

Energy Briefing June 2019

Optional Pricing Program Rate



Nevada System of Higher Education



Nevada System of Higher Education and NV Energy's Aligned Goals

- Support Nevada's clean energy and environmental sustainability goals
 - 100 percent renewable
- Reliable delivery of energy
- Long-term price predictability and stability
- Support local jobs, economic growth and community investment
- Reduce energy usage = cost savings
 - Energy efficiency and conservation



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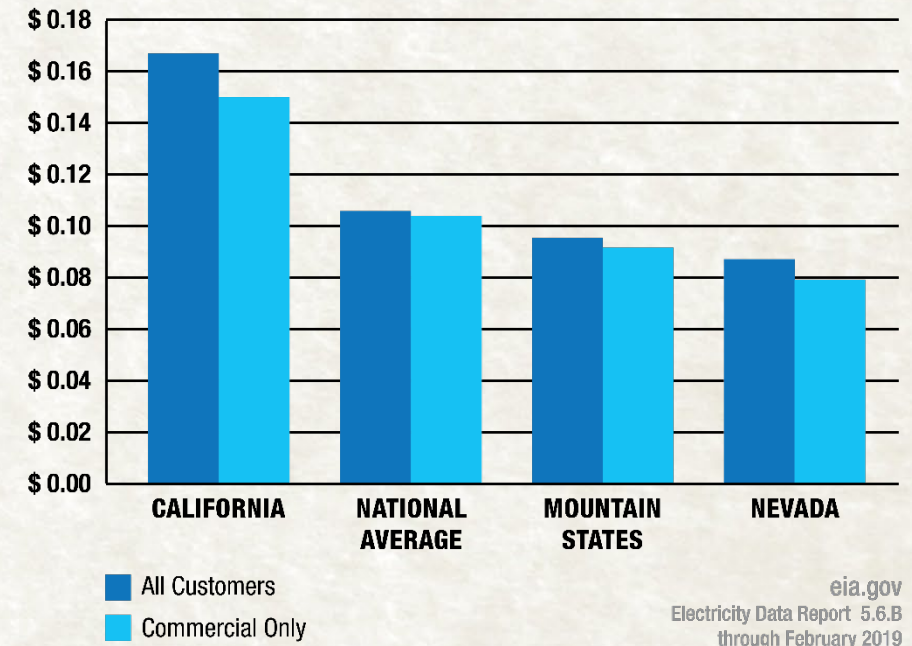


Price & Value Objective

WE TAKE PROVIDING YOU WITH ENERGY PERSONALLY

Nevada is our home, and we want what you want: reliable service, clean energy and low rates.

- Nevada's average retail price for all customers was 48% lower than California, 10% lower than other mountain states and 21% lower than the national average through February 2019
- Nevada's average retail price for commercial customers was 47.3% lower than California, 13.7% lower than other mountain states and 23.9% lower than the national average through February 2019
- The rate we pay today is 15% lower than in 2009
- We will continue our commitment to deliver low prices to our customers for at least another decade



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Price & Value

WE WORK HARD TO KEEP YOUR RATES LOW, FAIR, AND STABLE

Nevadans benefit from some of the lowest electric rates in the country. Take a look at some examples of how we have worked to save customers money over the last few years:

- December 2013: \$20 million payment to Nevada customers at merger

General Rate Cases – Required Every Three Years

Nevada Power Company “NPC” (Southern Nevada)

- Have not requested an increase in core operations revenue since 2011
- January 2015: NPC’s core operations costs kept flat
- February 2018: NPC’s core operations costs decreased by \$26.4 million
- Projected rate cut in 2021

Sierra Pacific Power Company “SPPC” (Northern Nevada)

- January 2017: SPPC’s core operations costs decreased, resulting in a modest reduction to customer rates
- January 2020: Anticipate no change to core operations (base) revenue requirement for SPPC

Tax Cuts & Jobs Act of 2017

- March 2018: The Public Utilities Commission of Nevada (PUCN) voted unanimously to approve our request to reduce rates by \$83.7 million. The request was made as a result of federal tax changes approved in 2017 and was spread to customers in both Northern and Southern Nevada



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Community Commitment

THE POWER OF GOOD IS ALWAYS ON

- Our company and our employees have a long tradition of making a difference in the places where we live and work. Not only are we committed to our jobs, we are committed to our communities
- In 2018, NV Energy, the NV Energy Foundation, and our employees gave \$6.6 million through both financial and in-kind donations in the form of more than 34,000 volunteer hours to 410 Nevada nonprofit organizations
- The foundation focuses on safety and wellness, environmental and community enhancement, education (STEAM) and arts and culture
- The NV Energy Foundation* has awarded nearly \$1.9 million in scholarships to Nevada students through its Powerful Partnership Scholarship Program
- NV Energy's assistance programs, including its annual Senior Energy Assistance Expo, helped 3,775 of our most vulnerable Nevadans with more than \$917,000 in energy bill payments in 2018

*The NV Energy Foundation is not funded by customers.



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Community Commitment

THE POWER OF GOOD IS ALWAYS ON

Nevada System of Higher Education			
NV Energy Total Corporate Giving, 2009 - April 2019			
Organization	Foundation	Sponsorships & Donations	Total
College of Southern Nevada	\$ 216,850	\$ 75,550	\$ 292,400
Desert Research Institute	\$ 881,200	\$ 68,508	\$ 949,708
Great Basin College	\$ 83,500	\$ 3,160	\$ 86,660
Nevada State College	\$ 530,500	\$ 36,500	\$ 567,000
Truckee Meadows Community College	\$ 532,000	\$ 36,000	\$ 568,000
University of Nevada, Las Vegas	\$ 1,979,305	\$ 650,415	\$ 2,629,720
University of Nevada, Reno	\$ 2,453,420	\$ 299,647	\$ 2,753,067
Western Nevada College	\$ 153,000	\$ 5,520	\$ 158,520
Total	\$ 6,829,775	\$ 1,175,300	\$ 8,005,075

Since 2009, NV Energy, through the NV Energy Foundation and various other sponsorship and donations, has given over \$8.0M to the Nevada System of Higher Education

*Additional corporate giving may not be represented in the total shown



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Nevada System of Higher Education and NV Energy

PARTNERS IN ENERGY EFFICIENCY

Institution	2013		2014		2015		2016		2017		2018		Total	
	Annual kWh Savings	Incentive Amount	Annual kWh Savings	Incentive Amount	Annual kWh Savings	Incentive Amount	Annual kWh Savings	Incentive Amount	Annual kWh Savings	Incentive Amount	Annual kWh Savings	Incentive Amount	Annual kWh Savings	Incentive Amount
College of Southern Nevada	-	\$ -	1,224,831	\$ 36,745	1,545,248	\$ 77,262	120,756	\$ 6,038	802,402	\$ 40,120	424,991	\$ 21,250	4,118,228	\$ 181,415
Desert Research Institute	-	\$ -	2,294	\$ 69	17,404	\$ 870	-	\$ -	-	\$ -	22,359	\$ 1,118	42,057	\$ 2,057
Great Basin College	-	\$ -	32,260	\$ 968	-	\$ -	-	\$ -	10,890	\$ 545	-	\$ -	43,150	\$ 1,513
Nevada State College	-	\$ -	-	\$ -	407,351	\$ 20,368	-	\$ -	-	\$ -	160,418	\$ 8,021	567,769	\$ 28,389
Nevada System of Higher Education	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	29,735	\$ 1,487	29,735	\$ 1,487
Truckee Meadows Community College	-	\$ -	57,877	\$ 1,736	37,892	\$ 1,895	21,007	\$ 1,050	44,418	\$ 2,221	-	\$ -	161,194	\$ 6,902
University of Nevada, Las Vegas	781,967	\$ 23,459	72,107	\$ 2,164	1,680,311	\$ 84,016	3,302,893	\$ 165,145	537,836	\$ 26,892	2,792,127	\$ 139,606	9,167,241	\$ 441,282
University of Nevada, Reno	57,505	\$ 1,725	881,271	\$ 26,438	279,674	\$ 13,984	1,183,389	\$ 59,169	748,408	\$ 37,420	373,246	\$ 18,662	3,523,493	\$ 157,399
Western Nevada College	26,075	\$ 782	53,692	\$ 1,611	26,645	\$ 1,332	-	\$ -	1,657	\$ 83	-	\$ -	108,069	\$ 3,808
Grand Total	865,547	\$ 25,966	2,324,332	\$ 69,731	3,994,525	\$ 199,727	4,628,045	\$ 231,402	2,145,611	\$ 107,281	3,802,876	\$ 190,144	17,760,936	\$ 824,250

- For many years, NV Energy has partnered with the Nevada System of Higher Education on energy efficiency
- Since 2013, there have been 151 energy efficiency projects saving 17.8M kWh annually
- These recent projects have earned the Nevada System of Higher Education incentives of \$824.3K



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RENEWABLE ENERGY AGREEMENT

NV GreenEnergy Rider (NGR 1.0)

TRUCKEE MEADOWS COMMUNITY COLLEGE “TMCC”

- On March 18th, 2019, NV Energy and Truckee Meadows Community College entered into a Renewable Energy Agreement “REA” under the NV GreenEnergy Rider “NGR 1.0”
- Upon PUCN approval, TMCC will receive 7,200,000 Portfolio Credits “PCs” per year, 600,000 kWh per month, at a contracted rate of \$0.00194 per kWh, for an annual REA cost of \$13,968
- TMCC will receive the PC’s for a term of three years, to begin once approved by the PUCN; NV Energy and TMCC to maintain communication for the adjustment of the length of the term to coordinate with the beginning of NVEOPPR



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Sustainability & Renewable Energy in Nevada

NV ENERGY LEADS THE NATION IN LOW-COST RENEWABLE ENERGY

- Today, you are receiving clean energy from 50 large-scale projects statewide, with more on the way.
- NV Energy exceeded the state's renewable portfolio standard for the ninth straight year
- In 2018, the company endorsed an increase in the state's renewable portfolio standard to 50% by 2030. On April 22, 2019, Governor Sisolak signed into law SB358, which successfully did just that.
- Our long-term goal is to serve every Nevada customer with 100% renewable energy, and we have a near-term goal of doubling our renewable energy production by 2023
- In December 2018, the Public Utilities Commission of Nevada approved our proposal for the state's largest ever solar energy investment, which will include six new solar energy resources totaling more than 1,000 megawatts as well as 100 megawatts of battery energy capacity. These contracts are at the lowest rates seen in the country to date
- Customers have the option to install rooftop solar through incentives that help offset the cost. NV Energy has provided more than \$240 million in incentives for more than 28,000 rooftop solar projects at homes, schools, public buildings and businesses
 - More than 75% of these projects were from schools



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Nevada System of Higher Education and NV Energy

SUSTAINABLE & RENEWABLE ENERGY

Institution	Number of Installations	Incentives Paid	2018 kWhG
College of Southern Nevada	7	\$ 1,831,158	742,571
Desert Research Institute	6	\$ 4,754,070	2,952,926
Great Basin College	4	\$ 632,745	208,915
Nevada State College	1	\$ 635,500	383,050
Truckee Meadows Community College	4	\$ 1,052,873	48,386
University of Nevada, Reno	3	\$ 446,005	169,192
University of Nevada, Las Vegas	14	\$ 2,109,845	1,532,886
Western Nevada College	4	\$ 1,766,516	1,060,270
Grand Total	43	\$ 13,228,712	7,098,196

- Since 2008, NV Energy has incentivized 43 solar photovoltaic systems at Nevada System of Higher Education institutions
- \$13.2M in incentives have been paid to the Nevada System of Higher Education on these projects
- These systems generated 7.1M kWh in 2018 alone



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Sustainability & Renewable Energy

INTRODUCING THE NV ENERGY OPTIONAL PRICING PROGRAM RATE (NVEOPPR)

NV Energy has established a new energy program, offering major customers an opportunity to maintain flat energy costs.

Filed with the Public Utilities Commission of Nevada in November 2018, updated in February 2019, and currently pending approval, NVEOPPR will bring added benefits to Nevada System of Higher Education starting in 2022:

- Fixed energy costs derived from low cost, Nevada renewable energy resources allow you to be green and enjoy long-term, predictable energy prices and overall energy bills
- Flexible agreement term length
- Nevada System of Higher Education remains a bundled customer and continues to receive the benefits of NV Energy incentive programs and support



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Sustainability & Renewable Energy

NV ENERGY OPTIONAL PRICING PROGRAM RATE (NVEOPPR)

Program Eligibility:

- Must have historical or projected annual consumption in excess of 8,760 MWh

Term:

- Minimum of three years, extending to the life of the assets that comprise the portfolio, at the choice of the customer. Three years' notice is required for termination.
- Option to extend the term of the contract

Rate Components:

- Participants pay all rate components except the Base Tariff Energy Rate (BTER) and the Deferred Energy Accounting Adjustment (DEAA) for the subscription amount
- Replacing the BTER and DEAA, the customer pays the NVEOPPR for the subscription amount. The NVEOPPR is comprised of the renewable resource rate and the program participation rate.
- The NVEOPPR is a per kilowatt hour (kWh) rate determined by the renewable resource(s) added by NV Energy for the program
 - It is specifically linked to the resource(s) selected by NV Energy and approved by the PUCN



Sustainability & Renewable Energy

NV ENERGY OPTIONAL PRICING PROGRAM RATE (NVEOPPR), continued

Rate Components (continued):

- The program participation rate:
 - Is fixed or variable (at your discretion) for the term of the customer's enrollment in the program
 - Is established based on historical costs
 - Reflects the customer's contribution to unavoidable costs, including:
 - Gas transportation costs
 - Existing renewable and excess energy production costs
 - Wholesale capacity transactions

Conditions:

- Customer is responsible for the NVEOPPR for up to 90% of the subscription
- The subscription amount can be changed one time
- Annual comparison of total consumption to subscription amount
- Consumption in excess of 110% of the subscription amount is billed at the BTER/DEAA rate

Portfolio Credits (PCs):

- NV Energy retains the PCs, but provides the customer with annual certification of MWh produced by the program facilities and energy
- PCs may be purchased by the customer at an additional cost



Sustainable & Renewable Energy

NV ENERGY OPTIONAL PRICING PROGRAM RATE (NVEOPPR)

The program is estimated to save the Nevada System of Higher Education \$381.5K per year for energy, from a low cost Nevada based solar resource, starting in 2022

Nevada Power Company, based on 87,034 MWh

Institution	Savings
College of Southern Nevada	\$ 110,758
Desert Research Institute (South)	\$ 8,545
Nevada State College	\$ 19,307
NSHE Office (South)	\$ 961
University of Nevada, Las Vegas	\$ 493,679
Total Savings	\$ 633,250

Sierra Pacific Power Company, based on 114,810 MWh

Institution	Cost
Desert Research Institute (North)	\$ (13,315)
Great Basin College	\$ (8,809)
NSHE Office (North)	\$ (296)
Truckee Meadows Community College	\$ (21,489)
University of Nevada, Reno	\$ (201,157)
Western Nevada College	\$ (6,682)
Total Cost	\$ (251,748)
Total Savings	\$ 381,502



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