RENEWABLE RESOURCE RATE

For Nevada Power and Sierra, the Renewable Resource Rate ("RRR"), as approved by the Commission is based on the renewable resource option selected by the customer. NV Energy will select the underlying resources that will support the existing resource option from a set of existing resources to match the customer demand, and the RRR will be set using the production weighted average pricing for those resources. The RRR for existing resource option customers will be paid in addition to the Otherwise Applicable Rate Schedule ("OARS") rate and the RRR cannot be zero or negative. The RRR will also hold other customers harmless (i.e., it will account for the fact that the Companies are selling portfolio energy credits ("PCs") that would otherwise be used to meet the Renewable Portfolio Standard ("RPS") on behalf of all customers).

For the existing resource option:

RRR = Present value of the annual difference between the Levelized Cost of Energy of Underlying Resources including energy pricing in respective resource procurement agreement(s) with NV Energy plus all integration and applicable costs to fully integrate these resource(s) in NV Energy's system and the final annual Long Term Avoided Costs ("LTAC") approved in the most recent Integrated Resource Plan divided by the Present Value of the Annual Production of Underlying Resources for the period equal to the term of respective resource procurement agreement(s) with NV Energy.

For years where the Levelized Cost of Energy of Underlying Resources is lower than the LTAC the difference will be zero. The present value calculations will be based on each utility's most recently approved weighted average cost of capital.

Applicable Western Renewable Energy Generation Information System certification and transfer fees will be added to the RRR above to estimate the total RRR for the participating customers.

Indicative RRR to be confirmed upon finalization of the underlying renewable resources is 0.033 to 0.1 cents per kilowatt-hour but could be lower based on the underlying resource costs. For an average household, this might result in an additional cost of approximately 1 dollar per month. This indicative rate is only applicable to the 2023 Open Season and may get updated based on the revised LTAC and selected resources.

For the new resource option:

RRR will take into account all costs of the new resource, integrating the resource, and the cost to provide energy/portfolio credits to the customers. Base Tariff Energy Rate ("BTER") and Deferred Energy Accounting Adjustment ("DEAA") will be established as a floor for the RRR calculation. Total project costs are expected to replace the BTER/DEAA as the RRR for the time periods when these costs are higher than the BTER/DEAA and RRR will expected to be a penny per megawatt-hour (or 0.001 cents per kilowatt-hour) higher than the BTER/DEAA floor for those periods when the total project costs are lower than the BTER/DEAA. Appropriate contributions to all other rate components (e.g., BTGR, public policy costs, etc.) will continue to apply. The rate may also include a Time of Use (TOU) or hourly rate reflective of when the facility is producing and when it's not. The rate calculation methodology may vary by contract, subject to regulatory input and the contract will also be filed for Commission approval.