Questions and Answers for the NV Energy 2009 Renewable RFP Pre-Bidders Conference September 21, 2009

Following are the first set of questions received and the answers to those questions, related to the 2009 NV Energy Renewable RFP. The questions include those asked at the September 3 Bidders Conference, as well as questions received via the RFP e-mail address.

The 2009 NV Energy Renewable RFP website will include a link to this set of questions and answers.

NV Energy will provide updates as additional questions are received and answers are developed.

Please note that the deadline to submit questions will be Monday, September 28, 2009. All bid documents are due at 5PM PDT on Friday, October 2.

Regards,

David Hicks
Director of Renewable Energy Procurement and Technical Services
NV Energy

QUESTIONS AND ANSWERS

I. RFP Schedule

Q1. Could you please re-confirm the due date for the above proposals?
A1. The due date for proposals is 5PM PDT, Friday, October 2, 2009. No exceptions to the proposal due date will be granted.

Q2. Please indicate the expected timeline for the two 2010 RFPs.
A2. Tentatively, NV Energy intends to release two Requests for Proposals ("RFPs") in 2010. The first RFP is targeted to be released February 2010, the second is targeted to be released August 2010. The timing of the RFPs is subject to numerous considerations by NV Energy, and the Company reserves the right to change the dates of one or more RFPs, or cancel one or both RFPs in 2010.

Q3. Does NVE's decision to have two RFPs per year indicate a desire to acquire renewable energy in smaller increments?
A3. No, NV Energy's decision (subject to change at a later date) to conduct two RFP solicitations per year is a recognition of the rapidly changing renewable energy landscape, and also provides additional opportunities for Respondent to bid Projects at a time when the project has matured to the point that the Respondent can make firm commitments regarding project characteristics, commercial operation date ("COD"), and price.

II. RFP Eligibility

Q4. I was wondering if Canadian companies were eligible to apply for this RFP?
A4. Foreign companies, including Canadian companies, are eligible to bid in to the 2009 NV Energy Renewable RFP.

Q5. Would NV Energy be interested in the purchase of Renewable Natural Gas, ("RNG"), vs. electrons?
A5. Yes, NV Energy will entertain and evaluate bids for the sale of RNG to NV Energy.

Q6. Is landfill gas an eligible renewable resource under the RFP?
A6. Generally, landfill gas is considered a renewable resource; potential Respondents are advised to complete a legal review of relevant Nevada statutes prior to bid submittal.

Q7. What is NV Energy's "ideal" size concentrating solar power ("CSP") solar facility? (i.e., does NV Energy have a limit on the amount of capacity it can absorb?)
A7. NV Energy does not contemplate an "ideal size" for a CSP facility. The optimal size of any facility will be dependent on a number of factors including cost, permitting timeline, and transmission access.

Q8. What quantity of renewable supply is NV Energy interested in procuring during this 2009 RFP process?
A8. Through the 2009 Renewable RFP, NV Energy is targeting (1) renewable energy to, at a minimum, meet Nevada's Renewable Portfolio Standard ("RPS"); and (2) quality projects with competitive pricing; either power purchase, joint venture, or ownership.

The 2009 Renewable RFP target with regard to projects and total generation solicited will be impacted by (1) the ongoing assessment of current projects in NVE's renewable energy portfolio pipeline; and (2) the updated NV Energy load forecast to be filed in the 2009 Integrated Resource Plan Filing, anticipated to be filed approximately December 1, 2009.

Q9. What is meant by "at a minimum" in the previous answer?
A9. NV Energy is committed to the development and procurement of renewable energy as part of the Company's three-part strategy intended to (1) provide the Company's customers with clean, safe, reliable energy at predictable prices; and (2) respect the environment while controlling customers' energy costs. The minimum RPS is not less than 12 percent of the total amount of retail electricity sold in 2009 and 2010; not less than 15 percent for 2011 and 2012; not less than 18 percent for 2013 and 2014; not less than 20 percent from 2015 to 2019; not less than 22 percent from 2020 to 2024; and not less than 25 percent in 2025 and after.

III. Pro Forma PPA

Q10. When you were talking about pricing at the Bidders Conference on September 3, you mentioned $10/MWh for development phase. Can you reiterate what you said and elaborate exactly what that entails?
A10. The development security required under the pro forma power purchase agreement ("PPA") is $10/MWh of generation contemplated to be sold annually. Therefore, if a hypothetical project is expected to deliver 150,000 MWh on an annual basis, the development security for the project would be $1,500,000.

The development security amount is non-negotiable and is due five (5) business days after countersignature of a PPA by NV Energy.

Q11. The total amount of the development and operating security is dependent upon the total amount of generation included in the Supply Table. How long will each form of security be required?
A11. The development security is due five (5) business days after countersignature of the PPA by NV Energy, and will remain in effect until the Commercial Operation date ("COD") for the project. At COD, the Operating Security will replace the Development Security. The Operating security will remain in effect from COD until the PPA expires.

Q12. Will the development security be refunded in the case of non-approval by the Public Utilities Commission of Nevada ("PUCN")?
A12. Yes, if the PUCN does not approve a PPA, the development security will be refunded.

Q13. Since NV Energy will receive Portfolio Energy Credits ("PCs") from the parasitic load (i.e., station service energy) related to the operation of a renewable energy facility, will any future carbon credits generated from that facility inure to its benefit or the benefit of the respondent?
A13. In addition to the PCs, NV Energy will be entitled to all future environmental benefits that may accrue to a renewable generating facility under a PPA executed as a result of the 2009 Renewable RFP.

Q14. Hypothetically, suppose a Respondent executes a PPA with NV Energy that is subsequently approved by the PUCN. The supplier builds the project and commences operation. During operation, the facility incurs an equipment breakdown or failure. Will the supplier then be subject to the shortfall calculation in the pro forma PPA, and potential replacement energy and PC costs for failure to meet the annual supply table?
A14. Yes.

Q15. Will NV Energy accept PPA terms longer than 20 years?
A15. For the purposes of evaluation in the RFP, NV Energy is only accepting PPA bids with a length of 20 years. NV Energy has signed PPAs that vary in length for the 20 years requested

from Respondents in the RFP, but negotiation of contract lengths occurs on a case-by-case basis, when there is demonstrated incremental value to NV Energy and its customers.

Q16. I have been reviewing 2009 RFP and trying to figure out the purchase price of generated solar electricity. I saw the following clause: "Average Monthly COB Firm Price" with respect to any calendar month, means (a) the simple average of the daily Dow Jones COB Electricity Price Index for Firm On-Peak energy for all calendar days during that month for which a Firm On-Peak energy price is published, (b) multiplied by 107.48% (based on a 7.48% transmission loss factor) and (c) adding the resulting product to $9.58/MWh." However, I haven't been able to find the Daily Dow Jones COB price. Could you please let me know what the average price is for this index and where I can get the daily prices? Additionally, I believe we receive SREC credits. What is the ratio of SRECs to MWh power generated?
A16. The purchase price for solar project(s) secured through the 2009 Renewable RFP process will be determined, in part, by the prices bid into the competitive solicitation. Dow Jones price indices are available from Dow Jones. The ratio of SRECs (i.e., PCs) to MWH power generated is dependent on technology, location, climactic conditions, and other factors.

IV. September 3 Bidders Conference Presentation

Q17. Will this presentation be available for download after the conference is finished?
A17. The 2009 RFP Bidders Conference presentation is available on the 2009 Renewable RFP website in PDF format.

Q18. Is the webinar being recorded and will it be available for review online afterwards?
A18. The webinar is not being made available; the Bidders' conference PowerPoint presentation and the questions and answers from the conference are available for download on the 2009 Renewable RFP website.

Q19. Are the two 240 MW Solar Millennium generating facilities you just mentioned included in the 803 MW you included in the slide presentation? Are these PPAs or JVs?
A19. In early 2009, NV Energy and Solar Millennium jointly announced the execution of a non-binding Memorandum of Understanding ("MOU"), to evaluate the potential opportunities regarding the siting, development, construction and operation of up to two (2) 242MW (net) solar thermal generating stations with molten salt storage. To date, no agreement has been executed with regard to these facilities, no agreement has been submitted to the Public Utilities Commission of Nevada ("PUCN") for approval, and therefore the 803 MW in NV Energy's current renewable portfolio does not include the projects that were subject of the MOU.

Q20. Notwithstanding a revised load forecast, where does the 38 projects and 803 MW of existing renewable projects put NV Energy in relation to the 2009 12% RPS requirement; and the 2011 15% requirement (i.e., use current/accepted load forecast as basis for providing answer)?
A20. NV Energy's Renewable Performance Standard ("RPS") requirements are based on retail electric sales. Given that the updated load forecast is not complete, it is not possible to

determine what the minimum need is for NV Energy in the RFP. Nevertheless, as stated at the September 3, 2009 Bidders Conference, NV Energy is targeting through the 2009 RFP process (1) renewable generation to, at a minimum, meet the RPS; and (2) quality projects with competitive pricing; either power purchase, joint venture, or ownership.

Q21. Are the interim annual RPS targets for NV Energy as a percentage of retail electric sales 9% in 2008 12% in 2009, 20% in 2015, and 25% in 2025?
A21. Yes.

Q22. Will an attendees list of the pre-bidders conference be provided?
A22. An attendees list for the Bidders conference will not be publicly released.

Q23. What is meant by "Buyer Security"?
A23. "Buyer security" means any requirement that NVE post a letter of credit or any other sort of security to support NVE's obligations under a PPA. Requirements like this increase procurement costs to the ratepayers, and NVE will not agree to any requirements like this.

Q24. Is Energy Efficiency included in the Nevada RPS plan?
A24. In 1997 the Nevada Legislature approved a statute establishing Renewable Performance Standard ("RPS"). The RPS requires 20% of NV Energy's kWh sales by 2015 to come from renewables as defined by the Nevada statutes. The RPS requirement will increase to 25% by 2025. Up to 25% of the RPS requirement can be met through energy efficiency and conservation (i.e., demand side management).

Q25. Can Idaho Power purchase power in Nevada?
A25. Respondents should contact Idaho Power directly for the answer to this question.

V. Transmission Issues

Q26. How do we get in contact with the transmission planning group?
A26. The contact person for the NV Energy Transmission Planning Group is Chris Tomchuk, Director, Transmission Policy and Contracts, (775) 834-5876.

Q27. If the generation resource is outside NV Energy's control area and the delivery point is Harry Allen substation, how will NV Energy measure the energy delivered by the generator?
A27. The 2009 Nevada Legislature passed into legislation, signed into law by Governor Gibbons, Assembly Bill 358 which, in part, redefined a "Renewable Energy System" to state that Renewable Energy generated outside of Nevada will count toward the RPS so long as it is delivered "[T]o a provider of electric service in Nevada." Given this requirement, renewable energy delivered from outside NV Energy's control area will be measured at the first NV Energy delivery interface point, in this example the Harry Allen 230kV substation.

Q28. Can NVE take delivery of bundled power and renewable credits at Navajo Station in Arizona, using NVE ownership in Navajo-Crystal 500kV to link to load, or would a project have to pay another wheel on this line to deliver to Crystal 500kV?
A28. A proposed project would have to obtain transmission service to the Crystal 500kV substation, as there is no available firm capacity allocated to NV Energy on the Navajo-Cristal 500kV line.

Q29. Will NV Energy provide detailed transmission and distribution system maps to potential Respondents?
A29. The Company's distribution, transmission and substations maps are GIS based and considered confidential information. Any publicly available transmission maps can be requested from WECC, Platts or other sources.

Q30. In northeastern Nevada, what is the nearest interconnection to the eastern border? How do you relay to interconnection?
A30. NV Energy's northern electrical system has two 230 kV interconnections on the eastern side of the state with other utilities from the Gonder Substation located near Ely, NV. One 230 kV line interconnects PacifiCorp with Sierra, and the other 230 kV line interconnects LADWP with Sierra. NV Energy has ownership in the Gonder to Pavant/Sigurd 230 kV line (Pavant and Sigurd substations are in PacifiCorp's system. Sigurd substation is near Sigurd, Utah). NV Energy's ownership in the Gonder to Pavant 230 kV line is from the Gonder Substation and to the NV/Utah border. With regard to relay to the interconnection, NV Energy's protective systems are designed and coordinated with interconnected utilities and customers in accordance with applicable regulatory requirements, engineering standards, and good utility practices.

Q31. Could you please direct us to the location of the Midpoint 345kV line or substation?
A31. The Midpoint 345kV substation is located in Idaho about 60 miles north of the Nevada-Idaho border.

Q32. There appears to be two Hilltop substations in the NV Energy system; is the NV Energy interface point listed in the Bid Protocol document and Bidders Presentation the one in California?
A32. Yes, this substation is located near Alturas, CA.

VI. Site Control

Q33. I have a clarification question regarding the following statement from your website: "This RFP is open to parties who currently own, are constructing or developing, or have rights to a renewable energy generating facility – with a minimum capacity of 1 MW alternating current (AC)." Question: Does the above statement imply that the developer must demonstrate that they have site control for its proposed development project?
A33. Proposals submitted in response to the 2009 NV Energy Renewable RFP must conclusively demonstrate site control. For further information regarding site control requirements, please see Section 4.6.2 (Page 4-18) of the Bid Protocol Document and Slides 30-

31 of the September 3, 2009 Bidders conference. Both documents are currently posted on 2009 RFP website.

Q34. What is an acceptable method to "demonstrate direct ownership" for site control?
A34. If a bidder owns (rather than leases or holds an option) the land for its site, then "direct ownership" may be demonstrated by a publicly recorded deed showing the bidder's ownership in the site. Another method to demonstrate ownership could be through a title report from a reputable title company.

Q35. If a proposed project is to be located on Indian reservation, would an agreement made with the Indians need to be included with the bid submittal?
A35. Yes, the Respondent must demonstrate site control; in this case a definitive agreement with the landowner will be necessary to show that the project has exclusive control over the site for the proposed project.

VII. Bid Preparation

Q36. Please clarify the confidentiality of bid materials or put another way which entity is considered the owner of the intellectual properties associated with respondent's submission.
A36. NV Energy endeavors to treat all information provided by a respondent as confidential, but NV Energy may have to provide this information to various regulatory authorities or consultants involved in the analysis of the project. The intellectual property associated with a Bidder's submission remains the property of the Respondent.

Q37. What is the range of PPA rates ($/MWh) for renewable energy projects most recently approved by PUCN for contracts executed by NV Energy?
A37. Information on PPA prices is confidential and proprietary.

Q38. By any chance could NV Energy tell us preferable price range for PPA?
A38. NV Energy treats all pricing information submitted by Respondents to the RFP confidentially. The RFP is a competitive solicitation, and price bid is one characteristic NV Energy uses to determine the desirability of individual bids.

Q39. Do I read correctly that the deposit to enter a PPA is $30/MWh? Would the calculation for a 30 MW facility operating 8000 hours per year therefore amount to $7.2 million?
A39. The Development Security is equal to $10/MWh and due five (5) business days after countersignature of the PPW by NV Energy. At COD, the Operating Security of $20/MWh will replace the Development Security. The Operating security will remain in effect from COD until the PPA expires. For a 30 MW facility delivering 30 MW to the Delivery Point under a PPA for 8,000 hours in a year, the Development Security would be $2,400,000, and the Operating Security would be $4,800,000.

Q40. I am having a problem finding the forms that 2009 Bid Protocol Document says is available, in attachment "A" it says is available in electronic format on the RFP website identified in section 2.4 – where in section 2.4 are these found?
A40. Please see the 2009 Renewable RFP website. Approximately in the middle of the web page, Respondents will see the following:

Documents Related to 2009 Renewable RFP

- 2009 Bidders Conference Presentation
- 2009 Bid Protocol Document
- 2009 Transmission Map
- 2009 Consent Letter
- 2009 Pro Forma PPA
- 2009 RFP Technical Proposal Form
- 2009 Bid Deposit Information Instructions
- 2009 NV Energy Form W-9

The documents listed under the title, "Documents Related to 2009 Renewable RFP" are links to the specific document titles found in the attachments to the Bid Protocol document.

Q41. Is there a page limit on proposals?
A41. No. Proposals should be accurate and complete and follow the organizational structure outlined in the Bid Protocol document.