

City of Fremont Update

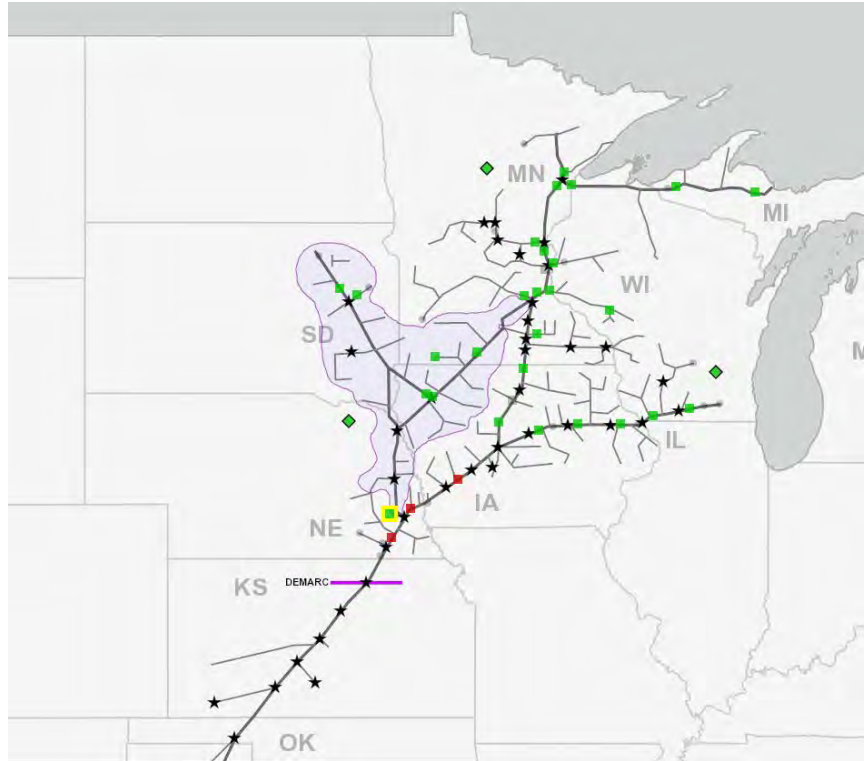
Date: February 7, 2020

To: City Employees/ City Boards/ Mayor & City Council

Northern Natural Gas Increases Delivery Costs

As reported several Updates ago, Northern Natural Gas (Northern) increased the cost to deliver natural gas to all of its pipeline customers, starting in January 2020. The increases are part of the new rates that Northern submitted to the Federal Energy Regulatory Commission (FERC) earlier this year for approval.

The new rates from Northern added \$210,000 to Fremont's costs in January. Fremont's natural gas customers will see higher gas costs starting with January usage due to Northern.



The map on the right shows Northern's natural gas pipeline system in eastern Nebraska, eastern South Dakota, most of Iowa, and portions of Minnesota and Wisconsin. The Northern pipelines that go through Nebraska are located on the west side of Fremont. Northern's pipelines are tied to the Canadian natural gas pipeline system, which adds redundancy to the pipeline grid. Since Northern is the only natural gas delivery company that has pipelines in our area, we have no choice in who delivers gas to Fremont.

City Council Approves Creating a Property Assessed Clean Energy District

After months of considering an ordinance to create a Property Assessed Clean Energy (PACE) district in Fremont, City Council adopted the ordinance last week. The PACE district contains all of Fremont, including the two-mile extraterritorial jurisdiction area that surrounds Fremont.

The PACE Act, which authorized Nebraska municipalities to create PACE districts, was signed into law in 2016 after Omaha Senator, Heath Melo, introduced LB 1012 during the 104th Legislative session. When the PACE Act was adopted in 2016, Nebraska joined more than 30 states that have similar forms of PACE programs. Although Omaha was the first municipality in Nebraska to create a PACE district in 2017, LaVista, Beatrice, Columbus, and now Fremont have followed suit.

What PACE does is to allow commercial property owners and developers in the PACE district to enter into an assessment agreement with the City. The property owner or developer can then take the assessment agreement to a lender (bank) to use as collateral

to finance up-front costs of efficiency and renewable energy improvements. Examples of efficiency improvements include insulation, heating and cooling systems, energy recovery systems, solar, geothermal, and wind resources.

The City's role in the PACE program is purely an administrative function in that the City creates a PACE district and files an assessment lien against the property with Dodge County when a property owner "opts-in" to a PACE project. With PACE there is no City or taxpayer funds involved, because all of the funding is between a lender and the property owner. Payments are paid through the property tax process, so the City has no involvement or risk in any PACE project.

As it has been demonstrated in Omaha and in other states, the PACE program is a great economic development tool that encourages communitywide energy efficiency improvements. We are excited to be able to offer it in Fremont.

Damaged Transmission Poles Replaced

City crews have been busy replacing several transmission line poles across town that have been damaged by woodpeckers. As shown in the bottom picture on the right, woodpeckers start by pecking a large hole in the side of a pole. They then can carve out the inside of the pole for a nest. Making matters worse is that woodpeckers never use the same nest twice. Once the integrity of the pole has been compromised by a woodpecker, unwanted water from rain and snow causes even more decay and greatly shortens the life of the pole.

Although Woody Woodpecker's *Pecking Holes in Poles* is a timeless childhood classic, woodpecker damage is a real problem for utilities across the U.S. In addition to nest building, woodpeckers peck poles in search for food (bugs) and as a mechanism to defend their territory. What is not clear is why a woodpecker will pick a pole rather than a tree or why one pole over another pole.

The top picture shows the process crews are forced to use to get access to many of the electric lines around town. This particular pole was a 70-foot pole located on the northside of Washington Heights. To get to the pole, crews had to lay down ground mats before backing across the lawn to avoid making large ruts in the lawn.

