to follow through with those funds. We have the ability to do better. We have a small window of time, however, if we're going to do this. So either it has to be Execed on and kicked out and we can pray that we can maybe hitch a ride on something or we can hope that NDEE, who I see is here, is hearing what we're talking about and will go ahead and file our, our notion of intent. And with that, I thank you for your time today. I'm sorry. I'm not an expert on the utilities and the types of utilities and our power plants. But as a state senator, I am an expert on trying

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to find funds to help move our state forward, as I know you are as well.

**ARMENDARIZ:** Absolutely.

**CLEMENTS:** Are there any questions? Senator Erdman.

**ERDMAN:** Thank you, Senator Clements. Senator Blood, this isn't your priority bill.

**BLOOD:** This is not my priority bill.

**ERDMAN:** In light of how slow things have moved on the floor, even if we would advance this tomorrow, there's probably still no chance at all it will ever get to the floor.

**BLOOD:** Well, Senator Erdman, you've known me long enough to know that I'm kind of a Pollyanna and that I have an expectation that if we don't try, we can't do.

**ERDMAN:** That is the reality is with the waste of time we don't even-- never see it. It will never make it. Not by [INAUDIBLE].

**BLOOD:** I appreciate your opinion, Senator, but again, it's my job to keep trying.

**CLEMENTS:** Other questions? Seeing none, we do have position comments for the record. On LB560, we have 72, 72 proponents, 2 opponents, 1 neutral. And--

**DOVER:** May I ask who the opponents were?

**CLEMENTS:** We'll get you a copy.

**DOVER:** Thank you.

**CLEMENTS:** That concludes the hearing on LB560.

**BLOOD:** Thank you, Senator.

[AGENCY HEARINGS]