



## MINUTES OF DISTRICT ENERGY CORPORATION BOARD

Minutes of the meeting of the District Energy Corporation (DEC), February 22, 2024, held at the Lincoln Electric System conference room, 411 S 13<sup>th</sup> Str, Suite 320, Lincoln, Nebraska. Notice of the meeting was published in the Lincoln Journal Star newspaper on February 15, 2024.

Board Members Present: Kim Morrow, Carl Eskridge, Rick Vest (12:15), Bennie Shobe (12:35)

Board Members Absent: Sean Flowerday

Others Present: David Levy (on-line), Jason Fortik, Wade Leibbrandt, Nick Wischhof, Dianne Dobrusky, Keith Snyder, Denise Parrott, Lisa Hale, Peter Hind, Kerin Petersen

Vice Chair Carl Eskridge called the meeting to order at 12:10pm. Eskridge stated that DEC conducts its meetings in compliance with the Nebraska Open Meetings Act and that a copy of the act is posted.

### **Call to Order**

Jason Fortik, LES Vice President of Power Supply and DEC Administrator, presented the Safety Briefing.

### **Safety Briefing**

Director Kim Morrow started the discussion by presenting the climate action plan of the City of Lincoln and the Verdis Group report. This plan details a goal to reduce greenhouse gas emissions by 80% by 2050. As part of an EPA grant program the City of Lincoln received funding to update their climate action plan.

### **Decarbonization Goal Discussion Verdis Group Report**

Morrow provided information showing the steps taken for community engagement and a graph showing current GHG emissions, by category, for the City of Lincoln. The areas of focus selected by the city include: Energy, Transportation, Waste, and Natural Solutions. Morrow gave details about each focus area and listed action items to consider for each category.

Morrow then presented information from Verdis Group consultants about decarbonizing the DEC system. The results show that decarbonizing the DEC plants would not have a large impact on total emissions from the City of Lincoln. It would only reduce emissions for 2030 by 0.08%. and emissions for

2050 by 0.3%. One of the factors for that is that DEC operates two geothermal plants already.

Nick Wischhof, LES Manager, Projects Engineering, presented information detailing the current DEC plants and equipment. This included installation dates and life expectancy of the equipment. The County Adult Detention Facility and the LES Operations Center are 100% geothermal plants. The State facility is a boiler plant and provides heat only. The Nebraska State Penitentiary is 75% heat dominant, and there is uncertainty regarding the long-term future use of the site. The County/City is also heat dominant, and currently offsets electrical peak with thermal ice storage. The West Haymarket is 59% cooling dominant and is in the process of adding additional backup electric boilers. Wischhof presented information and estimates for possible emissions reduction options, particular to each plant.

## **DEC Equipment Overview**

Morrow asked for further information and analysis about replacing equipment as it ages out, especially regarding replacing gas boilers with electric boilers. Wischhof pointed out that it is currently not cost effective, due to the expense of setting new peak electric usage levels and the associated demand costs. Eskridge asked about geothermal plants and the space/acres needed for those systems. There was discussion about potential new technologies on the horizon and possible opportunities for district energy.

## **Equipment Discussion**

Jason Fortik reviewed the process and timeline of LES's decarbonization goal setting. Fortik gave details about each step in the process, highlighting parts that may be applicable to DEC. Points for consideration include; the role of public governing boards, customer inputs, public feedback, available technologies, customer rate impacts, and administrative time.

## **LES Decarbonization Goal and Process Review**

Morrow reiterated interest in getting more information about replacing systems as they age out – and doing peer comparisons with other district energy systems.

## **Decarbonization Goal Discussion**

Jason Fortik discussed how staff is closely monitoring developments for the new convention center and reviewing RFPs that have been issued to-date. The potential for district energy will be largely location driven, considering proximity to existing plants. David Levy, legal counsel, and Peter Hind, Director of Urban Development, gave more information about how TIF funding works and could become available. Levy also spoke about the potential need to restructure an Energy Service Agreement to serve private customers, if needed.

## **Customer Expansion Discussion**

Peter Hind provided further information about the potential for district energy with a new supportive housing project. The RFP included a requirement about evaluating the cost of district energy. There was further discussion among the group about the importance of sharing total life-cycle cost information with developers, and methods to make that information more accessible to them.

There being no further business to come before the Board, Vice Chair Eskridge stated the next meeting date is April 16<sup>th</sup>, at the LOC, and then declared this meeting adjourned at 1:30 p.m. **Adjournment**

Carl Eskridge, Board Vice Chair

By: *Dianne Dobrusky*  
Dianne Dobrusky, Assistant Secretary