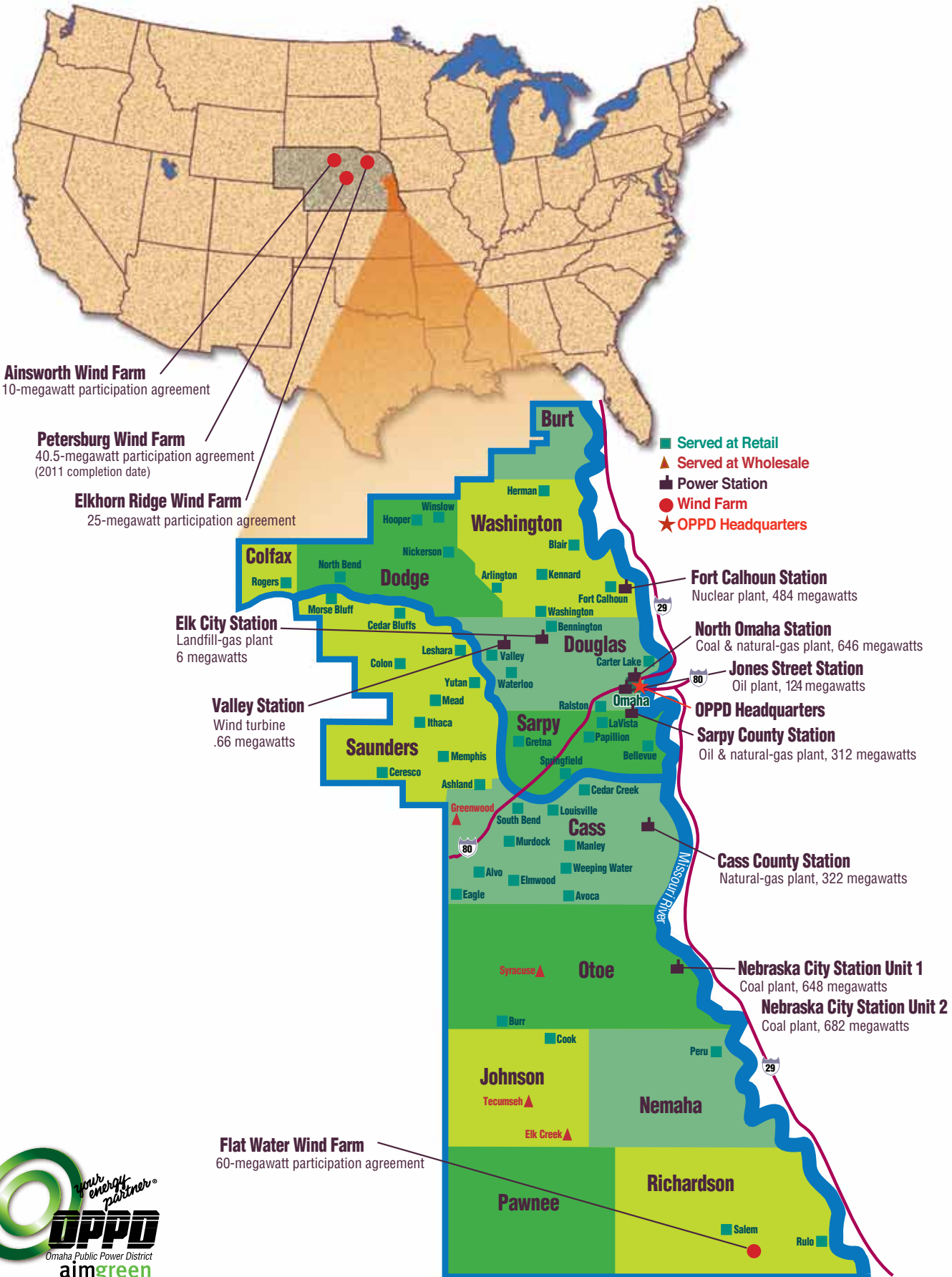




Omaha Public Power District
2010 Sustainability Report

aimgreen

servicemap



Gary Gates
OPPD President and CEO

There Are Many Shades of Green

As individuals and companies take steps to go “green,” others may have varied opinions about the greenness of those actions. It would help if we could agree on the meaning of terms like *green* and *sustainable*. A reasonable definition of environmental sustainability is using resources wisely to meet the needs of the present without compromising the ability to meet the needs of the future.

When it comes to *green energy*, consider an addition to the way many people define this term. Since splitting atoms to generate electricity results in no carbon emissions, nuclear power has a rightful place in this category. Yes, the issue of long-term storage of spent nuclear fuel still needs to be addressed. Recycling this fuel may play a role in the solution.

As we at the Omaha Public Power District evaluate all methods of generating electricity, we continue to sharpen our focus on sustainability in all of our operations. Our 2010 Sustainability Report outlines what we are doing in three key areas.

Renewable energy: We are well on our way to meeting our goal of having 10 percent of the electricity we sell to retail customers come from renewable energy by 2020. By the end of 2011, renewables such as wind and landfill gas should make up 4.3 percent of our retail sales.

Environmental stewardship: Highlights here include the design of our new Omaha Service Center, our Tree Promotion Program, our commitment to recycling, our expanded use of hybrid gas/electric vehicles and our efforts to prepare for widespread use of plug-in hybrids and battery-electric vehicles.

Energy efficiency: The greenest kilowatt is the one that’s not used. Between promoting new technologies to commercial customers and encouraging residential customers to effectively manage their energy use, we are stepping up our efforts to educate customers on ways to Aim Green.

OPPD is committed to balancing our customers’ need for reliable power at a reasonable price with being good stewards of our natural resources.

W. Gary Gates

W. Gary Gates
President and Chief Executive Officer

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aimgreen



renewableenergy

Renewables Goal

OPPD has set a goal of having 10 percent of the electricity it sells to retail customers – approximately 400 megawatts (MW) – coming from renewable energy by 2020.

At the end of 2010, OPPD had 102 MW of renewables, which represents 1.6 percent of OPPD's total retail sales. That includes wind power, landfill gas and solar.

By the end of 2011, OPPD should have 155 MW of renewables, 4.3 percent of retail sales.

Wind Power

Petersburg

Construction is scheduled to start in the spring of 2011 on a 27-turbine wind farm near Petersburg, Neb., in Boone County.

OPPD has an agreement with TPW Petersburg LLC to buy up to 40.5 MW of generation from the facility, which is expected to be in service by the end of 2011.

Flat Water

In late 2010, OPPD started taking delivery of electricity generated by the Flat Water Wind Farm in Richardson County, Neb. OPPD has a power purchase agreement for the total 60-MW capacity of this facility, which features 40 GE 1.5-MW wind turbines.

OPPD built a substation at the wind farm site to enable the utility to electrically isolate the wind farm for safety, if ever necessary. Building such substations and connections to transmission lines are key components of adding wind power generation.

Elkhorn Ridge/Ainsworth

OPPD has an agreement with the Nebraska Public Power District to buy up to 25 MW of wind energy from NPPD's Elkhorn Ridge wind farm in Bloomfield, Neb., in Knox County, and up to 10 MW from NPPD's Ainsworth wind farm in Brown County, Neb.

Such wind farms' contribution to OPPD's

renewables goal for retail sales is less than the farms' generating capacity. That's because a wind farm's generating capacity is based on a constant wind that's blowing strong enough to keep all of the farm's turbines running at maximum. Because the wind does not blow constantly at a consistent speed, actual generation is less.

Valley Station

Built in 2001, OPPD's Valley Station wind turbine is located on the Valmont property near Valley, Neb., about 10 miles west of Omaha. The single 660-kilowatt turbine on this site was OPPD's first wind energy project.

State Wind Energy Conference

OPPD representatives helped coordinate and present at an annual Nebraska wind energy conference in November 2010. The event provides education on a wide range of topics, including wind energy development, incentives and transmission.

Landfill Gas

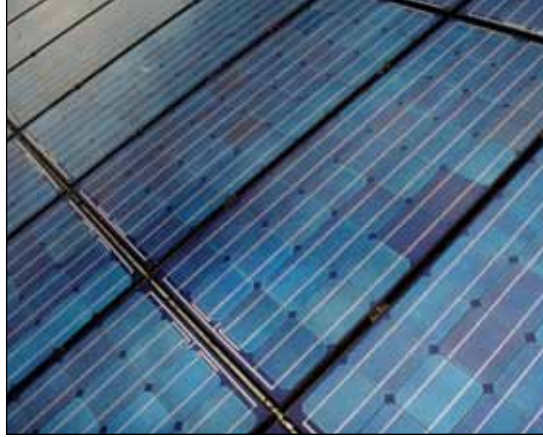
OPPD's Elk City Station landfill gas-to-energy plant at the Douglas County landfill burns methane and other gases given off by decomposing trash to generate a net output of 6.1 MW of electricity. Using these gases as fuel prevents them from being released into the atmosphere.



At left, electricity from the Flat Water wind farm is the latest addition to OPPD's renewable energy portfolio.

OPPD's Elk City Station landfill gas-to-energy plant generates enough electricity to power about 4,000 homes annually.

Solar panels at OPPD's Elkhorn Service Center harness the sun's energy.



Solar Power

OPPD is working with Creighton University (CU) to install three variations of solar power technologies – and three to four residential-size wind turbines – on the CU campus.

One of the photovoltaic installations consists of traditional solar panels installed on canopy structures in one of CU's parking lots. These provide covered parking and energy to the campus.

Another installation consists of thin film solar panels attached to a standing seam roof, using only adhesive material. The third installation is a traditional panel tracking system that follows the sun to maximize the amount of energy produced.

Currently the largest in the state, this solar project will help OPPD determine which types

of equipment will work best for OPPD and its customers.

In addition, OPPD continues to operate and monitor results from a 4,800-watt solar power system it installed for testing at its Elkhorn Service Center in June 2002.

Green Power Program

Through this voluntary program, residential and commercial customers help support OPPD's investment in renewable energy by making a contribution on their monthly electric bill. A total of 6,531 residential customers and 18 commercial customers currently take part in this program.

Green Tag Program

OPPD sold approximately 130,000 *green tags* in 2010, about 30 percent more than in 2009. After providing renewable energy for its Green Power Program, OPPD offers excess green tags for sale through brokers in the voluntary green tag market.

Each green tag represents 1 megawatt-hour of energy generated from OPPD's renewable resources. The big increase in green tag sales largely reflects OPPD's growing wind power resources.

- Complete three building audits this year on OPPD buildings and begin implementing ECO 24/7 products (see page 13) on those buildings, when applicable.
- Partner with Facilities Management to continue to reduce the number of foam cups used at all OPPD locations.
- Increase the tons of material recycled as a ratio of the total tons of waste, and reduce the total tons of waste going to the landfill.

Omaha Service Center

Construction continues on OPPD's new Omaha Service Center, being built near Eppley Airfield in northeast Omaha. The center will feature a 1.2-kilowatt (kW) vertical-axis wind turbine and a 60-kW array of solar panels.

Scheduled to be complete in the spring of 2011, the center is expected to qualify for Leadership in Energy and Environmental Design (LEED) certification.

LEED is an internationally recognized third-party building-certification system that verifies a facility was designed and built to improve energy and water efficiency, reduce carbon dioxide emissions, improve indoor environmen-

tal quality, and demonstrate good stewardship of resources.

Among other green features, the center is to include:

- Recycled and local construction materials
- Windows designed to take full advantage of daylight for interior lighting
- Low-VOC (volatile organic compounds) paints and floor coverings
- White roof to reflect heat, reduce cooling costs
- Storm-water control and retention
- Water-efficient landscaping
- Low-water-use toilet fixtures
- Reserved parking for hybrid vehicles and capability for recharging plug-in hybrids and battery-electric vehicles
- Bicycle racks

Electric Vehicle Readiness

Much has been written about the potential impact of a growing number of electric vehicles (EVs) being plugged into the power grid.

These cars include new battery-electrics like the Mitsubishi i, Nissan Leaf and Ford Focus Electric, as well as plug-in hybrid gas/electric vehicles like the Chevy Volt.

In addition to the green components mentioned above, OPPD's new Omaha Service Center also will feature LED yard lights and a ground-loop heat pump system.

environmentalstewardship



OPPD Green Team

This team consists of 22 employees from throughout the company. As part of its communication plan, the OPPD Green Team designed and implemented an intranet site in 2010 to help increase awareness of its vision and goals for sustainability.

The team's goals for OPPD include:

- Purchase less paper for printer and copier use.
- Reduce the number of publications and documents printed and mailed to employees.
- Increase the number of employees using paperless OPPD billing. (To date, 30 percent of employees have gone paperless.)
- Replace toxic chemicals with green cleaning products and chemicals.
- Encourage employees to take the ENERGY STAR Pledge.
- Partner with Information Technology to help communicate green IT practices to employees.
- Provide information about heat pumps and higher efficiency systems to employees and help employees to be advocates for heat pumps.

On her own initiative, an OPPD employee took on the role of Mrs. Green Clean and shared her reviews of green cleaning products.





Hybrid Savings
 2010 estimated savings for all OPPD hybrids combined:
 6,529 gallons of fuel (diesel and unleaded)
 \$19,064 in fuel costs
 66 tons of carbon dioxide

Estimated savings for all OPPD hybrids combined, to-date:
 18,909 gallons of fuel (diesel and unleaded)
 \$51,906 in fuel costs
 186 tons of carbon dioxide

Although it may be years before such cars significantly penetrate the Omaha-area market, a team of employees laid the groundwork in 2010 to get OPPD EV-ready. This team is working to position OPPD as the 'go to' energy partner when customers have questions on electricity and related technology.

To help educate its customer-owners on EVs, OPPD has launched a website, oppd.com/ev, set up a special phone line, 1-855-OPPD4EV (1-855-677-3438), and created a targeted email address, oppd4ev@oppd.com.

OPPD Hybrid Vehicle Fleet

OPPD's vehicle fleet includes 31 gas/electric hybrids, including two plug-in passenger cars and an aerial basket truck used by line crews. Because the truck's basket also can run off of battery power, idle time is greatly decreased, further reducing fuel use and carbon emissions.

OPPD converted two of its conventional hybrid cars to plug-ins to test the advanced battery technology. Like other utilities, OPPD is trying to gain an understanding of the potential savings afforded by plug-in hybrids.

Drivers of plug-ins can recharge the vehicle's batteries overnight by plugging it into the standard 120-volt outlet found in most garages. In addition to fuel savings and emission reductions, the widespread adoption of plug-in EVs would provide utilities like OPPD with additional electrical load – largely at off-peak nighttime hours – enabling utilities to

optimize their power plant operations.

The Electric Power Research Institute estimates the current U.S. power grid could handle tens of millions of EVs, plugged in during off-peak hours, with no concerns about having enough power to meet this new demand.

In addition, utilities eventually may be able to buy power from people who plug their EVs into outlets at the workplace. Using a smart grid system, utilities could connect to the EVs' batteries to tap additional electricity at peak times.

OPPD Transportation & Construction Equipment

OPPD's Transportation & Construction Equipment Department has expanded its use of soy-based hydraulic fluid for its construction equipment. OPPD has used this fluid in aerial basket and digger derrick trucks since 2007, and has used ethanol and biodiesel fuel in certain vehicles since 1993.

In addition, Transportation:

- Sells waste motor oil to a company that uses it to make asphalt, and has started recycling used oil filters.
- Employees at all OPPD mechanical shops clean parts with soap and hot water, instead of petroleum-based solvents.
- Has expanded the use of bulk fluids in its shops and at OPPD power stations to reduce waste of aerosol cans and drums/barrels and to get better pricing on the fluids.
- Participates in OPPD efforts to recycle scrap iron, aluminum and other metals.

- Partners with OPPD's battery supplier on battery recycling.
- Continues to install cab heaters in construction vehicles to eliminate vehicle idling for keeping crews warm in the winter.
- Has converted from lead wheel weights to steel.

Power Drive Program

Through Power Drive, high school students design and build one-person electric vehicles, and compete in various events at a series of rallies each spring.

This program started in 1998, with 12 high schools participating. During the 2009-10 season, students from 56 schools in Nebraska and Iowa entered 104 cars.

OPPD formed Power Drive to give students a practical way to apply their math, science and construction skills, and to promote the development of electric-powered vehicles.

Recycling

Since 2009, OPPD has done *comingled* recycling at several of its larger facilities. Comingled recycling includes collecting all types of paper and cardboard, plastic water and soft drink bottles, hard plastic containers, plastic eating utensils, soft drink cans, used binders, foam food containers and aerosol cans that have been punctured.

OPPD's recycling efforts include:

Paper: At the major OPPD facilities where this is tracked, the volume of paper recycled in-

creased from nearly 155 tons in 2009 to nearly 182 tons in 2010.

Wood and Hard Plastics: OPPD recycled nearly 336 tons of these materials in 2010. At OPPD's larger service centers and power plants, employees collect old pallets, tree limbs and construction wood for recycling. Broken power poles also are recycled if they have not been treated with creosote.

Ash: At its North Omaha and Nebraska City Unit 1 coal-fired generating plants, OPPD reclaims fly ash and bottom ash – byproducts of coal-combustion – which are used in concrete, asphalt and soil-stabilization materials.

Electronics: Since 2009, OPPD has had a contract for its ongoing effort to recycle waste electronic equipment. With this agreement, OPPD's main supplier of computer workstations, laptops, monitors, etc., takes back any electronic waste items that OPPD purchased from them, at no additional cost. The vendor recycles these items through a local accredited electronic waste recycler.

Information Technology

During 2010, OPPD greatly reduced the number of its laser printers by installing multi-function devices (MFDs) that serve as printers, copiers, scanners and fax machines. This reduces energy use because, on average, four printers are removed for every MFD installed. The MFDs also produce up to 90 percent less waste from toner



Students prepare for a Power Drive rally.

cartridges than traditional laser printers.

OPPD has replaced 99 percent of its CRT monitors with LCDs, which use two-thirds less energy.

OPPD also offers employees video-conferencing capabilities, which increases efficiency and reduces travel around the district's 13-county service area. Minimizing employee driving saves fuel and reduces emissions.

Cleaning Products

OPPD now provides environmentally safe cleaning products to its janitorial contractors. This ensures all locations are using the same Green Seal, EPA-certified cleaning products.

OPPD continues to use automatic foam soap dispensers in restrooms companywide, which reduce the amount of soap used and use soap that has no harmful chemicals.

Tree Promotion Program

As part of its Tree Promotion Program, OPPD has set up a Tree-Planting Fund, through which it sponsors a limited number of tree-planting projects each spring for nonprofit groups in its service area. Since 1989, OPPD has provided approximately \$1.04 million in funding for such projects, resulting in the planting of roughly 110,950 trees and shrubs.

OPPD Arboretum

Located at 108th and Blondo Street in northwest Omaha, the OPPD arboretum helps educate visitors on proper tree planting. This



26-acre site features over 1,000 trees and shrubs, representing more than 200 species. Open to the public year-round during daylight hours, the arboretum includes two miles of walking trails and an outdoor classroom.

Tree-Trimming Practices

OPPD prunes tree limbs away from overhead power lines to maintain public safety and reliable electric service. Under the direction of OPPD foresters, who are certified arborists, OPPD's contractor line-clearance crews follow the American Standards Institute woody plant maintenance standard.

That standard calls for tree-trimmers to cut branches back to the parent limb. This method enables the pruning cuts to heal more quickly, reducing the chances of damage from insects or disease, and promotes a healthier regrowth away from nearby power lines.

Tree Line USA Utility

The National Arbor Day Foundation has recognized OPPD as a Tree Line USA Utility. The NADE, in cooperation with the National Association of State Foresters, recognizes utilities that employ practices to protect and enhance America's urban forests.

Environmental Element

OPPD participated on several task forces coordinated by Omaha by Design that developed recommendations for the city of Omaha's master plan. If these ideas are adopted by the city government, it would be another step forward in a comprehensive effort to establish Omaha's sustainability.

Bill-Payment Options

OPPD continues to offer several environmentally supportive options to its customers for bill payment. In 2010, paperless billing grew to 16,500 customers and electronic bill-payment reached an all-time high of 399,000 transactions.

These sustainable options also reduce OPPD's costs and enhance customer satisfaction.

For those customers who continue to receive a hard copy of their bill, these statements are printed on paper produced through certified sustainable forestry practices.



The OPPD arboretum, also shown at left, enables visitors to see how the size and shape of mature trees and shrubs must be considered when planting around power lines.

energyefficiency: residential customers

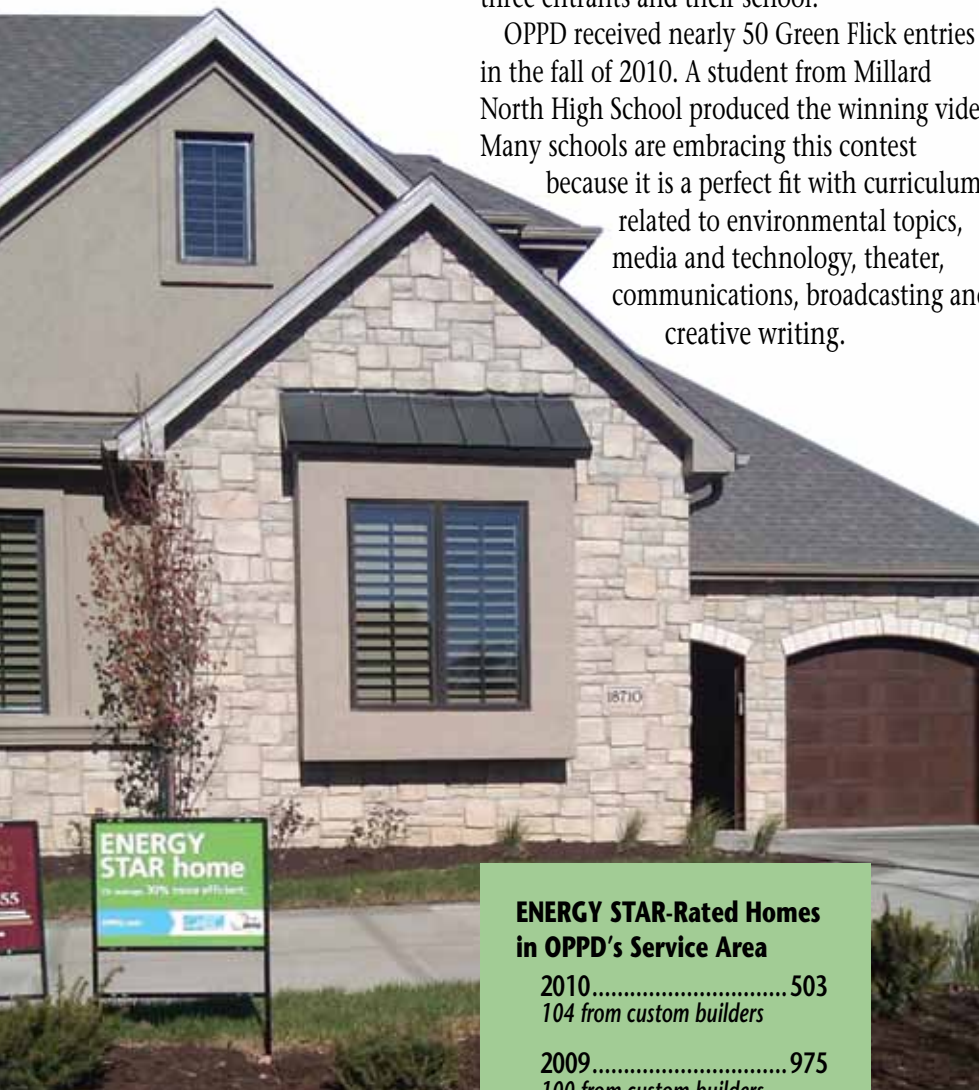
Green Website & Project Green Flick

OPPD launched aimgreenomaha.com in 2008. The website features practical energy-saving tips, information on topics such as recycling and electric vehicles, links to other green websites, and details on OPPD's annual Project Green Flick contest.

Through its Green Flick competition, OPPD encourages Omaha-area high school students to create brief videos about energy-efficiency and the environment, with prizes going to the top three entrants and their school.

OPPD received nearly 50 Green Flick entries in the fall of 2010. A student from Millard North High School produced the winning video. Many schools are embracing this contest

because it is a perfect fit with curriculum related to environmental topics, media and technology, theater, communications, broadcasting and creative writing.



ENERGY STAR-Rated Homes in OPPD's Service Area

2010.....	503
104 from custom builders	
2009.....	975
100 from custom builders	
2008.....	565
40 from custom builders	

Energy Information Center

OPPD offers continuing education courses in residential building science to real estate professionals and architects. The courses are designed to educate these professionals on new building technology and energy-efficient building practices.

For our customers, OPPD provides an online energy-efficiency video library on its website, oppd.com. In addition to the videos, customers can find more energy-management tips on oppd.com and aimgreenomaha.com.

Those who have specific questions or who need more details can call the OPPD Energy Advisor office at 402-636-3850 or 1-800-648-2658 and talk to subject-matter experts.

OPPD Energy Advisor

The Energy Advisor team provides energy-management information on a wide range of topics, such as lighting, insulation and weatherization, heat pumps, space heaters and power quality. OPPD energy advisors handled 3,338 customer contacts in 2010.

Energy-Management Workshops

To reach customers with special needs, including seniors, people with disabilities and those on fixed or limited incomes, OPPD participates in free public workshops. These ongoing events focus on wise energy use, low-cost weatherization techniques and energy-cost budgeting. The workshops also provide advice on how people can access community resources that are available to help them meet their energy expenses.

For example, OPPD presented a series of Greening Your Energy Budget workshops at the Juan Diego Center in Omaha for Spanish-speaking customers. OPPD also partnered with the Neighborhood Center to offer home energy-efficiency workshops to residential customers.

OPPD also partners with community-based social service agencies, nonprofit groups, neighborhood associations and other utilities to sponsor additional workshops.

In the summer of 2010, OPPD and its partners in the Nebraska Energy Assistance Network

kicked off a series of webinars to "train the trainers" on the statewide Get a Head Start on Energy program.

In late fall 2010, a grant program kicked off that will provide energy kits with the complete curriculum to nonprofit agencies that will help expand the program and encourage agencies to provide training, with OPPD's support.

Low-Income Home Energy Conservation Act

OPPD had legislation (L.B. 1001) introduced in the Nebraska Legislature in 2008 to provide funds to help low-income homeowners improve the energy-efficiency of their home. The resulting Energy Conservation Improvement Fund is administered by the Nebraska Department of Revenue.

Through this fund, 32 homes were weatherized in the OPPD service area in 2010. This program enables OPPD to combine a set amount of its revenues with matching state tax revenues to help homeowners make energy-efficiency improvements.

OPPD also is partnering with the city of Omaha and Weatherization Trust Inc. to weatherize 100 homes in the Orchard Hill neighborhood through a federal stimulus grant. This project began in December 2010, with 10 homes completed as of January 2011.

Such energy-saving measures ultimately benefit all OPPD customers, because they help OPPD keep rates reasonable by deferring the building of new power plants.

ENERGY STAR Pledge

Individuals take this pledge via the Environmental Protection Agency's ENERGY STAR website. By signing up, people pledge to complete green steps such as replacing standard lightbulbs with compact fluorescents, take actions to make their heating and cooling system more efficient, buy ENERGY STAR-qualified appliances, etc.

The annual pledge runs from Earth Day (April 22) to Earth Day. For 2010-11, OPPD's goal is to encourage people to take the pledge and help reduce greenhouse gas emissions by 890,000 pounds annually. At the end of January 2011, OPPD was at 554 percent of its goal.

ENERGY STAR for New Homes Program

Through this program, OPPD helps people make a smart investment by buying a home that is high-quality, high-performing and environmentally friendly.

OPPD works with professionals in the home-building industry to aid in the successful completion of an ENERGY STAR-rated home. Homes that earn the ENERGY STAR certification meet rigorous guidelines for energy efficiency and are tested by an independent home energy rater.

To earn an ENERGY STAR rating, a home must meet strict guidelines for energy efficiency set by the EPA. Per EPA guidelines, a qualifying home must be at least 15 percent more energy-efficient than one built to the 2004 International Residential Code.

The home also must include additional energy-saving features that make it 20 to 30 percent more efficient than a standard home. This high efficiency is achieved through features such as airtight construction and ducts, effective insulation and high-performance windows.

Home Energy Audits

OPPD established its Home Energy Audit program in 2006 to help customers take control of their energy use. For these audits, a certified energy rater conducts a blower-door test and uses thermal imaging to determine air leakage throughout the home.

The customer receives a comprehensive report and recommendations specific to their home to improve the energy-efficiency.

The goal is that the homeowner will make improvements to reduce air leakage, thus reducing their energy use and enhancing the home's indoor air quality.



A blower-door test is a key part of a home energy audit.

Home Energy Audits	
2010.....	100
2009.....	85
2008.....	106
2007.....	104
2006.....	13

Heat Pump Program

OPPD has heat pump programs for residential customers, commercial and industrial customers, and apartment builders.

For residential customers, OPPD offers an incentive for high-efficiency heat pumps and air conditioners.

The overall impact from this residential program in 2010 was a 2.7-MW reduction in demand through heat pumps and a 0.9-MW reduction through high-efficiency AC units.

CFL Promotion

Compact fluorescent lightbulbs (CFLs) use up to 75 percent less energy than incandescent bulbs. Thanks to effective marketing by certain retailers, OPPD's promotion of CFLs via discount coupons produced strong results in the fall of 2010.

During this promotion, consumers received \$3 off CFL multipacks at area Hy-Vee and Bag 'N

Save grocery stores, as well as Home Depot and Menards, courtesy of OPPD.

More than 54,000 coupons were redeemed, compared to about 30,000 in the fall of 2009. Hy-Vee stores accounted for 90 percent of the

coupon redemptions. The coupon totals equate to sales of approximately 109,000 CFLs in the Omaha area.

Energy Detective Program

OPPD has partnered with the Nebraska Energy Office (NEO) and other Nebraska utilities to provide an education program on energy conservation to fifth-grade students. The goal is to encourage students to become energy-conscious consumers at an early and impressionable age.

During the spring and fall of 2010, the NEO, OPPD and Metropolitan Utilities District provided curriculum supplements and hands-on Energy Detective-themed kits to dozens of schools in OPPD's service territory, with nearly 6,000 students participating.

The kits provide students with items such as CFLs and encourage them to "investigate" energy usage at home. In one exercise, the students replace an incandescent bulb with a CFL and track the energy savings.

Watt Detector Kits

OPPD is starting to partner with libraries in its service area to offer residents a tool to monitor energy consumption in their homes.

Beginning with the Omaha Public Library in February 2011, Watt Detector Kits are available for check-out. These kits enable customers to measure energy consumption of appliances

and take steps to use energy more efficiently.

The Watt Detector displays the amount of electricity used by appliances and shows how much is spent on an hourly, daily, monthly and yearly basis. Plans are to expand the program to other libraries.

Refrigerator Recycling Program

With help from a grant from the Nebraska Department of Environmental Quality, OPPD encouraged customers to recycle their old, inefficient, secondary refrigerators or freezers between August and October of 2010. Customers were paid \$35 for each of these appliances, which had to be operable to qualify.

A total of 2,124 units were picked up at the customers' home, and 95 percent of the materials that made up these appliances was recycled. Many of these appliances had been running in a garage, and they could have been using up to four times more electricity than a new unit.

AC Cycling Pilot

In the summer of 2010, OPPD conducted a pilot program with about 100 of its employees that involved installing and testing a new home thermostat used to reduce electric consumption during peak periods of demand. OPPD is considering offering an air-conditioner cycling program to residential customers.

Here's how such a program might work.

On the warmest summer days, OPPD would synchronize the air conditioner compressors of customers in the program, turning their AC off for short periods of time, similar to an AC unit's normal cycling process.

When OPPD chooses a cycling day, it would notify participants via email that a cycling event is taking place that day.

Anything OPPD can do to "shave" the size of its peak demand helps delay the need to build more power plants, which helps keep electric rates reasonable.

Trash/Recycling Bin Messages

In the summer and winter of 2010, OPPD urged customers to Aim Green via messages on combination trash/recycling bins in downtown Omaha.

The messages encouraged customers to take steps such as becoming a Green Power Partner, managing their OPPD account online, and signing up for paperless billing.

The effort also encouraged people to take an immediate green step by sorting their trash from recyclables via the bins themselves.



Watt Detectors show customers how much electricity individual appliances are using.

energyefficiency: commercial customers

Energy Commissioning & Optimization (ECO 24/7)

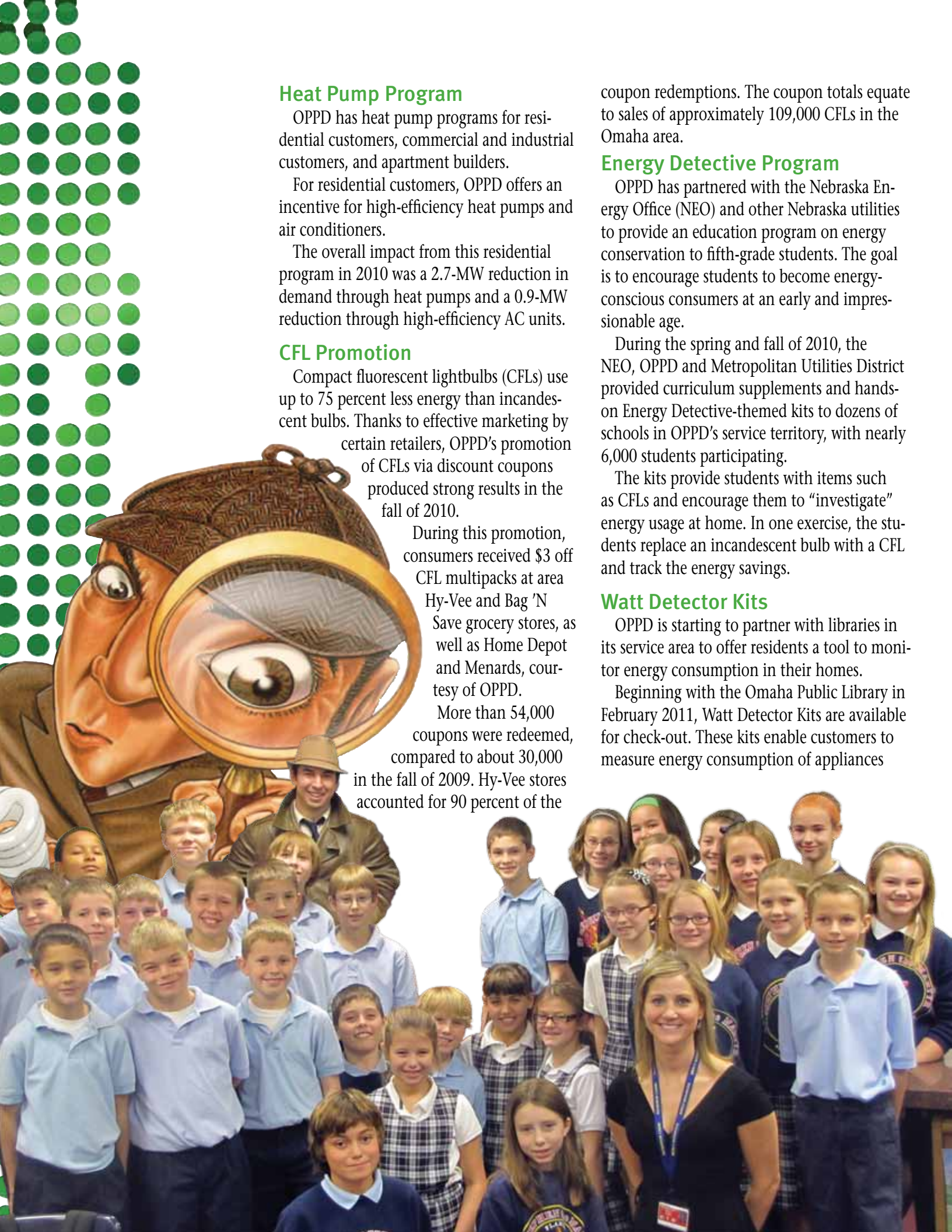
OPPD's commercial and industrial customers can take advantage of ECO 24/7, a service that uses patented technology to integrate and optimize heating and cooling systems and other energy-related systems to improve occupant comfort and minimize energy use.

Typical energy savings range from 15 to 50 percent. Four ECO 24/7 projects completed in 2009 (the latest results available) saved 2.23 MW in reduced demand and 13,153

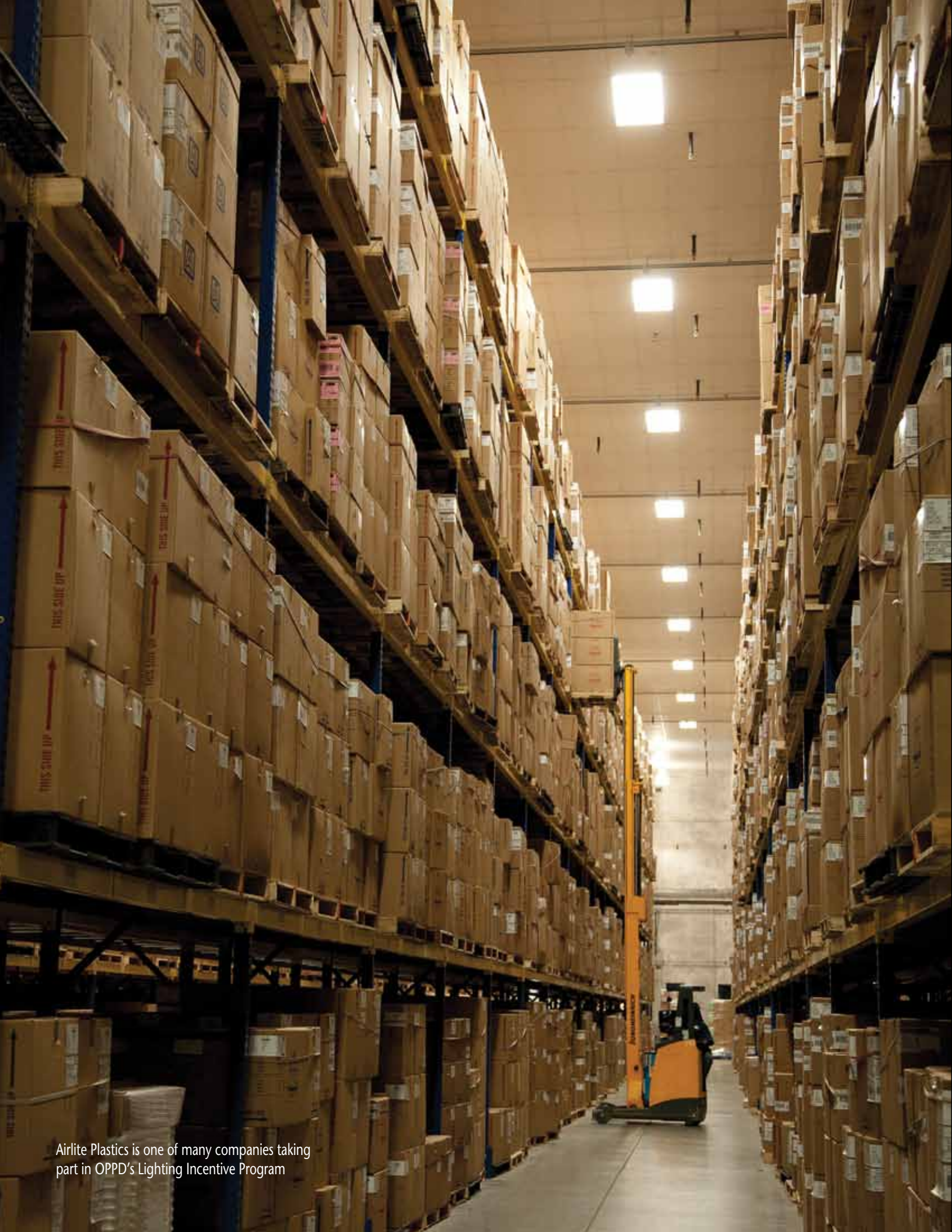
megawatt-hours in reduced consumption.

The ECO 24/7 service includes training building engineers so they can sustain the comfort and energy savings achieved. This helps make ECO 24/7 projects sustainable, with little or no follow-up by OPPD.

For example, seven commercial buildings qualified for ENERGY STAR status after ECO 24/7 projects were completed. The same buildings may re-qualify for ENERGY STAR status in 2011 without requiring follow-up services from OPPD. One building in particular, Ter-



At left, fifth-graders at an Omaha school received a personal visit from an Energy Detective as part of this hands-on educational program.



Airlite Plastics is one of many companies taking part in OPPD's Lighting Incentive Program

race Plaza, located at 11414 West Center Road in Omaha, achieved ENERGY STAR status after an ECO 24/7 project was completed in 2003. In 2010, with no follow-up by OPPD since the initial project, that building maintained its ENERGY STAR status.

Commercial ENERGY STAR Challenge

OPPD is taking the ENERGY STAR Challenge, a Department of Energy (DOE) and Environmental Protection Agency (EPA) program that involves tracking energy consumption at commercial buildings and making improvements to reduce overall energy usage by at least 10 percent

To set a strong example and to encourage its commercial and industrial customers in this direction, OPPD is pursuing Leader status through the ENERGY STAR Partner program. Our goals are to become the first utility to achieve this status and to gain hands-on experience for what it takes to become an ENERGY STAR Leader.

To further promote the Commercial ENERGY STAR Challenge during 2010, OPPD:

- Hosted quarterly ENERGY STAR Challenge roundtable meetings for dozens of larger customers.
- Presented at Nebraska's first Green Schools Summit.
- Worked with Metropolitan Community College (MCC) in Omaha and the ENERGY STAR program in Washington, D.C., to develop an ENERGY STAR-based course for a pilot at MCC in the spring of 2010. Due to the pilot's success, the class has been expanded and is now offered to colleges throughout the U.S. and Canada.

National ENERGY STAR Recognition

At the national ENERGY STAR awards ceremony in March 2010, OPPD received special recognition for its excellent effort to promote

the ENERGY STAR program to commercial customers.

Lighting Incentive Program

OPPD commercial and industrial customers will save a total of more than 8,000 megawatt-hours and about \$500,000 each year, thanks to the 2010 Lighting Incentive Program. OPPD has expanded this program to include certain qualified LED and CFL replacements.

This program provides monetary incentives to such customers for revamping their lighting with more energy-efficient systems. Such increased energy efficiency helps all OPPD customers by delaying the need to build expensive new power plants. OPPD reimburses

Commercial ENERGY STAR Results	2010	2009
ENERGY STAR buildings	61	20
ENERGY STAR Challenge participants	27	19
Benchmarked buildings	865	484
Total square feet of ENERGY STAR space	8,411,274	3,694,236
Total buildings represented at roundtables	388	388

retrofits, up to \$20,000 per building per year.

In 2010, OPPD approved incentive payments for lighting projects that reduced electrical demand by 2.5 MW and will reduce annual usage by approximately 12,175 megawatt-hours.

The Lighting Incentive Program has exceeded goals for reducing demand and usage in both of the past two years, while coming in under budget.

Digi-RTU Optimizer Pilot

In 2010, OPPD launched its Digi-RTU Optimizer Pilot program. (RTU refers to rooftop units for air conditioning on commercial buildings.)

This pilot has gained national attention through articles from the American Public Power Association (APPA) and a presentation at the Association of Energy Services Professionals' 21st National Conference & Expo. The pilot also received grant funding from



APPA, due to the nature of its innovative technology.

The pilot determined that Digi-RTU Optimizers can reduce peak demand up to 60 percent, daily kilowatt-hour usage up to 60 percent and compressor hunting (on and off cycle) up to 70 percent.

The Digi-RTU Optimizer technology uses one variable frequency driver to modulate the speed of both the fan and compressor of the RTU, based on actual cooling load to maintain the space temperature required.

Costs are kept reasonable because one drive impacts the functionality of two components. Based on OPPD's extensive research, there is not a comparable product on the market, and this could truly transform the RTU market.

2010 Commercial Heat Pump Program Highlights

- 53 Projects
- Actual (YTD): 1,193 tons
- Goal: 1,000 tons
- Incentives Paid (YTD): \$140,260

Commercial Heat Pump Program

OPPD offers a full spectrum of turnkey geothermal and water-source heat pump design solutions for commercial customers.

OPPD also provides a one-time incentive of \$50 per nominal ton for the installation of the following types of electric heat pump HVAC systems in commercial and industrial facilities:

- Air-source heat pumps, minimum 13-SEER (Seasonal Energy Efficiency Ratio)
- Water-source heat pumps
- Geothermal heat pumps

Agricultural Energy Audits

OPPD is committed to helping its agricultural customers save energy. In 2009, OPPD was awarded a \$100,000 grant from the USDA Rural Energy for America Program (REAP) to conduct energy audits for agricultural irrigation and grain-drying

operations in the OPPD service territory over a two-year period.

The grant covers 75 percent of the cost to audit the costs/benefits of converting irrigation pump equipment from diesel to electric or for making energy-efficiency improvements to grain-drying equipment. The USDA requires an energy audit before such operations can apply for another grant, which covers 25 percent of the cost for efficiency upgrades.

Although OPPD has been using multiple media to promote these audits, the most effective communication method has been word-of-mouth, through visits to local irrigation, well and grain bin dealers. OPPD continues to spread the word through multiple channels to increase participation.

OPPD conducted several audits in the spring of 2010, providing customers with information on how they can reduce their energy consumption through such conversions. Each participant receives an energy audit report, which is easy to read and interpret.

The report outlines the current energy use and the potential improvements with the conversion. The improvements outline the projected annual savings, payback time and estimated annual energy savings.

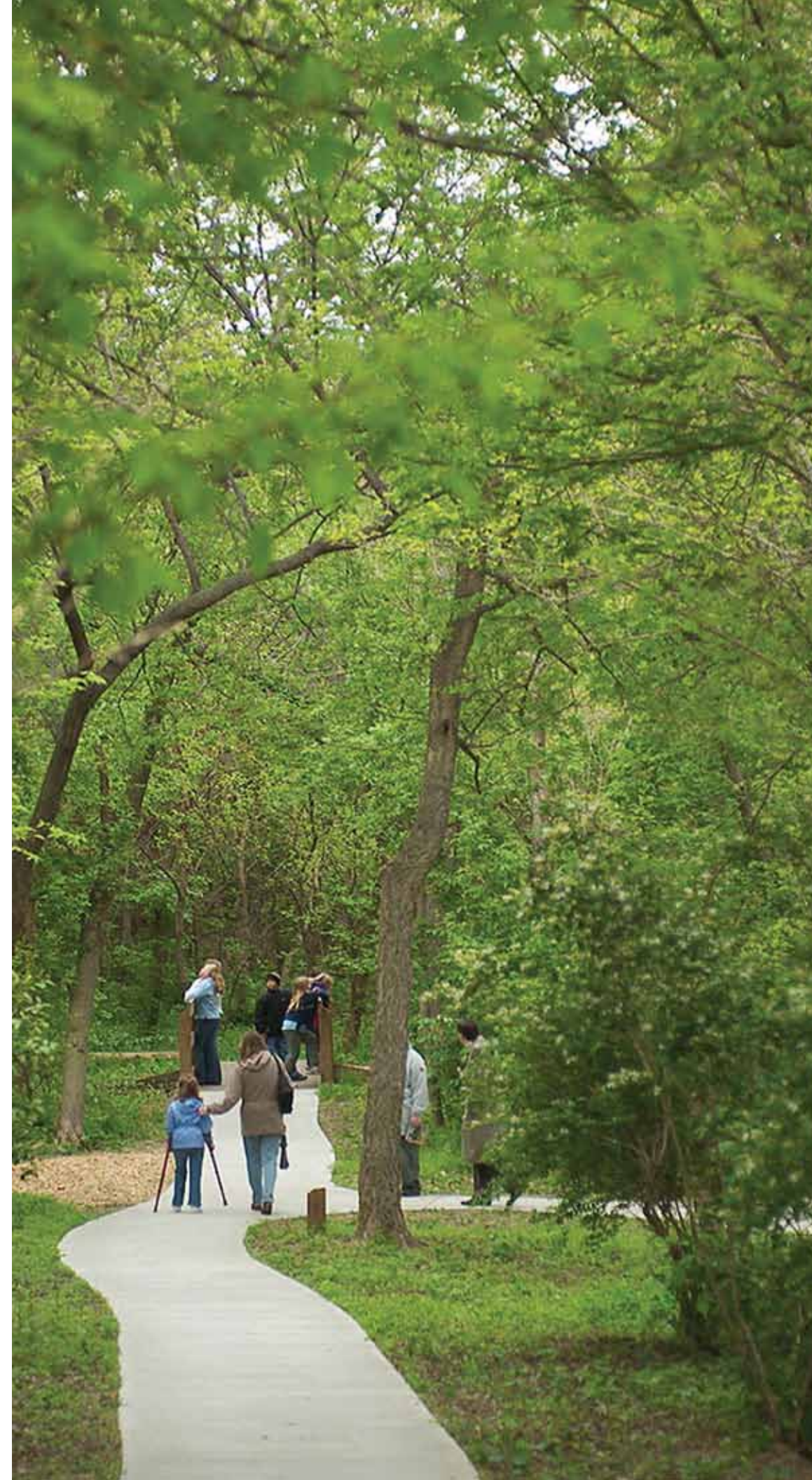
Time-of-Use Rates

These rates offer OPPD commercial and industrial (C&I) customers rewards in the form of lower demand charges when they shift or reduce their usage during peak load time periods in the summer months.

OPPD offers C&I customers these rates, along with the curtailable rates explained below, to help "shape" its customers' peak demand for electricity, thus deferring the need to build new power plants.

Curtailable Rates

C&I customers on these rates receive credits or payments for curtailing or interrupting their energy use for a set period of time at OPPD's request. They do so by reducing or shifting load to another time or by using their own back-up generators.



Partnerships and Working Associations

OPPD works with the following groups on Aim Green efforts:

- Building Owners and Managers Association of Omaha
- City of Omaha's Sustainable Initiative
- Creighton University
- Green Omaha Coalition
- Habitat for Humanity Omaha
- Nebraska Department of Health and Human Services
- Nebraska Energy Assistance Network
- Nebraska Energy Office
- Nebraska Wind Working Group
- Omaha by Design
- Omaha Healthy Homes Partnership
- Sierra Club
- University of Nebraska at Omaha
- Waste Cap of Nebraska



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