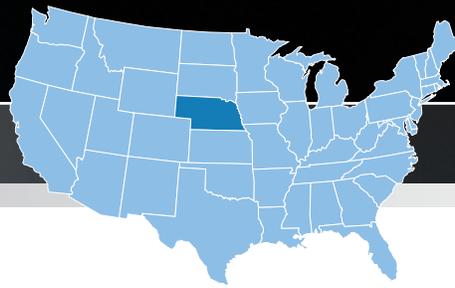


Nebraska Overview

Economic Development

Economic News from
Nebraska Public Power District

Summer 2015



Clean Energy and Economic Development Growth is Win-Win for Nebraska

On April 17, 2015, Monolith Materials, Nebraska Public Power District (NPPD), and Norris Public Power District made a big announcement pertaining to NPPD's coal-fired boiler at its Sheldon Station plant in Hallam, Nebraska.

NPPD plans to replace an existing coal-fired boiler with one that uses clean-burning hydrogen fuel. The hydrogen will be produced by Monolith Materials as a co-product from its production of carbon black using natural gas as a feedstock.

To obtain this new hydrogen fuel source in Nebraska, NPPD is working with Monolith Materials – a manufacturing company that produces hydrogen as a co-product in its production of cleanly made carbon black. When burned, the hydrogen fuel produces zero greenhouse gas emissions. Through this agreement, NPPD is expected to reduce CO₂ emissions at Sheldon Station by 1.1 million tons per year. The Sheldon Station boiler using hydrogen as a fuel will continue to be capable of generating

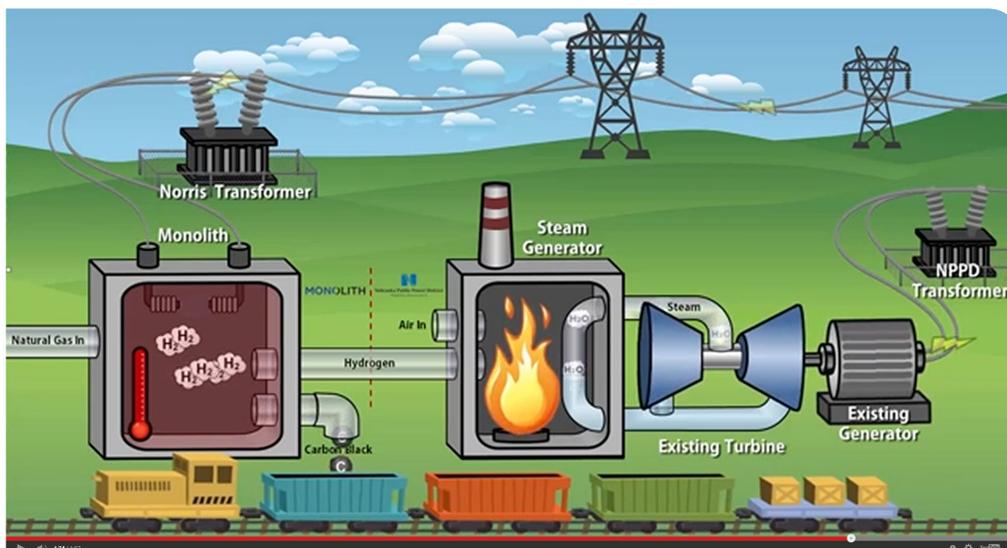
125 megawatts of electricity for NPPD's customers. The boiler conversion is also expected to result in a dramatic reduction in other types of air emissions, as well as aide in NPPD's maintaining service as a low-cost energy producer for Nebraskans. (See diagram below.)

"This is an example of the next-generation of American innovation and energy production that will also have a positive economic impact in Nebraska, and deliver clean and affordable energy to the state. This private business-led solution has the potential to support 600 new jobs and hundreds of millions of new capital investment in the state of Nebraska," said Nebraska Governor Pete Ricketts.

Monolith Materials will use a safe, patented, and environmentally friendly process to manufacture carbon black, a common material found in thousands of products Americans use every day including tires, rubber, plastics, printing inks, and batteries.

Monolith uses natural gas as feedstock in its process instead of oil or coal-tar as in the conventional process. A co-product of its manufacturing process is plentiful hydrogen, which NPPD intends to use to generate electric energy.

Monolith will build its new manufacturing facility adjacent to Sheldon Station so NPPD can easily access the hydrogen. Monolith will power this facility with electricity from Norris Public Power District, which is headquartered in Beatrice, Nebraska. Norris is a wholesale customer of Nebraska Public Power District. NPPD's low-cost electricity



Continued on next page

was cited as a factor in Monolith's decision to locate in Nebraska as the company will qualify for NPPD's Economic Development Rate. NPPD's robust resource mix and Nebraska's public power structure were also very appealing to Monolith.

Monolith was looking to build their world-scale facility in a location where people share their values, who are very hardworking, and who they can trust. Nebraska and NPPD's Sheldon Station were found to be that site. They also wanted a supportive state government and a partner that shares their passion for the environment but still wanted to grow the economy. Those partners are Nebraska Public Power District, Norris Public Power District, and the state of Nebraska.

"Americans care about the quality of their air and water, and the sustainability of their everyday household products and energy use," said Robert Hanson, Monolith's co-founder and Chief Commercial Officer. **"Together, Monolith and NPPD are helping reduce pollution, while still adding jobs and maintaining energy production. Additionally, Monolith plans to bring a cleaner process to a carbon black plant for the first time in the United States, which will help our country grow this important industry and expand America's manufacturing economy."**



Governor Pete Ricketts holds a sample of carbon black while Robert Hanson, Monolith's co-founder and Chief Commercial Officer explains.

NPPD President and CEO Pat Pope said, **"This is the first large-scale utility operation to generate electricity through the use of hydrogen and something in which NPPD takes pride in having the opportunity to lead the way."**

The companies expect to break ground on their respective operations in 2016, with an expected completion date of 2019.



American Agricultural Laboratory, Inc.

Receives Funding to Expand

American Agricultural Laboratory, Inc., specializing in soil and tissue testing for the national and international markets, is expanding in McCook, Nebraska.

The Nebraska Department of Economic Development (NEDED) approved funding for the expansion of American Agricultural Laboratory for \$297,060. The grant provided to McCook Economic Development Corporation (MEDC) from the state's Site and Building Development Fund will assist American Agricultural in the purchase and renovation of a 3,600-square-foot building in McCook. MEDC also extended a loan of \$75,000 from the City Economic Development Fund towards new equipment.

The Site and Building Development Fund is designed to create conditions favorable to improving the industrial readiness of Nebraska by providing financial assistance for industrial site and building development.

Business owners Kevin and Christine Grooms have worked with representatives of NEDED and MEDC over the past year in an effort to find a cost effective solution to their expansion needs. **"Our business has grown considerably in the past few years and we are at a point where our current facility is no longer adequate if we are to continue to meet our**

customer's needs," said Kevin Grooms. **"We really appreciate the assistance of the state and MEDC in securing the gap funding we needed to accompany our bank financing to complete the project."**

Additional funding of \$1,138,465 from American Laboratory, McCook National Bank, the U.S. Small Business Administration, and McCook's LB840 fund, will complete the \$1.4 million project.

"This is a business that has grown dramatically along with the growth of precision agriculture; they serve customers across the U. S. and internationally. The Grooms bring a high level of skill to a very technical operation, and most of the jobs created are for well-educated technicians," said Executive Director Rex Nelson of the McCook Economic Development Corporation. **"I am pleased that we could be of assistance to the expansion of their business."**

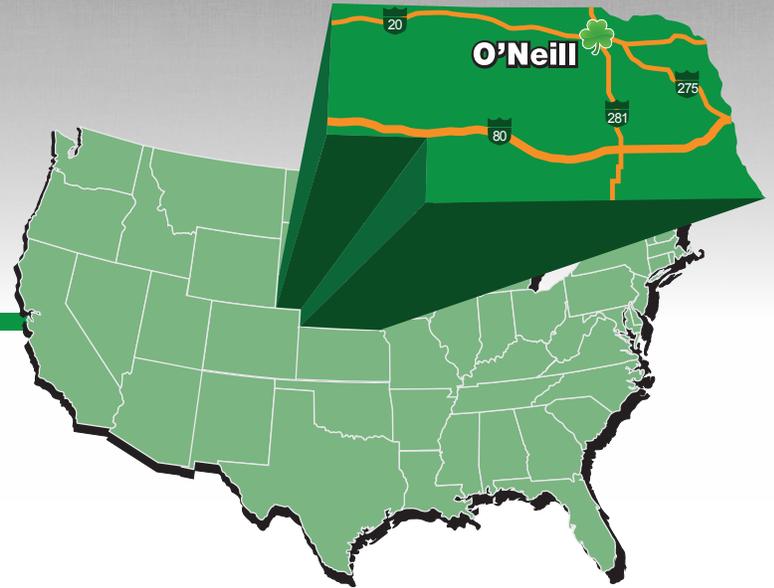
The project will create 5 full-time jobs, and retain 13 full-time and 6 part-time existing positions.

Construction is expected to begin this summer with hopes of being ready for the typical fall rush of soil testing.

The city of McCook is served electrically by Nebraska Public Power District.

O'Neill, Nebraska –

A Rural and Thriving Community



O'Neill is located in the north-central part of Nebraska in Holt County. This rural community, designated the "Irish Capital of Nebraska," is home to the world's largest shamrock, famous Irish Dancers, and the annual St. Patrick's Day Celebration. O'Neill has a population of 3,700 but don't let its small size fool you.

Vision

Ten years ago a group of individuals had a vision for Holt County. A vision that included building upon their assets, helping grow more engaged leaders, a county supportive of entrepreneurship, and an area that future generations wanted to return to.

Today, that vision is a reality. A county wide leadership program known as the HomeTown Leadership Institute has spawned into a course that helps showcase to residents the different layers of Holt County and connect them to areas where they can make a difference by further developing personal leadership skills and talent. More than 180 graduates have gone through the program since it began in 2005.

Holt County Economic Development was a by-product of the HomeTown Leadership Institute. Holt County Economic Development's mission is to enhance and promote economic vitality and a strong sense of community for existing and future businesses in Holt County.

In 2012 voters in O'Neill passed an Economic Development plan and half-percent sales tax for economic development. The tax generates approximately \$240,000 a year for economic development. The program has been instrumental in the Northeast Community College Extended Campus project and is also used in business development efforts.

"Business retention and expansion visits are an important communication medium by which we can find out those challenges that our local businesses face. One of the most common challenges is the issue of labor as it relates to availability and quality (training). In order to meet these needs, we are partnering with Northeast Community College to develop a new extended campus that will assist in meeting our future labor training needs," according to Nicole Sedlacek, executive director for Holt County Economic Development.

Higher Education

Northeast Community College began construction last summer on O'Neill's new extended campus. Northeast met its \$2.8 million

capital campaign goal to construct a 15,075-square-foot extended campus facility. The facility will have state-of-the-art classrooms, high technology computers, advanced health and science labs, and an attached technical training wing that will accommodate welding and industrial and agriculture-related courses. Construction will be completed in time for the start of classes this fall.

Sedlacek calls the new extended campus a game changer for North Central Nebraska. **"Affordable higher education has been available to us already from Northeast Community College, but with this new facility, the environment in which to learn is what is going to make the difference. I truly believe that real economic development is becoming more people focused. It's about investing in people, it's about keeping people here, it's about bringing people back to rural Nebraska."**

"An integral part of our economic vitality is found right here in North Central Nebraska," said Dr. Michael Chipps, Northeast Community College President. **"We are here to educate a workforce capable of supporting, attracting, and sustaining economic growth and to empower all individuals in building workforce skills essential for our rural areas to be sustained and to thrive."**

O'Neill and Holt County Rank

According to NerdWallet, which positions itself as an online source for making "life's financial decisions," O'Neill ranks #1 for *Cities on the Rise in Nebraska* and *Cities for Wage Growth*. Holt County ranks #4 for *Best Counties in Nebraska for Job Seekers*.

"I am very honored to be the mayor of our great city," said Bill Price. **"O'Neill is a progressive community comprised of citizens who work together for the greater good of our residents as well as the surrounding communities."**

The city of O'Neill is served electrically by Nebraska Public Power District.



Bayer CropScience Opens Beaver Crossing Location

Bayer CropScience celebrated a grand opening of their Beaver Crossing Breeding and Trait Development Station near Lincoln, Nebraska, in May.

The \$17-million state-of-the-art research and development facility will serve to help Bayer CropScience deliver breakthrough wheat and soybean varieties with improved technologies and genetics.

The 53,000-square-foot Beaver Crossing Facility is situated on 400 acres of farmland. Bayer has committed to invest more than \$1 billion in wheat research and development over 10 years. Currently 14 full-time employees work at the station. Eventually Bayer will have up to 25 full-time employees plus interns and seasonal staff for planting and harvest.

This facility is served electrically by Seward County Public Power District, a wholesale customer of Nebraska Public Power District.



Nebraska Public Power District, in partnership with the Lincoln Area Partnership for Economic Development, will be exhibiting at the PROCESS EXPO in Chicago, September 15–18.

The PROCESS EXPO represents the pinnacle of food technology bringing together the world’s most successful food and beverage processors, equipment manufacturers, and leaders in the field of academia.

Visit with Nebraska representatives at **Booth #807**.

For more information, visit: www.myprocessexpo.com.



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