

LINCOLN ELECTRIC SYSTEM CHIEF EXECUTIVE OFFICER



Lincoln Electric System (LES) is a municipal utility, owned by the city of Lincoln, Nebraska, with a service area that covers approximately 200 square miles. LES employs over 500 people (approximately 151 of which are represented by two unions with the International Brotherhood of Electrical Workers) and serves over 147,000 customers. LES is operated under the LES Administrative Board, appointed by the Mayor, and confirmed by the Lincoln City Council. LES' deep involvement in the community is reflected in the LES Administrative Board. Each Board member is a community leader that offers a valuable perspective on diverse issues confronting LES. There are nine members, and each member is allowed to serve a maximum of three, three-year terms, receiving no compensation for their time served.

LES' Vision is to be the world's best energy company with a Mission to be a progressive leader, partnering with the community to maximize energy value and quality of life in an environmentally responsible manner. To date, LES has achieved industry-leading results while maintaining a focus on sustainability, safety, and operational excellence. At LES workplace safety is a company core value and an integral part of the culture. In 2023, LES was awarded the Peak Safety Award by the Nebraska Safety Council and received the Nebraska Safest Companies Award from the National Safety Council of Nebraska. The utility has some of the lowest-cost electric service in the nation; ranking 15th best out of 87 cities for the lowest average all-in price, 8th best for residential all-in price, and 7th for the most stable rates over the past ten years. The System Average Interruption Duration Index (SAIDI), the average annual amount of outage time for customers, excluding major events, was just 13.8 minutes in 2022, which is one-sixth of the national average. In November 2020, after participating in a year-long educational series and soliciting public opinion, the LES Administrative Board adopted one of the more ambitious decarbonization goals in the United States. The goal is to achieve net-zero carbon dioxide production from its generation portfolio by 2040. LES already achieved a 41% reduction in carbon dioxide emissions from 2010 to 2021, including a maximum annual reduction of 53% that occurred during the COVID19 pandemic in 2020.

The day-to-day operations of LES are conducted under the control and responsibility of its Chief Executive Officer (CEO). The current CEO, Mr. Kevin Wailes, who served as LES' CEO since 2010, will retire at the end of 2023. The Administrative Board seeks a new CEO to start at the beginning of 2024.

LES seeks an experienced, strategic, and politically savvy leader to bring a compelling vision and ability to set and achieve measurable goals in meeting the utility's decarbonization objective, while also elevating performance, financial results, and service for the benefit of the community. The CEO directs, manages, and administers all activities of LES within a framework of approved policies, programs, and budgets established and adopted by the LES Administrative Board. The CEO recommends strategic initiatives to the Board, and determines operational procedures, systems, and organizational structure to ensure LES continues to achieve its Mission.

CHIEF EXECUTIVE OFFICER (continued)

The CEO must be an effective communicator who will work collaboratively and transparently with the Administrative Board, employees, customers, and other industry and community partners. The CEO must ensure the Board is fully apprised of emerging financial and operational challenges and issues, as well as regulatory, legislative, and technological changes and trends.

ESSENTIAL DUTIES AND RESPONSIBILITIES

- Collaborates with the LES Administrative Board on a regular basis, and strategically directs and executes the policies, programs, and organizational strategy established in partnership with the LES Administrative Board.
- Communicates effectively with the Administrative Board and its committees and provides periodic reports reflecting the status of services, finances, operations and operational plans, and organizational activities of LES or any information necessary for the Board to function properly and to make informed decisions.
- Establishes the corporate vision, mission, core values, strategy, and performance goals with the executive team and ensures alignment with overall business unit strategic plans and performance metrics.
- Provides strategic and visionary leadership to the Executive Staff to include prioritizing and assigning work, conducting performance evaluations, providing leadership training, and making hiring, termination, and disciplinary decisions.
- Offers strategic vision and direction for the development of organizational policies, programs, and processes and ensures that staff maintains, updates, and ensures procedural compliance for mandated programs.
- Oversees the strategic leadership of organizational projects that promote the cost-effective utilization of electricity in the service area.
- Supports development of the organization's budgets and presents recommendations to the Board for approval.

- Supports negotiations and executes contracts, agreements, and other documents within the defined limits of Policy 101 or as directed by the Administrative Board.
- Serves as the face and voice of LES in legislative and regulatory proceedings. Directs the legislative policies and positions of LES.
- Represents LES to outside agencies and organizations as appropriate; interacts with the public, business, government, and civic organizations to gain acceptance and understanding of programs, policies, and services provided by LES and interacts with the media to communicate appropriate information on programs, services, and events.
- Exhibits community stewardship and actively engages with community members and organizations.

THE SUCCESSFUL CANDIDATE

The ideal candidate will build upon the current record of safety, reliability and value and be an industry visionary with a track record of leading effective change. He or she will exhibit the ability to be transformative and offer tangible successes that reflect innovation and a desire to push beyond the status quo. The CEO must obtain desired results while empowering, coaching, and developing employees.

The right cultural fit between the CEO and LES is critical. The CEO is expected to work as part of a team in an innovative, open, and participatory environment. Candidates must possess a strong customer service and public service mentality, along with unquestionable ethics and integrity. Candidates must share LES' commitment and passion for renewable energy, emerging technologies, energy efficiency, conservation, and other sustainability practices. The ideal candidate will also understand the importance of empowering people and the need for innovative recruitment and retention strategies as LES strives to be a premier employer of choice.

The CEO must possess executive-level oral and written communication talents, that includes compelling presentation skills and political acumen to interact effectively with board members, local government officials, community leaders, legislators, regulators, representatives of other agencies, industry peers, and the public.

THE SUCCESSFUL CANDIDATE (continued)

Fully qualified candidates will possess broad utility expertise and knowledge to be seen as a credible and strategic leader of other subject matter experts in areas related to power supply, power delivery, resource and transmission planning, emerging technologies, grid modernization, renewable development, finance, energy policy, cybersecurity, and customer service. Background or knowledge of a Regional Transmission Operator (RTO) marketplace is considered ideal.

A bachelor's degree in business management, engineering, finance, or a related field is required. As is twelve years of progressive experience in an electric utility, including ten years of vertically-integrated electric utility senior management or executive level experience; or an equivalent combination of education and experience sufficient to successfully perform the essential duties of the job.

LINCOLN ELECTRIC SYSTEM

Lincoln Electric System (LES) provides electric services to the cities and towns of Lincoln, Prairie Home, Waverly, Walton, Cheney, and Emerald. LES serves over 147,000 customers, of which approximately 88% are residential and 12% are commercial and industrial. LES set their all-time peak load of 786 MW in August 2011. Currently, LES is in discussions with data centers who could represent large new electric loads.

LES owns and operates 278 miles of transmission line and approximately 2,000 miles of distribution line. Transmission ties include multiple connections to Nebraska Public Power District, Omaha Public Power District, the Western Area Power Administration, Basin Electric Power Cooperative, MidAmerican Energy, and Associated Electric Cooperative.

In 2009, LES became an active member of the SPP Regional Transmission Organization, now called the Southwest Power Pool Integrated Marketplace (SPP IM). LES' energy requirements are met through the SPP IM, and the utility satisfies its capacity requirements through a variety of LES-owned generating facilities, minority ownership in jointly owned

generating facilities, power purchase arrangements, and a hydroelectric allocation from the Western Area Power Administration. The total nameplate generating capacity of 1,282 MW by fuel type is Renewable: 34%; Oil and Gas: 35% Coal: 31%. LES' 2022 energy production from renewable resources is equivalent to 44.5% of retail sales.

LES, in conjunction with two other governmental entities, created the District Energy Corporation (DEC) in 1989 to own, operate, maintain, and finance the heating and cooling facilities utilized by certain city, county, and state buildings. The DEC Board of Directors is comprised of five members: two appointed by the County Board of Commissioners, two by the Mayor of Lincoln (confirmed by City Council), and one by LES. The DEC Board, under a 20-year management agreement, has appointed LES to supervise and manage the system and business affairs. LES also provides electric energy to DEC at an established interruptible commercial rate.

LES' Sustainable Energy Program (SEP), first introduced in 2009, is a collection of demand side management measures incentivizing customers to reduce electricity consumption and thereby delay the need for future generation additions.

In 2023, LES contracted for a utility-scale battery storage project to be located within a portion of LES' service area served by a community microgrid. The LES microgrid was commissioned in 2020 to serve critical city, county, state, and federal infrastructure in downtown Lincoln. Additionally, one of the building blocks of LES' decarbonization plan is to develop Tier 1 Solar. LES could construct or contract for this resource but current evaluations are focused on the prospect of LES construction within or around LES' service area.



LINCOLN ELECTRIC SYSTEM (continued)

LES staff, including the Chief Executive Officer, Chief Technology Officer, Vice President of Energy Delivery, and the Vice President of Corporate Operations, actively participate in cyber/physical security-related industry groups.

At the end of 2022, LES' operating revenue was approximately \$361.4 million and total assets were close to \$1.3 billion. LES has a total of \$572 million in long-term debt with a Debt Service Coverage ratio of 2.32. LES did not have any bond issuances in 2022 and no long-term debt financing is expected in the next five years. Standard & Poor's Global Ratings and Fitch Ratings assigned AA ratings to LES, among the highest granted to electric utilities. LES remits 5% of total gross retail revenues from the sale of electricity within the city's corporate limits and any incorporated city or village in LES' service area to the City of Lincoln via a Payment in Lieu of Taxes (PILOT).

The Nebraska Power Review Board (NPRB) regulates electric utility activity in the state of Nebraska with oversight responsibility of the state's generating resources, establishment of individual public power service territories, and approval of certain transmission routing. NPRB is not responsible for rate establishment but may render advisory opinions concerning wholesale rate disputes.

More information can be found at: <https://www.les.com/>

LINCOLN, NEBRASKA

Lincoln is the State of Nebraska's capital city and the home to nearly 300,000 residents. Lincoln sits at the heart of the growing Silicon Prairie, offering a thriving economy to new businesses and residents. The last decade saw

large investments in broadband infrastructure through public-private partnerships, positioning the city to capitalize on the growing demand for remote work. Lincoln is ranked 6th by Ownerly as the best city in the country for remote workers and has been named a Smart Gigabit Community by US Ignite, a title given to fewer than 50 communities. Lincoln has remained economically resilient throughout the pandemic and continues to boast a low cost of living, low unemployment, consistent population growth, and a host of lifestyle amenities including 134 miles of hiking/biking trails, a robust public school system, and a Big Ten university campus.

The cost of living in Lincoln is estimated at only 91.5% of the national average with a median home cost of \$263,400. More information can be found at: <https://www.lincoln.ne.gov/Home> and <https://www.lcoc.com/>

COMPENSATION, BENEFITS AND RELOCATION

The total compensation and relocation package is competitive and dependent upon qualifications and experience. LES offers a benefits package that includes a 401k Defined Contribution Retirement Savings Plan. LES' matches 100% of employee contribution, up to 10% of applicable compensation, which vests after three years of service. LES also offers a 457(b) Deferred Compensation Plan and self-funded health and dental insurance programs.

TO APPLY

Interested candidates should submit a cover letter and resume to jgallo@mfpllc.us no later than **July 21, 2023**.

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BELIEF STATEMENT ON DIVERSITY, EQUITY AND INCLUSION

We believe that in order to be a world-class public utility, we must value and appreciate the uniqueness of our colleagues and of the customers we serve; creating a workplace where we feel safe and empowered to be our authentic selves while serving each other and the community. We strive to foster a diverse, inclusive workplace where everyone feels they belong and desires to contribute to the mission, values, goals, business practices and objectives of LES.