NV Energy Presentation
Kevin Geraghty – SVP, Energy Supply
June 21, 2017
• NV Energy Today
• Assets
  – Generating Plants
  – Power Purchase Agreements
  – Gas Transportation Contracts
  – Workforce
• Energy Choice Initiative
• Appendix
• Headquartered in Las Vegas, with major operations in Reno and Carson City
• 2,461 employees (month-end May 2017)
• 1.25 million electric and 163,000 gas customers
• Service to 90% of Nevada population, along with tourist population in excess of 45 million

(1) Net summer peak megawatts owned in operation as of May 31, 2017
NV Energy is a summer peaking utility driven by the loads in the Las Vegas and Reno areas.
Generation Assets

Key:
- ▲ Coal
- ▲ Natural Gas
- ▲ Renewable Energy

(All megawatts are summer peak capacity)

<table>
<thead>
<tr>
<th>Generating Station</th>
<th>Location</th>
<th>MW</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chuck Lenzle Generating Station</td>
<td>North Las Vegas</td>
<td>1,102 MW</td>
</tr>
<tr>
<td>Clark Mountain Combustion Turbines</td>
<td>Sparks</td>
<td>132 MW</td>
</tr>
<tr>
<td>Edward W. Clark Generating Station</td>
<td>Las Vegas</td>
<td>1,102 MW</td>
</tr>
<tr>
<td>Fort Churchill Generating Station</td>
<td>Yerington</td>
<td>226 MW</td>
</tr>
<tr>
<td>Frank A. Tracy Generating Station</td>
<td>Sparks</td>
<td>763 MW</td>
</tr>
<tr>
<td>Goodsprings Energy Recovery Station</td>
<td>Goodsprings</td>
<td>5 MW</td>
</tr>
<tr>
<td>Harry Allen Generating Station</td>
<td>North of Las Vegas</td>
<td>628 MW</td>
</tr>
<tr>
<td>Las Vegas Generating Station</td>
<td>North Las Vegas</td>
<td>272 MW</td>
</tr>
<tr>
<td>Navajo Generating Station <em>(NVE owns 11.3%, SRP is operator)</em></td>
<td>Arizona</td>
<td>255 MW</td>
</tr>
<tr>
<td>Nellis Solar Array II</td>
<td>Northeast of Las Vegas</td>
<td>15 MW</td>
</tr>
<tr>
<td>North Valmy Generating Station Valmy <em>(Idaho Power owns 50% of 322 MW total)</em></td>
<td>North of Las Vegas</td>
<td>261 NW</td>
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<tr>
<td>Silverhawk Generating Station</td>
<td>North of Las Vegas</td>
<td>520 MW</td>
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<tr>
<td>Sunpeak Generating Station</td>
<td>Las Vegas</td>
<td>210 MW</td>
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<tr>
<td>Walter M. Higgins Generating Station</td>
<td>Stateline</td>
<td>530 MW</td>
</tr>
<tr>
<td>Contract Name</td>
<td>Contract Type</td>
<td>Capacity (MW)</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------</td>
<td>---------------</td>
</tr>
<tr>
<td><strong>Renewable Energy</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PPAs (Commercial)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hooper[1][2]</td>
<td>Hydro</td>
<td>0.75</td>
</tr>
<tr>
<td>Kingston</td>
<td>Hydro</td>
<td>0.175</td>
</tr>
<tr>
<td>Mill Creek</td>
<td>Hydro</td>
<td>0.037</td>
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<tr>
<td>RO Ranch[1]</td>
<td>Hydro</td>
<td>0</td>
</tr>
<tr>
<td>Sierra Pacific Industries[1][2]</td>
<td>Biomass</td>
<td>0</td>
</tr>
<tr>
<td>Soda Lake 1[1][2]</td>
<td>Geothermal</td>
<td>3.6</td>
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<tr>
<td>TCID New Lahontan[1][2]</td>
<td>Hydro</td>
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<tr>
<td>TMWA Flesh[1][2]</td>
<td>Hydro</td>
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</tr>
<tr>
<td>TMWA Verdi[1][2]</td>
<td>Hydro</td>
<td>2.4</td>
</tr>
<tr>
<td>TMWA Washoe[1][2]</td>
<td>Hydro</td>
<td>2.5</td>
</tr>
<tr>
<td>USG San Emidio[1][2]</td>
<td>Geothermal</td>
<td>11.75</td>
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<tr>
<td><strong>Leased Units</strong></td>
<td></td>
<td></td>
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<tr>
<td><strong>PC Purchase Agreement</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TMWRF</td>
<td>Methane</td>
<td>0.8</td>
</tr>
<tr>
<td><strong>PPAs (Pre-Commercial)</strong></td>
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<td></td>
</tr>
<tr>
<td>Switch Station 2 (SPPC)</td>
<td>Solar[3]</td>
<td>51.3</td>
</tr>
<tr>
<td><strong>Non-Renewable Purchase Agreements</strong></td>
<td></td>
<td></td>
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<tr>
<td>Liberty (CalPeco) EBSA</td>
<td>Diesel</td>
<td>12.0</td>
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<tr>
<td><strong>Renewable &amp; Non-Renewable Sales Agreements</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liberty (CalPeco)</td>
<td>Full Requirements</td>
<td>See Note 4</td>
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<tr>
<td>NPC-SPPC</td>
<td>Sale of PCs (Geothermal)</td>
<td>2.3</td>
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<tr>
<td>Apple NGR (Fort Churchill Solar)</td>
<td>NGR Agreement (Sale of PCs)</td>
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<td>Apple NGR (Boulder Solar II)</td>
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<tr>
<td>Switch NGR-SPPC (Switch Station 2)[3]</td>
<td>NGR Agreement (Sale of PCs)</td>
<td>51.3</td>
</tr>
<tr>
<td>Apple NGR (Techren 2)[3]</td>
<td>NGR Agreement (Sale of PCs)</td>
<td>200.0</td>
</tr>
</tbody>
</table>

Notes:
1. Short Term Agreement rolled over annually through perpetuity per legal.
2. Sierra Pacific Industries, RO Ranch Hydro and the Steamboat 1A facilities are shut down indefinitely (the PPAs are still active).
3. Facilities are either under development or construction (the dates shown are expected dates).
4. The current monthly contract demand ranges from approximately 70 MW (June) to 140 MW (December).

## Power Purchase Agreements - South

### Renewable Purchase Agreements

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Type</th>
<th>Capacity (MW)</th>
<th>2017 Rate</th>
<th>Commercial Operation Date</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACE Searchlight SP</td>
<td>Solar</td>
<td>17.5</td>
<td>$139.75</td>
<td>12/16/2014</td>
<td>12/31/2034</td>
</tr>
<tr>
<td>APEX Landfill SP</td>
<td>Methane</td>
<td>12.0</td>
<td>$99.69</td>
<td>3/1/2012</td>
<td>12/31/2032</td>
</tr>
<tr>
<td>Boulder Solar 1</td>
<td>Solar</td>
<td>100.00</td>
<td>$46.00</td>
<td>12/9/2016</td>
<td>12/31/2016</td>
</tr>
<tr>
<td>Colorado River Commission-Hoover (RPS Excluded)</td>
<td>Hydro</td>
<td>235.2</td>
<td>Varies</td>
<td>10/1/2017</td>
<td>9/30/2027</td>
</tr>
<tr>
<td>Desert Peak 2 SP</td>
<td>Geothermal</td>
<td>25.0</td>
<td>$49.50</td>
<td>4/1/2007</td>
<td>12/31/2027</td>
</tr>
<tr>
<td>FRV Spectrum SP</td>
<td>Solar</td>
<td>30.0</td>
<td>$114.65</td>
<td>9/23/2013</td>
<td>12/31/2038</td>
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<tr>
<td>Galena 2 SP</td>
<td>Geothermal</td>
<td>13.0</td>
<td>$47.50</td>
<td>5/3/2007</td>
<td>12/31/2033</td>
</tr>
<tr>
<td>Jervey Valley SP</td>
<td>Geothermal</td>
<td>22.5</td>
<td>$67.49</td>
<td>8/10/2011</td>
<td>12/31/2031</td>
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<tr>
<td>McGimmes Hills SP</td>
<td>Geothermal</td>
<td>96.0</td>
<td>$87.16</td>
<td>6/20/2012</td>
<td>12/31/2032</td>
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<tr>
<td>Mountain View</td>
<td>Solar</td>
<td>20.0</td>
<td>$119.46</td>
<td>1/5/2014</td>
<td>12/31/2039</td>
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<tr>
<td>Nevada Solar One (NPC) SP</td>
<td>Solar</td>
<td>46.9</td>
<td>$195.83</td>
<td>6/27/2007</td>
<td>12/31/2027</td>
</tr>
<tr>
<td>NGP Blue Mountain SP</td>
<td>Solar</td>
<td>49.5</td>
<td>$83.70</td>
<td>11/30/2009</td>
<td>12/31/2029</td>
</tr>
<tr>
<td>NV Apex SP</td>
<td>Solar</td>
<td>20.0</td>
<td>$134.28</td>
<td>7/11/2012</td>
<td>12/31/2037</td>
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<tr>
<td>Salt Wells SP</td>
<td>Geothermal</td>
<td>23.6</td>
<td>$72.52</td>
<td>9/18/2009</td>
<td>12/31/2029</td>
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<tr>
<td>Silver State</td>
<td>Solar</td>
<td>12.5</td>
<td>$133.28</td>
<td>4/25/2012</td>
<td>12/31/2032</td>
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<tr>
<td>Spring Valley</td>
<td>Wind</td>
<td>151.8</td>
<td>$120.31</td>
<td>8/16/2012</td>
<td>12/31/2032</td>
</tr>
<tr>
<td>Stillwater Geothermal SP</td>
<td>Geothermal</td>
<td>47.2</td>
<td>$67.70</td>
<td>9/18/2009</td>
<td>12/31/2029</td>
</tr>
<tr>
<td>Stillwater PV SP</td>
<td>Solar</td>
<td>30.0</td>
<td>$49.50</td>
<td>3/5/2012</td>
<td>12/31/2032</td>
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<tr>
<td>Tonopah Crescent Dunes</td>
<td>Solar</td>
<td>110.0</td>
<td>$92.41</td>
<td>11/9/2015</td>
<td>12/31/2032</td>
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<tr>
<td>Tuscarora SP</td>
<td>Geothermal</td>
<td>32.0</td>
<td>$67.70</td>
<td>11/30/2011</td>
<td>12/31/2032</td>
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<tr>
<td>WM Renewable Energy-Lockwood SP</td>
<td>Solar</td>
<td>9.2</td>
<td>$84.92</td>
<td>4/1/2012</td>
<td>12/31/2032</td>
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<tr>
<td>NPC-SPPC</td>
<td>Geothermal</td>
<td>2.3</td>
<td>$22.87</td>
<td>10/30/2009</td>
<td>12/31/2028</td>
</tr>
<tr>
<td>Veilis 1 (Solar Star)</td>
<td>Solar</td>
<td>13.2</td>
<td>$91.79</td>
<td>12/31/2008</td>
<td>12/31/2027</td>
</tr>
<tr>
<td>Steamboat 1A</td>
<td>Geothermal</td>
<td>2.0</td>
<td>$79.74</td>
<td>12/31/2008</td>
<td>12/31/2027</td>
</tr>
<tr>
<td>SunPower (LVVWD)</td>
<td>Solar</td>
<td>3.0</td>
<td>$88.57</td>
<td>11/30/2011</td>
<td>12/31/2027</td>
</tr>
</tbody>
</table>

### Notes:
1. A solar facility was added to the Stillwater PPA.
2. Facilities are either under development or construction (the dates shown are expected dates).
3. NPC shall sell 43,200 PCs for three years.

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### Power Purchase Agreements

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Type</th>
<th>Capacity (MW)</th>
<th>2017 Rate</th>
<th>Commercial Operation Date</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nevada Cogeneration Associates #1 SP</td>
<td>Natural Gas</td>
<td>85.0</td>
<td>$97.26</td>
<td>6/18/1992</td>
<td>4/30/2023</td>
</tr>
<tr>
<td>Nevada Cogeneration Associates #2 SP</td>
<td>Natural Gas</td>
<td>85.0</td>
<td>$75.28</td>
<td>2/1/1993</td>
<td>4/30/2023</td>
</tr>
<tr>
<td>Saltwater Renewable Energy</td>
<td>Natural Gas</td>
<td>90.0</td>
<td>$79.74</td>
<td>10/17/1992</td>
<td>4/30/2021</td>
</tr>
<tr>
<td>Griffith Energy</td>
<td>Natural Gas (Gas Tolling-Summer Only)</td>
<td>570.0</td>
<td>Varies</td>
<td>6/1/2008</td>
<td>9/30/2017</td>
</tr>
</tbody>
</table>

### Renewable and Non-Renewable Sales Agreements

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Type</th>
<th>Capacity (MW)</th>
<th>2017 Rate</th>
<th>Commercial Operation Date</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Las Vegas NQR (Boulder Solar 1)</td>
<td>NQR Agreement (Sale of PCs)</td>
<td>See Note 3</td>
<td></td>
<td>12/30/2016</td>
<td>12/31/2019</td>
</tr>
<tr>
<td>Switch NQR (Switch Station 1 SP)</td>
<td>NQR Agreement (Sale of PCs)</td>
<td>100.0</td>
<td></td>
<td>7/31/2017</td>
<td>12/31/2037</td>
</tr>
<tr>
<td>Switch NQR-NPC (Switch Station 2)</td>
<td>NQR Agreement (Sale of PCs)</td>
<td>27.7</td>
<td></td>
<td>9/30/2017</td>
<td>12/31/2037</td>
</tr>
</tbody>
</table>

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Notes:
1. A solar facility was added to the Stillwater PPA.
2. Facilities are either under development or construction (the dates shown are expected dates).
3. NPC shall sell 43,200 PCs for three years.

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### Diagram

- **Geothermal**
- **Solar**
- **Hydro**
- **Waste Heat**
- **Wind**

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Nevada Power Company d/b/a NV Energy Long Term Agreements

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**PC Purchase Agreements**

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Type</th>
<th>Capacity (MW)</th>
<th>2017 Rate</th>
<th>Commercial Operation Date</th>
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</tr>
</thead>
</table>
| 1. A solar facility was added to the Stillwater PPA.
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**PPAs (Pre-Commercial)**

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Type</th>
<th>Capacity (MW)</th>
<th>2017 Rate</th>
<th>Commercial Operation Date</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switch Station 1</td>
<td>Solar</td>
<td>100.00</td>
<td>$38.70</td>
<td>7/31/2017</td>
<td>12/31/2037</td>
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<tr>
<td>Switch Station 2 (NPC)</td>
<td>Solar</td>
<td>27.70</td>
<td>$38.70</td>
<td>9/30/2017</td>
<td>12/31/2037</td>
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<tr>
<td>Techren 1</td>
<td>Solar</td>
<td>100.00</td>
<td>$33.99</td>
<td>1/1/2019</td>
<td>12/31/2043</td>
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</tbody>
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**Non-Renewable Purchase Agreements**

<table>
<thead>
<tr>
<th>Contract Name</th>
<th>Contract Type</th>
<th>Capacity (MW)</th>
<th>2017 Rate</th>
<th>Commercial Operation Date</th>
<th>Termination Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>NV Power Company</td>
<td>Natural Gas</td>
<td>85.0</td>
<td>$97.26</td>
<td>6/18/1992</td>
<td>4/30/2023</td>
</tr>
<tr>
<td>NV Power Company</td>
<td>Natural Gas</td>
<td>85.0</td>
<td>$75.28</td>
<td>2/1/1993</td>
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<td>Natural Gas</td>
<td>90.0</td>
<td>$79.74</td>
<td>10/17/1992</td>
<td>4/30/2021</td>
</tr>
<tr>
<td>NV Power Company</td>
<td>Natural Gas (Gas Tolling-Summer Only)</td>
<td>570.0</td>
<td>Varies</td>
<td>6/1/2008</td>
<td>9/30/2017</td>
</tr>
</tbody>
</table>

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**Renewable and Non-Renewable Sales Agreements**

<table>
<thead>
<tr>
<th>Contract Name</th>
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<tr>
<td>City of Las Vegas NQR (Boulder Solar 1)</td>
<td>NQR Agreement (Sale of PCs)</td>
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<td></td>
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<td>12/31/2019</td>
</tr>
<tr>
<td>Switch NQR (Switch Station 1 SP)</td>
<td>NQR Agreement (Sale of PCs)</td>
<td>100.0</td>
<td></td>
<td>7/31/2017</td>
<td>12/31/2037</td>
</tr>
<tr>
<td>Switch NQR-NPC (Switch Station 2)</td>
<td>NQR Agreement (Sale of PCs)</td>
<td>27.7</td>
<td></td>
<td>9/30/2017</td>
<td>12/31/2037</td>
</tr>
</tbody>
</table>

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Notes:
1. A solar facility was added to the Stillwater PPA.
2. Facilities are either under development or construction (the dates shown are expected dates).
3. NPC shall sell 43,200 PCs for three years.
Gas Transportation Contracts

Northern Nevada
- 29 contracts with 6 pipelines
- 100 % of needs covered by uninterruptible service
- Provides services to 162,000 gas customers highly consolidated in Reno/Sparks area
- Peak gas heating load is 163,574 decatherms
- Peak electric need is 135,694 decatherms
- The majority of the gas transportation costs are borne by electric customers

Southern Nevada
- 7 contracts with 1 pipeline
- 76 % of needs covered by uninterruptible service
- Peak electric need is 556,258 decatherms
Workforce

• More than 500 colleagues are responsible for meeting the continuous obligation to supply energy to customers
  – Power Plant Operations
  – Engineering
  – Contract Management
  – Planning and Forecasting
  – Market Monitoring and Optimization
  – Administration

• Many of these colleagues are represented by two International Brotherhood of Electrical Workers labor agreements
  – Local 1245 (northern Nevada) contract through September 22, 2022
  – Local 396 (southern Nevada) contract through June 30, 2021
Generation and Energy Supply Overview

- Power generation fleet is managed as a single operation across Nevada Power Company and Sierra Pacific Power Company
- Company owns 76 generating units and has 61 power or portfolio credit purchase agreements
- Annual volumes in excess of 30,000 gigawatt-hours are delivered to fully bundled customers, around two-thirds in southern Nevada
- Over 22,000 gigawatt-hours is self-generated with the balance from power purchase agreements
- Long- and short-term gas transportation contracts ensure firm supply to meet summer peak demand; approximately $118 million in transportation costs annually

<table>
<thead>
<tr>
<th>Key facts</th>
<th>YE 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy Supply Asset base</td>
<td>$3,226.0m</td>
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<tr>
<td>Owned summer peak capacity</td>
<td>6,011MW</td>
</tr>
<tr>
<td>(includes Navajo Generating Station)</td>
<td></td>
</tr>
<tr>
<td>Energy mix (owned capacity):</td>
<td></td>
</tr>
<tr>
<td>Gas</td>
<td>91.1%</td>
</tr>
<tr>
<td>Coal</td>
<td>8.6%</td>
</tr>
<tr>
<td>Renewables</td>
<td>0.3%</td>
</tr>
<tr>
<td>Volume generated</td>
<td>22,116GWh</td>
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<tr>
<td>Volume from Power Purchase</td>
<td>9,009GWh</td>
</tr>
<tr>
<td>Agreements</td>
<td></td>
</tr>
<tr>
<td>Employees/Payroll Supporting</td>
<td>564/$91.9m</td>
</tr>
<tr>
<td>Energy Supply</td>
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</tbody>
</table>
Consistent with the Energy Choice Initiative ballot language, the following may be assumed:

- Power generation and energy supply will be established as a competitive service; will require utilities to divest assets related to the supply of electricity
  - NV Energy, and any affiliates, will be out of the power generation side of the business in order to prohibit the grant of monopolies for the supply of electricity
- Transmission and distribution service will remain a regulated rate of return service due to the cost of duplicating investments
  - Consistent with what has been done in other fully competitive retail jurisdictions
  - Legislature need not provide for transmission and distribution deregulation to establish the competitive retail market
- Default or provider of last resort service will not be provided by regulated utilities in order to prevent the grant of an exclusive monopoly
  - NV Energy will not provide default or provider of last resort services
- Jobs for NV Energy colleagues will remain a primary focus of decision makers in the transition
Potential Transition Costs

• Restructuring related transition costs beyond stranded generation and regulatory assets can include
  – Establishing provider of last resort or default full service entity
  – Creating an independent entity and a new Federal Energy Regulatory Commission approved tariff for transmission system open access and operations
  – Creation and operation of a new entity responsible for market operations
  – Reconfigure customer service and billing architecture
  – Create a customer choice and switching mechanism among retailers
  – Manage the customer electronic data interchange that the utility, retailers and system/market operator will need to access
  – Workforce and downsizing of assets no longer needed to support utility
    • Building leases, vehicles, computer equipment, etc.
• State implementation and oversight costs related to restructuring
  – Creation and implementation of new regulatory regime tasked with licensing energy marketers and to set forth rules of data handling and market behavior
  – Creation and implementation of audit function and enforcement arm for new regulatory regimes
  – Administration of social policy programs under new regulatory regime
  – Additional resources to receive and process customer complaints concerning new market players
  – Costs to establish auction or to oversee auction for provider of last resort or default service
  – Costs to educate consumers on retail choice and accessing energy supply options
• Potential cost shifts to Sierra Pacific Power gas operations as local distribution company customers
  – Retained gas transportation contracts will no longer be shared with electric customers
  – Cost efficiencies of shared billing with electric customers may be eliminated
  – Ability to direct gas during extreme temperature events may have reliability impacts
The cost obligation created by existing private solar generation coupled with the proposed addition of 240 megawatts (80 megawatts in three tiers) with excess energy priced at 95% of full retail, 88% and 81%, respectively.

- Analysis based on 465 megawatts of total installed capacity (225 megawatts existing plus 240 megawatts new).

- Uncapped fourth tier modeled at 75% of retail rate, each 10 megawatt increment would add $1 million in annual obligation.

- The following table does not consider the impact of excess energy purchases at time-variant rates.

<table>
<thead>
<tr>
<th>Obligation</th>
<th>Total</th>
<th>NPC</th>
<th>SPPC</th>
</tr>
</thead>
<tbody>
<tr>
<td>AB405 Impact</td>
<td>$27,499,664</td>
<td>$26,144,293</td>
<td>$1,355,371</td>
</tr>
<tr>
<td>Consisting of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost for energy paid above market value</td>
<td>$16,907,319</td>
<td>$16,093,622</td>
<td>$813,697</td>
</tr>
<tr>
<td>Cost for services provided at price below cost to serve</td>
<td>$10,592,345</td>
<td>$10,050,672</td>
<td>$541,673</td>
</tr>
<tr>
<td>Existing Rooftop Installations</td>
<td>$14,801,267</td>
<td>$13,682,520</td>
<td>$1,118,746</td>
</tr>
<tr>
<td>Consisting of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost for energy paid above market value</td>
<td>$7,750,362</td>
<td>$7,007,989</td>
<td>$742,373</td>
</tr>
<tr>
<td>Cost for services provided at price below cost to serve</td>
<td>$7,050,905</td>
<td>$6,674,532</td>
<td>$376,373</td>
</tr>
<tr>
<td>Total Annual Out of Market Obligation</td>
<td>$42,300,931</td>
<td>$39,826,814</td>
<td>$2,474,117</td>
</tr>
<tr>
<td>Consisting of:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost for energy paid above market value</td>
<td>$24,657,681</td>
<td>$23,101,610</td>
<td>$1,556,071</td>
</tr>
<tr>
<td>Cost for services provided at price below cost to serve</td>
<td>$17,643,249</td>
<td>$16,725,203</td>
<td>$918,046</td>
</tr>
</tbody>
</table>
Highlighted public policy costs for a Nevada Power Company average residential customer total $9.45 per month or about 7.2% of the monthly bill. Energy costs to comply with renewable portfolio credit requirements, which currently total $7.12 per month, are included in the electric consumption rate.
Temp. Green Power Financing ($0.64) – Funds the Temporary Renewable Energy Development Trust, which was put in place by the Legislature to facilitate renewable development. Only one project, Nevada Solar One, was financed through the trust.

Renewable Energy Program ($1.01) – Funds the $295 million RenewableGeneration Program, which was established by the Legislature to provide cash payment to the owners of private rooftop solar, wind and water power systems.

Energy Efficiency Charge ($1.18) – Funds the mandated investment in demand-side management and demand reduction programs.

Local Government Fee ($6.23) – Represents the “taxes” imposed by local governments for the right to site utility facilities in public rights of way. This varies by county.

Universal Energy Charge ($0.39) – Funds a low-income assistance program established by the Legislature. The dollars collected are forwarded directly to agencies who administer the program and distribute the funds to their clients.
# Financial Respect
## Impact Of Company Operations to Nevada

<table>
<thead>
<tr>
<th></th>
<th>Northern Nevada</th>
<th>Southern Nevada</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2016 Total Payroll</strong></td>
<td>$111,340,639</td>
<td>$167,010,959</td>
<td>$278,351,598</td>
</tr>
<tr>
<td><strong>Taxes and Fees Paid</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nevada property taxes</td>
<td>$22,183,191</td>
<td>$34,012,927</td>
<td>$56,196,118</td>
</tr>
<tr>
<td>Franchise, utility and business license fees</td>
<td>29,370,879</td>
<td>114,010,131</td>
<td>143,381,010</td>
</tr>
<tr>
<td>Nevada modified business tax</td>
<td>1,592,647</td>
<td>1,684,275</td>
<td>3,276,922</td>
</tr>
<tr>
<td>Commerce tax</td>
<td>1,095,112</td>
<td>3,100,621</td>
<td>4,195,733</td>
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<tr>
<td>Universal energy charge</td>
<td>3,082,453</td>
<td>7,373,364</td>
<td>10,455,817</td>
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<tr>
<td>Mill tax (paid to PUCN)</td>
<td>2,526,274</td>
<td>6,845,130</td>
<td>9,371,404</td>
</tr>
<tr>
<td>Use tax paid to Nevada</td>
<td>2,038,367</td>
<td>2,074,537</td>
<td>4,112,904</td>
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<tr>
<td>Possessory interest</td>
<td>376,083</td>
<td>568,592</td>
<td>944,675</td>
</tr>
<tr>
<td>Unemployment taxes</td>
<td>177,564</td>
<td>482,397</td>
<td>659,961</td>
</tr>
<tr>
<td><strong>Total paid in fees and taxes in Nevada</strong></td>
<td>$62,442,570</td>
<td>$170,151,974</td>
<td>$232,594,544</td>
</tr>
</tbody>
</table>
Appendix
NV Energy’s Power Generation Fleet
Baseload/Intermediate Combined-Cycle Units

Chuck Lenzie
- 1,102 megawatts, heat rate – 7,200 British thermal units/kilowatt-hour
- In-service date March 2006 (purchased October 2004)
Silverhawk
• 525 megawatts, heat rate – 7,467 British thermal units/kilowatt-hour
• In-service date May 2004 (Purchased January 2006)
Harry Allen – Unit 7
• 484 megawatts, heat rate – 7,013 British thermal units/kilowatt-hour
• In-service date May 2011
Walter M. Higgins

- 530 megawatts, heat rate – 7,350 British thermal units/kilowatt-hour
- Grey water in use from local casinos
- In-service date February 2004 (purchased December 2008)
Frank A. Tracy – Unit 10

- 541 megawatts, heat rate – 7,150 British thermal units/kilowatt-hour
- In-service date July 2008
**North Valmy Unit 1 and Unit 2 – Reliability Must Run Unit**

- Unit 1: 254 megawatts, heat rate – 9,916 British thermal units/net kilowatt hour
- Unit 1: emission controls: low oxide of nitrogen burners, baghouse, dry sorbent injection (2015)
- Unit 2: 268 megawatts, heat rate – 10,372 British thermal units/net kilowatt hour
- Unit 2 emission controls: low oxide of nitrogen burners, baghouse, dry sulfur dioxide scrubber
- In-service date 1981 (Unit 1) and 1985 (Unit 2)
- Co-owned with Idaho Power Company – 50%
Navajo Generating Station  Units 1 thru 3
- 2,250 megawatts (each unit is 750 megawatts), heat rate – 10,090 British thermal units/net kilowatt-hour
- Salt River Project is the operator
- NV Energy owns 11.3% of the plant – 255 megawatts
- Emission controls: low oxide of nitrogen burners, hot-side precipitators, wet sulfur dioxide scrubber
- In-service date 1974 (Unit 1), 1975 (Unit 2), 1976 (Unit 3)
- Original lease expires December 2019 – NV Energy will eliminate interest at that time
Clark Combined-Cycle Units – Unit 9 and Unit 10

- 430 megawatts, heat rate – 9,730 British thermal units/net kilowatt-hour
- Emission controls: dry-low oxide of nitrogen burners
- Each combustion turbine has a bypass duct – heat rate is 15,050 British thermal units/net kilowatt-hour in this mode
- Plant uses grey water from the City of Las Vegas
- In-service date 1979 (Units 5 and 6), 1980 (Unit 7), 1982 (Unit 8), 1993 (Unit 9) and 1994 (Unit 10)
**Tracy Combined-Cycle Unit 5**

- 104 megawatts, heat rate – 8,355 British thermal units/net kilowatt-hour
- Emission controls: dry low oxide of nitrogen burners and steam injection
- Steam augmented output
- In-service date 1996
- Unit was originally constructed as an integrated coal gasification combined-cycle unit
Las Vegas Generating Station

- 272 megawatts
- In-service date 1994 (Block 1) and 2003 (Blocks 2 and 3)
- NV Energy purchased the plant in 2014
Gas-Fueled Steam Units

Tracy Unit 3
• 108 megawatts, heat rate – 10,001 British thermal units/net kilowatt-hour
• Emission controls: low oxide of nitrogen burners (2015)
• In-service date 1974
Gas-Fueled Steam Units

Fort Churchill Units 1 and 2 – Reliability Must Run Unit
• 226 megawatts (each unit is 113 megawatts), heat rate – 10,092 British thermal units/net kilowatt-hour
• Emission controls: low oxide of nitrogen burners (2015)
• In-service date 1968 (Unit 1), 1971 (Unit 2)
• Units are currently required (must run) for Carson area load support
Clark Unit 4
• 54 megawatts; 12,900 British thermal units/net kilowatt-hour
• In-service date 1973
• Start time – 12 minutes
Clark Peaking Units 11 – 22

- 619 megawatts (51.5 megawatts each), heat rate – 10,700 British thermal units/net kilowatt-hour
- Emission controls – water injection and selective catalytic reduction
- In-service date 2008
- Start time – 6 minutes
**Harry Allen Unit 3 and 4**

- 144 megawatts (72 megawatts each), heat rate – 12,900 British thermal units/net kilowatt-hour
- Emission controls – dry low oxide of nitrogen burners
- In-service date 1995 (Unit 3), 2006 (Unit 4)
- Start time – 8 minutes
Clark Mountain Unit 3 and Unit 4 – Dual Fuel Capable

- 132 megawatts (66 megawatts each), heat rate – 13,929 British thermal units/net kilowatt-hour
- Emission controls – dry low oxide of nitrogen burners
- In-service date 1994
- Start time – 8 minutes
Peaking Units

Sun Peak Units 3, 4 and 5 - Dual Fuel Capable

- 210 megawatts (70 megawatts each)
- In-service date 1991; NV Energy purchased the plant in 2014
- Start time – 8 minutes
Goodsprings Compressor Station

- 5 megawatts
- In-service date 2010
- Uses waste heat from Kern River Gas pipeline
Nellis Solar Photovoltaic II

- 15 megawatts
- In commercial operation December 2015