



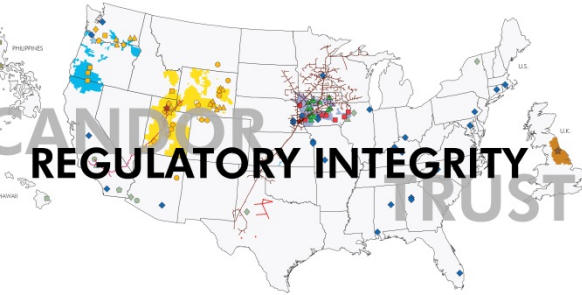
EMPLOYEE COMMITMENT



CUSTOMER SERVICE



OPERATIONAL EXCELLENCE



REGULATORY INTEGRITY



ENVIRONMENTAL RESPECT



**BERKSHIRE
FINANCIAL STRENGTH
OWNERSHIP**



Technical Advisory Committee - Grid Modernization

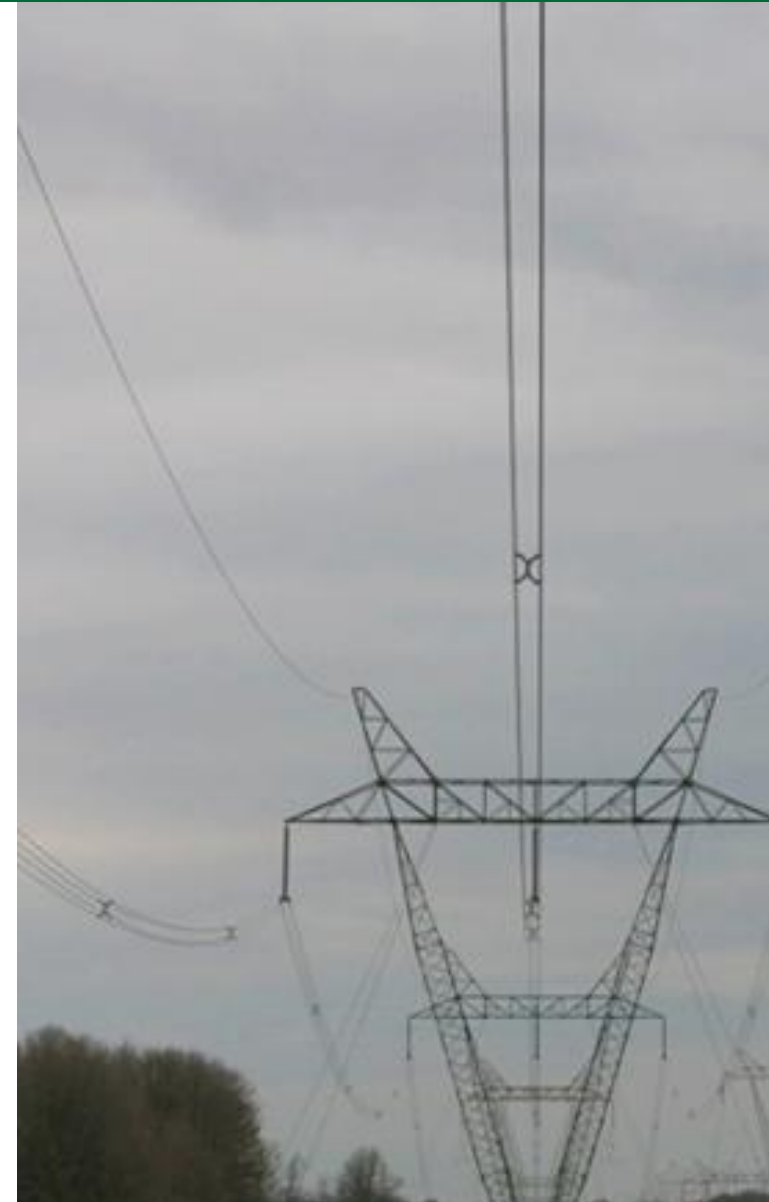
Renewable Energy Transmission Issues & Update

General Agenda

- Overview of the 2011-2012 Renewable Transmission Initiative
- Current Transmission Planning Realities
- Update on the Success of Large-scale Projects and “Zones”
- Transmission Strategy in a Perfect World

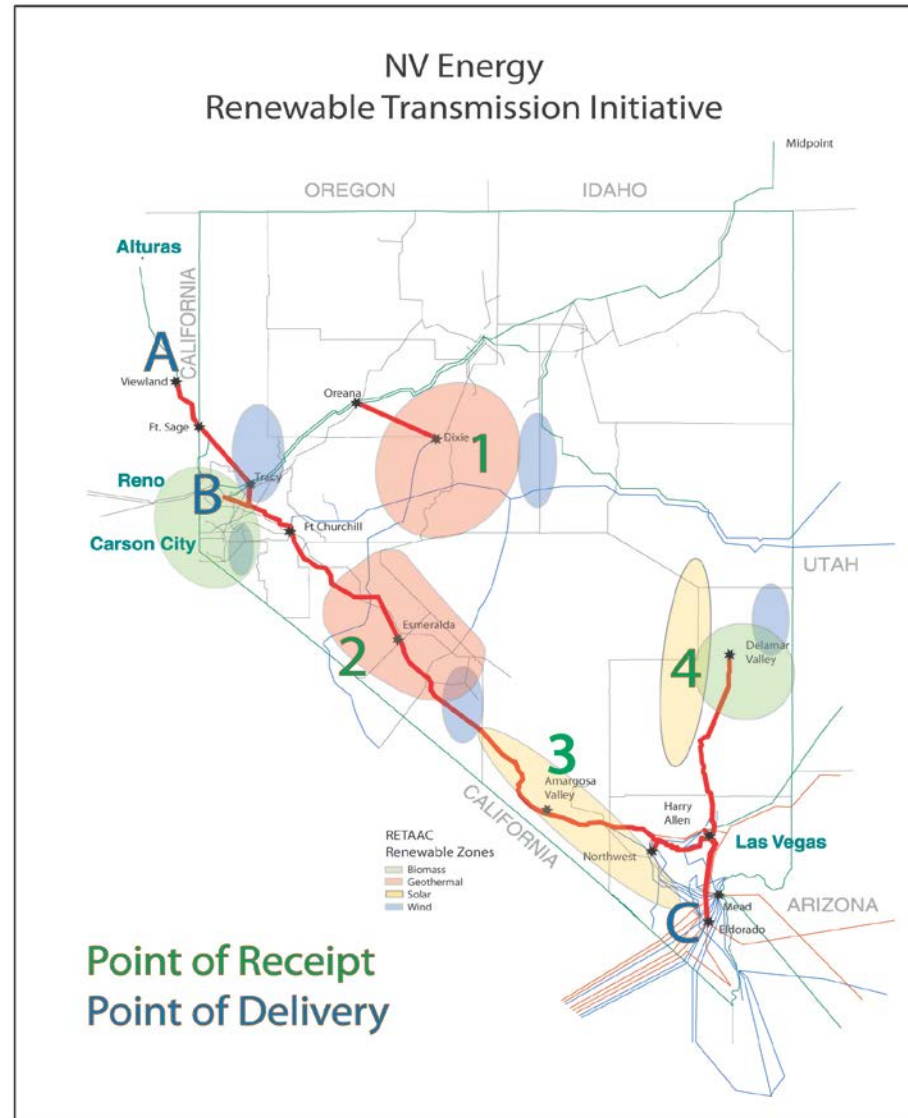
NV Energy's Renewable Transmission Initiative

- The 2009 Nevada legislature passed Assembly Bill 387, making transmission development to support renewable generation public policy
 - “The Commission shall require the utility to include in its plan a plan for construction or expansion of transmission facilities to serve renewable energy zones and to facilitate the utility in meeting the portfolio standard established by NRS 704.7821”*
- Nevada's Renewable Energy Transmission Access Advisory Committee identified specific renewable energy zones
 - Renewable energy developers
 - Environmental organizations
 - PUCN
 - State & federal agencies
 - Rural Cooperatives
 - NV Energy



Renewable Transmission Initiative

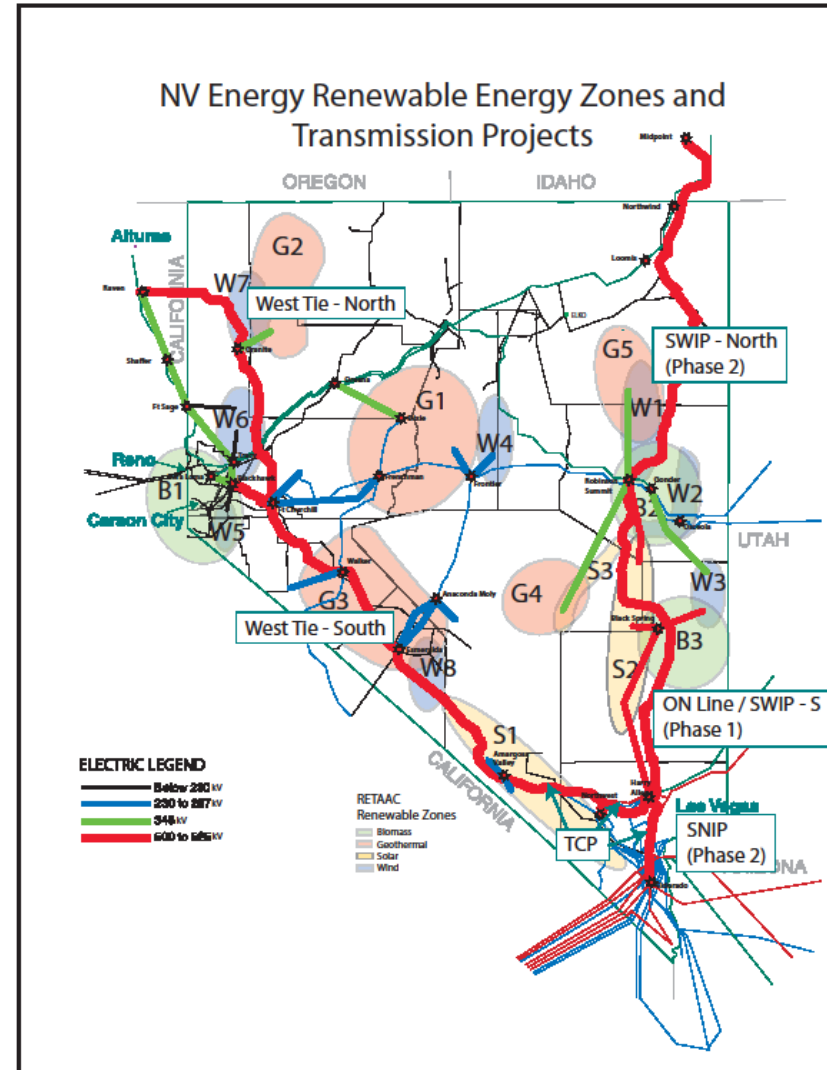
- In 2011, NV Energy launched the “**Renewable Transmission Initiative**” to support customer-driven transmission projects and reduce regulatory risks.



Renewable Transmission Initiative

Abbreviated Customer-Driven Process:

1. Customers/developers submitted statements of interest (no fee)
2. All notified of cost and scope of transmission studies to be conducted, based on submitted statements.
3. Customers could elect whether to participate by submitting an executed study agreement and their appropriate share of study costs
4. Customers would then commit to shared development and permitting costs, coupled with appropriate transmission rights.



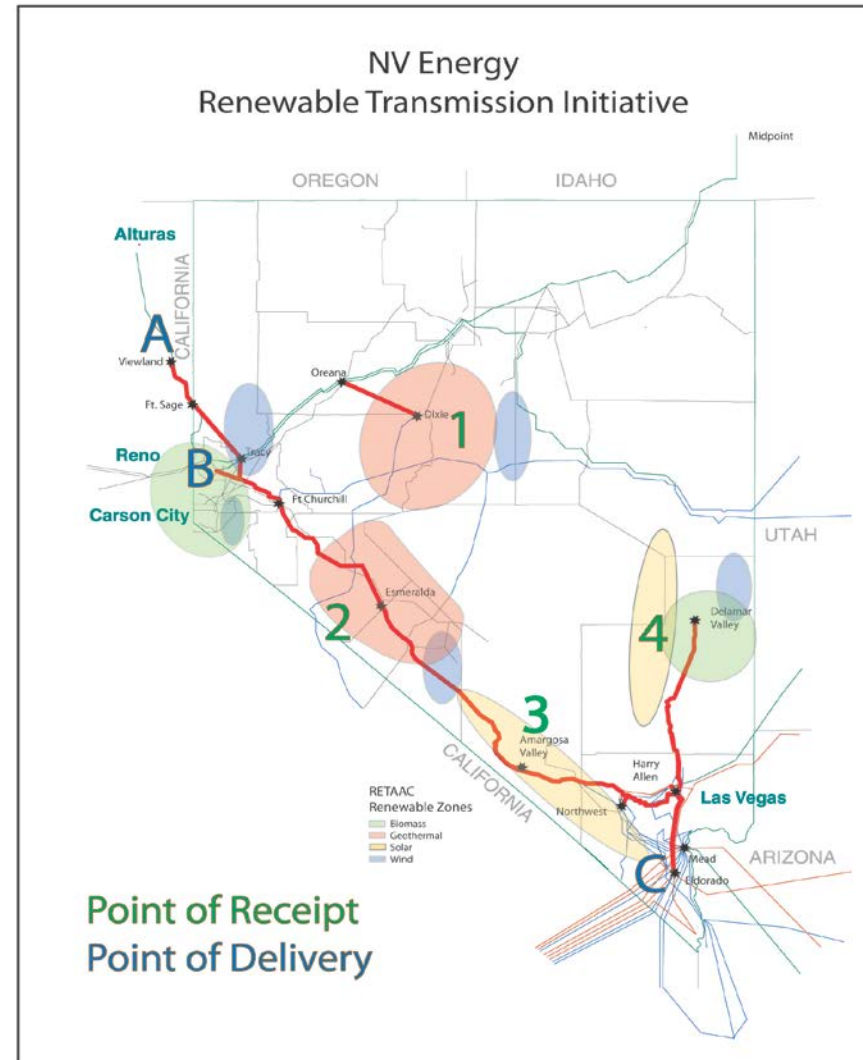
Renewable Transmission Initiative

- Initiative ended in 2012
- The following statement was used for trade media following the initiative:

Based on customers' responses, the NV Energy Renewable Transmission Initiative ("RTI") has been concluded.

Customer commitments to fund the Phase 2 permitting and Right of Way acquisition were insufficient to proceed as an aggregated customer-driven transmission development process.

Remaining customers have been informed they may submit individual project requests for Point-to-Point Transmission Service under the NV Energy Open Access Transmission Tariff ("OATT") if they desire to continue their project(s).



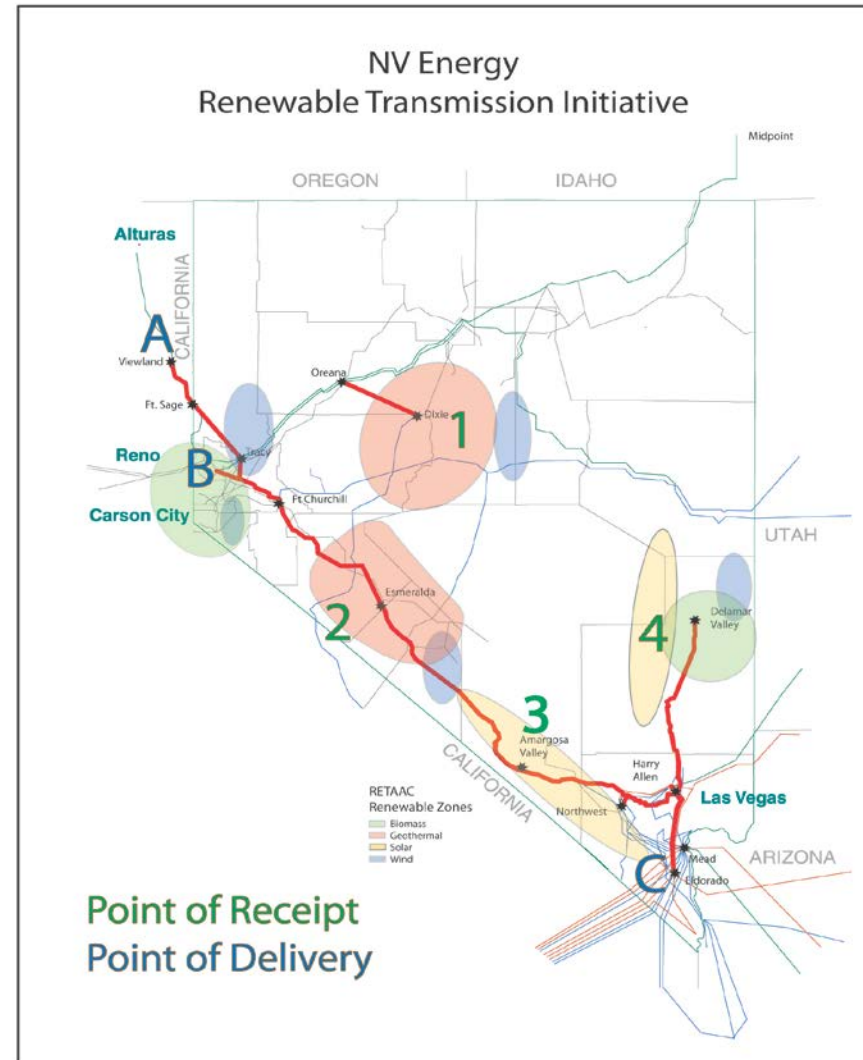
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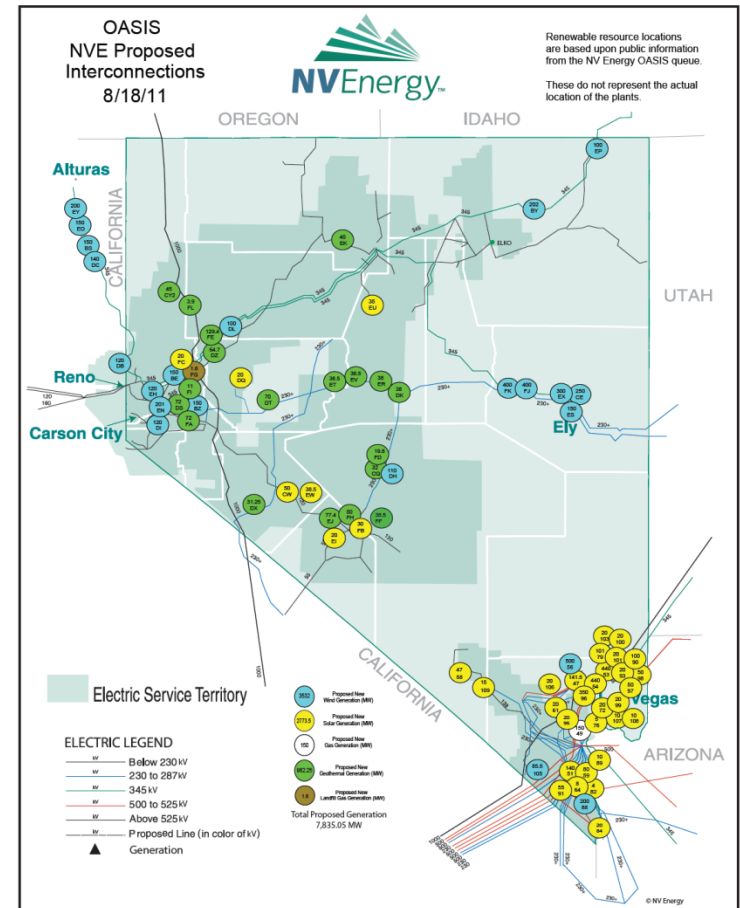
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Current Transmission Planning Realities

● Planning Strategy Challenges

- Lag
- Renewable Portfolios (Policy Uncertainty)
- Renewable Technology and Intermittency
- Market Uncertainty
- Interconnections and projects geographically concentrate



Current Transmission Planning Realities

State	Year	RPS Target
California	2020	33%
	2030	50%
Arizona	2025	15%
Oregon	2040	50%
New Mexico	2020	20%

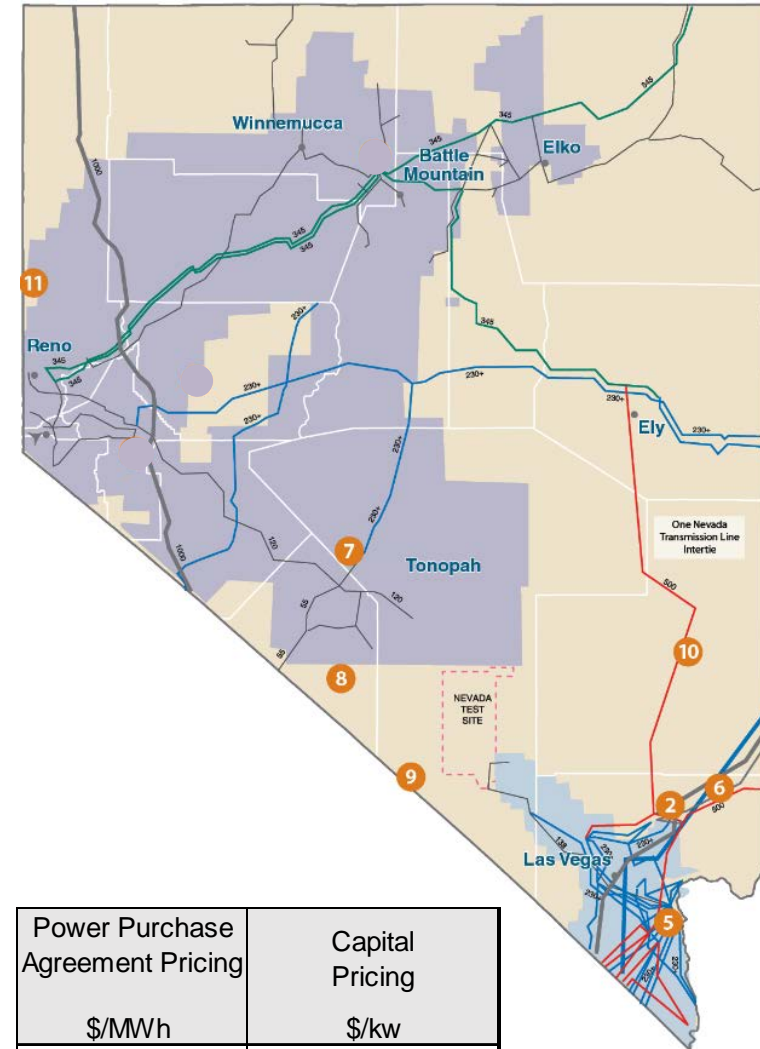


Update on Success of Large-Scale Renewable Energy Development in Nevada

- Recent Request for Proposals
 - Nation's Lowest cost PPAs for solar
 - Usually Private Land
 - Attributes
 - 100 – 300 megawatt sized projects not uncommon
 - Flat, minimal contouring, excellent solar attributes
 - Close to permanent roads
 - Construction Water
 - Minimal Environmental impact and mitigations
 - Substation proximity resulting in short interconnections
- “Zones” are successful

Update on Success of Large-Scale Renewable Energy Development in Nevada

		NPC MW	SPPC MW
Possible NV Energy Resources in the pipeline			
		150	310
			140
			50
Subtotal		150	500
Known Projects/Resources by 2020			
2	Dry Lake Solar Energy Zone (SEZ): Remaining MWs	100	
5	Eldorado Valley: Remaining MWs	700	
6	Moapa	200	
Varies	PV Solar at Geothermal Plant Sites		75
Varies	Developer A aggregated Projects	120	460
Varies	Developer B aggregated Projects	300	80
Subtotal		1,420	615
Projects/Resources beyond 2020			
7	Miller's SEZ		1,000
8	Gold Point SEZ		290
9	Armagosa Valley SEZ	510	
10	Dry Lake Valley North SEZ	1,520	
11	Fort Sage		150
Subtotal		2,030	1,440
TOTAL		3,600	2,555



Power Purchase Agreement Pricing	Capital Pricing
\$/MWh	\$/kw
\$39 - 45 escalating	\$1,600 - \$2,000

Transmission Planning in a Perfect World

- A Multifaceted Strategy:
 - Accounts for Portfolio Standards
 - Regional Considerations
 - Utilizes Renewable Energy Zones
 - Encourages Geographic Diversity in Renewables
 - Removes Lag
 - Removes uncertainty for Transmission Provider and Renewable Energy Developers
 - Controls or Reduces Transmission costs for customers