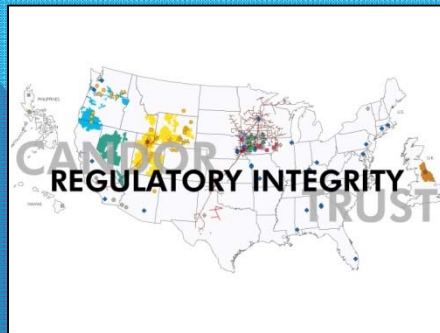




Energy Imbalance Market EIM Transition Committee

JUNE 25, 2015



Regulatory Approvals

- November 2013: NV Energy announced plan to join the California Independent System Operator's ("CAISO") Energy Imbalance Market ("EIM")
- August 2014: Received Public Utilities Commission of Nevada approval
- September 2014: Start tariff revision and stakeholder process
- March 6, 2015: Filed tariff revisions with the Federal Energy Regulatory Commission ("FERC")
- May 14, 2015: Received FERC order
- FERC compliance filings:
 - Tariff changes necessary to reflect the CAISO's proposed solution to manage price excursions within 30 days of CAISO's order
 - Petition for market-based rate authority for the purpose of EIM sales 60 days before Go-Live (by July 31, 2015)
 - Certify readiness 30 days before Go-Live (by August 31, 2015)

Operational Readiness

Training

- Operations personnel were recently hired and are completing training
 - EIM Entity - Transmission Operations
 - Participating Resource Scheduling Coordinator - Resource Optimization
 - Transmission Business Services (settlements)
 - Meter data management system
- CAISO training catalog:
 - Computer based training (“CBT”)
 - Webinars
 - Classroom training
 - Table top sessions
- Vendor training classes
- Training and knowledge testing like NERC certified operations

Operational Readiness

Integration Testing

- 100 percent connected to CAISO systems
- June 18, 2015 CAISO loaded NV Energy's market data to a test environment and initial day-in-the-life testing started
 - Submitting base schedules
 - Balancing to forecast
 - June 23, 2015 initial end-to-end settlement statement published
- Structured market simulation scenarios in August 2015
- Parallel non-binding market in September 2015
- Overall project is on track for October 1, 2015 Go-Live

Generation Resources

- Participating resources
 - All participating resources are owned by NV Energy
 - 25 aggregated units
 - 6,250 megawatts of capacity
- Non-participating resources
 - Third-party owned generators
 - NV Energy Power Purchase Agreements
 - 48 aggregated units
 - 3,818 megawatts maximum capacity

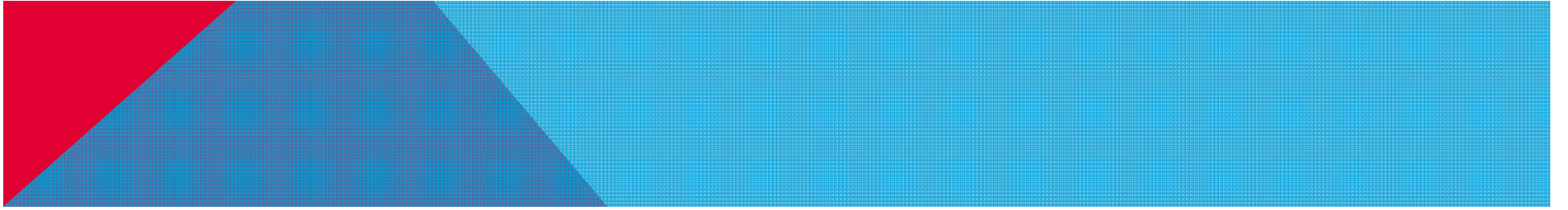
Meter, Telecommunication, and Generation Upgrades

Participating resource upgrades

- Meter and telecommunication upgrades are required to provide five minute interval data
 - Newer installations require a short meter outage to replace meters programmed to collect the five minute interval data
 - Some older sites require unit outages to install new meter equipment
- Generation performance tests are being completed to confirm operating characteristics
- Automatic Generation Control logic changes are being implemented

System Implementation – Vendor Support

- Upgrades to existing NV Energy software applications to participate in the EIM
 - Open Access Technology International, Inc. - EIM Entity transmission functions including scheduling and billing
 - Power Costs, Inc. – Participating resource scheduling coordinator market functions
 - Open Systems International, Inc. – Energy management system upgrade
 - Cutover completed June 4, 2015
 - Coordinated Outage Management Planning and Scheduling System – Transmission network and Participating Resource outages
 - Variable Energy Forecast – Five minute forecast data for approximately ten non-participating renewable resources



Questions