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Liquid fertilizer plant chose to work with merged public power and irrigation district

(Holdrege and Lexington, Neb.) July 7, 2023 – After the public announcement of the Project Meadowlark liquid fertilizer plant in Gothenburg, many are wondering why The Central Nebraska Public Power and Irrigation District and Dawson Public Power District were involved. Was it because of the proposed merger? The answer may surprise you.

In short, no, Project Meadowlark does not need Central and Dawson PPD to merge to become Platte River Public Power and Irrigation District. However, there is great mutual benefit to PRPPID becoming the energy supplier of Project Meadowlark.

The energy needs of the \$750 million liquid fertilizer plant are massive. Project Meadowlark is expected to consume over 200 megawatts of electricity, or more than the amount of energy used by the City of Kearney. It has the potential to boost Project Meadowlark's rank to the top three electrical consumers among Nebraska Public Power District and their wholesale public power partner's heavyweight industrial customers.

"As Project Meadowlark moved to a business model that would require a large amount of electrical energy, the City of Gothenburg, Central, Dawson PPD and NPPD immediately began to look for the best solutions to help deliver the eventual carbon-free energy they would need," said Central General Manager Devin Brundage. "The solution is the focus of our work together."

Currently, Central is a wholesale electrical provider of renewable hydropower, meaning that the district only sells to distributors of power but not to the end-use consumer. Dawson PPD is a distributor of electrical energy to the end-use consumer but does not generate electricity. Both the City of Gothenburg and Dawson PPD are wholesale power customers supplied by NPPD. Together, these four entities are finding collaborative solutions to electrically serve Project Meadowlark.

"Project Meadowlark didn't need to work with PRPPID; Project Meadowlark <u>wanted</u> to work with PRPPID," Brundage said. "It required everyone to think about 'what's the best way we could we do this,' not 'how have we always done this.' Because of the value we can bring to their success, it translates to the success of everyone in the PRPPID footprint." As a merged district, PRPPID will be able to both generate clean renewable energy and distribute it to Project Meadowlark, resulting in about ten percent of the liquid fertilizer facility's energy use. This is an example of one of the many ways a merged district can serve central Nebraska.

The water used by Project Meadowlark for its liquid fertilizer production will not be provided by Central or PRPPID. Instead, it uses a combination of the City of Gothenburg's wastewater and offset water through Central Platte Natural Resource District.

Discussion of Project Meadowlark, owned by JWC Gburg, LLC, began in 2017 with the Gothenburg Improvement Company and the City of Gothenburg. Initially, the project was going to use the standard industry process of using natural gas as the source of hydrogen to manufacture the liquid fertilizer. However, in the spring of 2022, Project Meadowlark changed its approach to producing liquid fertilizer by using electricity – specifically seeking renewable energy to increase the value of its carbon neutral product.

In 2020, Central and Dawson PPD began its discussions about a potential merger. The districts were negotiating the final terms of the merger when the boards were informed of the potential project in August 2022, about two years after their merger discussions and study began.

Given the competitive marketplace, Project Meadowlark's developers required Central and Dawson PPD directors and management to sign nondisclosure agreements. In June 2023, the City of Gothenburg and GIC officially announced Project Meadowlark.

Now that the announcement has been made, Central and Dawson PPD can confirm that the nondisclosure agreements pertained solely to Project Meadowlark, not to the merger. All aspects of the merger, including the consultant analysis, the agreed upon plan of consolidation and the operational plans have been publicly discussed and made available to the public.

"The Meadowlark project was not a prerequisite for PRPPID to establish its presence," said Dawson PPD General Manager Gwen Kautz. "Meadowlark merely represents one among numerous potential opportunities that will undoubtedly arise for the benefit of central Nebraska. By joining forces, PRPPID gains the capacity to undertake initiatives that would have been unattainable for Dawson PPD or Central individually. PRPPID hopes to build upon this opportunity and bring additional opportunities to central Nebraska. We are state rich in resources, but none better than our people."

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