

LB 977 Testimony | Lucas Froeschl, Falls City EDGE

Good afternoon, thank you Chair Stinner and Appropriations Committee. I am Lucas Froeschl (*SPELL*), Director of Falls City EDGE (Economic Development and Growth Enterprise), and we support LB 977 for critical power infrastructure in Southeast Nebraska to Nebraska's premier megasite. Main thoroughfares for Union Pacific and BNSF rail lines intersect in Falls City, option land agreements for over 1,000 rail-served acres are in place, and preliminary engineering plans for added rail lines have been designed and supported by UP and BNSF.

Falls City is one of few places in the entire Midwest with this much undeveloped land at the convergence of these 2 railroads. It's a unique opportunity that is yet to be exploited. The idea of this development is poised to be Nebraska's next big thing, but the priority need is access to more power. Falls City does not have enough power to even consider developing the site, let alone attract an anchor prospect.

About 12 years ago, Falls City invested in Nebraska City's NC2 coal-fired plant and secured a beneficial contract for power transmission. Six years ago, the Falls City Board of Public Works spent \$11m on a 155-ton engine for our power plant that can generate 9-megawatts as a valuable insurance policy for the community. Falls City is on an electrical island and the one transmission line feeding our town is sometimes disrupted, necessitating the need for in-house power generation. This investment creates value for the state's newest megasite as Falls City continues to invest in what we can control.

Falls City's peak load is 14mw in the summer and we have 2-to-3 megawatts available for development. We recently submitted a \$900m proposal that requires access to 30-

million bushels of corn to create 70 full-time jobs, but they need 50 megawatts of power for the operation. These are the type of opportunities we're trying to capture, but a chicken or the egg paradox exists. The business won't commit to the site until there's power and the power provider often needs a commitment from the business before building the infrastructure.

The inspiration behind this bill is to bring light to an opportunity. With 4.2m people living within 100 miles of Falls City, there's no other city in the state with access to a larger population within that radius. In the next two years, Falls City will invest \$4.1m to upgrade the antiquated electrical distribution system that supplies power throughout our downtown district and a few neighborhoods. Some have asked, "Well, what are you going to do with the power if you ever get it?" This reaffirms a proactive approach to ready our community when access to power is available. The upgrade is designed with an extra "distribution port" that's earmarked for a potential rail site development.

Falls City has continued to lose citizens since railroad operations left around 1990, the average medium income has suffered, and according to the NE Dept of Education, 53.1% of our kids at Falls City Public Schools receive free or reduced-rate lunches; top one-fifth in the state. Reversing this trend is realistic with access to more redundant and resilient power.

Falls City has done its part in preparing for this moment. Expanding Nebraska's transportation connectivity is a focus of Blueprint Nebraska for jobs and quality of life. The railroads exist in our backyard, we have purchase options on that land, electrical and rail engineering plans have been developed, but our region needs access to public power to capitalize on Nebraska's next big thing.