

NEBRASKA TAXPAYERS FOR FREEDOM ISSUE PAPER: PRESSURE OPPD TO CONTINUE COAL PLANT OPERATIONS.

BACKGROUND. The war against fossil fuels continues across the country. In Nebraska, radical environmentalists not only are campaigning against the use of clean coal and natural gas but also winning seats on utility boards, where they use their authority to curtail fossil fuel use and substitute unreliable wind and solar energy in pursuit of “environmental justice.” The latest controversy here involves the Omaha Public Power District (OPPD) deciding to abolish use of clean coal, which pollutes extremely little, and substitute unreliable fuel sources. This procedure not only deprives ratepayers of the use of a reasonably-priced resource but also will increase rates for OPPD customers, rates already not competitive with surrounding states. OPPD is the 12th-largest public utility in the nation. It serves about 900,000 ratepayers in 13 NE counties and has a 5,000-square-mile service area.

OPPD GOES GREEN. OPPD previously planned to stop using coal at its North Omaha plant but delayed the full elimination of coal use from an original 2023 date to 2026. OPPD is pursuing these changes to achieve net-zero carbon production, a goal that does not align with the fundamental objectives of public power. The controversy accentuates a tiff between local radical environmental groups advocating for unreliable energy sources and elected officials and the public who prioritize affordable and reliable energy with a greater emphasis on traditional power sources. In 2014 and 2016, the OPPD board of directors, a majority of whom are enviro-radicals, agreed to a plan that would retire the 3 North Omaha natural gas units in operation since the 1950s and switch the other 2 in operation since the 1960s from coal to natural gas, which is a very clean fossil fuel. The oldest 3 units switched to natural gas in 2016.

ATT.-GEN. INTERVENES. NE Att.- Gen. Mike Hilgers filed a lawsuit against OPPD regarding its proposed refueling and retirement of electric power units at its North Omaha Station and seeks an injunction. Hilgers filed the 46-page lawsuit in Douglas County District Court to stop the changes planned for that station and prevent OPPD from pursuing a policy that prioritizes considerations other than price or reliability, including “environmental justice.” OPPD freely admits that it is altering refueling and retirement for reasons that directly conflict with the core mission of public power established by the Legislature. Targeted in the lawsuit are OPPD, its CEO and



president, and 6 Green elected OPPD directors. Public power providers under law must prioritize affordability of the electricity they produce and reliability of the electric grid they manage, but the OPPD proposal for its North Omaha Station furthers neither.

Instead, with the rapidly increasing demands for electricity, this proposal will threaten grid reliability and create conditions in which OPPD ratepayers likely will pay higher rates. The lawsuit contends that maintaining the status quo at the plant could reduce or stabilize OPPD consumer rates for power even as demand increases. Currently, this station contains 5 generation units, 2 of which still utilize coal. The 3 others run on natural gas. OPPD wants to terminate the 3 natural gas units, reducing station total output by about 40% and take 200 megawatts offline. Then it plans to change the remaining 2 units from coal to natural gas. It is pursuing this plan even though, by its own calculations, maintaining the status quo at the station will save OPPD more than \$40 million over the next 5 years and almost \$440 million over the next 15 years, savings that could lower costs for ratepayers. The OPPD President and CEO admitted that revision plans motivated primarily to increase environmentalism, though the station already complies with all applicable state and federal environmental regulations. Hilgers emphasized that this lawsuit only means to ensure that OPPD adheres to its established, legislatively-mandated public power mission: delivering reliable and affordable electricity to Nebraskans. He is asking the court to issue an injunction that halts this revision plan that bases on political objectives, going “green,” a deviation from its founding mission. He is upholding the standards established by NE public power statutes. By pushing a Green Agenda, the board of directors has breached its fiduciary duty to provide economical, reliable, and adequate electric power to its ratepayers.

THE REASONING. Taking 200+ megawatts offline, given increased community demand, will increase the cost to ratepayers. Demand for power is skyrocketing in the OPPD area, largely from expansive data centers and impending artificial intelligence usage. It takes much work to decommission power plants, while our area requires much additional power. OPPD hopes to achieve a greener-energy goal of net-zero carbon emissions by 2050, a plan the utility board approved in 2019. OPPD leaders are balancing the desire to meet that goal, which they set when

demand for electricity was almost flat. OPPD directors elevated “environmental justice” as a key objective in violation of a 1963 Nebraska law stating that the state “provide for dependable electric service at the lowest practical cost.” Cheaper coal is the single most affordable means of energy production known to mankind. Coal production is cleaner today than before. It does not pose the same emission risks that it did in the past. The scrubbing technology used today is very efficient and very effective in removing pollutants. Despite complaints from the radicals, coal-fired plants do not impair air quality in Omaha measured by federal standards. OPPD CEO and President Javier Fernandez admitted that though OPPD’s system is forecasted as reliable under federal and regional regulations, it is reasonable to say the system would have more margin and better reliability/resiliency had the assets of the station remained in service with applicable maintenance and life extension work. One of the tables Fernandez provided suggests, based on current OPPD plans, that the district could reach an insufficiency of power by 2028 and see consumer demand outpace supply. He testified that keeping the status quo would offer better

affordability and enable economic growth for consumers, though slower progress toward net-zero. Fernandez admitted that the North Omaha Station plan primarily based on Green environmental considerations. He also admitted that he had no scientific evidence to prove harmful coal emissions and that emissions there strictly regulated at the state and federal levels.¹ Many other public and private utilities have abandoned radical environment goals as too costly and unreliable to both utility and ratepayers. Filing this lawsuit comes at a pivotal time for preserving and expanding U.S. energy production, making the U.S. energy independent.



LEGISLATIVE RESOLUTION 234. The purpose of this legislative resolution was to propose an interim study to examine the impact of the net-zero plans and goals of public power utilities. The study will include the following: (1) Evaluating the impact of net-zero plans and goals on customer rates; (2) Evaluating the true costs of net-zero plans and goals; (3) Evaluating state and federal laws and regulations prompting public power utilities to pursue net-zero plans and goals; (4) Determining the reliability, resiliency, and affordability impacts because of the pursuit of net-zero plans and goals; (5) Evaluating the impact on employment at electric generation facilities from inception until full implementation; and (6) Determining economic impact of electric generation facility closures on local economies where these facilities located. This resolution concerned keeping power affordable and maintaining jobs in communities. The interim resolution, sponsored by State Sen. Jared Storm, has 19 co-sponsors. Its conclusions probably will find their way into a Jan., 2026 legislative bill.

OPPONENTS. Both North Omaha state senators, Terrill McKinney and Ashley Spivey, oppose this lawsuit, basely accusing the Att.-Gen. of pressuring OPPD and following a conservative political agenda. McKinney insists that coal dust is adversely affecting his constituents by causing high rates of asthma and cancer despite infinitesimal pollution and no reliable medical proof.

TAKE ACTION NOW. Though the judicial system will determine the outcome of the lawsuit, ratepayers residing in the OPPD area can support Att.-Gen. Hilgers. Note that OPPD ratepayers already received a billing increase of 6.3% this year, and we do not need future accelerated rate increases. First, lobby your OPPD board members to align themselves with the Hilger effort to stabilize and stop unwarranted increases in our electric bills caused by “environmental justice.” See OPPD board member contact information at <https://ww3.oppd.com/contact-management>. Secondly, write an editorial to your local newspaper and call in to KFAB Radio to voice your opinion. Thirdly, contribute comments on social media to support this lawsuit. Email netaxpayers@gmail.com for other OPPD contact information and join our NTF *Utility Watch Project*.

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¹ Nebraska Examiner, Zach Wendling, Nebraska AG sues OPPD, targets North Omaha power plant changes and ‘net-zero’ plan, Oct. 9, 2025.