

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Annual Deferred Energy Accounting Adjustment Application of Nevada Power Company d/b/a NV Energy for the 12-month period ending December 31, 2023, reset the Temporary Renewable Energy Development Rate, reset all components of the Total Renewable Energy Program Rate, reset the Base Energy Efficiency Program Rates, reset the Base Energy Efficiency Implementation Rates, reset the Energy Efficiency Program Amortization Rate, reset the Energy Efficiency Implementation Amortization Rate and reset the Expanded Solar Access Program rate.

Docket No. 24-03 ____

VOLUME 9 OF 9

TECHNICAL APPENDIX

ITEM	DESCRIPTION	PAGE NUMBER
APPENDIX 6 –RISK COMMITTEE		
	November 15, 2023 (REDACTED)	2
	December 20, 2023 (REDACTED)	192
APPENDIX 7 – EARNINGS SHARING		234

NOVEMBER

Risk Committee
Wednesday, November 15, 2023
8:00 a.m. - 9:30 a.m.

Locations
Las Vegas: Red Rock
Conference Room
Reno: Virginia

[Click here to join the meeting](#)

Microsoft Team Meeting (702-870-3481/Access code: 3632412#)

DEAA Compliance Portion						
	Min	Start	End	Subject	Action	Presenter
1	0:10	8:00	8:10	Introduction and approval of Risk Committee Meeting Minutes for October 18, 2023	Approval	Adrian Cacuci
2	0:20	8:10	8:30	Energy Supply Plan Update	Approval	Dave Maher
3	0:15	8:30	8:45	Risk Policies Update	Approval	Richard Kirkendoll

Risk Committee Meeting
Wednesday, November 15, 2023
8:00 a.m. – 9:30 a.m.

Voting Members in Attendance:

Brandon Barkhuff, Senior Vice President, General Counsel, Corporate Secretary & Chief Compliance Officer
Michael Behrens, Vice President, Chief Financial Officer
Matthew Johns, Vice President, Environmental Services & Land Management
Marie Steele, Vice President, Integrated Energy Services
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Zeina Randall, Vice President, Gas Delivery
Ryan Atkins, Vice President, Resource Optimization
Jimmy Daghlia, Vice President, Renewables
Jason Hammons, Vice President, Generations
Janet Wells, Vice President, Regulatory
Adrian Cacuci, Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Jesse Murray

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Tim Pollard, Rob Kocour
Cary Shelton-Patchel, Ryan Tardy, Dave Maher, Jenny Venter,
Michael McClellan

Presenters: Dave Maher (Item 2), Richard Kirkendoll (Item 3)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee October 18, 2023, meeting minutes

Attachments: October 18, 2023, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from the October 18, 2023

Discussion: The Committee reviewed and discussed the meeting minutes for October 18, 2023

Voting Results: Motion: Marie Steele
Second: Antoine Tilmon
Motion Approved Unanimously

Item 2 Energy Supply Plan Update and Natural Hedging Strategy

Attachments: Monthly Energy Supply Plan Update – Presentation

Overview: Review of the energy supply forecasts and procurements, as well as capacity positions, coal procurement and load forecasts. Recommending no changes to the approved physical gas volumes for both NV Energy North and South and recommending a change to the 2024 and 2025 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and were informed that the open capacity was increased by 733 MW's for 2024 and is now at 1,891 MW's for 2025. The increase was due to the new load forecast that was recently approved by the Committee. A delay of a battery that was a resource for 2024 was delayed to 2025, an increase of 60 MW's to the open position. It should be noted that the most recent load forecast approved will be used in the 2024 IRP. No change to the coal procurement strategy is required at this time.

In regard to natural gas procurement, Nevada Power is within the targeted bandwidth and Sierra is within the bandwidth as well, outside of the months of January and February of 2024. The company continues burn coal at Valmy and we are getting deliveries that help us maintain our inventory level, which currently stands at 39 days.

Committee Action: The Committee approved the recommended approval of no changes to the approved physical gas changes for NV Energy North and South

Voting Results: Motion: Janet Wells
Second: Brandon Barkhuff
Motion Approved Unanimously

Committee Action: The Committee approved the recommendation of changes to the 2024-2025 open capacity position.

Voting Results: Motion: Mike Behrens
Second: Brandon Barkhuff
Motion Approved Unanimously

Item 3 Risk Policy Updates

Attachments: Risk Policy Updates - Presentation

Overview: Review of the Risk policies that include, Risk Management and Control Policy, Energy Risk Management and Control Policy, and Credit Risk Management and Control Policy.

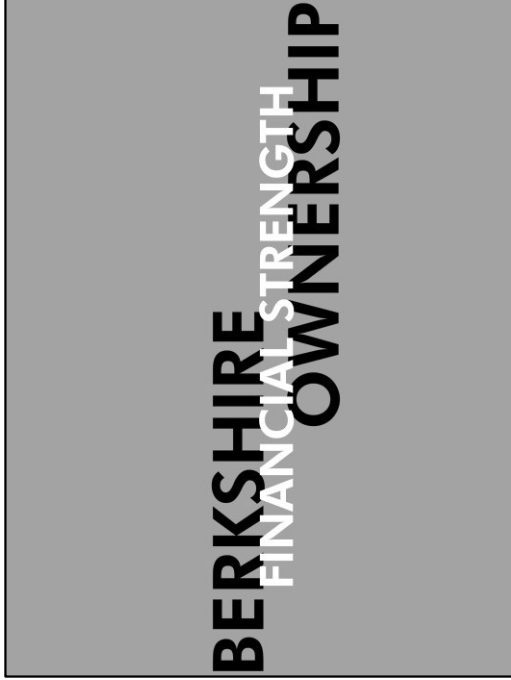
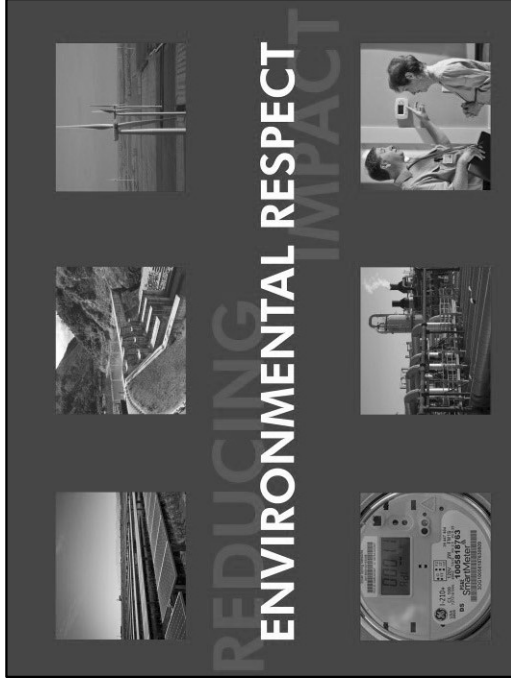
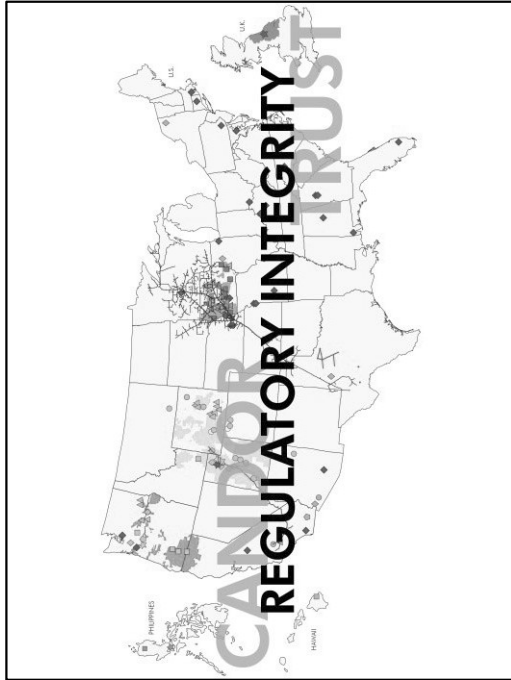
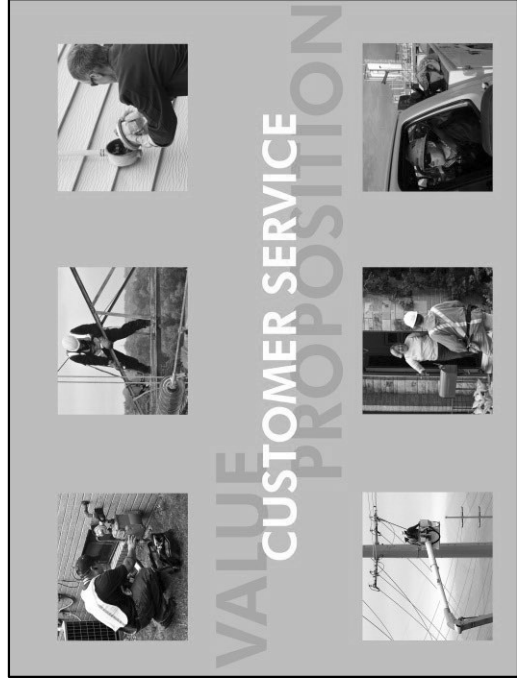
Discussion: The Committee was briefed on the Risk policies that are required to be reviewed yearly for compliance on the Companies organizational structures and directives. The changes to the policies at this time were primarily to clarify language where appropriate throughout the policies and to clean up some formatting. A few noted changes were to replace titles, such as Assistant Treasurer to Treasurer and replacing Senior Vice President, Chief Financial Officer and Treasurer with Vice President, Chief Financial Officer. Another noted change was to remove the employee acknowledgement statement on each policy as the policies have been added to the Companies Learning

Management System (LMS), which will automatically record the individuals signoffs upon their review of the policies.

Committee Action: The Committee approved the recommended changes to the Risk policies

Voting Results: Motion: Brandon Barkhuff
Second: Michael Behrens
Motion Approved Unanimously

Additional Item: In the last Risk meeting (October 18, 2023) in which the 2024 IRP Load Forecast was presented approval, it was determined that it would be sent via email for a formal vote once the questions posed by the Committee were addressed. On November 6, 2023, an email was sent out for approval of the Load Forecast, in which those questions were addressed. The forecast was approved unanimously on November 8, 2023.



Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

November 15, 2023

Privileged and Confidential

Recommendations

1. Recommend no changes to the approved physical gas volumes for both NV Energy North and South (as shown on slides 10 and 11, highlighted in yellow) as the targets for the procurement of gas for the four-season ahead laddering strategy:

- Volumes were last approved by the Risk Committee in August 2023
- Material variances between procured and projected volumes during the current season will be resolved either through the daily market or during bid week
- The next natural gas request for proposal is first quarter of 2024, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend change to the 2024 and 2025 open capacity positions as shown on slide 6

- a) Slide 6 reflects a new load forecast approved by the Risk Committee on November 8, 2023.
- b) Slide 6 reflects the following firm market power purchases

2024	June	July	August	September
RFP	725 MW	550 MW	550 MW	0 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	893 MW	718 MW	718 MW	168 MW

2025	June	July	August	September
RFP	200 MW	100 MW	100 MW	100 MW

- c) Slide 6 reflects the Unit Characteristics Table (starts-cost based) updated on May 19, 2023
- d) Slide 6 reflects the inclusion of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, Silverhawk peaking units and the extension of NCA 1 (summer 2024).
- e) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- f) Slide 6 reflects a 16% Planning Reserve Margin ("PRM") and 90 MW OATT reserve.
- g) Slide 6 reflects the removal of Hot Pot, Iron Point, Southern Bighorn Solar, and Chuckwalla, and the delay of Boulder Solar III and the Liberty Utilities Luning Expansion Project (60 MW battery).
- h) Slide 6 reflects Demand Response as a resource instead of a modification of the load forecast



Topics/Issues

1. Physical Gas Procurement

- Sierra (electric and gas) and Nevada Power employ a four-season laddering strategy for physical gas purchases through which 25% of projected monthly gas requirements per season are procured, as approved by the Public Utilities Commission of Nevada in Docket No. 09-09001
- Four-season projected physical gas requirements, subject to approval by the Risk Committee, are the basis for gas purchases and serve as the approved procurement volumes
- Physical gas transactions through the Summer 2025 season are at the targeted procurement levels per the four-season laddering strategy, e.g., 100% for the current season

2. Power Procurement

- Sierra (electric) and Nevada Power employ a four-season laddering strategy to close up to the largest open power position, as approved by the Public Utilities Commission of Nevada in Docket No. 21-06001.
- Four-season projected open power requirements, subject to approval by the Risk Committee, are the basis for power purchases and serve as the approved procurement volumes.

Topics/Issues

3. Summer Peak Hour Capacity Positions for 2024 and 2025 (Table on slide 6)
 - The table shows 733 MW open position for summer 2024.
 - The table shows up to 1,819 MW open position for summer 2025
4. Coal Procurement and Strategy
 - Projected coal burns for Sierra (electric) are continually monitored; additional coal, if needed, will be procured on the spot market
 - NV Energy aims to maintain 30 burn days of coal, or 78,000 tons, which would allow both Valmy units (NVE share only) to run at minimum load per month

2024-2025 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-24	Jul-24	Aug-24	Sep-24	Jun-25	Jul-25	Aug-25	Sep-25
Net Peak Forecast-NPC	5,813	6,136	6,372	5,634	5,777	6,274	6,519	5,551
Net Peak Forecast-SPPC	1,745	1,849	1,919	1,757	1,845	1,995	2,071	2,003
Reserves (16%)NPC	930	982	1,020	902	924	1,004	1,043	888
Reserves (16%)SPPC	279	296	307	281	295	319	331	320
Required NVE	8,767	9,263	9,618	8,575	8,841	9,592	9,964	8,762
Available NPC	6,558	6,874	6,980	6,325	0	0	0	0
Available SPPC	1,830	1,783	1,912	1,518	6,418	6,335	6,438	6,207
Available NVE	8,388	8,657	8,892	7,842	1,706	1,678	1,706	1,551
Long/(Open) - NPC	(185)	(245)	(413)	(212)	8,125	8,014	8,145	7,758
Long/(Open) - SPPC	(194)	(362)	(314)	(521)	(283)	(942)	(1,123)	(232)
Long/(Open) - NVE	(379)	(606)	(727)	(733)	(434)	(636)	(696)	(772)
					(717)	(1,578)	(1,819)	(1,004)

Net Peak Forecast is based on the hour of greatest need on the date of each month's system coincident peak day.



Information contained in the report based on data as of October 31, 2023

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2024 IRP Load Forecasts approved by the Risk Committee on November 8, 2023.
- Sierra (gas) is based on the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the current gas season, December 2023 thru March 2024, Nevada Power is within the targeted bandwidths, and Sierra (gas) is within the targeted bandwidths except for January and February 2024.

Nevada Power

Updates to Forecasts and Procurement

Summary of Major Changes (Last Approved Forecast vs. Current Forecast)

Remarks		
Load Forecast	2024 IRP Forecast	
Gas Price Forecast (SoCal)	Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025 Summer 2025	Change In Prices Since Gas Volumes Were Approved in August 2023 14% 5% 16% 4%
Power Price Forecast (Mead)	Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025 Summer 2025	Change In Prices From Prior Month 17% 6% 15% 3%
Plant Maintenance / Outages	Updated as of the end of October 2023	8% 4% 4% -1%

Forecast Results		
Natural Gas Burns	Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025 Summer 2025	Change In Volumes Since Approved in August 2023 2% -17% 2% -17%
		Change In Volumes From Prior Month 8% -9% 7% -9%

Sierra

Updates to Forecasts and Procurement

Summary of Major Changes (Last Approved Forecast vs. Current Forecast)

	Remarks										
Electric Load Forecast	2024 IRP Forecast										
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast										
Gas Price Forecast (Malin)	<table> <tr> <th>Change In Prices Since Gas Volumes Were Approved in August 2023</th><th>Change In Prices From Prior Month</th></tr> <tr> <td>Winter 2023 - 2024</td><td>18%</td></tr> <tr> <td>Summer 2024</td><td>7%</td></tr> <tr> <td>Winter 2024 - 2025</td><td>12%</td></tr> <tr> <td>Summer 2025</td><td>3%</td></tr> </table>	Change In Prices Since Gas Volumes Were Approved in August 2023	Change In Prices From Prior Month	Winter 2023 - 2024	18%	Summer 2024	7%	Winter 2024 - 2025	12%	Summer 2025	3%
Change In Prices Since Gas Volumes Were Approved in August 2023	Change In Prices From Prior Month										
Winter 2023 - 2024	18%										
Summer 2024	7%										
Winter 2024 - 2025	12%										
Summer 2025	3%										
Plant Maintenance / Outages	Updated as of the end of October 2023										

Forecast Results		
Natural Gas Burns		
	Winter 2023 - 2024	6%
	Summer 2024	4%
	Winter 2024 - 2025	10%
	Summer 2025	8%
		Change In Volumes Since Approved in August 2023
		Change In Volumes From Prior Month
		1%
		-3%
		9%
		4%

Nevada Power

Daily Physical Gas Requirements

(MMBtu/day)

Privileged and Confidential

2023

1 Approved (Rounded to thousands)
2 Risk Committee Approval Date
3 Current Procured Volumes
4 Current Target Procurement Level
5 Current Projection (November 2023 Risk Run)
6
7 Variance (Approved - Current Projection)
8

2024

1 Approved (Rounded to thousands)
2 Risk Committee Approval Date
3 Current Procured Volumes
4 Current Target Procurement Level
5 Current Projection (November 2023 Risk Run)
6
7 Variance (Approved - Current Projection)
8

2025

1 Approved (Rounded to thousands)
2 Risk Committee Approval Date
3 Current Procured Volumes
4 Current Target Procurement Level
5 Current Projection (November 2023 Risk Run)
6
7 Variance (Approved - Current Projection)
8

Variances outside the targeted bandwidth of 30,000 MMBtu/day within the current season are highlighted in gray—these variances will be resolved either through the daily market or during bid week

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1												360,000
2												Aug 2023
3												360,000
4												100%
5												374,167
6												(14,167)
7												
8												
9												
10												
11	359,000	304,000	271,000	328,000	311,000	342,000	500,000	455,000	397,000	318,000	286,000	343,000
12	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023
13	359,000	304,000	271,000	246,000	233,000	256,000	375,000	341,000	297,500	238,000	142,500	171,000
14	100%	100%	100%	75%	75%	75%	75%	75%	75%	75%	50%	50%
15	372,054	320,409	257,287	290,870	271,510	297,128	404,014	354,277	308,131	275,218	290,876	360,539
16												
17	(13,054)	(16,409)	13,713	37,130	39,490	44,872	95,986	100,723	88,869	42,782	(4,876)	(17,539)
18												
19												
20												
21	324,000	283,000	241,000	228,000	306,000	406,000	513,000	479,000	380,000	329,000		
22	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023		
23	161,500	141,500	120,500	56,500	76,000	101,500	128,000	119,500	95,000	82,000		
24	50%	50%	50%	25%	25%	25%	25%	25%	25%	25%		
25	345,033	294,196	213,133	205,504	267,033	349,120	407,938	350,699	305,810	294,329		
26												
27	(21,033)	(11,196)	27,867	22,496	38,967	56,880	105,062	128,301	74,190	34,671		

Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

2023

1 Approved (Rounded to thousands)
 2 Risk Committee Approval Date
 3 Current Procured Volumes
 4 Current Target Procurement Level
 5 Current Projection (November 2023 Risk Run)

6 Variance (Approved – Current Projection)

2024

10 Approved (Rounded to thousands)
 11 Risk Committee Approval Date
 12 Current Procured Volumes
 13 Current Target Procurement Level
 14 Current Projection (November 2023 Risk Run)

15 Variance (Approved – Current Projection)

2025

18 Approved (Rounded to thousands)
 19 Risk Committee Approval Date
 20 Current Procured Volumes
 21 Current Target Procurement Level
 22 Current Projection (November 2023 Risk Run)

23 Variance (Approved – Current Projection)

Variances outside the targeted bandwidth of 15,000 MMBtu/day within the current season are highlighted in gray—these variances will be resolved either through the daily market or during bid week

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	179,000	180,000	171,000	73,000	110,000	117,000	153,000	147,000	137,000	123,000	152,000	185,000
2	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023
3	178,500	180,000	170,500	63,000	82,500	87,500	114,500	110,000	102,500	92,000	76,000	92,500
4	100%	100%	100%	75%	75%	75%	75%	75%	75%	75%	50%	50%
5	197,238	198,367	167,034	90,568	114,131	118,983	153,447	149,140	140,926	123,576	160,412	198,709
6	(18,238)	(18,367)	3,966	(17,568)	(4,131)	(1,983)	(447)	(2,140)	(3,926)	(576)	(8,412)	(13,709)
7												
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Coal Inventory

Proactive actions taken regarding coal supply

- Second train contracted for 2023 to help with deliveries
- Diversified supply by contracting with three different mines
- Weekly calls with Union Pacific to ensure train/crew schedules are on track

Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Oct 2023	117,198	39 days as of October 31, 2023 (Assumes daily burn of 3,000 tons(1))
Sep 2023	129,236	
Aug 2023	106,423	
Jul 2023	129,043	

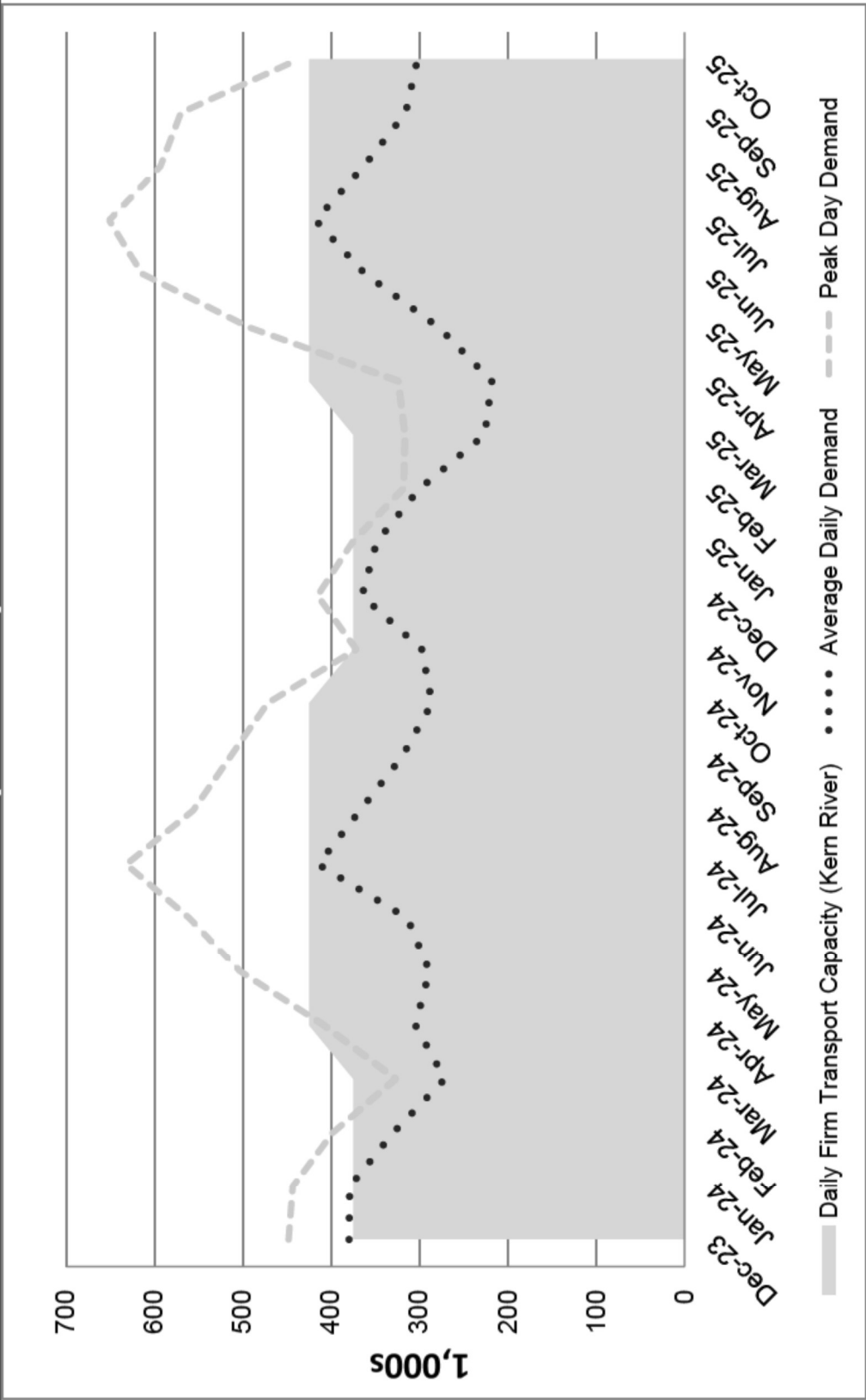
(1) Burn days for each plant are based on 90% capacity burn

Technical Appendix



Nevada Power

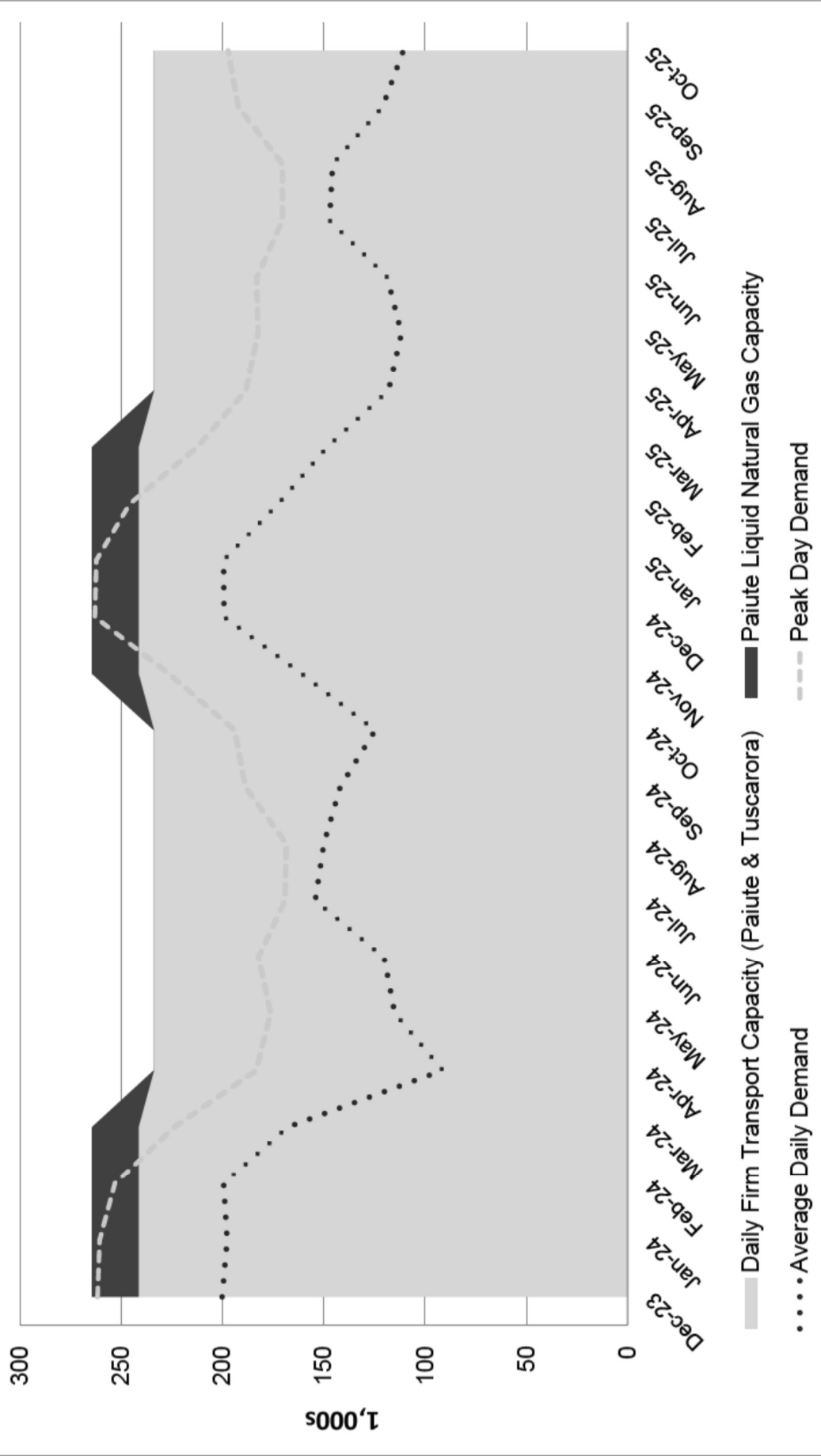
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



Note: Based on normal weather

Sierra (electric and gas) Gas Demand Versus Transport Capacity (MMBtu)

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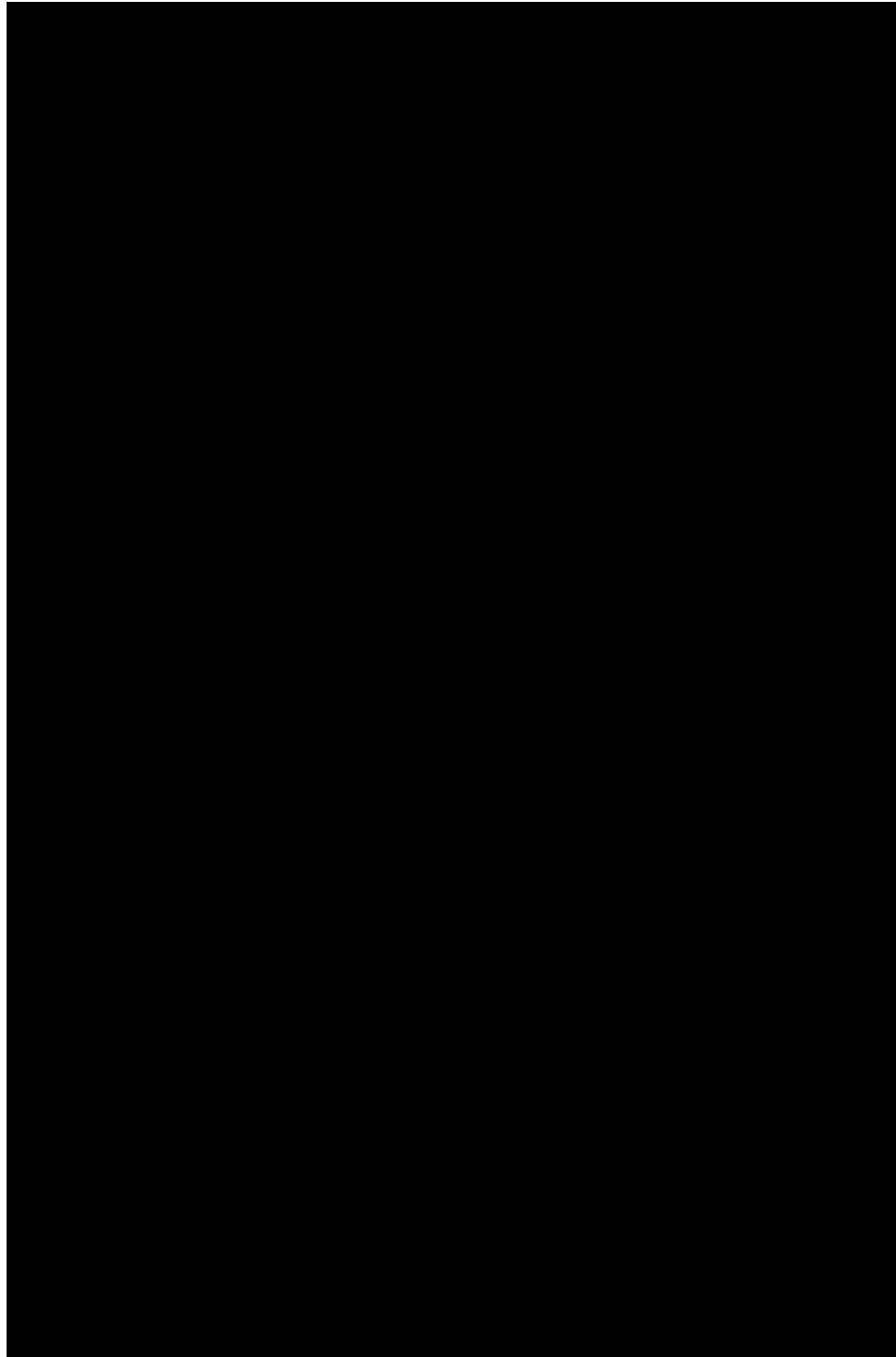


Note: Based on normal weather

Nevada Power Natural Gas Price Forecasts

SoCal Gas Price Forecast (dollars per MMBtu)

— November-23 Forecast — Approved Aug-23

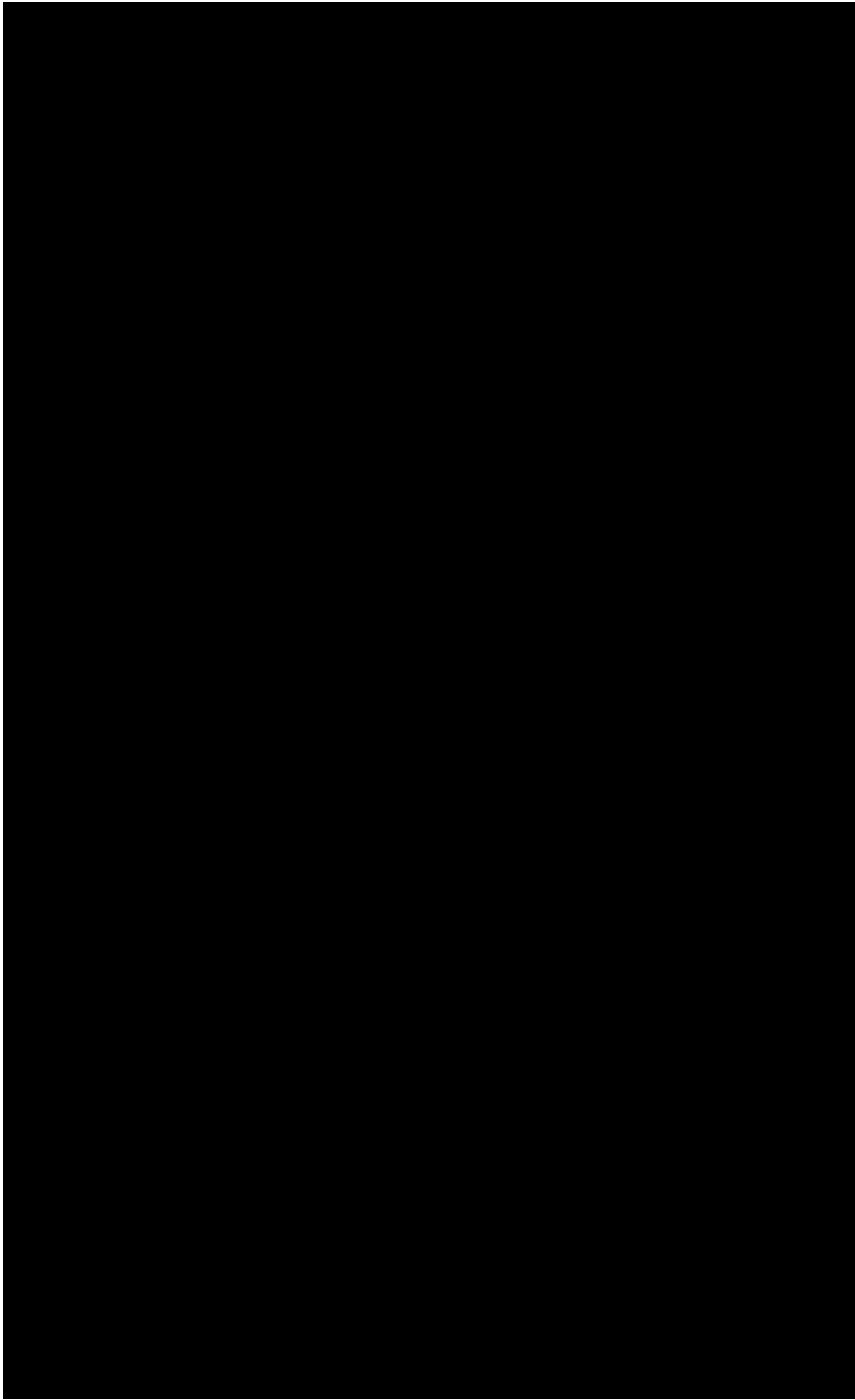


Delivery Month

Nevada Power and Sierra Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- November 2023 Forecast - On-Peak
- - Approved (August 2023) - On-Peak
- November 2023 Forecast - Off-Peak
- - Approved (August 2023) - Off-Peak



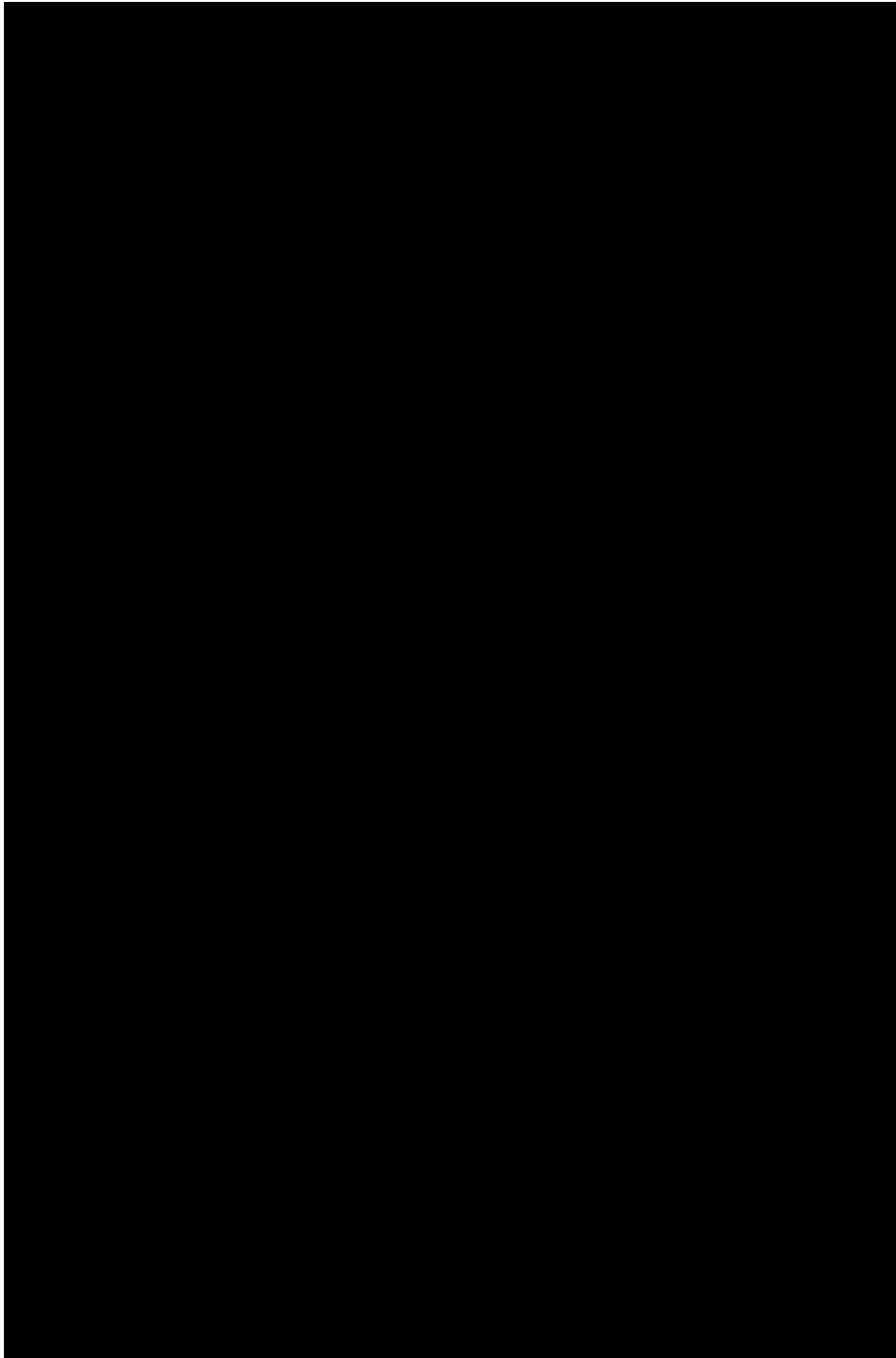
Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— November-23 Forecast — Approved Aug-23



Delivery Month

PEOPLE

EMPLOYEE COMMITMENT

VALUE PROPOSITION

CUSTOMER SERVICE

EFFECTIVE

OPERATIONAL EXCELLENCE

CANDOR

REGULATORY INTEGRITY

REDUCING IMPACT

ENVIRONMENTAL RESPECT

BERKSHIRE

FINANCIAL STRENGTH

OWNERSHIP

Risk Committee

Risk Policies Update

November 15, 2023

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Overview

Seeking approval of changes to the existing policies:

- Risk Management and Control Policy – RMCP
- Credit Risk Management and Control – CRMCP
- Energy Risk Management and Control Policy – ERMCP

Risk Control Policies Updates

Changes were made to clarify language where appropriate throughout the policies and clean up some formatting.

1. RMCP

- Removed Assistant Treasurer
- Removed “energy requirements” from Resource Planning and Analysis requirements (being performed under VP Regulatory requirements)
- Removal of the statement “and the financing of the plans”. As it relates to the Risk Committee responsibility
 - Reviewing and approving the Companies’ resource plans, energy supply plans, and the financing of the plans prior to CEO approval.
- Removed Appendix B (Employee acknowledgement statement)

2. CRMCP

- Replaced Asst. Treasurer with Treasurer
- Replaced Senior Vice President, Chief Financial Officer and Treasurer with Vice President, Chief Financial Officer
- Removed Appendix I (Employee acknowledgement statement)

Risk Control Policies Updates

3. ERMCP

- Replaced Senior Vice President, Chief Financial Officer and Treasurer with Vice President, Chief Financial Officer
- Removed Appendix G (Employee acknowledgement statement)

Recommendation

Approve recommended changes to the Risk Policies

- Risk Management and Control Policy
- Credit Risk Management and Control Policy
- Energy Risk Management and Control Policy

NV Energy, Inc.

Credit Risk Management and Control Policy

Risk Committee Approval

November 15, 2023

This policy should only be distributed to the employees of NV Energy (and its subsidiaries) who need access to the document during the performance of their assigned duties. This policy should not be provided to anyone outside the Company without the prior approval of the Risk Control Department.

TABLE OF CONTENTS

I.	BACKGROUND.....	3
II.	APPLICATION AND PURPOSE	3
III.	CREDIT RISK DEFINITION	4
IV.	CREDIT RISK MANAGEMENT AND CONTROL FRAMEWORK	4
	A. ORGANIZATION AND GOVERNANCE	4
	B. CREDIT RISK MANAGEMENT PROGRAM	6
	C. CREDIT RISK CONTROL PRACTICES	8
V.	COMPLIANCE	10
	APPENDIX A: DEFINITIONS	11
	APPENDIX B: AREAS OF RESPONSIBILITY – COMMITTEES	13
	APPENDIX C: AREAS OF RESPONSIBILITY – RISK CONTROL	14
	APPENDIX D: AREAS OF RESPONSIBILITY – CREDIT RISK MANAGEMENT	14
	APPENDIX E: RISK CONTROL METRICS	17
	APPENDIX F: CREDIT LIMITS	18
	A. COUNTERPARTY AND CUSTOMER CREDIT LIMITS	18
	B. SUB-INVESTMENT GRADE NOTIFICATION THRESHOLDS	19
	C. WEIGHTED AVERAGE PORTFOLIO CREDIT NOTIFICATION THRESHOLDS	19
	APPENDIX G: COLLATERAL RELEASE PROCEDURE	19
	APPENDIX H: POLICY REVISION LOG	20

I. Background

NV Energy, Inc. (the “Company”) has two wholly owned utility subsidiaries, Nevada Power Company (d/b/a NV Energy) and Sierra Pacific Power Company (d/b/a NV Energy) (and together with NV Energy, the “Companies”) who are engaged in the generation, transmission, and distribution of electric energy and in the distribution of natural gas in Nevada.

NV Energy’s Risk Committee approved the Risk Management and Control Policy dated January 5, 2021. That policy outlines NV Energy’s philosophy toward the management and control of the risk inherent in the Companies’ business operations. That policy also created the Risk Committee and made that committee responsible for overall policy direction of the Companies’ risk management and control efforts. That policy further instructed the Risk Committee to oversee the development of appropriate risk management and control policies including this Credit Risk Management and Control Policy.

II. Application and Purpose

The Credit Risk Management and Control Policy outlines NV Energy’s philosophy toward the management and control of the credit risk inherent in the Companies’ normal business operations.

The primary purpose of the policy is to:

- Provide guidelines for employees that are authorized to legally bind the Companies for procurement, sales, and service delivery transactions;
- Establish sound guidelines for the management and control of risks attributable to those transactions; and,
- Define the responsibilities for managing and monitoring those risks.

This policy will be applied to all physical and financial transactions related to the Companies’ procurement, sales, and service delivery activities. Five principal areas of credit risk are addressed in this policy:

- Energy supply
- Large customer accounts¹
- Procurement (non-fuel)
- Transmission
- Rule 9

¹ Credit risk of Mid-to-Small customers is managed by Credit and Billing Department
Page 3 of 21

III. Credit Risk Definition

Credit risk is the possibility that because of a counterparty's financial condition the counterparty's financial or physical obligations may not be timely performed. Credit exposure is the dollar amount that would be at risk in the event that the counterparty fails to perform. Credit loss is the actual dollar amount loss incurred due to the default. An evaluation of credit risk should measure exposure, and the possibility of failure to perform and recovery on defaults.

IV. Credit Risk Management and Control Framework

The Companies will systematically manage and control credit risk through three primary vehicles - organization and governance, credit risk management program, and credit risk control practices.

A. Organization and Governance

1. Risk Committee: The Risk Committee is responsible for overall policy direction of the Companies' risk management and control efforts, including credit risk management and risk control efforts. Specific activities for which the Risk Committee is responsible are set forth in Section A of Appendix B. The Risk Committee has the right to delegate portions of its assigned duties to one or more committees.

2. Vice President, Chief Financial Officer and Treasurer: The Companies' management is responsible for enforcing this policy and the associated procedures in the areas for which they are responsible. The Vice President, Chief Financial Officer and Treasurer and are responsible for monitoring compliance with this policy and those procedures. All material omissions and exceptions will be promptly reported to the Risk Committee.

3. Risk Control: The Risk Control organization monitors compliance with this credit policy and the associated procedures. Risk Control, under direction from the Vice President, Chief Financial Officer and Treasurer are responsible for the activities set forth in Section A of Appendix C.

a) Energy Credit Risk Management: The Companies enter into contracts with numerous counterparties while buying and selling energy including fuel, purchased power, and coal. Credit Risk Management, under direction from the Treasurer, is responsible for the Companies' credit risk management activities as they apply to energy supply. Specific activities for which Energy Credit Risk Management will be responsible are set forth in Section A of Appendix D.

b) Large Customer Credit Risk Management: The Companies provide power services to large customers. The credit risk associated with these customers' results from the possibility that they will be unable or unwilling to remit payment to the Companies after services have been received. Large Customer Credit Risk Management under the direction of the Companies' Risk Control and Credit & Billing organizations will be responsible for the Companies' credit risk management activities as they relate to large customers. Specific activities for which Large Customer Credit Risk Management will be responsible are set forth in Section B of Appendix D.

c) Procurement Credit Risk Management: The Companies enter into non-fuel contracts with numerous suppliers of materials used in the development and maintenance of the electric and gas infrastructure. These contracts are approved per the Corporate Governance and Approvals Policy. Contracts more than \$100,000 require performance bonds. Contracts more than \$1,000,000 require a risk assessment to be performed by Risk Control. Credit risk associated with these suppliers is the possibility that they will be unable or unwilling to provide materials in time or fail to provide materials altogether. Specific activities for which Procurement Credit Risk Management will be responsible are set forth in Section C of Appendix D.

d) Transmission Credit Risk Management: The Companies enter into contracts with numerous counterparties and customers for long term point-to-point transmission, large and small generator interconnection, and short-term point-to-point transmission. Specific activities for which Energy Credit Risk Management will be responsible are set forth in Section D of Appendix D.

e) Rule 9 Credit Risk Management: The Companies enter into contracts with numerous customers for a large project that the Company has a reasonable basis for believing that circumstances particular to an applicant's project would subject the Company to a substantial risk of not recovering its investment in the applicant's project. Abnormal Risk projects are defined as: project costs will not be fully collected from project developers and new loads enabled by line extensions will be reduced or terminated. Consequently, these will not generate the required rate revenue to pay for the allowance or refund cost of the project over its life. Specific activities for which Energy Credit Risk Management will be responsible are set forth in Section E of Appendix D.

B. Credit Risk Management Program

1. Energy Credit Risk: The Companies will maintain an ongoing energy credit risk program with the objective of avoiding material increase in operating and capital costs attributable to failures to perform by counterparties. The program will address these three key components: i) counterparty credit risk mitigation through arrangements such as credit support, netting, mark-to-market margin collateral, termination clauses, etc.; ii) evaluation and potential use of credit risk transfer instruments such as credit insurance, credit derivatives and clearinghouse transactions; and iii) the implementation of appropriate procedures such as transaction credit approval, exception management, etc. The program will have provisions for the systematic identification, quantification, evaluation, and management of the credit risk inherent in the Companies' operations and for the preparation of periodic reports to document the Companies' efforts. All counterparties will be pre-approved by the Credit Risk Management group of the Risk Control department.

2. Large Customer Credit Risk: The Companies will maintain an ongoing large customer credit risk management program that focuses both on preventing the occurrence of adverse credit outcomes at an account level, and on recovering any material increase in operating and capital costs attributable to failures to pay by customers. As part of the prevention mechanisms, the credit risk management program will implement measures such as but not limited to an assessment of customer credit based on payment history with the Companies, third party credit analysis, tighter billing cycles, late fee assessment, and deposit requirements. All risk management and risk mitigation measures used will be in compliance with the governing legal and regulatory statutes (e.g., the Consumer Bill of Rights, tariff filings, and other applicable regulations). As part of the regulatory recovery mechanisms, the credit risk management program will thoroughly document working capital charges resulting from delayed payments and capture any write offs. The credit risk management program will ensure appropriate regulatory recovery of all such additional costs incurred by the Companies and will have provisions for the preparation of periodic reports to document the Companies' efforts.

3. Procurement Credit Risk: The Companies will maintain an ongoing procurement credit risk program focused on avoiding material interruption and costs attributable to failures by counterparties to perform or pay. The program will include four key components: (i) periodic vendor

credit evaluation, (ii) critical vendor status determination, (iii) on-going critical vendor credit status assessment, and (iv) risk mitigation activities. Critical material vendors will be identified by Procurement based on, but not limited to, total contract value outstanding, estimated annual spend, product replacement options, services provided, frequency of transactions, and alliance partners. After a critical vendor has been identified, a credit rating will be given based on external credit ratings services, independent debt rating by major investment banks, or internal evaluation of vendor's financial condition. The credit status and credit exposure of critical material vendors will be monitored and assessed no less than annually and prior to the awarding of major new contracts. Risk mitigation techniques will be utilized for all vendors when available. Such activities will include, but are not limited to, requiring credit support, including provisions for liquidated damages, diversifying vendor portfolio, actively seeking creditworthy vendors, and identifying replacement vendors.

4. Transmission Credit Risk: The Companies will maintain an ongoing transmission credit risk program with the objective of avoiding a material increase in operating and capital costs attributable to failures to perform by counterparties and customers. The program will address these key components: i) counterparty and customer credit risk mitigation through arrangements such as credit support, netting, termination clauses, etc.; ii) The program will have provisions for the systematic identification, quantification, evaluation, and management of the credit risk inherent in the Companies' operations and for the preparation of periodic reports to document the Companies' efforts. All counterparties and customers will be pre-approved by the Credit Risk Management group of the Risk Control department.

5. Rule 9 Credit Risk: The Companies will maintain an ongoing Rule 9 customer credit risk management program that focuses both on preventing the occurrence of project costs not fully being collected from project developers, new load enabled by line extensions will be reduced or terminated, will not generate the required rate revenue to pay the allowance or refund cost of the project over its life or project between 1MW or 10MW or total project cost of \$400,000 or more. The program will have provisions for the systematic identification, quantification, evaluation, and management of the credit risk inherent in the Companies' operations and for the preparation of periodic reports to document the Companies' efforts. All counterparties and customers will be pre-approved by the Credit Risk Management group of the Risk Control department. The credit risk management program will ensure appropriate regulatory recovery of all

such additional costs incurred by the Companies and will have provisions for the preparation of periodic reports to document the Companies' efforts.

C. Credit Risk Control Practices

The Companies' risk control practices will incorporate limits, metrics, and exception management.

1. **Limits:** The Companies will adhere to the energy credit risk limits set forth in this policy. The purpose of these limits is to balance the need to secure reliable supplies of fuel and wholesale power with the need to control the risks inherent in the process. Energy Credit Risk Limits are set forth in Appendix F.

2. Standards for Credit and Financial Assessment of Counterparties:

Creditworthiness assessment for rated counterparties with publicly filed financials is to be updated every quarter with availability of new financials.

Creditworthiness assessment for unrated or privately held counterparties without publicly filed financials is to be performed after receipt of audited financials. The highest exposure power/gas and supply chain private counterparties will be evaluated on an annual basis.

If a counterparty is a subsidiary of a parent company, a guarantee may be required from the parent to support the transactions that are entered into with the subsidiary. The credit limit assigned to this counterparty will be limited to lesser of the amount of the parent guarantee, the unsecured limit the parent qualifies for or the netted credit limit (buys and sells).

The scoring module uses a multi variable scorecard to establish credit limits for counterparties. The scorecard methodology factors in agency ratings, performance, liquidity, leverage ratios, and assigns credit limits based on a percentage of tangible net worth. The assigned credit limits are further adjusted downward to NV Energy defined ratings matrix set forth in Section A of Appendix F. The components of the credit exposure calculation include cash flow, mark-to-market nominal value and the assigned credit limit or collateral.

Counterparties with higher exposures will be evaluated on an annual basis and monitored daily. Qualitative risk acceptance criteria will be incorporated into the evaluation of the highest exposure counterparties.

Under rule 9, large customers (projects >1MW or project costs > \$400,000) including mining, data centers, master plan development, renewables and new industry type businesses that are sent to Risk Control for determination

of 'Abnormal Risk' will be underwritten using the same scoring methodology and tools that are used to evaluate counterparties.

3. **Metrics:** In addition to the above formal limits, Risk Control will monitor a set of metrics on a periodic basis. The purpose of these metrics is to provide transparency of the corporate credit portfolio to the Risk Committee.

- **Large Customer Credit Metrics:** The Companies have established the Arrears Balance Metric and the Uncollected Deposits Metric to monitor the credit exposure attributable to large customers. Large customers are defined by the Companies based on rate class, total yearly summary bill, or total yearly revenue.
 - i. **Arrears Balance Metric:** The Companies will monitor the balance of large customers' accounts receivable in arrears as a percentage of total quarterly revenue due from large customers.
 - ii. **Uncollected Deposit Metric:** The Companies will monitor the allowable deposits uncollected as a percentage of total allowable deposits. Total allowable deposits based on prevailing regulations pertaining to maximum allowable deposit assessment.
- **Procurement Metrics:** The Companies have established the Supplier Credit Metric to control the credit exposure attributable to procurement.
 - i. **Supplier Credit Metric:** The Companies will not enter into transactions with a material supplier for the purchase of goods or services over the amount of \$1,000,000, until Credit Risk Management has analyzed the supplier's financial stability. Contracts in excess of \$100,000 require performance bonds.

Exception Management Process:

- i. **Limits:** The Risk Committee may approve waivers to this policy and to the plans and procedures developed in accordance with this policy. The Companies will develop and maintain procedures for reporting material exceptions to the limits established under this policy if those exceptions were not approved by the Risk Committee. The procedures will have provisions for prompt notification to the Treasurer who will, in turn, be responsible for notifying the personnel responsible for resolution of the exception and, if necessary, the Risk Committee. Presentations to the Risk

Committee will include descriptions of the exceptions, proposed courses of action to resolve the exceptions, and schedules for resolving the exceptions.

ii. **Metrics:** The relevant business unit may approve exceptions to the stated practices associated with the Large Customer Credit Metrics and Procurement Metrics. The business function will develop procedures and necessary documentation for deviation. Since a formal limit is not associated with the metrics, notification of non-compliance with standard procedures is not required beyond the relevant business unit.

iii. **Reporting Process:** The Companies will monitor credit limits and metrics through a formal reporting process driven by the Treasurer and Assistant Treasurer. On a monthly basis, Risk Control, with the assistance of Energy Credit Risk Management, Large Customer Credit Risk Management, and Procurement Credit Risk Management, will calculate and compile the limits and metrics outlined in this policy into a report. The report will be disseminated monthly to each member of the Risk Committee. Material adverse findings will be discussed at the meetings, and exceptions will be raised to the appropriate business function.

V. Compliance

Each employee will have an affirmative duty to alert management immediately upon learning of any apparent violations of this policy.

Each employee will also have an affirmative duty to alert management immediately upon learning of any risks not adequately covered by this policy and the associated procedures, methodologies, and systems.

Appendix A: Definitions

Aggregate Exposure	An estimate of the current cost of replacing all of the contracts with a counterparty.
Clearinghouse	An entity that clears the total transactions (buys with sales) for the period.
Consumer Bill of Rights	Provisions under Nevada Revised Statutes 704.210 governing billing procedures and processes for residential and small commercial gas and electric customers.
Counterparty	The entity that has entered a contract with one of the Companies.
Credit Derivatives	A financial instrument whose characteristics and value depend upon the characteristics and value of an underlying instrument or asset, typically a commodity, bond, equity, or currency.
Credit Insurance	Insurance on the counterparty portfolio is used to mitigate the risk of one or more of the counterparties in the portfolio defaulting on its obligations.
Critical material suppliers	As defined by the Business Unit(s)
Fixed Price Agreement	A contract in which the price of the commodity or service is set at a particular level when the contract is executed.
Futures	Agreements to buy or sell a quantity of a product, at an agreed price, on a given date, traded on an exchange, and cleared by a clearinghouse.
Indexed Agreement	A contract in which the price of the commodity or service is tied to one or more published indices.
Large Customer	At Nevada Power, an LGS-2 (or larger) customer, along with any additional meters associated with that customer. At Sierra Pacific Power, a GS3 (or larger) customer, along with any additional meters associated with that customer.
Mark-to-Market	The value of a financial or physical instrument, or an aggregation of such instruments, at the Companies' best estimate of current market prices.
Mark-to-Market Margin Collateral	Collateral posted based on the current market value of a financial or physical instrument.

'Page 11 of 21

Netting	The act of offsetting purchases with sales.
Options	Instruments which give the holder the right, but not the obligation, to sell or buy the underlying commodity at specified prices, times, and locations.
Physical Instrument	A contract for a commodity under which the Companies expect to take delivery of the specified commodity.
Products	Commodities with specific characteristics like electricity delivered during predefined periods.
Swaps	Agreements to exchange net future cash flows or physical positions.
Transaction	A contract obligating the Companies to buy or sell physical commodities and services. Transactions will also include monetary obligations incurred through financial instruments.

Appendix B: Areas of Responsibility – Committees

Risk Committee: The Risk Committee will be responsible for:

- Monitoring the current and expected future economic conditions, assessing their effect on the general business environment and on the Companies, and disseminating the information obtained through such monitoring to the management of the Companies;
- Initiating the preparation of new risk control policies when or where appropriate and the modification of risk control policies already in place;
- Ensuring the ongoing availability of procedures required to implement those policies or any changes to them;
- Resolving any disputes regarding the appropriate application of those policies and procedures;
- Ensuring the availability of the systems required to monitor, record and report on the risks inherent in the Companies' operations;
- Reviewing and approving the Companies' resource plans, energy supply plans, and the financing of the plans prior to Chief Executive Officer approval;
- Assuring integration of energy procurement or sale risk, credit risk, cash flow risk and customers' risk;
- Reviewing and approving all transactions requiring exceptions to the approved plans for acquiring or selling fuel and wholesale power prior to implementation;
- Reviewing all energy procurement or sale transactions requiring the approval of the Chief Executive Officer² prior to the presentation of such transactions to the Chief Executive Officer; and,
- Assessing the appropriateness of the Companies' risk control activities and modifying this policy, whenever modifications are required to ensure the ongoing viability of the Companies' risk management and control programs and the continued fulfillment of the Companies' obligations.

The Risk Committee will have the right to delegate portions of its assigned duties to one or more committees. The Risk Committee will establish the charter of each Committee when it is established and modify the charter if necessary. Committees will keep minutes in the same manner as the Risk Committee. Committees will also make periodic reports of their activities to the Risk Committee in the manner designated by the Risk Committee.

² The review by the Risk Committee prior to the presentation to the Chief Executive Officer is not required if such transactions are being done in accordance with an Energy Supply Plan already approved by the Chief Executive Officer.

Appendix C: Areas of Responsibility – Risk Control

Risk Control: Risk Control will be responsible for:

- Disseminating this policy to the Companies' personnel who will be affected by this policy;
- Measuring the Companies' energy portfolio exposures and comparing the measurements against approved exposure limits;
- Accumulating risk control information for the Companies;
- Creating monthly risk control reports;
- Assessing proposed modifications to risk control policies and limits based on changing business or market conditions; and,
- Training employees on this policy.

Appendix D: Areas of Responsibility – Credit Risk Management

A. Energy Credit Risk Management: Credit Risk Management will be responsible for:

- Assessing the financial and credit worthiness of current and potential counterparties;
- Assessing the current market and industry conditions affecting the credit of counterparties through updates and research;
- Providing a forward-looking perspective on counterparty credit, input qualitative remarks for our major counterparties in our scoring tool;
- Approving counterparties and establishing credit ratings for them before the Companies enter into energy-related transactions with them;
- Assigning internal credit rating for counterparties based on rating of parent company when parental guarantees are utilized or the lower of credit rating services, independent debt ratings by major investment banks, and internal evaluations of the entities' financial condition;
- Accumulating credit risk management and control information from our system of record;
- Managing and mitigating credit risks associated with energy supply optimization;
- Monitoring current credit of major counterparties on an on-going basis;
- Following processes and procedures outlined by the Credit Policy;
- Providing Risk Control with necessary counterparty credit information on a periodic basis through our system of records and the monthly Credit Report;
- Monitoring and reporting on the creditworthiness of current counterparties;
- Monitoring credit exposures at the counterparty and portfolio level on an on-going basis;
- Evaluating credit impact on counterparty and portfolio credit of large transactions;
- Reviewing and reporting on all contractual credit terms;
- Ensuring credit terms in contracts are in accordance with standard business practices;
- Reviewing and reporting on information requested by counterparties for collateral or other credit support;
- Evaluating costs and benefits associated with risk transfer and reduction methods;

'Page 14 of 21

- Resolving credit issues with counterparties;
- Calculating collateral requirements to be posted by counterparties and overseeing the receipt of that collateral; all letters of credit submitted to credit are kept in the Legal Department and tracked;
- Notifying the Manager of Market Operations and Trading when credit exposure limits have been exceeded and assist Risk Control in developing the strategy to mitigate risk; and,
- Maintaining records and tracking collateral posted by counterparties. Calculating collateral requirements and managing collateral posted by the Companies.

B. Large and Mid-to-Small Customer Credit Risk Management: Risk Control along with Credit & Billing will be responsible for managing the credit risk associated with large and mid-to-small customers, and frequently reporting on the status of such risks.

Responsibilities of Risk Control include:

- Managing and mitigating credit risks associated with the customer payment of large non-residential customers;
- Monitoring on-going credit of large non-residential customers and disseminating relevant credit information to Credit & Billing and Major Accounts;

Responsibilities of Credit & Billing include:

- Periodically provide Risk Control with a list of large customers;
- Managing and mitigating credit risks associated with the customer payment of large and mid-to-small non-residential customers;
- Reviewing and tracking occasions of deposits and late fees waivers;
- Monitoring changes in regulations regarding large customer credit;
- Monitoring current credit and payment history of the Companies of customers;
- Collecting and disseminating relevant credit information to managing account executive;
- Following processes and procedures outlined by the Credit Policy and/or applicable regulations;
- Provide information for metrics referenced in Appendix E - Large Customer Credit Metrics;
- Providing Risk Control with necessary customer credit information on a periodic basis; Ensure timely posting of write-offs to accounts for regulatory recovery.

In case of disagreements on the risk assessment of and credit mitigates for customers, Risk Control and Credit & Billing are encouraged to present their recommendations to members of the Risk Committee for further determination.

C. Procurement Credit Risk Management: Risk Control along with Procurement will be responsible for managing the credit risk associated with material vendors and procurement customers.

Responsibilities of Risk Control include:

- Managing and mitigating credit risks associated with material procurement;
- Monitoring current credit of critical material procurement vendors, based on but

Page 15 of 21

- not limited to, third party credit rating, and company financials;
- Following processes and procedures outlined by the Credit Policy; and,
- Ensuring credit terms in material contracts are in accordance with standard business arrangements.

Responsibilities of Procurement include:

- Identify critical material procurement vendors;
- Identify contracts in excess of \$100,000 requiring performance bonds and contracts in excess of \$1,000,000 requiring risk assessment by Risk Control; and,
- Provide information for metrics referenced in Appendix E - Procurement Credit Metrics.

D. Transmission Credit Risk Management: Credit Risk Management will be responsible for:

- Assessing the financial and credit worthiness of current and potential counterparties and customers;
- Assessing the current market and industry conditions affecting the credit of counterparties and customers through updates and research;
- Providing a forward-looking perspective on counterparty and customer credit;
- Approving counterparties and customers and establishing credit ratings for them before the Companies enter into transmission related transactions with them;
- Assigning internal credit rating for counterparties and customers based on rating of parent company when parental guarantees are utilized or the lower of credit rating services, independent debt ratings by major investment banks, and internal evaluations of the entities' financial condition;
- Accumulating credit risk management and control information from our system of record;
- Monitoring current credit of counterparties and customers on an on-going basis;
- Monitoring and reporting on the creditworthiness of current counterparties and customers;
- Reviewing and reporting on information requested by counterparties and customers for collateral or other credit support;
- Resolving credit issues with counterparties and customers;
- Reporting on accounts receivable aging information on counterparties and customers;
- Calculating collateral requirements to be posted by counterparties and customers and overseeing the receipt of that collateral; all letters of credit submitted to credit are kept in the Legal Department and tracked;
- Maintaining records and tracking collateral posted by counterparties and customers.

E. Rule 9 Credit Risk Management: Credit Risk Management will be responsible for:

- Assessing the financial and credit worthiness of current and potential and customers;
 - Assessing the current market and industry conditions affecting the credit of customers through updates and research;
 - Providing a forward-looking perspective on customer credit;
 - Approving customers and establishing credit ratings for them before the Companies enter into transmission related transactions with them;
 - Assigning internal credit rating for customers based on rating of parent company when parental guarantees are utilized or the lower of credit rating services, independent debt ratings by major investment banks, and internal evaluations of the entities' financial condition;
 - Accumulating credit risk management and control information from our system of record;
 - Monitoring current credit of customers on an on-going basis;
 - Monitoring and reporting on the creditworthiness of current customers;
 - Reviewing and reporting on information requested by customers for collateral or other credit support;
 - Resolving credit issues with customers;
 - Reporting on accounts receivable aging information on customers
 - Calculating collateral requirements to be posted by customers and overseeing the receipt of that collateral; all letters of credit submitted to credit are kept in the Legal Department and tracked;
- Maintaining records and tracking collateral posted by customers.

Appendix E: Risk Control Metrics

A. Large Customer Credit Metrics

i. Arrears Balance Metric – Monthly

Total dollar value of current accounts receivable in arrears divided by total dollar value of accounts receivable due or received in a given month

- Arrears balances will be determined as balances outstanding for 30 days or more past the due date
- Individual account balances under summary accounts will not be considered in arrears until 30 days after the summary account billing date

ii Uncollected Deposit Metric – Quarterly

Sum of total allowable deposits uncollected divided by total allowable deposits for unsatisfactory customers in a given quarter

- Allowable deposits uncollected determined as the maximum allowable deposit uncollected or the difference between maximum allowable deposit and the deposit collected by the Companies
- Non-Residential
 - Maximum allowable deposit based 200% of average monthly bill
 - Unsatisfactory customers are defined as customers who pay after their due date even once in a 24-month period, or are subject to disconnect/termination of services
- Residential:
 - Maximum allowable deposit based 150% of average monthly bill
 - Unsatisfactory customers are defined as customers who pay after their due date more than three times in a twelve-month period, or are subject to disconnect/termination of services
- New customers are unsatisfactory at time of initial service agreement if adequate credit is not available in the form of satisfactory past payment history with a utility/municipal agency or guarantor with satisfactory credit

B. Procurement Credit Metric

i. Counterparty Credit Metric – Annual

Total contract value outstanding with a critical material supplier determined on a semi-annual basis

- Total contract value is determined as the greater of maximum possible payment for goods and services or market replace costs associated with goods and services provided to the Companies by critical material suppliers.

Critical material supplier's status based on but not limited to alliance membership, aggregate contract value with NVE and its Subsidiaries, and availability of substitute goods or product

Appendix F: Credit Limits

A. Counterparty and Customer Credit Limits

Counter-party Credit Notification Thresholds-All Transactions		Counter-party Credit Notification Thresholds-Large Transactions	
Credit Rating	Maximum Aggregate Exposure per Counter-party	Credit Rating	Maximum Aggregate Exposure per Counter-party
AAA+ to AA- or equivalent	\$20,000,000	AAA+ to AA- or equivalent	\$20,000,000
A+ to A- or equivalent	\$15,000,000	A+ to A- or equivalent	\$15,000,000
BBB+ to BBB- or equivalent	\$10,000,000	BBB+ to BBB- or equivalent	\$10,000,000
BB+ to BB- or equivalent	\$6,000,000	BB+ to BB- or equivalent	\$6,000,000
B+ to B- or equivalent	\$0	B+ to B- or equivalent	\$0
Less than B-	\$0	Less than B-	\$0

B. Sub-investment Grade Notification Thresholds

Maximum portion of the portfolio below investment grade based on actual Mark-to-Market exposure may not exceed 40% without prior approval from the Risk Committee.

C. Weighted Average Portfolio Credit Notification Thresholds

Weighted average credit rating of portfolio based on actual Mark-to-Market exposure must be 'BBB-' or better.

Appendix G: Collateral Release Procedure:

The Department contacts Credit Risk to have the collateral released that is being held for a specific contract or project. This includes but is not limited to energy credit risk, large customer credit risk, procurement credit risk, transmission credit risk, Rule 9 credit risk, developer credit risk.

- The email that is sent to Credit Risk will include the approval by the Director of the Department. In the absence of a Director, the next level of management over the Department.
- A release of collateral letter, located on MyNVE, is created by Credit Risk, attached to the original letter of credit or bond and sent via Fed Ex to the issuing bank or Surety for cancellation.

- Signature of Authority for the collateral release letter:
 - Business Risk Control Specialist – up to \$5M
 - Treasurer – up to \$30M
 - Vice President, CFO – over \$30M

Appendix H: Policy Revision Log

Date	Revision(s)
December 17, 2014	Modified Existing Policy. - Updated risk committee name. Replaced “Enterprise Risk Oversight Committee” with “The Risk Committee”. - Reassigned responsibility by replacing “Board of Directors” by “Risk Committee” and “Chief Risk Officer” by “Chief Financial Officer”. - Added language related to Rule 9 and the methodology of customer scoring and evaluation. - Replaced the Credit Notification Thresholds table with the new approved version. - Replaced Risk Committee’s area-of-responsibility description by language in Risk Management and Control Policy for consistency. - Removed language related to Energy Risk Committee since it was dissolved. - Added a policy revision log.
December 28, 2016	Modified Existing Policy: Updated sub-section A.ii regarding maximum allowable deposit amounts to be consistent with Electric Rules 1 and 13 for both North and South.
July 26, 2017	Modified Existing Policy: - Updated the approval date of the Risk Management and Control Policy in the Background section. - Updated the approval date of the Credit Risk Management and Control Policy in Appendix H, the Employee Acknowledgement section. - Made formatting changes to make the document consistent with the Risk Management and Control Policy and the Energy Risk Management and Control Policy.
May 7, 2018	Modified Existing Policy: - Replaced Chief Executive Officer with President - Replaced Director, Risk Control with Treasurer - Updated titles
December 19, 2018	Modified Existing Policy: - Removed “Senior” from “Vice President, Chief Financial Officer” - Replaced “President” with Chief Executive Officer

NV Energy Credit Risk Management and Control Policy

December 4, 2019	Modified Existing Policy 1. Replaced ratepayer with customers
November 17, 2021	Modified Existing Policy 1. Add Assistant Treasurer to specified locations throughout document 2. Removed “A” from Risk Committee on page 12 3. Added existing procedures for Transmission and Rule 9
November 15, 2023	Modified Existing Policy 1. Replaced Assistant Treasurer with Treasurer 2. Replaced Senior Vice President, CFO & Treasurer with Vice President, CFO 3. Removed Appendix I: Employee Acknowledgement

NV Energy, Inc.

Credit Risk Management and Control Policy

Risk Committee Approval

~~December 14~~November 15, 2023

This policy should only be distributed to the employees of NV Energy (and its subsidiaries) who need access to the document during the performance of their assigned duties. This policy should not be provided to anyone outside the Company without the prior approval of the Risk Control Department.

Page 1 of 21

Revisions Approved by the Risk Committee on ~~December 14~~November 15, 2023
~~CRMCP11162022~~CRMCP11152023

TABLE OF CONTENTS

I.	BACKGROUND.....	3
II.	APPLICATION AND PURPOSE	3
III.	CREDIT RISK DEFINITION	4
IV.	CREDIT RISK MANAGEMENT AND CONTROL FRAMEWORK	4
	A. ORGANIZATION AND GOVERNANCE	4
	B. CREDIT RISK MANAGEMENT PROGRAM	6
	C. CREDIT RISK CONTROL PRACTICES	8
V.	COMPLIANCE	10
	APPENDIX A: DEFINITIONS	11
	APPENDIX B: AREAS OF RESPONSIBILITY – COMMITTEES	13
	APPENDIX C: AREAS OF RESPONSIBILITY – RISK CONTROL	14
	APPENDIX D: AREAS OF RESPONSIBILITY – CREDIT RISK MANAGEMENT	14
	APPENDIX E: RISK CONTROL METRICS	17
	APPENDIX F: CREDIT LIMITS	18
	A. COUNTERPARTY AND CUSTOMER CREDIT LIMITS	18
	B. SUB-INVESTMENT GRADE NOTIFICATION THRESHOLDS	19
	C. WEIGHTED AVERAGE PORTFOLIO CREDIT NOTIFICATION THRESHOLDS	19
	APPENDIX G: <u>COLLATERAL RELEASE PROCEDURE</u> ~~POLICY REVISION LOG~~	<u>19</u> ~~19~~
	APPENDIX H: <u>POLICY REVISION LOG</u>	<u>20</u>
	APPENDIX I: <u>EMPLOYEE ACKNOWLEDGEMENT</u>	<u>21</u>

I. Background

NV Energy, Inc. (the “Company”) has two wholly owned utility subsidiaries, Nevada Power Company (d/b/a NV Energy) and Sierra Pacific Power Company (d/b/a NV Energy) (and together with NV Energy, the “Companies”) who are engaged in the generation, transmission, and distribution of electric energy and in the distribution of natural gas in Nevada.

NV Energy’s Risk Committee approved the Risk Management and Control Policy dated January 5, 2021. That policy outlines NV Energy’s philosophy toward the management and control of the risk inherent in the Companies’ business operations. That policy also created the Risk Committee and made that committee responsible for overall policy direction of the Companies’ risk management and control efforts. That policy further instructed the Risk Committee to oversee the development of appropriate risk management and control policies including this Credit Risk Management and Control Policy.

II. Application and Purpose

The Credit Risk Management and Control Policy outlines NV Energy’s philosophy toward the management and control of the credit risk inherent in the Companies’ normal business operations.

The primary purpose of the policy is to:

- Provide guidelines for employees that are authorized to legally bind the Companies for procurement, sales, and service delivery transactions;
- Establish sound guidelines for the management and control of risks attributable to those transactions; and,
- Define the responsibilities for managing and monitoring those risks.

This policy will be applied to all physical and financial transactions related to the Companies’ procurement, sales, and service delivery activities. Five principal areas of credit risk are addressed in this policy:

- Energy supply
- Large customer accounts¹
- Procurement (non-fuel)
- Transmission
- Rule 9

¹ Credit risk of Mid-to-Small customers is managed by Credit and Billing Department
Page 3 of 21

III. Credit Risk Definition

Credit risk is the possibility that because of a counterparty's financial condition the counterparty's financial or physical obligations may not be timely performed. Credit exposure is the dollar amount that would be at risk in the event that the counterparty fails to perform. Credit loss is the actual dollar amount loss incurred due to the default. An evaluation of credit risk should measure exposure, and the possibility of failure to perform and recovery on defaults.

IV. Credit Risk Management and Control Framework

The Companies will systematically manage and control credit risk through three primary vehicles - organization and governance, credit risk management program, and credit risk control practices.

A. Organization and Governance

1. **Risk Committee:** The Risk Committee is responsible for overall policy direction of the Companies' risk management and control efforts, including credit risk management and risk control efforts. Specific activities for which the Risk Committee is responsible are set forth in Section A of Appendix B. The Risk Committee has the right to delegate portions of its assigned duties to one or more committees.

2. **~~Senior Vice President, Chief Financial Officer and Treasurer~~ and ~~Assistant Treasurer~~ and Treasurer:** The Companies' management is responsible for enforcing this policy and the associated procedures in the areas for which they are responsible. The ~~Senior Vice President, Chief Financial Officer and Treasurer~~ and ~~Assistant Treasurer~~ are responsible for monitoring compliance with this policy and those procedures. All material omissions and exceptions will be promptly reported to the Risk Committee.

3. **Risk Control:** The Risk Control organization monitors compliance with this credit policy and the associated procedures. Risk Control, under direction from the Vice President, Senior Chief Financial Officer and Treasurer ~~and Assistant Treasurer~~, is responsible for the activities set forth in Section A of Appendix C.

a) **Energy Credit Risk Management:** The Companies enter into contracts with numerous counterparties while buying and selling energy including fuel, purchased power, and coal. Credit Risk Management, under direction from the ~~Treasurer and Assistant Treasurer~~, is responsible for the Companies' credit risk management activities as they apply to energy supply. Specific activities for

which Energy Credit Risk Management will be responsible are set forth in Section A of Appendix D.

b) Large Customer Credit Risk Management: The Companies provide power services to large customers. The credit risk associated with these customers' results from the possibility that they will be unable or unwilling to remit payment to the Companies after services have been received. Large Customer Credit Risk Management under the direction of the Companies' Risk Control and Credit & Billing organizations will be responsible for the Companies' credit risk management activities as they relate to large customers. Specific activities for which Large Customer Credit Risk Management will be responsible are set forth in Section B of Appendix D.

c) Procurement Credit Risk Management: The Companies enter into non-fuel contracts with numerous suppliers of materials used in the development and maintenance of the electric and gas infrastructure. These contracts are approved per the Corporate Governance and Approvals Policy. Contracts more than \$100,000 require performance bonds. Contracts more than \$1,000,000 require a risk assessment to be performed by Risk Control. Credit risk associated with these suppliers is the possibility that they will be unable or unwilling to provide materials in time or fail to provide materials altogether. Specific activities for which Procurement Credit Risk Management will be responsible are set forth in Section C of Appendix D.

d) Transmission Credit Risk Management: The Companies enter into contracts with numerous counterparties and customers for long term point-to-point transmission, large and small generator interconnection, and short-term point-to-point transmission. Specific activities for which Energy Credit Risk Management will be responsible are set forth in Section D of Appendix D.

e) Rule 9 Credit Risk Management: The Companies enter into contracts with numerous customers for a large project that the Company has a reasonable basis for believing that circumstances particular to an applicant's project would subject the Company to a substantial risk of not recovering its investment in the applicant's project. Abnormal Risk projects are defined as: project costs will not be fully collected from project developers and new loads enabled by line extensions will be reduced or terminated. Consequently, these will not generate the required rate revenue to pay for the allowance

or refund cost of the project over its life. Specific activities for which Energy Credit Risk Management will be responsible are set forth in Section E of Appendix D.

B. Credit Risk Management Program

1. Energy Credit Risk: The Companies will maintain an ongoing energy credit risk program with the objective of avoiding material increase in operating and capital costs attributable to failures to perform by counterparties. The program will address these three key components: i) counterparty credit risk mitigation through arrangements such as credit support, netting, mark-to-market margin collateral, termination clauses, etc.; ii) evaluation and potential use of credit risk transfer instruments such as credit insurance, credit derivatives and clearinghouse transactions; and iii) the implementation of appropriate procedures such as transaction credit approval, exception management, etc. The program will have provisions for the systematic identification, quantification, evaluation, and management of the credit risk inherent in the Companies' operations and for the preparation of periodic reports to document the Companies' efforts. All counterparties will be pre-approved by the Credit Risk Management group of the Risk Control department.

2. Large Customer Credit Risk: The Companies will maintain an ongoing large customer credit risk management program that focuses both on preventing the occurrence of adverse credit outcomes at an account level, and on recovering any material increase in operating and capital costs attributable to failures to pay by customers. As part of the prevention mechanisms, the credit risk management program will implement measures such as but not limited to an assessment of customer credit based on payment history with the Companies, third party credit analysis, tighter billing cycles, late fee assessment, and deposit requirements. All risk management and risk mitigation measures used will be in compliance with the governing legal and regulatory statutes (e.g., the Consumer Bill of Rights, tariff filings, and other applicable regulations). As part of the regulatory recovery mechanisms, the credit risk management program will thoroughly document working capital charges resulting from delayed payments and capture any write offs. The credit risk management program will ensure appropriate regulatory recovery of all such additional costs incurred by the Companies and will have provisions for the preparation of periodic reports to document the Companies' efforts.

Page 6 of 21

3. Procurement Credit Risk: The Companies will maintain an ongoing procurement credit risk program focused on avoiding material interruption and costs attributable to failures by counterparties to perform or pay. The program will include four key components: (i) periodic vendor credit evaluation, (ii) critical vendor status determination, (iii) on-going critical vendor credit status assessment, and (iv) risk mitigation activities. Critical material vendors will be identified by Procurement based on, but not limited to, total contract value outstanding, estimated annual spend, product replacement options, services provided, frequency of transactions, and alliance partners. After a critical vendor has been identified, a credit rating will be given based on external credit ratings services, independent debt rating by major investment banks, or internal evaluation of vendor's financial condition. The credit status and credit exposure of critical material vendors will be monitored and assessed no less than annually and prior to the awarding of major new contracts. Risk mitigation techniques will be utilized for all vendors when available. Such activities will include, but are not limited to, requiring credit support, including provisions for liquidated damages, diversifying vendor portfolio, actively seeking creditworthy vendors, and identifying replacement vendors.

4. Transmission Credit Risk: The Companies will maintain an ongoing transmission credit risk program with the objective of avoiding a material increase in operating and capital costs attributable to failures to perform by counterparties and customers. The program will address these key components: i) counterparty and customer credit risk mitigation through arrangements such as credit support, netting, termination clauses, etc.; ii) The program will have provisions for the systematic identification, quantification, evaluation, and management of the credit risk inherent in the Companies' operations and for the preparation of periodic reports to document the Companies' efforts. All counterparties and customers will be pre-approved by the Credit Risk Management group of the Risk Control department.

5. Rule 9 Credit Risk: The Companies will maintain an ongoing Rule 9 customer credit risk management program that focuses both on preventing the occurrence of project costs not fully being collected from project developers, new load enabled by line extensions will be reduced or terminated, will not generate the required rate revenue to pay the allowance or refund cost of the project over its life or project between 1MW or 10MW or total project cost of \$400,000 or more. The program will have provisions for the systematic identification, quantification, evaluation, and management of the credit risk inherent in the Companies' operations and

Page 7 of 21

for the preparation of periodic reports to document the Companies' efforts. All counterparties and customers will be pre-approved by the Credit Risk Management group of the Risk Control department. The credit risk management program will ensure appropriate regulatory recovery of all such additional costs incurred by the Companies and will have provisions for the preparation of periodic reports to document the Companies' efforts.

C. Credit Risk Control Practices

The Companies' risk control practices will incorporate limits, metrics, and exception management.

1. **Limits:** The Companies will adhere to the energy credit risk limits set forth in this policy. The purpose of these limits is to balance the need to secure reliable supplies of fuel and wholesale power with the need to control the risks inherent in the process. Energy Credit Risk Limits are set forth in Appendix F.

2. Standards for Credit and Financial Assessment of Counterparties:

Creditworthiness assessment for rated counterparties with publicly filed financials is to be updated every quarter with availability of new financials.

Creditworthiness assessment for unrated or privately held counterparties without publicly filed financials is to be performed after receipt of audited financials. The highest exposure power/gas and supply chain private counterparties will be evaluated on an annual basis.

If a counterparty is a subsidiary of a parent company, a guarantee may be required from the parent to support the transactions that are entered into with the subsidiary. The credit limit assigned to this counterparty will be limited to lesser of the amount of the parent guarantee, the unsecured limit the parent qualifies for or the netted credit limit (buys and sells).

The scoring module uses a multi variable scorecard to establish credit limits for counterparties. The scorecard methodology factors in agency ratings, performance, liquidity, leverage ratios, and assigns credit limits based on a percentage of tangible net worth. The assigned credit limits are further adjusted downward to NV Energy defined ratings matrix set forth in Section A of Appendix F. The components of the credit exposure calculation include cash flow, mark-to-market nominal value and the assigned credit limit or collateral.

Counterparties with higher exposures will be evaluated on an annual basis and monitored daily. Qualitative risk acceptance criteria will be incorporated into the evaluation of the highest exposure counterparties.

Under rule 9, large customers (projects >1MW or project costs > \$400,000) including mining, data centers, master plan development, renewables and new industry type businesses that are sent to Risk Control for determination of 'Abnormal Risk' will be underwritten using the same scoring methodology and tools that are used to evaluate counterparties.

3. **Metrics:** In addition to the above formal limits, Risk Control will monitor a set of metrics on a periodic basis. The purpose of these metrics is to provide transparency of the corporate credit portfolio to the Risk Committee.

- **Large Customer Credit Metrics:** The Companies have established the Arrears Balance Metric and the Uncollected Deposits Metric to monitor the credit exposure attributable to large customers. Large customers are defined by the Companies based on rate class, total yearly summary bill, or total yearly revenue.
 - i. **Arrears Balance Metric:** The Companies will monitor the balance of large customers' accounts receivable in arrears as a percentage of total quarterly revenue due from large customers.
 - ii. **Uncollected Deposit Metric:** The Companies will monitor the allowable deposits uncollected as a percentage of total allowable deposits. Total allowable deposits based on prevailing regulations pertaining to maximum allowable deposit assessment.
- **Procurement Metrics:** The Companies have established the Supplier Credit Metric to control the credit exposure attributable to procurement.
 - i. **Supplier Credit Metric:** The Companies will not enter into transactions with a material supplier for the purchase of goods or services over the amount of \$1,000,000, until Credit Risk Management has analyzed the supplier's financial stability. Contracts in excess of \$100,000 require performance bonds.

Exception Management Process:

- i. **Limits:** The Risk Committee may approve waivers to this policy and to the plans and procedures developed in accordance with this

Page 9 of 21

policy. The Companies will develop and maintain procedures for reporting material exceptions to the limits established under this policy if those exceptions were not approved by the Risk Committee. The procedures will have provisions for prompt notification to the Treasurer and Assistant Treasurer who will, in turn, be responsible for notifying the personnel responsible for resolution of the exception and, if necessary, the Risk Committee. Presentations to the Risk Committee will include descriptions of the exceptions, proposed courses of action to resolve the exceptions, and schedules for resolving the exceptions.

ii. **Metrics:** The relevant business unit may approve exceptions to the stated practices associated with the Large Customer Credit Metrics and Procurement Metrics. The business function will develop procedures and necessary documentation for deviation. Since a formal limit is not associated with the metrics, notification of non-compliance with standard procedures is not required beyond the relevant business unit.

iii. **Reporting Process:** The Companies will monitor credit limits and metrics through a formal reporting process driven by the Treasurer and Assistant Treasurer. On a monthly basis, Risk Control, with the assistance of Energy Credit Risk Management, Large Customer Credit Risk Management, and Procurement Credit Risk Management, will calculate and compile the limits and metrics outlined in this policy into a report. The report will be disseminated monthly to each member of the Risk Committee. Material adverse findings will be discussed at the meetings, and exceptions will be raised to the appropriate business function.

V. Compliance

Each employee will have an affirmative duty to alert management immediately upon learning of any apparent violations of this policy.

Each employee will also have an affirmative duty to alert management immediately upon learning of any risks not adequately covered by this policy and the associated procedures, methodologies, and systems.

Appendix A: Definitions

Aggregate Exposure	An estimate of the current cost of replacing all of the contracts with a counterparty.
Clearinghouse	An entity that clears the total transactions (buys with sales) for the period.
Consumer Bill of Rights	Provisions under Nevada Revised Statutes 704.210 governing billing procedures and processes for residential and small commercial gas and electric customers.
Counterparty	The entity that has entered a contract with one of the Companies.
Credit Derivatives	A financial instrument whose characteristics and value depend upon the characteristics and value of an underlying instrument or asset, typically a commodity, bond, equity, or currency.
Credit Insurance	Insurance on the counterparty portfolio is used to mitigate the risk of one or more of the counterparties in the portfolio defaulting on its obligations.
Critical material suppliers	As defined by the Business Unit(s)
Fixed Price Agreement	A contract in which the price of the commodity or service is set at a particular level when the contract is executed.
Futures	Agreements to buy or sell a quantity of a product, at an agreed price, on a given date, traded on an exchange, and cleared by a clearinghouse.
Indexed Agreement	A contract in which the price of the commodity or service is tied to one or more published indices.
Large Customer	At Nevada Power, an LGS-2 (or larger) customer, along with any additional meters associated with that customer. At Sierra Pacific Power, a GS3 (or larger) customer, along with any additional meters associated with that customer.
Mark-to-Market	The value of a financial or physical instrument, or an aggregation of such instruments, at the Companies' best estimate of current market prices.

NV Energy Credit Risk Management and Control Policy

Mark-to-Market Margin Collateral	Collateral posted based on the current market value of a financial or physical instrument.
Netting	The act of offsetting purchases with sales.
Options	Instruments which give the holder the right, but not the obligation, to sell or buy the underlying commodity at specified prices, times, and locations.
Physical Instrument	A contract for a commodity under which the Companies expect to take delivery of the specified commodity.
Products	Commodities with specific characteristics like electricity delivered during predefined periods.
Swaps	Agreements to exchange net future cash flows or physical positions.
Transaction	A contract obligating the Companies to buy or sell physical commodities and services. Transactions will also include monetary obligations incurred through financial instruments.

Appendix B: Areas of Responsibility – Committees

Risk Committee: The Risk Committee will be responsible for:

- Monitoring the current and expected future economic conditions, assessing their effect on the general business environment and on the Companies, and disseminating the information obtained through such monitoring to the management of the Companies;
- Initiating the preparation of new risk control policies when or where appropriate and the modification of risk control policies already in place;
- Ensuring the ongoing availability of procedures required to implement those policies or any changes to them;
- Resolving any disputes regarding the appropriate application of those policies and procedures;
- Ensuring the availability of the systems required to monitor, record and report on the risks inherent in the Companies' operations;
- Reviewing and approving the Companies' resource plans, energy supply plans, and the financing of the plans prior to Chief Executive Officer approval;
- Assuring integration of energy procurement or sale risk, credit risk, cash flow risk and customers' risk;
- Reviewing and approving all transactions requiring exceptions to the approved plans for acquiring or selling fuel and wholesale power prior to implementation;
- Reviewing all energy procurement or sale transactions requiring the approval of the Chief Executive Officer² prior to the presentation of such transactions to the Chief Executive Officer; and,
- Assessing the appropriateness of the Companies' risk control activities and modifying this policy, whenever modifications are required to ensure the ongoing viability of the Companies' risk management and control programs and the continued fulfillment of the Companies' obligations.

The Risk Committee will have the right to delegate portions of its assigned duties to one or more committees. The Risk Committee will establish the charter of each Committee when it is established and modify the charter if necessary. Committees will keep minutes in the same manner as the Risk Committee. Committees will also make periodic reports of their activities to the Risk Committee in the manner designated by the Risk Committee.

² The review by the Risk Committee prior to the presentation to the Chief Executive Officer is not required if such transactions are being done in accordance with an Energy Supply Plan already approved by the Chief Executive Officer.

Appendix C: Areas of Responsibility – Risk Control

Risk Control: Risk Control will be responsible for:

- Disseminating this policy to the Companies' personnel who will be affected by this policy;
- Measuring the Companies' energy portfolio exposures and comparing the measurements against approved exposure limits;
- Accumulating risk control information for the Companies;
- Creating monthly risk control reports;
- Assessing proposed modifications to risk control policies and limits based on changing business or market conditions; and,
- Training employees on this policy.

Appendix D: Areas of Responsibility – Credit Risk Management

A. Energy Credit Risk Management: *Credit Risk Management will be responsible for:*

- Assessing the financial and credit worthiness of current and potential counterparties;
- Assessing the current market and industry conditions affecting the credit of counterparties through updates and research;
- Providing a forward-looking perspective on counterparty credit, input qualitative remarks for our major counterparties in our scoring tool;
- Approving counterparties and establishing credit ratings for them before the Companies enter into energy-related transactions with them;
- Assigning internal credit rating for counterparties based on rating of parent company when parental guarantees are utilized or the lower of credit rating services, independent debt ratings by major investment banks, and internal evaluations of the entities' financial condition;
- Accumulating credit risk management and control information from our system of record;
- Managing and mitigating credit risks associated with energy supply optimization;
- Monitoring current credit of major counterparties on an on-going basis;
- Following processes and procedures outlined by the Credit Policy;
- Providing Risk Control with necessary counterparty credit information on a periodic basis through our system of records and the monthly Credit Report;
- Monitoring and reporting on the creditworthiness of current counterparties;
- Monitoring credit exposures at the counterparty and portfolio level on an on-going basis;
- Evaluating credit impact on counterparty and portfolio credit of large transactions;
- Reviewing and reporting on all contractual credit terms;
- Ensuring credit terms in contracts are in accordance with standard business practices;
- Reviewing and reporting on information requested by counterparties for collateral or other credit support;

Page 14 of 21

- Evaluating costs and benefits associated with risk transfer and reduction methods;
- Resolving credit issues with counterparties;
- Calculating collateral requirements to be posted by counterparties and overseeing the receipt of that collateral; all letters of credit submitted to credit are kept in the Legal Department and tracked;
- Notifying the Manager of Market Operations and Trading when credit exposure limits have been exceeded and assist Risk Control in developing the strategy to mitigate risk; and,
- Maintaining records and tracking collateral posted by counterparties. Calculating collateral requirements and managing collateral posted by the Companies.

B. Large and Mid-to-Small Customer Credit Risk Management: Risk Control along with Credit & Billing will be responsible for managing the credit risk associated with large and mid-to-small customers, and frequently reporting on the status of such risks. Responsibilities of Risk Control include:

- Managing and mitigating credit risks associated with the customer payment of large non-residential customers;
- Monitoring on-going credit of large non-residential customers and disseminating relevant credit information to Credit & Billing and Major Accounts;

Responsibilities of Credit & Billing include:

- Periodically provide Risk Control with a list of large customers;
- Managing and mitigating credit risks associated with the customer payment of large and mid-to-small non-residential customers;
- Reviewing and tracking occasions of deposits and late fees waivers;
- Monitoring changes in regulations regarding large customer credit;
- Monitoring current credit and payment history of the Companies of customers;
- Collecting and disseminating relevant credit information to managing account executive;
- Following processes and procedures outlined by the Credit Policy and/or applicable regulations;
- Provide information for metrics referenced in Appendix E - Large Customer Credit Metrics;
- Providing Risk Control with necessary customer credit information on a periodic basis; Ensure timely posting of write-offs to accounts for regulatory recovery.

In case of disagreements on the risk assessment of and credit mitigates for customers, Risk Control and Credit & Billing are encouraged to present their recommendations to members of the Risk Committee for further determination.

C. Procurement Credit Risk Management: Risk Control along with Procurement will be responsible for managing the credit risk associated with material vendors and procurement customers.

Responsibilities of Risk Control include:

- Managing and mitigating credit risks associated with material procurement;
- Monitoring current credit of critical material procurement vendors, based on but not limited to, third party credit rating, and company financials;
- Following processes and procedures outlined by the Credit Policy; and,
- Ensuring credit terms in material contracts are in accordance with standard business arrangements.

Responsibilities of Procurement include:

- Identify critical material procurement vendors;
- Identify contracts in excess of \$100,000 requiring performance bonds and contracts in excess of \$1,000,000 requiring risk assessment by Risk Control; and,
- Provide information for metrics referenced in Appendix E - Procurement Credit Metrics.

D. Transmission Credit Risk Management: Credit Risk Management will be responsible for:

- Assessing the financial and credit worthiness of current and potential counterparties and customers;
- Assessing the current market and industry conditions affecting the credit of counterparties and customers through updates and research;
- Providing a forward-looking perspective on counterparty and customer credit;
- Approving counterparties and customers and establishing credit ratings for them before the Companies enter into transmission related transactions with them;
- Assigning internal credit rating for counterparties and customers based on rating of parent company when parental guarantees are utilized or the lower of credit rating services, independent debt ratings by major investment banks, and internal evaluations of the entities' financial condition;
- Accumulating credit risk management and control information from our system of record;
- Monitoring current credit of counterparties and customers on an on-going basis;
- Monitoring and reporting on the creditworthiness of current counterparties and customers;
- Reviewing and reporting on information requested by counterparties and customers for collateral or other credit support;
- Resolving credit issues with counterparties and customers;
- Reporting on accounts receivable aging information on counterparties and customers;
- Calculating collateral requirements to be posted by counterparties and customers and overseeing the receipt of that collateral; all letters of credit submitted to credit are kept in the Legal Department and tracked;
- Maintaining records and tracking collateral posted by counterparties and customers.

E. Rule 9 Credit Risk Management: Credit Risk Management will be responsible for:

- Assessing the financial and credit worthiness of current and potential and customers;
 - Assessing the current market and industry conditions affecting the credit of customers through updates and research;
 - Providing a forward-looking perspective on customer credit;
 - Approving customers and establishing credit ratings for them before the Companies enter into transmission related transactions with them;
 - Assigning internal credit rating for customers based on rating of parent company when parental guarantees are utilized or the lower of credit rating services, independent debt ratings by major investment banks, and internal evaluations of the entities' financial condition;
 - Accumulating credit risk management and control information from our system of record;
 - Monitoring current credit of customers on an on-going basis;
 - Monitoring and reporting on the creditworthiness of current customers;
 - Reviewing and reporting on information requested by customers for collateral or other credit support;
 - Resolving credit issues with customers;
 - Reporting on accounts receivable aging information on customers
 - Calculating collateral requirements to be posted by customers and overseeing the receipt of that collateral; all letters of credit submitted to credit are kept in the Legal Department and tracked;
- Maintaining records and tracking collateral posted by customers.

Appendix E: Risk Control Metrics

A. Large Customer Credit Metrics

i. Arrears Balance Metric – Monthly

Total dollar value of current accounts receivable in arrears divided by total dollar value of accounts receivable due or received in a given month

- Arrears balances will be determined as balances outstanding for 30 days or more past the due date
- Individual account balances under summary accounts will not be considered in arrears until 30 days after the summary account billing date

ii Uncollected Deposit Metric – Quarterly

Page 17 of 21

Sum of total allowable deposits uncollected divided by total allowable deposits for unsatisfactory customers in a given quarter

- Allowable deposits uncollected determined as the maximum allowable deposit uncollected or the difference between maximum allowable deposit and the deposit collected by the Companies
- Non-Residential
 - Maximum allowable deposit based 200% of average monthly bill
 - Unsatisfactory customers are defined as customers who pay after their due date even once in a 24-month period, or are subject to disconnect/termination of services
- Residential:
 - Maximum allowable deposit based 150% of average monthly bill
 - Unsatisfactory customers are defined as customers who pay after their due date more than three times in a twelve-month period, or are subject to disconnect/termination of services
- New customers are unsatisfactory at time of initial service agreement if adequate credit is not available in the form of satisfactory past payment history with a utility/municipal agency or guarantor with satisfactory credit

B. Procurement Credit Metric

i. Counterparty Credit Metric – Annual

Total contract value outstanding with a critical material supplier determined on a semi-annual basis

- Total contract value is determined as the greater of maximum possible payment for goods and services or market replace costs associated with goods and services provided to the Companies by critical material suppliers.

Critical material supplier's status based on but not limited to alliance membership, aggregate contract value with NVE and its Subsidiaries, and availability of substitute goods or product

Appendix F: Credit Limits

A. Counterparty and Customer Credit Limits

Counter-party Credit Notification Thresholds-All Transactions		Counter-party Credit Notification Thresholds-Large Transactions	
Credit Rating	Maximum Aggregate Exposure per Counter-party	Credit Rating	Maximum Aggregate Exposure per Counter-party
AAA+ to AA- or equivalent	\$20,000,000	AAA+ to AA- or equivalent	\$20,000,000
A+ to A- or equivalent	\$15,000,000	A+ to A- or equivalent	\$15,000,000
BBB+ to BBB- or equivalent	\$10,000,000	BBB+ to BBB- or equivalent	\$10,000,000
BB+ to BB- or equivalent	\$6,000,000	BB+ to BB- or equivalent	\$6,000,000
B+ to B- or equivalent	\$0	B+ to B- or equivalent	\$0
Less than B-	\$0	Less than B-	\$0

B. Sub-investment Grade Notification Thresholds

Maximum portion of the portfolio below investment grade based on actual Mark-to-Market exposure may not exceed 40% without prior approval from the Risk Committee.

C. Weighted Average Portfolio Credit Notification Thresholds

Weighted average credit rating of portfolio based on actual Mark-to-Market exposure must be 'BBB-' or better.

Appendix G: Collateral Release Procedure:

The Department contacts Credit Risk to have the collateral released that is being held for a specific contract or project. This includes but is not limited to energy credit risk, large customer credit risk, procurement credit risk, transmission credit risk, Rule 9 credit risk, developer credit risk.

- The email that is sent to Credit Risk will include the approval by the Director of the Department. In the absence of a Director, the next level of management over the Department.
- A release of collateral letter, located on MyNVE, is created by Credit Risk, attached to the original letter of credit or bond and sent via Fed Ex to the issuing bank or Surety for cancellation.

- Signature of Authority for the collateral release letter:
 - ~~Sr. Business Risk Control Analyst~~ Business Risk Control Specialist – up to \$5M
 - ~~Assistant~~ Treasurer – up to \$30M
 - ~~Senior Vice President, CFO and Treasurer~~ – over \$30M

Appendix H: Policy Revision Log

Date	Revision(s)
December 17, 2014	Modified Existing Policy. - Updated risk committee name. Replaced “Enterprise Risk Oversight Committee” with “The Risk Committee”. - Reassigned responsibility by replacing “Board of Directors” by “Risk Committee” and “Chief Risk Officer” by “Chief Financial Officer”. - Added language related to Rule 9 and the methodology of customer scoring and evaluation. - Replaced the Credit Notification Thresholds table with the new approved version. - Replaced Risk Committee’s area-of-responsibility description by language in Risk Management and Control Policy for consistency. - Removed language related to Energy Risk Committee since it was dissolved. - Added a policy revision log.
December 28, 2016	Modified Existing Policy: Updated sub-section A.ii regarding maximum allowable deposit amounts to be consistent with Electric Rules 1 and 13 for both North and South.
July 26, 2017	Modified Existing Policy: - Updated the approval date of the Risk Management and Control Policy in the Background section. - Updated the approval date of the Credit Risk Management and Control Policy in Appendix H, the Employee Acknowledgement section. - Made formatting changes to make the document consistent with the Risk Management and Control Policy and the Energy Risk Management and Control Policy.
May 7, 2018	Modified Existing Policy: - Replaced Chief Executive Officer with President - Replaced Director, Risk Control with Treasurer - Updated titles
December 19, 2018	Modified Existing Policy: Removed “Senior” from “Vice President, Chief Financial Officer”

NV Energy Credit Risk Management and Control Policy

	2. Replaced “President” with Chief Executive Officer
December 4, 2019	Modified Existing Policy 1. Replaced ratepayer with customers
November 17, 2021	Modified Existing Policy 1. Add Assistant Treasurer to specified locations throughout document 2. Removed “A” from Risk Committee on page 12 3. Added existing procedures for Transmission and Rule 9
<u>November 15, 2023</u>	<u>Modified Existing Policy</u> <u>1. Replaced Assistant Treasurer with Treasurer</u> <u>2. Replaced Senior Vice President, CFO & Treasurer with Vice President, CFO</u> <u>3. Removed Appendix I: Employee Acknowledgement</u>

~~Appendix I: Employee Acknowledgement~~

~~I have been provided a copy of the NV Energy Credit Risk Management and Control Policy dated December 14, 2022. I have read and familiarized myself with the documents and understand the requirements that apply to my position.~~

~~I further understand that each employee must adhere to the requirements of the policy and the associated procedures, and I agree to comply with the provisions of the policy and the associated procedures that apply to my position.~~

~~If I am unsure about the interpretation of any of the provisions of the policy, I will seek guidance from my supervisor before taking actions that may be contrary to the policy.~~

Printed Name

Signature

Date

NV Energy, Inc.

Energy Risk Management and Control Policy

Risk Committee Approval

November 15, 2023

This policy should only be distributed to the employees of NV Energy (and its subsidiaries) who need access to the document during the performance of their assigned duties. This policy should not be provided outside the Company without the prior approval of the Risk Committee Chairperson.

TABLE OF CONTENTS

I.	BACKGROUND	3
II.	APPLICATION AND PURPOSE	3
III.	POLICY OBJECTIVES.....	3
IV.	ENERGY RISK DEFINITION	4
V.	ENERGY RISK MANAGEMENT AND CONTROL FRAMEWORK	4
A.	ORGANIZATION AND GOVERNANCE	4
B.	ENERGY RISK MANAGEMENT PROGRAM	5
C.	DOCUMENTING TRANSACTIONS AND AUTHORIZED SIGNATORIES	6
D.	RISK CONTROL PRACTICES	7
VI.	COMPLIANCE	8
APPENDIX A: DEFINITIONS		10
APPENDIX B: AREAS OF RESPONSIBILITY - COMMITTEE		13
APPENDIX C: AREAS OF RESPONSIBILITY – DEPARTMENTS		13
APPENDIX D: RESOURCE PROCUREMENT AND SALE CONSTRAINTS.....		17
APPENDIX E: RISK CONTROL NOTIFICATION THRESHOLDS		20
APPENDIX F: POLICY REVISION LOG.....		21

I. Background

NV Energy, Inc. (the Company) has two wholly owned utility subsidiaries, Nevada Power Company (d/b/a NV Energy) and Sierra Pacific Power Company (d/b/a NV Energy) (and together with NV Energy, the ‘Companies’) who are engaged in the generation, transmission and distribution of electric energy and in the distribution of natural gas in Nevada.

This policy addresses energy risks of the Companies. The officers and management of the Companies are responsible for enforcing this policy and the associated procedures in the areas for which they are responsible. The Companies are exposed to a variety of risks inherent in their commercial operations. Those risks include accidental loss risk, credit risk, energy supply risk, environmental risk, facilities risk, financial risk, information and control systems risk, and other operating risk. In aggregate, these risks constitute the Companies’ enterprise risk.

The Companies manage risk in a variety of ways. For example, commitments to generation and transmission and to longer-term energy supply contracts are managed through the resource planning process (including distributed energy resource plans) and culminating with Public Utilities Commission of Nevada (PUCN) approval of the resource plans. Other multiyear risks are managed, in part, through the Companies’ strategic planning exercises. Shorter-term risks are managed through annual Energy Supply Plans, budgets, key performance indicators and prioritized objectives by departments or functional area¹.

II. Application and Purpose

This policy will be applied to all physical and financial transactions related to energy procurement, energy sales, and energy hedging in accordance with Energy Supply Plans or Integrated Resource Plans approved by the PUCN as applicable. Any variances from the approved Energy Supply Plans or Integrated Resource Plans must be approved in accordance with Section V.D.2.

III. Policy Objectives

1. Provide preset notification thresholds for transactions entered into pursuant to this policy;
2. Establish sound principles for entering into and managing such transactions; and,

¹ Because organizations change names, responsibilities, and reporting relationships, references in this policy to ‘department’ or ‘departments’ is effectively referencing the executive or vice president responsible for that department or functional area.

3. Define the responsibilities for managing and monitoring those risks.

IV. Energy Risk Definition

The Companies are engaged in the generation, transmission and distribution of electricity, and in the distribution of natural gas in Nevada. The Companies deal in the coal, natural gas, oil and wholesale power markets (including renewable) to meet the energy requirements of their customers. They also acquire, develop and operate generating plants that produce electric energy for their customers. In so doing, the Companies are exposed to a variety of risks inherent in their energy supply efforts, including among others: price, volumetric, credit, and operational risk.

V. Energy Risk Management and Control Framework

The Companies will systematically manage price, volumetric and credit risks through three primary vehicles: (i) organization and governance; (ii) energy risk management programs; and (iii) energy risk control practices. Credit risk is addressed by a separate Credit Risk Management and Control Policy.

A. Organization and Governance

- 1. Risk Committee:** The Risk Committee will be responsible for overall policy direction of the Companies' energy risk management and control efforts. Specific activities for which the Risk Committee will be responsible are set forth in Appendix B, Section A. The Risk Committee has the right to delegate portions of its assigned duties to one or more committees.
- 2. Risk Control:** Risk Control, under the direction of the Vice President, Chief Financial Officer and Treasurer, will monitor the operations of the Companies to ensure compliance with this policy and the associated procedures. All omissions and exceptions will be reported promptly to the Risk Committee by Risk Control. Risk Control will be responsible for the activities set forth in Appendix C, Section A.
- 3. Credit Risk Management:** Credit Risk Management, under the direction of the Vice President, Chief Financial Officer and Treasurer, will be responsible for managing and mitigating the Companies' credit risk exposures associated with energy and service delivery transactions. Credit Risk Management will be responsible for the activities set forth in Appendix C, Section B.
- 4. Resource Optimization:** Resource Optimization, under direction from the Vice President of Resource Optimization, will be responsible for the resource optimization, balancing, forward trading, and contract negotiation related to fuel

and short-term wholesale power. Specific activities for which Resource Optimization will be responsible are set forth in Appendix C, Section C.

5. **Renewables and Origination:** Renewables and Origination, under the direction of the Vice President of Renewables will be responsible for the origination functions related to renewable energy and long-term (i.e., three year or greater term) wholesale power. Specific activities for which Renewables and Origination will be responsible are set forth in Appendix C, Section D.
6. **Resource Planning and Analysis:** Resource Planning and Analysis, under direction from the Vice President, Resource Optimization will be responsible for preparation of forecasts of: customer energy requirements; energy and fuel prices; production costs; and fuel requirements. Additionally, Resource Planning and Analysis will develop Integrated Resource Plans and Energy Supply Plans in accordance with the Public Utilities Commission of Nevada resource planning regulations. Specific activities for which Resource Planning and Analysis will be responsible are set forth in Appendix C, Section E.
7. **Fuel and Purchased Power Accounting:** Fuel and Purchased Power Accounting, under direction from the, Chief Financial Officer and Treasurer, will be responsible for ensuring transactions are accurately recorded in the financial system of record. Specific activities for which Fuel and Purchased Power Accounting will be responsible are set forth in Appendix C, Section F.

B. *Energy Risk Management Program*

1. **Portfolio Optimization:** The Companies, through the purchase and sale of the financial instruments and physical products set forth in Appendix D, Section A, will manage the energy risks inherent in the Companies' operations and prepare periodic reports to document the Companies' efforts and comply with legal and regulatory requirements. The Companies' will enter into transactions to balance and optimize their portfolios. However, speculative transactions are not permitted. Bookouts In Lieu of Liquidated Damages are permitted. Bookout transactions for the sole purpose of financial gain or of transactions that were not originally intended for physical delivery are not permitted.
2. **Energy Supply Plans.** The Companies will seek the PUCN approval of Energy Supply Plans to govern the purchase and sale of fuel and wholesale power and the associated transmission and transportation services. The process will include assessments of projected loads and resources, assessments of expected market prices, evaluations of relevant options available to the Companies for the purchase, sale, or optimization of resources, and evaluations of the risk attributable to those portfolio options. The Energy Supply Plans will include recommended courses of action to be followed during the three-year period covered by each plan.

Any energy transactions that deviate from the PUCN approved Energy Supply Plans may only be entered into in accordance with Section V.D.2. The Energy

Supply Plans will be reviewed on an ongoing basis and updated at least once a year. Changes in the data and assumptions underlying the approved Energy Supply Plans will be promptly reported to the Risk Committee.

3. **Authorized Products and Authority of Personnel.** The personnel listed in Appendix D, Section B are authorized to originate transactions for the commodities and services indicated.

C. *Documenting Transactions and Authorized Signatories*

The Companies will not enter into any transaction for the purchase or sale of fuel and wholesale power without a written contract delineating the associated terms and conditions. The contract may be an agreement for a specific transaction, a standard agreement, or a master agreement. Transactions entered into for Energy Supply typically fall into two types: (i) transactions entered into for specific transactions under standard contract practices (“Non-Standard Transactions”), and (ii) transactions entered into orally pursuant to master agreements (“Standard Transactions”). These two types of transactions require different execution and risk control practices.

1. **Non-Standard Transactions.** Non-Standard Transactions are all contracts executed pursuant to this policy that are not Standard Transactions or Online Exchange Transactions. Non-Standard Transactions may be executed by the individuals identified in Appendix D, Section B and Section C in accordance with the Signature Authority Levels in Appendix D, Section F.
2. **Standard Transactions.** Standard Transactions are transactions that are entered into orally pursuant to a master trading agreement (as further discussed below) and subsequently confirmed, in the case of term transactions (one month or more), in writing. Gas transactions of less than one month are not required to be confirmed in writing. Power transactions of less than seven days are not required to be confirmed in writing. Standard transactions will be entered into or confirmed (for transactions entered into via brokers, ICE Chat or other industry acceptable methods) on recorded phone lines. The Companies will maintain telephone systems capable of recording trader transactions. Notices are provided pursuant to the Commitment Notification Thresholds for Oral Transactions as indicated in Appendix E Section A. The individuals indicated in Appendix D, Section D are authorized to enter into oral transactions.
3. **Online Exchange Transactions.** Online Exchange Transactions are transactions that are entered into via an online commodities exchange platform, such as the Intercontinental Exchange (“ICE”). These transactions do not require oral confirmation over a recorded phone line. Online Exchange Transactions are subject to the same notification limits as Oral Transactions. The individuals identified in Appendix D; Section D are authorized to enter into oral transactions.
4. **Master Agreements.** Master agreements include, but are not limited to, the International Swap and Derivatives Association (“ISDA”) Agreement for financial

and physical gas transactions (where a physical annex exists), WSPP Inc. Agreement for physical power, and the North America Energy Standard Board (“NAESB”) Agreement for physical gas. Master agreements will be executed by the Vice President of Renewables. When a master agreement is in place, a transaction may be entered into orally in accordance with the terms of the relevant master agreement and subsequently confirmed, in the case of gas transactions (one month or more) and power transactions (seven days or more), in writing. Risk Control shall notify the appropriate personnel if the Dollar Threshold is exceeded in the Table in Appendix E, Section A. Confirmations will be executed by the Manager, Power and Gas Trading or Power Trader.

5. **Authorized Signatories.** The individuals listed in Appendix D, Section E are authorized to execute transactions and confirmations for approved financial and physical instruments on behalf of the Companies provided that such transactions conform to the Energy Supply Plan approved by the Public Utilities Commission of Nevada or as otherwise approved by Risk Committee. Invoices shall be approved in accordance with the signature authority limits of the Corporate Governance and Approvals Policy.

D. Risk Control Practices

Risk Control Practices are established to monitor and manage the risks inherent in the efforts to secure reliable supplies of fuel and wholesale power, and to optimize the portfolio through sales. Risk Control Notification Thresholds have been established to monitor and report risk metrics for transactions entered into by the Companies.

1. **Notification Thresholds:** The Companies will adhere to the notification thresholds set forth in this policy. The notification thresholds fall into three categories: Transaction Approval Notification thresholds, Portfolio Risk Notification thresholds, and Credit Risk Notification thresholds.
2. **Transaction Notification Thresholds.** The transaction notification thresholds relate to the values of contracts to which authorized personnel of the Companies obligate the Companies. Risk Control will report any transactions that exceed the transaction notification thresholds (Appendix E, Section A) monthly to the voting members of the Risk Committee.
3. **Portfolio Risk Control Notification Thresholds:** Value-at-Risk notification thresholds and Mark-to-Base change notification thresholds will be applied to the Companies’ energy procurement and sales activities. Risk Control will report any instances where the Value-at-Risk and Mark-to-Base metrics exceed the portfolio risk control notification thresholds (Appendix E, Sections B and C) monthly to the members of the Risk Committee as they occur.
 - i. **Value-at-Risk Notification Thresholds:** The Value-at-Risk (also referred to as Cash-Flow-at-Risk when used in analyzing liquidity requirements) notification thresholds set forth in Appendix E, Section B will be the notification threshold for the expected maximum increase in fuel and wholesale power costs. The Companies will use methodologies, consistent

with industry standards, for calculating the Value-at-Risk for their energy portfolios. Those calculations will incorporate the level of confidence, length of term and holding period set forth in Appendix E, Section B.

- ii. **Mark-to-Base Notification Thresholds:** Base Tariff Energy Rates (BTER) are set at levels that anticipate the Companies' expenditures for fuel and wholesale power. During any period, recovery of expenditures in excess of the revenue produced by those base rates is first offset against sales for the same period. To the extent that expenditures for fuel and wholesale power exceed BTER revenues and offsets for sales, the excess will be deferred. Mark-to-Base will provide an estimate of such deferrals for the current deferral period. It will reflect actual expenditures to date, committed expenditures for the balance of the deferral period, and expected expenditures for uncommitted purchases. The Mark-to-Base Notification thresholds set forth in Appendix E, Section C will trigger notifications if changes in Mark-to-Base Thresholds occur on both a cumulative basis and a month-to-month basis. Mark-to-Base for each deferral period will begin to be assessed three months before the beginning of each deferral period and continue to be assessed until the end of each deferral period.
4. **Energy Credit Risk Notification Thresholds:** All Energy Credit Risk Notifications shall be made in accordance with the Credit Risk Management and Control Policy.
5. **Exception Management Process:** The Risk Committee may approve exceptions to this policy and to the plans and procedures developed in accordance with this policy. Transactions which are not contemplated by an Integrated Resource Plan or Energy Supply Plan may only be entered into if approved by the Risk Committee and the President.
6. **Procedures:** The Companies will maintain procedures for reporting exceptions and notifications pursuant to this policy and the plans and procedures developed in accordance with this policy. The procedures will have provisions for the prompt notification of the Treasurer or Assistant Treasurer, who will, in turn, be responsible for notifying the Companies' personnel responsible for resolution of the exception, and the Risk Committee. Presentations to the Risk Committee will include descriptions of the exceptions, proposed courses of action to resolve the exceptions, and schedules for resolving the exceptions.

VI. Compliance

All personnel who are or may become involved in any energy procurement or sale activities or otherwise influence the energy procurement or sale decisions covered by this policy will be provided a copy of this policy and any associated procedures. Company personnel are

prohibited from buying and selling any approved commodity for their own account or for the benefit of any entity other than the Companies. Additionally, Company personnel are required to disclose any significant direct interest² in any of the Companies' counterparties for transactions covered by this policy. To facilitate that disclosure, a listing of the Companies' counterparties and their parent organizations will be made available upon request.

Personnel who are or may become involved in any energy procurement or sale activities covered by this policy will be familiar with this policy and any associated procedures and solicit clarification of any areas that they do not understand. Each such employee will be advised of their responsibilities as set forth in the Employment Acknowledgement, Appendix G, confirming his or her understanding of the policy requirements, and confirming his or her agreement to fully comply with those requirements. Each such employee also will be required to complete an Employee Acknowledgment form whenever substantive updates are made, or at one-year intervals, whichever comes first. Consistent with the Employee Acknowledgement form:

1. Each employee will have an affirmative duty to alert management immediately upon learning of any potential violations of this policy.
2. Each employee also will have an affirmative duty to alert management immediately upon learning of any risks not adequately covered by this policy and the associated procedures, methodologies, and systems.

² For the purposes of this policy, a direct interest will be defined as the direct ownership of shares in a publicly traded entity or an ownership interest in a privately held entity. A significant direct interest will be one with a current value greater than one thousand dollars. The ownership of shares via a mutual fund will not be deemed a direct interest.

Appendix A: Definitions

Aggregate Exposure	An estimate of the current cost of replacing all of the contracts with a counterparty.
Approved Commodity	Electricity, natural gas, propane, coal, oil, and portfolio energy credits together with derivatives that are linked to those commodities and transmission or transportation services for those commodities. Renewable energy credits that fall outside the definition of portfolio energy credits.
Bookouts	An agreement entered into subsequent to an agreement for the physical delivery of a commodity to cancel an outstanding agreement by the parties involved, through cash settlement of the difference between the price specified in the agreement and an acceptable reference price. A Bookout must be memorialized in a subsequent agreement in writing between the parties involved to comply with Dodd-Frank regulations.
Bookouts In Lieu of Liquidated Damages	An agreement entered into to cancel an outstanding delivery obligation or portion thereof in lieu of the payment of liquidated damages by the parties involved, through cash settlement of the difference between the price specified in the agreement and an acceptable reference price.
Counterparty	An entity that has entered into a contract with one of the Companies.
Energy Supply Plans	Plans that the Companies will develop to govern the purchase and sale of fuel and wholesale power and the associated transmission and transportation services. Energy Supply Plans will cover three-year periods.
Financial Instruments	Swaps, options, futures, and options on futures entered into to hedge risks.
Fixed Price Agreement	A contract in which the price of the commodity or service is set at a particular level when the contract is executed.
Forwards	Agreements to buy or sell a quantity of a product, at an agreed price, for delivery at a specific location and for a future period and traded over the counter directly with counterparties.
Indexed Agreement	A contract in which the price of the commodity or service is tied to one or more published indices.

Liquid Market	A market characterized by narrow bid/offer spreads, easy access to reliable price data, and small movements in prices as a result of sizable transactions.
Mark-to-Base	An estimate of costs that may be deferred through deferred energy or purchased gas adjustment accounting.
Mark-to-Market	The value of a financial or physical instrument, or an aggregation of such instruments, at the Companies' best estimate of current market prices.
Options	Instruments which give the holder the right, but not the obligation, to sell or buy the underlying commodity at specified prices, times, and locations.
Physical Instrument	A contract for a commodity under which the Companies expect to take delivery of the specified commodity.
Portfolio Energy Credit	A credit that is earned through energy produced or saved from a renewable energy system or energy efficiency measure. These credits are issued to any eligible renewable energy producer as defined in Nevada Revised Statute 704.7811. These credits may be purchased and sold to meet the Renewable Portfolio Standard.
Products	Commodities with specific characteristics like electricity delivered during predefined periods.
Renewable Energy Benefits	Represents the property rights to the environmental, societal, and other nonpower qualities of renewable electricity generation. A Portfolio Energy Credit and its associated attributes and benefits can be sold separately from the underlying physical electricity associated with a renewable-based generation source.
Swaps	Agreements to exchange net future cash flows or physical positions.
Transaction	A contract obligating the Companies to buy or sell physical commodities and services. Transactions will also include monetary obligations incurred through financial instruments.
Transmission Agreement	A contract to move electricity from one point to another. Such contracts are frequently referred to as "wheeling" agreements.
Transportation Agreement	A contract to move coal, natural gas, or oil from one point to another.

Value-at-Risk (also referred to as Cash-Flow-at-Risk when used in analyzing liquidity requirements)	The expected maximum increase in fuel and wholesale power costs over a target horizon within a given confidence interval and holding period. Value-at-Risk serves as a gauge of market exposure, summarizing the total market risk in a portfolio of assets.
Western North America Coal Sources	Coal mines in the States of Arizona, Colorado, New Mexico, Utah, and Wyoming that produce coal that can be burned efficiently and effectively in the Companies' generating units.
Western North America Natural Gas Hubs	Locations in the western half of the United States and Canada at which natural gas is traded in quantities sufficiently large to ensure liquid markets.
WSPP Regional Power Markets	Locations in the western half of the United States and Canada at which electricity is traded in quantities sufficiently large to ensure liquid markets. Such electricity is often traded under the provisions of the WSPP agreement.

Appendix B: Areas of Responsibility - Committee

Risk Committee: The Risk Committee will be responsible for:

- Assessing the appropriateness of the Companies' energy supply risk management and control activities and making recommendations for modifications to existing policies;
- Approving changes and exceptions as designated in specific sections of this Policy and ensuring the ongoing availability of procedures required to implement those policies or any changes to them;
- Assessing the systems required to monitor, record, and report on the risks inherent in the Companies' energy supply related activities and making recommendations for improvements to existing risk policies;
- Approving Energy Supply Plans;
- Reviewing all transactions requiring exceptions to the applicable policies and procedures;
- Reviewing and approving all energy procurement and sale transactions that are Transactions not transacted in accordance with the Energy Supply Plan, requiring the approval of the President;
- Reviewing all violations of notification thresholds and processes established under this policy, approving, or recommending for approval remedies of the violations, and monitoring progress of such remedies; and
- Assigning the completion of any other activities to guide the overall policy direction of the Companies' energy risk management and control efforts; and,
- Approving any exceptions to the Energy Supply Plan.

Appendix C: Areas of Responsibility – Departments

A. Risk Control: Risk Control is responsible for:

- Monitoring compliance with the Energy Risk Management and Control Policy and reporting exceptions;
- Disseminating this policy to the Companies' personnel who will be affected by this policy;
- Measuring the Companies' energy portfolio exposures and comparing the measurements against approved exposure notification thresholds;
- Accumulating risk control information for the Companies;
- Creating monthly risk control reports;
- Assessing proposed modifications to risk control policies and notification thresholds based on changing business or market conditions;
- Recommending the appropriate level of risk - within approved notification thresholds - to be accepted on behalf of the Companies;
- Each business day, review sample of 1 - 5 trades by listening to phone recordings or ICE Chat (gas/power) and verifying that transactions are in the trader log and TRM for natural gas or Allegro and OATI for power; and,
- Notifying Executive Management per the Energy Supply Commitment Threshold Notification levels set forth in Appendix E, Section A.

B. Credit Risk Management: Credit Risk Management is responsible for:

- Assessing the creditworthiness of counterparties;

- Approving counterparties and establishing credit ratings for them before the Companies enter into energy-related transactions with them;
- Maintaining the Companies' lists of approved bidders;
- Monitoring and reporting on the creditworthiness of wholesale fuel and power counterparties;
- Reviewing and reporting on all contractual credit terms;
- Reviewing and reporting on information requested by counterparties for collateral or other credit support;
- Notifying Resource Optimization leadership when credit exposure limits have been exceeded and assisting Risk Control in developing the strategy to mitigate risk;
- Resolving credit issues with counterparties;
- Calculating collateral requirements to be posted by counterparties and overseeing the receipt of that collateral;
- Maintaining records of the collateral posted by counterparties;
- Calculating collateral requirements and managing collateral posted by the Companies; and,
- Managing margining requirements.

C. Resource Optimization: Resource Optimization is responsible for:

- Negotiating, developing, and executing transaction plans consistent with the approved Energy Supply Plans and the associated notification thresholds;
- Identifying prospective counterparties and presenting viable entities to Credit Risk Management for approval;
- Facilitating Requests For Proposals ("RFPs") for standard power, natural gas, coal, propane, and oil;
- Verifying the accuracy of financial/physical gas, carbon allowances, and spot power invoices received by the Companies related to short-term power, transmission, and California Independent System Operator market transactions;
- Leading the negotiation process for certain natural gas transportation contracts and gas storage;
- Recording transactions for accounting and contract management purposes, distributing the records, and adjusting the records as a result of actualization activities;
- Reviewing confirmations for accuracy prior to approval; and,
- Coordinating with Risk Control and Credit Risk Management to manage or mitigate any risk exposure.

D. Renewables and Origination: Renewables and Origination is responsible for:

- Negotiating, developing, and executing transaction plans consistent with the approved Energy Supply Plans and the associated notification thresholds;
- Leading the negotiation process of Master Agreements for power and carbon;
- Facilitating Requests For Proposals ("RFPs") for non-standard transactions, portfolio energy credits, other renewable energy credits, and qualifying facilities;
- Managing customer programs and executing associated commercial transactions;

- Performing due diligence and all associated tasks for asset acquisitions and specific asset developments to meet customer or resource planning needs;
- Coordinating with Risk Control and Credit Risk Management to manage or mitigate any risk exposure;
-
- Leading the negotiation process for non-standard power contract amendments;
- Providing contract support to Resource Optimization, Credit Risk Management, Contract Management, Legal, Resource Planning and Analysis, Fuel & Purchased Power Accounting, etc.

E. Resource Planning and Analysis: Resource Planning and Analysis is responsible for:

- Developing forecasts of energy and fuel prices;
- Estimating the Companies fuel and the associated costs;
- Developing Integrated Resource Plans;
- Developing Energy Supply Plans and associated risk management strategies;
- Analyzing energy resources available to the Companies to help to ensure the optimal use of those resources; and,
- Preparing or assisting with the preparation of periodic reports.

F. Fuel and Purchased Power Accounting: Fuel and Purchased Power Accounting is responsible for:

- Verifying the accuracy of financial/physical gas, carbon allowances, and spot power invoices received by the Companies;
- Resolving issues regarding financial/physical gas, carbon allowances, and spot power invoices received by the Companies;
- Submitting final invoices to authorized personnel for approval;
- Preparing and issuing invoices for sales to counterparties;
- Verifying the settlement amounts from financial transactions;
- Accounting for all transactions;
- Reconciling the accounts to confirm the accuracy of the energy accounting;
- Ensuring the timely collection of receivables attributable to sales of energy and fuel;
- Supervising the payment and receipt of all settlements from financial transactions; and,
- Preparing designated reports.

G. Energy Supply Contract Management: Energy Supply Contract Management is responsible for:

- Managing pre-commercial and commercial energy supply contracts per their terms and conditions, including but not limited to; certifying completion of contractually required milestones, acceptance of commercial operation, and the invoice settlement function for long-term power and certain natural gas contracts;
- Maintaining counterparty contract and trading status information in the systems of record;
- Managing the confirmation process for term physical/financial gas and power transactions;

- Maintaining energy supply contracts in accordance with the Corporate Records Retention Schedule; and,
- Providing contract support to Resource Optimization, Credit Risk Management, Contract Management, Legal, Resource Planning and Analysis, Fuel & Purchased Power Accounting, etc.

Appendix D : Resource Procurement and Sale Constraints

A. Approved Financial Instruments and Physical Products

Instrument	Commodity											
	Power		Natural Gas		Coal		Oil, Diesel, Propane		SO2 Allowances		Carbon Allowances	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
Financial Instruments												
Forwards	X	X	X	X			X				X	X
Options	X	X	X	X			X					
Swaps	X	X	X	X			X					
Physical Products and Instruments												
Spot Agreements	X	X	X	X	X	X	X	X			X	X
Fixed Price Agreements	X	X	X	X	X	X	X	X	X	X	X	X
Indexed Agreements	X	X	X	X	X	X	X	X			X	X
Ancillary Services	X	X										
Options (includes capacity contracts)	X	X	X									
Transmission Agreements	X	X										
Transportation Agreements			X	X	X	X	X					
Storage Agreements			X	X								

Underlying Markets: All Western North America Natural Gas Hubs
The Henry Natural Gas Hub in Louisiana
All WSPP Regional Power Markets
All Western North America Coal Sources

The Risk Committee may approve changes to the Approved Financial Instruments and Physical Products or Underlying Markets as deemed necessary.

B. Authorization to Originate Standard and Non-Standard Transactions Under Approved Energy Supply Plans

	Power		Natural Gas			Oil, Diesel, Propane		Coal		Financial ³		SO2	Carbon
	Commodity	Transmission	Commodity	Transportation	Storage	Commodity	Freight	Commodity	Freight	Swaps	Options	Allowances	Allowances
Director, Gas Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Director, Power Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Manager, Gas Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Manager, Power Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Power Traders	X	X	X	X				X	X	X			X
Gas Traders	X	X	X	X		X	X	X	X	X	X		X
Power Trader - Gendesk	X	X	X	X				X	X				X
Resource Optimization Manager								X	X				

The Risk Committee may approve additions and changes to the Authorization to Originate Transactions prior to the origination of the transaction.

C. Authorization to Originate or Amend Renewables and Non-Standard Transactions Under Approved Energy Supply Plans

	Renewable Power and QFs		Portfolio Energy Credits/Renewable Energy Credits		Power	
	Buy	Sell	Buy	Sell	Buy	Sell
Vice President, Renewables	X		X	X	X	
Director, Renewable Energy & Origination	X	X	X	X	X	X

³ Financial transactions related to energy commodities only.

Director, Contract Management and Special Programs (Amendments/Settling disputes only)	X		X		X	
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The Risk Committee may approve additions and changes to the Authorization to Originate Transactions prior to the origination of the transaction.

D. Individuals Authorized to Enter Into Oral Transactions

- Director, Gas Trading
- Director, Power Trading
- Manager, Gas Trading
- Manager, Power Trading
- Gas Traders
- Power Traders

E. Authorized Signatories – Power and Fuel Contracts and Confirmations

- Chief Executive Officer
- Vice President, Chief Financial Officer
- Vice President, Renewables
- Vice President, Resource Optimization
- Director, Gas Trading
- Director, Power Trading
- Manager, Gas Trading
- Manager, Power Trading
- Resource Optimization Manager

Personnel may not execute contracts or confirmations for transactions they originated.

Signature authority may not be delegated.

F. Authorization Approval Levels for the Execution of Fuel and Purchased Power Transactions and Daily Trades (\$ up to and including)

<i>Title</i>	<i>Limit – RFPs and Daily Trades*</i>	
<i>Chief Executive Officer, Berkshire Hathaway Energy Company</i>	<i>Unlimited</i>	
<i>Chief Executive Officer</i>	<i>\$100,000,000</i>	
<i>Vice President, Chief Financial Officer</i>	<i>\$25,000,000</i>	
<i>Vice President, Resource Optimization^{[1], [2]}</i>	<i>\$12,500,000</i>	

<i>Director, Trading Analytics & Operations^[3]</i>	<i>\$7,500,000</i>	
<i>Director, Contract Management and Special Programs (Amendments/Settling disputes only)</i>	<i>\$7,500,000</i>	
<i>Director, Gas Trading</i>	<i>\$7,500,000</i>	
<i>Director, Power Trading</i>	<i>\$7,500,000</i>	
<i>Manager, Gas Trading</i>	<i>\$5,000,000</i>	
<i>Manager, Power Trading</i>	<i>\$5,000,000</i>	
<i>Resource Optimization Manager</i>	<i>\$5,000,000</i>	
<i>Traders</i>	<i>\$1,000,000</i>	

Approval of invoices are subject to dollar thresholds in the Corporate Governance and Approvals Policy.

**** To ensure reliability, approvals of daily trades may happen after trade execution.***

^[1] Applies to transactions longer than one month

^[2] Applies to transactions pertaining to the table in Appendix D, Section C

^[3] Applies to transactions pertaining to the table in Appendix D, Section B

Appendix E: Risk Control Notification Thresholds

A. Commitment Threshold Notification for fuel and purchase power – Per Transaction⁴

<i>Title</i>	<i>Dollar Threshold</i>
<i>Chief Executive Officer</i>	<i>\$100,000,000</i>
<i>Vice President, Chief Financial Officer</i>	<i>\$25,000,000</i>
<i>Vice President, Resource Optimization</i>	<i>\$12,500,000</i>

The maximum total commitment attributable to a transaction at index will be based on the Companies' best estimate of the index at the time of the transaction.

B. Value-at-Risk Commitment:

⁴ Applies to transactions longer than one month

Company	Level of Confidence	Length of Term	Holding Period	Amount
Nevada Power	95% or higher	Rolling twelve Months	1 year	\$100 million
Sierra Pacific Power	95% or higher	Rolling twelve Months	1 year	\$60 million
Local Distribution Company	95% or higher	Rolling twelve Months	1 year	\$20 million

C. Mark-to-Base Commitment Threshold Notification – Cumulative/Monthly:

Company	Base	Cumulative Change	Notify
Nevada Power	BTER	\$80 million	President
Sierra Pacific Power	BTER	\$50 million	President
Local Distribution Company	BTER	\$10 million	President

Appendix F: Policy Revision Log

Date	Revision(s)
August 28, 2014	Modified Existing Policy. 1. Updated titles of personnel. Replaced “Mid-American Energy Holdings Company” with “Berkshire Hathaway Energy Company”. 2. Modified language regarding the Risk Committee’s reviewing and approving Energy Supply Plans and any exceptions to the Energy Supply Plans. 3. Added the definition of “Bookout” and language clarifying which types of “Bookout” transactions are permitted. Made a distinction between standard and non-standard transactions. 4. Clarified when power transactions must be confirmed in writing. 5. Added clarifying language that the Risk Committee is responsible for approving any exceptions to the Energy Supply Plan. 6. Added the management of margining requirements as a Credit Risk Management responsibility. 7. Moved the responsibility for leading the negotiation process of Master Agreements for physical/financial gas, power and carbon from Resource Optimization to Renewable Energy & Origination.

NV Energy, Energy Risk Management and Control Policy

	8. Added the responsibility for leading the negotiation process for gas storage to Resource Optimization. 9. Added the responsibility for facilitating Requests for Proposals for propane and oil to Resource Optimization. 10. Modified the responsibilities of Renewable Energy & Origination as follows: • Negotiating, developing and executing transaction plans consistent with the approved Energy Supply Plans and the associated notification thresholds • Leading the negotiation process of Master Agreements for physical/financial gas, power and carbon • Facilitating Requests For Proposals (“RFPs”) for non-standard power, and portfolio credits • Coordinating with Risk Control and Credit Risk Management to manage or mitigate any risk exposure. 11. Added oil, diesel, and propane freight and commodity as transactions that gas traders are authorized to originate. 12. Added carbon allowances invoices to Fuel and Purchase Power Accounting’s responsibilities, added gas storage and gas transportation as origination transactions the Manager, Market Operations and Trading is authorized to originate (Buying and Selling). 13. Added gas storage and gas transportation as origination transactions the Manager, Commercial and Trading Strategy is authorized to originate (Buying only). 14. Added the Chief Executive Officer, Director of Renewable Energy and Origination (marketing function employee designated position), Project Manager, Power Origination (Confirms only) as authorized signatories to Power and Fuel Contracts and confirmations. 15. Added a policy revision log.
December 16, 2014	Modified Existing Policy: 1. Changes were made throughout the document to fix references to the appendices. 2. Replaced the acronyms, RECs, PECs, PUCN, WSPP, and CAISO with their full wording. 3. Added Renewable Energy Credit and Portfolio Energy Credit to the terms defined in Appendix A (Definitions). 4. Removed the Company’s Procurement function from the table indicating who is authorized to originate transactions under the Public Utilities Commission of Nevada approved Energy Supply Plans. 5. Removed the Chief Executive Officer of Berkshire Hathaway Energy Company as the top level commitment threshold notification for fuel and purchase power transactions. 6. Changed the Employee Acknowledgement section to read “A list of the Companies counterparties for transactions covered by the policy and their parent organizations will be provided upon request.”
June 3, 2015	Modified Existing Policy: 1. Added the position of Power Marketer, Origination to Appendix D, Section C, (Authorization to Originate or Amend Renewables and Origination Transactions Under Approved Energy Supply Plans).
June 17, 2015	Modified Existing Policy: 1. Updated titles of personnel.

NV Energy, Energy Risk Management and Control Policy

	2. Modified the existing table in Appendix D, section B to pertain to Standard and Non-standard transactions under approved Energy Supply Plans. 3. Modified the existing table in Appendix D, section C to pertain to Non-standard transactions under approved Energy Supply Plans. 4. Transferred the responsibility for notifying Executive Management per the Energy Supply Commitment Threshold notification levels (Appendix E, section A) from Energy Supply Contract Management to Risk Control. Notification will be made to Executive Management via Risk Committee Meetings instead of via email as was previously done.
July 26, 2017	Modified Existing Policy: 1. Updated the Energy Risk Management and Control Policy to include organizational changes made since the policy was last approved on June 17, 2015. 2. Added propane and portfolio energy credits to the definition of approved commodity. 3. Modified the definition of Portfolio Energy Credit. 4. Changed Renewable Energy Credit to Renewable Energy Benefit. 5. Moved the footnotes reference (3, 4, and 5) to the appropriate page.
May 7, 2018	Modified Existing Policy: 1. Updated titles of personnel 2. Replaced CEO with President
December 19, 2018	Modified Existing Policy: 1. Added footnote on page 3 defining functional area 2. Replace “Chief Accounting Officer” with “Chief Financial Officer” 3. Removed President line item from Authorization Approval Level and Risk Control Notification Threshold charts 4. Removed “Senior” from Senior Vice President, Chief Financial Officer title
December 4, 2019	1. Modified Appendix A – Approved Commodity; added; Renewable energy credits that fall outside the definition of portfolio energy credits. 2. Modified Renewable and Origination responsibilities • 3rd bullet to read: Facilitating Request for Proposal (RFPs) for non-standard transactions, portfolio energy credits, other renewable energy credits and qualifying facilities • 7th bullet to read; Managing pre-commercial and commercial energy supply contracts per their terms and conditions, including but not limited to; certifying completion of contractually required milestones, acceptance of commercial operation, and the invoice settlement function for long-term power and certain natural gas contracts
Dec 17, 2020	Modified Existing Policy: 1. Deleted Senior Vice President, Operations throughout policy 2. Change page 24 to 25 on table on content 3. Added “in accordance with section V.D.2” and deleted by the Risk Committee and President (page 3) 4. Added “PUCN and may only be entered into in accordance with Section V.D.2”v deleted without the prior approval of Risk Committee and The Companies will not execute) (page 6) 5. Added Transactions which are not contemplated by an Integrated Resource Plan or Energy Supply Plan may only be entered into if approved by the Risk and the President and added Assistant Treasurer (pg+ 8)

NV Energy, Energy Risk Management and Control Policy

	6. Removed “A” in front of Risk Committee (pg 13)
July 21, 2021	Modified Existing Policy: 1. Replaced Manager, Market Operations and Trading with Manager, Power & Gas Trading 2. Replaced Project Manager, Forward Trading with Power Trader 3. Replaced Manager, Coal Operations and Procurement with Resource Optimization Manager 4. Replaced Vice President, Resource Optimization with Director, Trading Analytics & Operations 5. Added a dollar limit in Section F for Director, Trading Analytics & Operations to \$7, 500.000 6. Added Section D Power and Natural Gas Trading Limits to Appendix E 7. Updated the CEO and CFO dollar thresholds 8. Added Resource Optimization Manager and Traders to Section F with \$5M and \$1M dollar limits respectfully
November17, 2021	Modified Existing Policy: 1. Updated title of Manager, Contract Management with Director, Contract Management and updated dollar limits for RFP and daily trades 2. Revised a Risk Control responsibility to be consistent with the corresponding SOX control
December 14, 2022	1. Updated titles 2. Moved several responsibilities from the Renewables section to Contract Management’s section
August 1, 2023	1. Changed titles to allow for either Director or Manager of Power and/or Gas Trading consistent with the reorganization and leadership title changes in Resource Optimization.
November 15, 2023	1. Replaced Senior Vice President, Chief Financial Officer and Treasurer with Vice President, Chief Financial Officer 2. Removed Appendix G – Employee acknowledgement statement

NV Energy, Inc.
Energy Risk Management and Control Policy

Risk Committee Approval

~~August 16~~November 15, 2023

This policy should only be distributed to the employees of NV Energy (and its subsidiaries) who need access to the document during the performance of their assigned duties. This policy should not be provided outside the Company without the prior approval of the Risk Committee Chairperson.

Page 1 of 26

Revisions Approved by the Risk Committee on ~~August 16~~November 15, 2023

ERMCP1115081623

TABLE OF CONTENTS

I.	BACKGROUND	3
II.	APPLICATION AND PURPOSE	3
III.	POLICY OBJECTIVES.....	3
IV.	ENERGY RISK DEFINITION.....	4
V.	ENERGY RISK MANAGEMENT AND CONTROL FRAMEWORK	4
A.	ORGANIZATION AND GOVERNANCE	4
B.	ENERGY RISK MANAGEMENT PROGRAM	5
C.	DOCUMENTING TRANSACTIONS AND AUTHORIZED SIGNATORIES	6
D.	RISK CONTROL PRACTICES	7
VI.	COMPLIANCE	8
APPENDIX A:	DEFINITIONS.....	10
APPENDIX B:	AREAS OF RESPONSIBILITY - COMMITTEE	13
APPENDIX C:	AREAS OF RESPONSIBILITY – DEPARTMENTS	13
APPENDIX D:	RESOURCE PROCUREMENT AND SALE CONSTRAINTS.....	17
<u>APPENDIX E:</u>	<u>RISK CONTROL NOTIFICATION THRESHOLDS</u>	<u>20</u>
APPENDIX F:	POLICY REVISION LOG.....	21
<u>APPENDIX G:</u>	<u>EMPLOYEE ACKNOWLEDGEMENT</u>	<u>25</u>

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I. Background

NV Energy, Inc. (the Company) has two wholly owned utility subsidiaries, Nevada Power Company (d/b/a NV Energy) and Sierra Pacific Power Company (d/b/a NV Energy) (and together with NV Energy, the 'Companies') who are engaged in the generation, transmission and distribution of electric energy and in the distribution of natural gas in Nevada.

This policy addresses energy risks of the Companies. The officers and management of the Companies are responsible for enforcing this policy and the associated procedures in the areas for which they are responsible. The Companies are exposed to a variety of risks inherent in their commercial operations. Those risks include accidental loss risk, credit risk, energy supply risk, environmental risk, facilities risk, financial risk, information and control systems risk, and other operating risk. In aggregate, these risks constitute the Companies' enterprise risk.

The Companies manage risk in a variety of ways. For example, commitments to generation and transmission and to longer-term energy supply contracts are managed through the resource planning process (including distributed energy resource plans) and culminating with Public Utilities Commission of Nevada (PUCN) approval of the resource plans. Other multiyear risks are managed, in part, through the Companies' strategic planning exercises. Shorter-term risks are managed through annual Energy Supply Plans, budgets, key performance indicators and prioritized objectives by departments or functional area¹.

II. Application and Purpose

This policy will be applied to all physical and financial transactions related to energy procurement, energy sales, and energy hedging in accordance with Energy Supply Plans or Integrated Resource Plans approved by the PUCN as applicable. Any variances from the approved Energy Supply Plans or Integrated Resource Plans must be approved in accordance with Section V.D.2.

III. Policy Objectives

1. Provide preset notification thresholds for transactions entered into pursuant to this policy;
2. Establish sound principles for entering into and managing such transactions; and,

¹ Because organizations change names, responsibilities, and reporting relationships, references in this policy to 'department' or 'departments' is effectively referencing the executive or vice president responsible for that department or functional area.

3. Define the responsibilities for managing and monitoring those risks.

IV. Energy Risk Definition

The Companies are engaged in the generation, transmission and distribution of electricity, and in the distribution of natural gas in Nevada. The Companies deal in the coal, natural gas, oil and wholesale power markets (including renewable) to meet the energy requirements of their customers. They also acquire, develop and operate generating plants that produce electric energy for their customers. In so doing, the Companies are exposed to a variety of risks inherent in their energy supply efforts, including among others: price, volumetric, credit, and operational risk.

V. Energy Risk Management and Control Framework

The Companies will systematically manage price, volumetric and credit risks through three primary vehicles: (i) organization and governance; (ii) energy risk management programs; and (iii) energy risk control practices. Credit risk is addressed by a separate Credit Risk Management and Control Policy.

A. Organization and Governance

1. **Risk Committee:** The Risk Committee will be responsible for overall policy direction of the Companies' energy risk management and control efforts. Specific activities for which the Risk Committee will be responsible are set forth in Appendix B, Section A. The Risk Committee has the right to delegate portions of its assigned duties to one or more committees.
2. **Risk Control:** Risk Control, under the direction of the ~~Senior Vice President, Chief Financial Officer and Treasurer~~ and ~~Assistant Treasurer~~, will monitor the operations of the Companies to ensure compliance with this policy and the associated procedures. All omissions and exceptions will be reported promptly to the Risk Committee by Risk Control. Risk Control will be responsible for the activities set forth in Appendix C, Section A.
3. **Credit Risk Management:** Credit Risk Management, under the direction of the ~~Senior Vice President, Chief Financial Officer and Treasurer~~ and ~~Assistant Treasurer~~, will be responsible for managing and mitigating the Companies' credit risk exposures associated with energy and service delivery transactions. Credit Risk Management will be responsible for the activities set forth in Appendix C, Section B.
4. **Resource Optimization:** Resource Optimization, under direction from the Vice President of Resource Optimization, will be responsible for the resource

optimization, balancing, forward trading, and contract negotiation related to fuel and short-term wholesale power. Specific activities for which Resource Optimization will be responsible are set forth in Appendix C, Section C.

5. **Renewables and Origination:** Renewables and Origination, under the direction of the Vice President of Renewables will be responsible for the origination functions related to renewable energy and long-term (i.e., three year or greater term) wholesale power. Specific activities for which Renewables and Origination will be responsible are set forth in Appendix C, Section D.
6. **Resource Planning and Analysis:** Resource Planning and Analysis, under direction from the Vice President, ~~Regulatory~~Resource Optimization will be responsible for preparation of forecasts of: customer energy requirements; energy and fuel prices; production costs; and fuel requirements. Additionally, Resource Planning and Analysis will develop Integrated Resource Plans and Energy Supply Plans in accordance with the Public Utilities Commission of Nevada resource planning regulations. Specific activities for which Resource Planning and Analysis will be responsible are set forth in Appendix C, Section E.
7. **Fuel and Purchased Power Accounting:** Fuel and Purchased Power Accounting, under direction from the ~~Senior Vice President~~, Chief Financial Officer and Treasurer and Assistant Treasurer, will be responsible for ensuring transactions are accurately recorded in the financial system of record. Specific activities for which Fuel and Purchased Power Accounting will be responsible are set forth in Appendix C, Section F.

B. Energy Risk Management Program

1. **Portfolio Optimization:** The Companies, through the purchase and sale of the financial instruments and physical products set forth in Appendix D, Section A, will manage the energy risks inherent in the Companies' operations and prepare periodic reports to document the Companies' efforts and comply with legal and regulatory requirements. The Companies' will enter into transactions to balance and optimize their portfolios. However, speculative transactions are not permitted. Bookouts In Lieu of Liquidated Damages are permitted. Bookout transactions for the sole purpose of financial gain or of transactions that were not originally intended for physical delivery are not permitted.
2. **Energy Supply Plans.** The Companies will seek the PUCN approval of Energy Supply Plans to govern the purchase and sale of fuel and wholesale power and the associated transmission and transportation services. The process will include assessments of projected loads and resources, assessments of expected market prices, evaluations of relevant options available to the Companies for the purchase, sale, or optimization of resources, and evaluations of the risk attributable to those portfolio options. The Energy Supply Plans will include recommended courses of action to be followed during the three-year period covered by each plan.

Any energy transactions that deviate from the PUCN approved Energy Supply Plans may only be entered into in accordance with Section V.D.2. The Energy Supply Plans will be reviewed on an ongoing basis and updated at least once a year. Changes in the data and assumptions underlying the approved Energy Supply Plans will be promptly reported to the Risk Committee.

- 3. Authorized Products and Authority of Personnel.** The personnel listed in Appendix D, Section B are authorized to originate transactions for the commodities and services indicated.

C. Documenting Transactions and Authorized Signatories

The Companies will not enter into any transaction for the purchase or sale of fuel and wholesale power without a written contract delineating the associated terms and conditions. The contract may be an agreement for a specific transaction, a standard agreement, or a master agreement. Transactions entered into for Energy Supply typically fall into two types: (i) transactions entered into for specific transactions under standard contract practices (“Non-Standard Transactions”), and (ii) transactions entered into orally pursuant to master agreements (“Standard Transactions”). These two types of transactions require different execution and risk control practices.

- 1. Non-Standard Transactions.** Non-Standard Transactions are all contracts executed pursuant to this policy that are not Standard Transactions or Online Exchange Transactions. Non-Standard Transactions may be executed by the individuals identified in Appendix D, Section B and Section C in accordance with the Signature Authority Levels in Appendix D, Section F.
- 2. Standard Transactions.** Standard Transactions are transactions that are entered into orally pursuant to a master trading agreement (as further discussed below) and subsequently confirmed, in the case of term transactions (one month or more), in writing. Gas transactions of less than one month are not required to be confirmed in writing. Power transactions of less than seven days are not required to be confirmed in writing. Standard transactions will be entered into or confirmed (for transactions entered into via brokers, ICE Chat or other industry acceptable methods) on recorded phone lines. The Companies will maintain telephone systems capable of recording trader transactions. Notices are provided pursuant to the Commitment Notification Thresholds for Oral Transactions as indicated in Appendix E Section A. The individuals indicated in Appendix D, Section D are authorized to enter into oral transactions.
- 3. Online Exchange Transactions.** Online Exchange Transactions are transactions that are entered into via an online commodities exchange platform, such as the Intercontinental Exchange (“ICE”). These transactions do not require oral confirmation over a recorded phone line. Online Exchange Transactions are subject to the same notification limits as Oral Transactions. The individuals identified in Appendix D; Section D are authorized to enter into oral transactions.

4. **Master Agreements.** Master agreements include, but are not limited to, the International Swap and Derivatives Association (“ISDA”) Agreement for financial and physical gas transactions (where a physical annex exists), WSPP Inc. Agreement for physical power, and the North America Energy Standard Board (“NAESB”) Agreement for physical gas. Master agreements will be executed by the Vice President of Renewables. When a master agreement is in place, a transaction may be entered into orally in accordance with the terms of the relevant master agreement and subsequently confirmed, in the case of gas transactions (one month or more) and power transactions (seven days or more), in writing. Risk Control shall notify the appropriate personnel if the Dollar Threshold is exceeded in the Table in Appendix E, Section A. Confirmations will be executed by the Manager, Power and Gas Trading or Power Trader.
5. **Authorized Signatories.** The individuals listed in Appendix D, Section E are authorized to execute transactions and confirmations for approved financial and physical instruments on behalf of the Companies provided that such transactions conform to the Energy Supply Plan approved by the Public Utilities Commission of Nevada or as otherwise approved by Risk Committee. Invoices shall be approved in accordance with the signature authority limits of the Corporate Governance and Approvals Policy.

D. Risk Control Practices

Risk Control Practices are established to monitor and manage the risks inherent in the efforts to secure reliable supplies of fuel and wholesale power, and to optimize the portfolio through sales. Risk Control Notification Thresholds have been established to monitor and report risk metrics for transactions entered into by the Companies.

1. **Notification Thresholds:** The Companies will adhere to the notification thresholds set forth in this policy. The notification thresholds fall into three categories: Transaction Approval Notification thresholds, Portfolio Risk Notification thresholds, and Credit Risk Notification thresholds.
2. **Transaction Notification Thresholds.** The transaction notification thresholds relate to the values of contracts to which authorized personnel of the Companies obligate the Companies. Risk Control will report any transactions that exceed the transaction notification thresholds (Appendix E, Section A) monthly to the voting members of the Risk Committee.
3. **Portfolio Risk Control Notification Thresholds:** Value-at-Risk notification thresholds and Mark-to-Base change notification thresholds will be applied to the Companies’ energy procurement and sales activities. Risk Control will report any instances where the Value-at-Risk and Mark-to-Base metrics exceed the portfolio risk control notification thresholds (Appendix E, Sections B and C) monthly to the members of the Risk Committee as they occur.
 - i. **Value-at-Risk Notification Thresholds:** The Value-at-Risk (also referred to as Cash-Flow-at-Risk when used in analyzing liquidity requirements) notification thresholds set forth in Appendix E, Section B will be the

Page 7 of 26

notification threshold for the expected maximum increase in fuel and wholesale power costs. The Companies will use methodologies, consistent with industry standards, for calculating the Value-at-Risk for their energy portfolios. Those calculations will incorporate the level of confidence, length of term and holding period set forth in Appendix E, Section B.

- ii. **Mark-to-Base Notification Thresholds:** Base Tariff Energy Rates (BTER) are set at levels that anticipate the Companies' expenditures for fuel and wholesale power. During any period, recovery of expenditures in excess of the revenue produced by those base rates is first offset against sales for the same period. To the extent that expenditures for fuel and wholesale power exceed BTER revenues and offsets for sales, the excess will be deferred. Mark-to-Base will provide an estimate of such deferrals for the current deferral period. It will reflect actual expenditures to date, committed expenditures for the balance of the deferral period, and expected expenditures for uncommitted purchases. The Mark-to-Base Notification thresholds set forth in Appendix E, Section C will trigger notifications if changes in Mark-to-Base Thresholds occur on both a cumulative basis and a month-to-month basis. Mark-to-Base for each deferral period will begin to be assessed three months before the beginning of each deferral period and continue to be assessed until the end of each deferral period.
4. **Energy Credit Risk Notification Thresholds:** All Energy Credit Risk Notifications shall be made in accordance with the Credit Risk Management and Control Policy.
5. **Exception Management Process:** The Risk Committee may approve exceptions to this policy and to the plans and procedures developed in accordance with this policy. Transactions which are not contemplated by an Integrated Resource Plan or Energy Supply Plan may only be entered into if approved by the Risk Committee and the President.
6. **Procedures:** The Companies will maintain procedures for reporting exceptions and notifications pursuant to this policy and the plans and procedures developed in accordance with this policy. The procedures will have provisions for the prompt notification of the Treasurer or Assistant Treasurer, who will, in turn, be responsible for notifying the Companies' personnel responsible for resolution of the exception, and the Risk Committee. Presentations to the Risk Committee will include descriptions of the exceptions, proposed courses of action to resolve the exceptions, and schedules for resolving the exceptions.

VI. Compliance

NV Energy, Energy Risk Management and Control Policy

All personnel who are or may become involved in any energy procurement or sale activities or otherwise influence the energy procurement or sale decisions covered by this policy will be provided a copy of this policy and any associated procedures. Company personnel are prohibited from buying and selling any approved commodity for their own account or for the benefit of any entity other than the Companies. Additionally, Company personnel are required to disclose any significant direct interest² in any of the Companies' counterparties for transactions covered by this policy. To facilitate that disclosure, a listing of the Companies' counterparties and their parent organizations will be made available upon request.

Personnel who are or may become involved in any energy procurement or sale activities covered by this policy will be familiar with this policy and any associated procedures and solicit clarification of any areas that they do not understand. Each such employee will be advised of their responsibilities as set forth in the Employment Acknowledgement, Appendix G, confirming his or her understanding of the policy requirements, and confirming his or her agreement to fully comply with those requirements. Each such employee also will be required to complete an Employee Acknowledgment form whenever substantive updates are made, or at one-year intervals, whichever comes first. Consistent with the Employee Acknowledgement form:

1. Each employee will have an affirmative duty to alert management immediately upon learning of any potential violations of this policy.
2. Each employee also will have an affirmative duty to alert management immediately upon learning of any risks not adequately covered by this policy and the associated procedures, methodologies, and systems.

² For the purposes of this policy, a direct interest will be defined as the direct ownership of shares in a publicly traded entity or an ownership interest in a privately held entity. A significant direct interest will be one with a current value greater than one thousand dollars. The ownership of shares via a mutual fund will not be deemed a direct interest.

Appendix A: Definitions

Aggregate Exposure	An estimate of the current cost of replacing all of the contracts with a counterparty.
Approved Commodity	Electricity, natural gas, propane, coal, oil, and portfolio energy credits together with derivatives that are linked to those commodities and transmission or transportation services for those commodities. Renewable energy credits that fall outside the definition of portfolio energy credits.
Bookouts	An agreement entered into subsequent to an agreement for the physical delivery of a commodity to cancel an outstanding agreement by the parties involved, through cash settlement of the difference between the price specified in the agreement and an acceptable reference price. A Bookout must be memorialized in a subsequent agreement in writing between the parties involved to comply with Dodd-Frank regulations.
Bookouts In Lieu of Liquidated Damages	An agreement entered into to cancel an outstanding delivery obligation or portion thereof in lieu of the payment of liquidated damages by the parties involved, through cash settlement of the difference between the price specified in the agreement and an acceptable reference price.
Counterparty	An entity that has entered into a contract with one of the Companies.
Energy Supply Plans	Plans that the Companies will develop to govern the purchase and sale of fuel and wholesale power and the associated transmission and transportation services. Energy Supply Plans will cover three-year periods.
Financial Instruments	Swaps, options, futures, and options on futures entered into to hedge risks.
Fixed Price Agreement	A contract in which the price of the commodity or service is set at a particular level when the contract is executed.
Forwards	Agreements to buy or sell a quantity of a product, at an agreed price, for delivery at a specific location and for a future period and traded over the counter directly with counterparties.
Indexed Agreement	A contract in which the price of the commodity or service is tied to one or more published indices.

NV Energy, Energy Risk Management and Control Policy

Liquid Market	A market characterized by narrow bid/offer spreads, easy access to reliable price data, and small movements in prices as a result of sizable transactions.
Mark-to-Base	An estimate of costs that may be deferred through deferred energy or purchased gas adjustment accounting.
Mark-to-Market	The value of a financial or physical instrument, or an aggregation of such instruments, at the Companies' best estimate of current market prices.
Options	Instruments which give the holder the right, but not the obligation, to sell or buy the underlying commodity at specified prices, times, and locations.
Physical Instrument	A contract for a commodity under which the Companies expect to take delivery of the specified commodity.
Portfolio Energy Credit	A credit that is earned through energy produced or saved from a renewable energy system or energy efficiency measure. These credits are issued to any eligible renewable energy producer as defined in Nevada Revised Statute 704.7811. These credits may be purchased and sold to meet the Renewable Portfolio Standard.
Products	Commodities with specific characteristics like electricity delivered during predefined periods.
Renewable Energy Benefits	Represents the property rights to the environmental, societal, and other nonpower qualities of renewable electricity generation. A Portfolio Energy Credit and its associated attributes and benefits can be sold separately from the underlying physical electricity associated with a renewable-based generation source.
Swaps	Agreements to exchange net future cash flows or physical positions.
Transaction	A contract obligating the Companies to buy or sell physical commodities and services. Transactions will also include monetary obligations incurred through financial instruments.
Transmission Agreement	A contract to move electricity from one point to another. Such contracts are frequently referred to as "wheeling" agreements.
Transportation Agreement	A contract to move coal, natural gas, or oil from one point to another.

Page 11 of 26

Revisions Approved by the Risk Committee on ~~August 16~~ November 15, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

Value-at-Risk (also referred to as Cash-Flow-at-Risk when used in analyzing liquidity requirements)	The expected maximum increase in fuel and wholesale power costs over a target horizon within a given confidence interval and holding period. Value-at-Risk serves as a gauge of market exposure, summarizing the total market risk in a portfolio of assets.
Western North America Coal Sources	Coal mines in the States of Arizona, Colorado, New Mexico, Utah, and Wyoming that produce coal that can be burned efficiently and effectively in the Companies' generating units.
Western North America Natural Gas Hubs	Locations in the western half of the United States and Canada at which natural gas is traded in quantities sufficiently large to ensure liquid markets.
WSPP Regional Power Markets	Locations in the western half of the United States and Canada at which electricity is traded in quantities sufficiently large to ensure liquid markets. Such electricity is often traded under the provisions of the WSPP agreement.

Appendix B: Areas of Responsibility - Committee

Risk Committee: The Risk Committee will be responsible for:

- Assessing the appropriateness of the Companies' energy supply risk management and control activities and making recommendations for modifications to existing policies;
- Approving changes and exceptions as designated in specific sections of this Policy and ensuring the ongoing availability of procedures required to implement those policies or any changes to them;
- Assessing the systems required to monitor, record, and report on the risks inherent in the Companies' energy supply related activities and making recommendations for improvements to existing risk policies;
- Approving Energy Supply Plans;
- Reviewing all transactions requiring exceptions to the applicable policies and procedures;
- Reviewing and approving all energy procurement and sale transactions that are Transactions not transacted in accordance with the Energy Supply Plan, requiring the approval of the President;
- Reviewing all violations of notification thresholds and processes established under this policy, approving, or recommending for approval remedies of the violations, and monitoring progress of such remedies; and
- Assigning the completion of any other activities to guide the overall policy direction of the Companies' energy risk management and control efforts; and,
- Approving any exceptions to the Energy Supply Plan.

Appendix C: Areas of Responsibility – Departments

A. Risk Control: Risk Control is responsible for:

- Monitoring compliance with the Energy Risk Management and Control Policy and reporting exceptions;
- Disseminating this policy to the Companies' personnel who will be affected by this policy;
- Measuring the Companies' energy portfolio exposures and comparing the measurements against approved exposure notification thresholds;
- Accumulating risk control information for the Companies;
- Creating monthly risk control reports;
- Assessing proposed modifications to risk control policies and notification thresholds based on changing business or market conditions;
- Recommending the appropriate level of risk - within approved notification thresholds - to be accepted on behalf of the Companies;
- Each business day, review sample of 1 - 5 trades by listening to phone recordings or ICE Chat (gas/power) and verifying that transactions are in the trader log and TRM for natural gas or Allegro and OATI for power; and,
- Notifying Executive Management per the Energy Supply Commitment Threshold Notification levels set forth in Appendix E, Section A.

B. Credit Risk Management: Credit Risk Management is responsible for:

- Assessing the creditworthiness of counterparties;

Page 13 of 26

Revisions Approved by the Risk Committee on August 16, November 15, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

- Approving counterparties and establishing credit ratings for them before the Companies enter into energy-related transactions with them;
- Maintaining the Companies' lists of approved bidders;
- Monitoring and reporting on the creditworthiness of wholesale fuel and power counterparties;
- Reviewing and reporting on all contractual credit terms;
- Reviewing and reporting on information requested by counterparties for collateral or other credit support;
- Notifying Resource Optimization leadership when credit exposure limits have been exceeded and assisting Risk Control in developing the strategy to mitigate risk;
- Resolving credit issues with counterparties;
- Calculating collateral requirements to be posted by counterparties and overseeing the receipt of that collateral;
- Maintaining records of the collateral posted by counterparties;
- Calculating collateral requirements and managing collateral posted by the Companies; and,
- Managing margining requirements.

C. Resource Optimization: Resource Optimization is responsible for:

- Negotiating, developing, and executing transaction plans consistent with the approved Energy Supply Plans and the associated notification thresholds;
- Identifying prospective counterparties and presenting viable entities to Credit Risk Management for approval;
- Facilitating Requests For Proposals ("RFPs") for standard power, natural gas, coal, propane, and oil;
- Verifying the accuracy of financial/physical gas, carbon allowances, and spot power invoices received by the Companies related to short-term power, transmission, and California Independent System Operator market transactions;
- Leading the negotiation process for certain natural gas transportation contracts and gas storage;
- Recording transactions for accounting and contract management purposes, distributing the records, and adjusting the records as a result of actualization activities;
- Reviewing confirmations for accuracy prior to approval; and,
- Coordinating with Risk Control and Credit Risk Management to manage or mitigate any risk exposure.

D. Renewables and Origination: Renewables and Origination is responsible for:

- Negotiating, developing, and executing transaction plans consistent with the approved Energy Supply Plans and the associated notification thresholds;
- Leading the negotiation process of Master Agreements for power and carbon;
- Facilitating Requests For Proposals ("RFPs") for non-standard transactions, portfolio energy credits, other renewable energy credits, and qualifying facilities;
- Managing customer programs and executing associated commercial transactions;

Page 14 of 26

Revisions Approved by the Risk Committee on ~~August 16~~ November 15, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

- Performing due diligence and all associated tasks for asset acquisitions and specific asset developments to meet customer or resource planning needs;
- Coordinating with Risk Control and Credit Risk Management to manage or mitigate any risk exposure;
-
- Leading the negotiation process for non-standard power contract amendments;
- Providing contract support to Resource Optimization, Credit Risk Management, Contract Management, Legal, Resource Planning and Analysis, Fuel & Purchased Power Accounting, etc.

E. Resource Planning and Analysis: Resource Planning and Analysis is responsible for:

- Developing forecasts of energy and fuel prices;
- Estimating the Companies fuel ~~and energy requirements~~ and the associated costs;
- Developing Integrated Resource Plans;
- Developing Energy Supply Plans and associated risk management strategies;
- Analyzing energy resources available to the Companies to help to ensure the optimal use of those resources; and,
- Preparing or assisting with the preparation of periodic reports.

F. Fuel and Purchased Power Accounting: Fuel and Purchased Power Accounting is responsible for:

- Verifying the accuracy of financial/physical gas, carbon allowances, and spot power invoices received by the Companies;
- Resolving issues regarding financial/physical gas, carbon allowances, and spot power invoices received by the Companies;
- Submitting final invoices to authorized personnel for approval;
- Preparing and issuing invoices for sales to counterparties;
- Verifying the settlement amounts from financial transactions;
- Accounting for all transactions;
- Reconciling the accounts to confirm the accuracy of the energy accounting;
- Ensuring the timely collection of receivables attributable to sales of energy and fuel;
- Supervising the payment and receipt of all settlements from financial transactions; and,
- Preparing designated reports.

G. Energy Supply Contract Management: Energy Supply Contract Management is responsible for:

- Managing pre-commercial and commercial energy supply contracts per their terms and conditions, including but not limited to; certifying completion of contractually required milestones, acceptance of commercial operation, and the invoice settlement function for long-term power and certain natural gas contracts;
- Maintaining counterparty contract and trading status information in the systems of record;
- Managing the confirmation process for term physical/financial gas and power transactions;

Page 15 of 26

Revisions Approved by the Risk Committee on August 16 November 15, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

- Maintaining energy supply contracts in accordance with the Corporate Records Retention Schedule; and,
- Providing contract support to Resource Optimization, Credit Risk Management, Contract Management, Legal, Resource Planning and Analysis, Fuel & Purchased Power Accounting, etc.

Appendix D : Resource Procurement and Sale Constraints

A. Approved Financial Instruments and Physical Products

Instrument	Commodity											
	Power		Natural Gas		Coal		Oil, Diesel, Propane		SO2 Allowances		Carbon Allowances	
	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell	Buy	Sell
Financial Instruments												
Forwards	X	X	X	X			X				X	X
Options	X	X	X	X			X					
Swaps	X	X	X	X			X					
Physical Products and Instruments												
Spot Agreements	X	X	X	X	X	X	X	X			X	X
Fixed Price Agreements	X	X	X	X	X	X	X	X	X	X	X	X
Indexed Agreements	X	X	X	X	X	X	X	X			X	X
Ancillary Services	X	X										
Options (includes capacity contracts)	X	X	X									
Transmission Agreements	X	X										
Transportation Agreements			X	X	X	X	X					
Storage Agreements			X	X								

Underlying Markets: All Western North America Natural Gas Hubs
The Henry Natural Gas Hub in Louisiana
All WSPP Regional Power Markets
All Western North America Coal Sources

The Risk Committee may approve changes to the Approved Financial Instruments and Physical Products or Underlying Markets as deemed necessary.

B. Authorization to Originate Standard and Non-Standard Transactions Under Approved Energy Supply Plans

	Power		Natural Gas			Oil, Diesel, Propane		Coal		Financial ³		SO2	Carbon
	Commodity	Transmission	Commodity	Transportation	Storage	Commodity	Freight	Commodity	Freight	Swaps	Options	Allowances	Allowances
Director, Gas Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Director, Power Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Manager, Gas Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Manager, Power Trading	X	X	X	X	X	X	X	X	X	X	X	X	X
Power Traders	X	X	X	X				X	X	X			X
Gas Traders	X	X	X	X		X	X	X	X	X	X		X
Power Trader - Gendesk	X	X	X	X				X	X				X
Resource Optimization Manager								X	X				

The Risk Committee may approve additions and changes to the Authorization to Originate Transactions prior to the origination of the transaction.

C. Authorization to Originate or Amend Renewables and Non-Standard Transactions Under Approved Energy Supply Plans

	Renewable Power and QFs		Portfolio Energy Credits/Renewable Energy Credits		Power	
	Buy	Sell	Buy	Sell	Buy	Sell
Vice President, Renewables	X		X	X	X	
Director, Renewable Energy & Origination	X	X	X	X	X	X

³ Financial transactions related to energy commodities only.

NV Energy, Energy Risk Management and Control Policy

Director, Contract Management and Special Programs (Amendments/Settling disputes only)	X		X		X	
--	---	--	---	--	---	--

The Risk Committee may approve additions and changes to the Authorization to Originate Transactions prior to the origination of the transaction.

D. Individuals Authorized to Enter Into Oral Transactions

- Director, Gas Trading
- Director, Power Trading
- Manager, Gas Trading
- Manager, Power Trading
- Gas Traders
- Power Traders

E. Authorized Signatories – Power and Fuel Contracts and Confirmations

- Chief Executive Officer
- ~~Senior Vice President, Chief Financial Officer and Treasurer~~
- Vice President, Renewables
- Vice President, Resource Optimization
- Director, Gas Trading
- Director, Power Trading
- Manager, Gas Trading
- Manager, Power Trading
- Resource Optimization Manager

Personnel may not execute contracts or confirmations for transactions they originated.

Signature authority may not be delegated.

F. Authorization Approval Levels for the Execution of Fuel and Purchased Power Transactions and Daily Trades (\$ up to and including)

Title	Limit – RFPs and Daily Trades*	
Chief Executive Officer, Berkshire Hathaway Energy Company	Unlimited	
Chief Executive Officer	\$100,000,000	
~~Senior Vice President, Chief Financial Officer and Treasurer~~	\$25,000,000	
Vice President, Resource Optimization ⁽¹⁾⁽²⁾	\$12,500,000	

NV Energy, Energy Risk Management and Control Policy

Director, Trading Analytics & Operations ^[1]	\$7,500,000	
Director, Contract Management and Special Programs (Amendments/Settling disputes only)	\$7,500,000	
Director, Gas Trading	\$7,500,000	
Director, Power Trading	\$7,500,000	
Manager, Gas Trading	\$5,000,000	
Manager, Power Trading	\$5,000,000	
Resource Optimization Manager	\$5,000,000	
Traders	\$1,000,000	

Approval of invoices are subject to dollar thresholds in the Corporate Governance and Approvals Policy.

*** To ensure reliability, approvals of daily trades may happen after trade execution.**

^[1] Applies to transactions longer than one month

^[2] Applies to transactions pertaining to the table in Appendix D, Section C

^[3] Applies to transactions pertaining to the table in Appendix D, Section B

Appendix E: Risk Control Notification Thresholds

A. Commitment Threshold Notification for fuel and purchase power – Per Transaction⁴

Title	Dollar Threshold
Chief Executive Officer	\$100,000,000
Senior Vice President, Chief Financial Officer and Treasurer	\$25,000,000
Vice President, Resource Optimization	\$12,500,000

The maximum total commitment attributable to a transaction at index will be based on the Companies' best estimate of the index at the time of the transaction.

B. Value-at-Risk Commitment:

⁴ Applies to transactions longer than one month

NV Energy, Energy Risk Management and Control Policy

Company	Level of Confidence	Length of Term	Holding Period	Amount
Nevada Power	95% or higher	Rolling twelve Months	1 year	\$100 million
Sierra Pacific Power	95% or higher	Rolling twelve Months	1 year	\$60 million
Local Distribution Company	95% or higher	Rolling twelve Months	1 year	\$20 million

C. Mark-to-Base Commitment Threshold Notification – Cumulative/Monthly:

Company	Base	Cumulative Change	Notify
Nevada Power	BTER	\$80 million	President
Sierra Pacific Power	BTER	\$50 million	President
Local Distribution Company	BTER	\$10 million	President

Appendix F: Policy Revision Log

Date	Revision(s)
August 28, 2014	Modified Existing Policy. - Updated titles of personnel. Replaced “Mid-American Energy Holdings Company” with “Berkshire Hathaway Energy Company”. - Modified language regarding the Risk Committee’s reviewing and approving Energy Supply Plans and any exceptions to the Energy Supply Plans. - Added the definition of “Bookout” and language clarifying which types of “Bookout” transactions are permitted. Made a distinction between standard and non-standard transactions. - Clarified when power transactions must be confirmed in writing. - Added clarifying language that the Risk Committee is responsible for approving any exceptions to the Energy Supply Plan. - Added the management of margining requirements as a Credit Risk Management responsibility. - Moved the responsibility for leading the negotiation process of Master Agreements for physical/financial gas, power and carbon from Resource Optimization to Renewable Energy & Origination.

Page 21 of 26

Revisions Approved by the Risk Committee on August 16, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

	8. Added the responsibility for leading the negotiation process for gas storage to Resource Optimization. 9. Added the responsibility for facilitating Requests for Proposals for propane and oil to Resource Optimization. 10. Modified the responsibilities of Renewable Energy & Origination as follows: • Negotiating, developing and executing transaction plans consistent with the approved Energy Supply Plans and the associated notification thresholds • Leading the negotiation process of Master Agreements for physical/financial gas, power and carbon • Facilitating Requests For Proposals (“RFPs”) for non-standard power, and portfolio credits • Coordinating with Risk Control and Credit Risk Management to manage or mitigate any risk exposure. 11. Added oil, diesel, and propane freight and commodity as transactions that gas traders are authorized to originate. 12. Added carbon allowances invoices to Fuel and Purchase Power Accounting’s responsibilities, added gas storage and gas transportation as origination transactions the Manager, Market Operations and Trading is authorized to originate (Buying and Selling). 13. Added gas storage and gas transportation as origination transactions the Manager, Commercial and Trading Strategy is authorized to originate (Buying only). 14. Added the Chief Executive Officer, Director of Renewable Energy and Origination (marketing function employee designated position), Project Manager, Power Origination (Confirms only) as authorized signatories to Power and Fuel Contracts and confirmations. 15. Added a policy revision log.
December 16, 2014	Modified Existing Policy: 1. Changes were made throughout the document to fix references to the appendices. 2. Replaced the acronyms, RECs, PECs, PUCN, WSPP, and CAISO with their full wording. 3. Added Renewable Energy Credit and Portfolio Energy Credit to the terms defined in Appendix A (Definitions). 4. Removed the Company’s Procurement function from the table indicating who is authorized to originate transactions under the Public Utilities Commission of Nevada approved Energy Supply Plans. 5. Removed the Chief Executive Officer of Berkshire Hathaway Energy Company as the top level commitment threshold notification for fuel and purchase power transactions. 6. Changed the Employee Acknowledgement section to read “A list of the Companies counterparties for transactions covered by the policy and their parent organizations will be provided upon request.”
June 3, 2015	Modified Existing Policy: 1. Added the position of Power Marketer, Origination to Appendix D, Section C, (Authorization to Originate or Amend Renewables and Origination Transactions Under Approved Energy Supply Plans).
June 17, 2015	Modified Existing Policy: 1. Updated titles of personnel.

Page 22 of 26

Revisions Approved by the Risk Committee on August 16, November 15, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

	2. Modified the existing table in Appendix D, section B to pertain to Standard and Non-standard transactions under approved Energy Supply Plans. 3. Modified the existing table in Appendix D, section C to pertain to Non-standard transactions under approved Energy Supply Plans. 4. Transferred the responsibility for notifying Executive Management per the Energy Supply Commitment Threshold notification levels (Appendix E, section A) from Energy Supply Contract Management to Risk Control. Notification will be made to Executive Management via Risk Committee Meetings instead of via email as was previously done.
July 26, 2017	Modified Existing Policy: 1. Updated the Energy Risk Management and Control Policy to include organizational changes made since the policy was last approved on June 17, 2015. 2. Added propane and portfolio energy credits to the definition of approved commodity. 3. Modified the definition of Portfolio Energy Credit. 4. Changed Renewable Energy Credit to Renewable Energy Benefit. 5. Moved the footnotes reference (3, 4, and 5) to the appropriate page.
May 7, 2018	Modified Existing Policy: 1. Updated titles of personnel 2. Replaced CEO with President
December 19, 2018	Modified Existing Policy: 1. Added footnote on page 3 defining functional area 2. Replace "Chief Accounting Officer" with "Chief Financial Officer" 3. Removed President line item from Authorization Approval Level and Risk Control Notification Threshold charts 4. Removed "Senior" from Senior Vice President, Chief Financial Officer title
December 4, 2019	1. Modified Appendix A – Approved Commodity; added; Renewable energy credits that fall outside the definition of portfolio energy credits. 2. Modified Renewable and Origination responsibilities • 3rd bullet to read: Facilitating Request for Proposal (RFPs) for non-standard transactions, portfolio energy credits, other renewable energy credits and qualifying facilities • 7th bullet to read; Managing pre-commercial and commercial energy supply contracts per their terms and conditions, including but not limited to; certifying completion of contractually required milestones, acceptance of commercial operation, and the invoice settlement function for long-term power and certain natural gas contracts
Dec 17, 2020	Modified Existing Policy: 1. Deleted Senior Vice President, Operations throughout policy 2. Change page 24 to 25 on table on content 3. Added "in accordance with section V.D.2" and deleted by the Risk Committee and President (page 3) 4. Added "PUCN and may only be entered into in accordance with Section V.D.2"v deleted without the prior approval of Risk Committee and The Companies will not execute) (page 6) 5. Added Transactions which are not contemplated by an Integrated Resource Plan or Energy Supply Plan may only be entered into if approved by the Risk and the President and added Assistant Treasurer (pg+ 8)

Page 23 of 26

Revisions Approved by the Risk Committee on ~~August 16~~ November 15, 2023

ERMCP1115081623

NV Energy, Energy Risk Management and Control Policy

	6. Removed "A" in front of Risk Committee (pg 13)
July 21, 2021	Modified Existing Policy: 1. Replaced Manager, Market Operations and Trading with Manager, Power & Gas Trading 2. Replaced Project Manager, Forward Trading with Power Trader 3. Replaced Manager, Coal Operations and Procurement with Resource Optimization Manager 4. Replaced Vice President, Resource Optimization with Director, Trading Analytics & Operations 5. Added a dollar limit in Section F for Director, Trading Analytics & Operations to \$7, 500.000 6. Added Section D Power and Natural Gas Trading Limits to Appendix E 7. Updated the CEO and CFO dollar thresholds 8. Added Resource Optimization Manager and Traders to Section F with \$5M and \$1M dollar limits respectfully
November 17, 2021	Modified Existing Policy: 1. Updated title of Manager, Contract Management with Director, Contract Management and updated dollar limits for RFP and daily trades 2. Revised a Risk Control responsibility to be consistent with the corresponding SOX control
December 14, 2022	1. Updated titles 2. Moved several responsibilities from the Renewables section to Contract Management's section
August 1, 2023	1. Changed titles to allow for either Director or Manager of Power and/or Gas Trading consistent with the reorganization and leadership title changes in Resource Optimization.
November 15, 2023	1. <u>Replaced Senior Vice President, Chief Financial Officer and Treasurer with Vice President, Chief Financial Officer</u> 2. <u>Removed Appendix G – Employee acknowledgement statement</u>

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NV Energy, Energy Risk Management and Control Policy

Appendix G- Employee Acknowledgement

~~I have been provided a copy of the Companies' Energy Risk Management and Control Policy dated August 16, 2023. I have read and familiarized myself with the documents and understand the requirements that apply to my position.~~

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~~I further understand that each employee must adhere to the requirements of the policy and the associated procedures, and I agree to comply with the provisions of the policy and the associated procedures that apply to my position.~~

~~If I am unsure about the interpretation of any of the provisions of the policy, I will seek guidance from my supervisor before taking actions that may be contrary to the policy.~~

~~I will not buy or sell any commodity designated as an approved commodity in the policy for my own account or for the benefit of any entity other than the Companies.~~

~~A list of the Companies' counterparties for transactions covered by the policy and their parent organizations will be provided upon request. The attached list identifies all of my direct interests~~

NV Energy, Energy Risk Management and Control Policy

~~in such counterparties or their parent organizations with a value as of the date hereof greater than one thousand dollars (\$1,000).~~

Printed Name

Signature

Date

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NV Energy, Inc.
Risk Management and Control Policy

Risk Committee Approval

November 15, 2023

This policy should only be distributed to the employees of NV Energy (and its subsidiaries) who need access to the document during the performance of their assigned duties. This policy should not be provided to anyone outside the Company without the prior approval of the Risk Control Department.

TABLE OF CONTENTS

I.	BACKGROUND	3
II.	OBJECTIVES.....	3
III.	ENTERPRISE RISK TYPES.....	4
A.	ACCIDENTAL LOSS RISK	4
B.	CREDIT RISK	4
C.	ENERGY SUPPLY RISK	4
D.	FACILITIES RISK	5
E.	ENVIRONMENTAL RISK.....	5
F.	FINANCIAL RISK	5
G.	INFORMATION AND CONTROL SYSTEMS RISK	5
H.	OTHER OPERATING RISK.....	5
IV.	RISK MANAGEMENT AND CONTROL FRAMEWORK	6
A.	ORGANIZATION AND GOVERNANCE	6
B.	RISK MANAGEMENT PROGRAMS.....	6
C.	RISK CONTROL PRACTICES	6
V.	ORGANIZATION AND GOVERNANCE.....	6
A.	PRESIDENT.....	6
B.	RISK COMMITTEE.....	7
C.	GENERAL COUNSEL	9
D.	RISK CONTROL.....	9
VI.	RISK MANAGEMENT PROGRAMS	9
A.	ENERGY SUPPLY RISK MANAGEMENT PROGRAM	9
B.	CREDIT RISK MANAGEMENT PROGRAM	9
C.	ACCIDENTAL LOSS RISK.....	9
D.	ENVIRONMENTAL RISK	10
E.	FACILITIES RISK	10
F.	FINANCIAL RISK	10
G.	INFORMATION AND CONTROL SYSTEMS RISK	10
H.	OTHER OPERATING RISK	10
VII.	RISK REPORTING	10
	REPORTING PROCESS	11
	APPENDIX A: POLICY REVISION LOG.....	11

I. Background

NV Energy, Inc. (the Company) has two wholly owned utility subsidiaries, Nevada Power Company (d/b/a NV Energy) and Sierra Pacific Power Company (d/b/a NV Energy) (and together with NV Energy, the ‘Companies’) who are engaged in the generation, transmission and distribution of electric energy and in the distribution of natural gas in Nevada. The Companies are exposed to a variety of risks inherent in their commercial operations. Those risks include accidental loss risk, credit risk, energy supply risk, environmental risk, facilities risk, financial risk, information and control systems risk, and other operating risk. In aggregate, these risks constitute the Companies’ enterprise risk.

The Companies manage risk in a variety of ways. For example, commitments to generation and transmission and to longer-term energy supply contracts are managed through the resource planning process (including distributed energy resource plans) and culminating with Public Utilities Commission of Nevada (PUCN) approval of the resource plans. Other multiyear risks are managed, in part, through the Companies’ strategic planning exercises. Shorter-term risks are managed through annual Energy Supply Plans, budgets, key performance indicators and prioritized objectives by departments or functional area¹.

II. Objectives

This policy establishes standards for monitoring and managing enterprise risk.

The primary objectives of the Companies’ risk management and control efforts will be:

- The identification of risks;
- The qualitative or quantitative assessment of risks;
- The evaluation of the costs and merits of risk mitigation options;
- The identification of risks to be retained by the Companies; and,
- The identification of risks to be shifted to other entities and the means to do so.

Continuous oversight of the Companies’ risk management programs is essential for effective risk control. The Risk Committee will be responsible for the overall policy direction and administration of the Companies’ risk control efforts.

¹ Because organizations change names, responsibilities, and reporting relationships, references in this policy to ‘department’ or ‘departments’ is effectively referencing the executive or senior vice president responsible for that department or functional area,

The Treasurer will assist the Risk Committee in monitoring the operations of the Companies to ensure compliance with risk related policies and procedures. All material omissions and exceptions will be promptly reported to the Risk Committee. The Treasurer will also be responsible for assisting with modifications to those policies and procedures dictated by changing conditions, new technologies and other factors affecting the risks faced by the Companies. The executive leader of each functional area will be responsible for maintaining an inventory of the three biggest risks faced by their organization. Appraisals of those risks will be reported to the Risk Committee on a semi-annual basis along with mitigation plans/tracking/variances.

III. Enterprise Risk Types

The Companies encounter several types of risk in their day-to-day operations. For the purposes of this policy, such risks have been categorized as:

- A. Accidental loss risk
- B. Credit risk
- C. Energy supply risk
- D. Environmental risk
- E. Facilities risk
- F. Financial risk
- G. Information and control systems risk
- H. Other risk (e.g., regulatory, reputational, legal, etc.)

A. Accidental Loss Risk

Accidental loss risk is defined as the possibility that the Companies will experience financial losses or detrimental operating effects because of accidents and other unanticipated occurrences for which insurance may be acquired. Financial losses can result from damage to the Companies' property, increased operating costs, liability for injury to employees and others, and liability for damage to the property of others.

B. Credit Risk

The Companies contract with numerous entities in the normal course of business. Credit risk is defined as the possibility that a counterparty to one or more contracts will be unwilling or unable to fulfill its financial or physical obligations to the Companies because of the counterparty's financial condition.

C. Energy Supply Risk

The Companies buy and sell coal, natural gas, oil, wholesale power, carbon allowances, and other products (e.g. Renewable Energy Credit's or Portfolio Energy Credit's) to meet the energy requirements of their customers. They also operate generating plants that produce electric energy for their customers. Those

activities expose the Companies to energy risk which causes uncertainty as to the Companies' cash flow requirements for fuel and wholesale power, the expense the Companies incur as a result of their energy procurement efforts, and the Companies' recovery of these costs in customer rates. Energy risk also encompasses reliability risk which is the prospect that energy supplies will not be sufficient to fulfill customer requirements.

D. Facilities Risk

The Companies lease or own numerous facilities that are used to provide services to their customers. Facilities risk is defined as the uncertainty introduced by the threat of vandalism, sabotage and other willful acts that could result in injury or death to the Companies' personnel and the general public while they are at the Companies facilities and damage to those facilities. Facilities risk will also include the prospective loss of revenue through theft of service and misappropriation of the Companies' assets through burglaries and other wrongful acts.

E. Environmental Risk

The Companies operate generating facilities, electric transmission and distribution lines and substations, gas pipelines and other facilities with the potential to adversely affect the environment. Environmental risk is defined as the possibility that the Companies will experience financial losses or adverse operating conditions because of an emission or release to the environment in excess of that which is currently allowed by law.

F. Financial Risk

The primary constituents of financial risk are earnings and liquidity risk. Earnings risk constitutes the uncertainty inherent in the Companies' efforts to earn acceptable levels of revenue. Liquidity risk addresses the uncertainty inherent in the Companies' efforts to have sufficient cash and credit facilities to cover their needs.

G. Information and Control Systems Risk

The Companies operate and maintain electronic systems for the accumulation and dissemination of data, the preparation of documents, the distribution of information and the monitoring and control of facilities used in the provision of service to their customers. Information and control systems risk is defined as the uncertainty introduced by the threat of disruption to business activities and to the services provided that could be caused by the wrongful infiltration or manipulation of those information and control systems.

H. Other Operating Risk

The preceding description of certain types of operating risk is not intended to be exhaustive. The Companies are currently exposed to other risks and will continue to be exposed to new risks because of the changing business environments in which they operate. This policy will be modified to address any areas of significant risk that have not been specifically cited.

IV. Risk Management and Control Framework

The Companies will systematically manage and control each of the types of risk identified above through three primary vehicles.

A. Organization and Governance

This policy defines certain risk parameters and exposure management techniques that the departments and employees are expected to use in managing the risk faced by the Companies. The Risk Committee will be responsible for the risk policies of the Company. Each department will be responsible for administration of the Companies' risk management and risk mitigation programs and will be accountable to the Risk Committee.

B. Risk Management Programs

The Companies' personnel, who are responsible for managing each type of risk, will maintain risk management programs that provide for the assessment and quantification of the magnitude of each type of risk on an ongoing basis by the development of risk policies; the creation and maintenance of risk mitigation plans; and the implementation of these plans and policies in a manner consistent with this policy.

C. Risk Control Practices

The Companies personnel, who are responsible for risk control, will monitor compliance with approved risk management policies and procedures through the use of specific notification thresholds and processes.

V. Organization and Governance

A. Chief Executive Officer

The Chief Executive Officer will be responsible for assuring that the Risk Committee follows its charter.

To preclude interruptions in the performance of the Risk Committee's assigned duties, the Chief Executive Officer may replace members of the committee who leave the organization or are otherwise assigned within the organization with other members.

The Chief Executive Officer will also have the authority to designate authorized representatives for the members of the Risk Committee and its committees. Authorized representatives will have the same rights and obligations as the members.

B. Risk Committee

The Risk Committee will be responsible for the overall policy direction and administration of the Companies' risk control activities.

The Risk Committee will be responsible for ensuring that the Chief Executive Officer is kept apprised of Risk Committee activities and required notifications and approvals as stated in the Company's Energy Risk Management and Control Policy.

The Risk Committee will provide a forum for the discussion and evaluation of all of the risks faced by the Companies to achieve an integrated view of overall risk.

The Risk Committee will be responsible for ensuring that adequate risk assessment and control policies and procedures are in place and followed. The Risk Committee will have full authority to approve risk policies and risk mitigation programs of the Company.

The Risk Committee will pursue its objective through and as a complement to the Companies' existing organizational structures.

The Risk Committee is comprised of the following individuals:

- Senior Vice President, General Counsel, Corporate Secretary, Chief Compliance Officer (Chairperson)
- Vice President, Chief Financial Officer
- Vice President, Electric Delivery & Natural Disaster Protection
- Vice President, Regulatory
- Vice President, Transmission
- Vice President, Customer Operations
- Vice President, Environmental Services & Land Management
- Vice President, Gas Delivery
- Treasurer
- Vice President, Integrated Energy Services
- Director, Resource Planning & Analysis
- Vice President, Renewables
- Vice President, Generation
- Vice President, Resource Optimization

A quorum of the committee will consist of seven of the members. Any action taken by the Risk Committee will require a majority of affirmative votes. The Risk Committee will meet at least once each quarter, or more frequently if requested by the Chairman of the committee. Meetings may be conducted in person, via telephone, video conference, or email. The purpose of the meetings will be to perform the duties set forth in this policy and any additional duties assigned to the

committee by the Chief Executive Officer.

Minutes of the Risk Committee meetings will be kept in accordance with Company's Records Retention Policy. Those minutes will include, as attachments, all of the documents presented to the committee during the associated meetings.

The Risk Committee will be responsible for:

- Monitoring the current and expected future economic conditions, assessing their effect on the general business environment and on the Companies, and disseminating the information obtained through such monitoring to the management of the Companies;
- Initiating the preparation of new risk control policies when or where appropriate and the modification of risk control policies already in place;
- Ensuring the ongoing availability of procedures required to implement those policies or any changes to them;
- Resolving any disputes regarding the appropriate application of those policies and procedures;
- Ensuring the availability of the systems required to monitor, record and report on the risks inherent in the Companies' operations;
- Reviewing and approving the Companies' resource plans, energy supply plans prior to Chief Executive Officer approval;
- Assuring integration of energy procurement or sale risk, credit risk, cash flow risk and ratepayer risk;
- Reviewing and approving all transactions requiring exceptions to the approved plans for acquiring or selling fuel and wholesale power prior to implementation;
- Reviewing all energy procurement or sale transactions requiring the approval of the Chief Executive Officer² prior to the presentation of such transactions to the Chief Executive Officer; and
- Assessing the appropriateness of the Companies' risk control activities and modifying this policy, whenever modifications are required to ensure the ongoing viability of the Companies' risk management and control programs and the continued fulfillment of the Companies' obligations.

The Risk Committee will have the right to delegate portions of its assigned duties to one or more committees. The Risk Committee will establish the charter of each Committee when it is established and modify the charter if necessary. Committees will keep minutes in the same manner as the Risk Committee. Committees will also make periodic reports of their activities to the Risk Committee in the manner designated by the Risk Committee.

² The review by the Risk Committee prior to the presentation to the Chief Executive Officer is not required if such transactions are being done in accordance with an Energy Supply Plan already approved by the Chief Executive Officer.

VII. *General Counsel*

The officers and managers of the Companies will be responsible for enforcing the Companies' risk control policies and procedures applicable to the areas for which they are responsible. The General Counsel will serve as the independent compliance officer responsible for monitoring the operations of the Companies to ensure compliance with policies and procedures as identified in Section VI and VII. All material omissions and exceptions identified by any department will be promptly reported to the General Counsel.

VII. *Risk Control*

Each department will be responsible for developing policies, procedures and risk mitigation plans dictated by changing conditions, new technologies, and other factors affecting the risk faced by the department.

Each department will be responsible for maintaining an inventory of the risks faced by that department and providing integrated appraisals of those risks to the Risk Committee at least once each year. Each department will take steps to ensure that the Risk Committee has adequate descriptions of possible future conditions as a setting for risk analysis, evaluation and policy direction. Each department subject to general oversight will monitor compliance with this policy and any additional policies approved by the Risk Committee.

VI. *Risk Management Programs*

Each of the previously identified types of enterprise risk will be managed through the Companies' risk management programs. Primary responsibility for risk management execution will be through these programs and company management as distinct from the risk integration and control function of the Risk Committee.

VII. *Accidental Loss Risk*

The Companies will attempt to avoid financial losses through the identification, assessment, prevention, monitoring, and financing of insurable risks. The program will have provisions for the timely evaluation of alternatives for minimizing the frequency and severity of losses and for the mitigation of losses. Financing alternatives such as self-insurance and various forms of commercially available insurance will be routinely evaluated. The program will also have provisions for the preparation of periodic reports to document the Companies' efforts and to comply with legal and regulatory requirements.

VII. *Credit Risk Management*

See the Credit Risk Management and Control Policy

VII. *Energy Supply Risk Management Program*

See the Energy Risk Management and Control Policy

VII. *Environmental Risk*

The Companies will attempt to avoid financial losses through the identification, evaluation, prevention, and monitoring of environmental risks. The program will rely heavily upon the training of personnel to help to ensure compliance with environmental laws and regulations. The program will also have provisions for ongoing communication and cooperation with environmental agencies and other groups.

E. Facilities Risk

The Companies, through a program of identification and evaluation of threats, monitoring of facilities, and training of personnel, will attempt to preclude injury, damage, and losses to its facilities. The program will also have provisions for the ongoing communication and cooperation with law enforcement agencies and for the preparation of periodic reports to document the Companies' efforts and to comply with legal and regulatory requirements. Additionally, the program will have provisions to ensure adequate preparation for prompt recovery if any of the Companies' facilities are damaged by willful acts or natural disasters.

F. Financial Risk

The Companies have numerous processes like their budgetary processes for the control of expenditures and the management of cash flow as well as the annual financing plan. Financial risk will be addressed through the management processes in place for that purpose.

G. Information and Control Systems Risk

The Companies, through a program of identification and evaluation of threats, monitoring of systems, installation of safeguards, and training of personnel, will attempt to preclude infiltration or manipulation of their electronic information and electronic control systems. The program will also have provisions for the preparation of periodic reports to document the Companies' efforts and to comply with legal and regulatory requirements. Additionally, the program will have provisions to ensure adequate preparation for prompt recovery if any of the Companies' information and control systems are adversely affected by such wrongful acts or natural disasters.

VII. *Other Operating Risk*

The Companies will address other operating risk through management processes in place for that purpose.

VII. Risk Reporting

The Companies' risk control policies will contain practices, which will incorporate risk identification, reporting and risk management.

Reporting Process

As directed by the Risk Committee, departments will report on identified risks and the plan to mitigate such risks on a semi-annual basis.

Appendix A: Policy Revision Log

Date	Revision(s)
August 28, 2014	Modified Existing Policy: 1. Replaced the title of “President” with the title of “Chief Executive Officer”. • Although Paul Caudill is the President and Chief Executive Officer, we are using his highest title in the Policy • Change is applied throughout the document 2. Added carbon allowances as instruments that the Companies buy and sell. • This recommended change is a result of the change made to Appendix D (Approved financial instruments and physical products) of the Energy Risk Management and Control Policy 3. Replaced “Senior Officer in Charge of General Counsel” with “General Counsel” 4. Changed the quorum of the Committee <u>from six to seven</u> members of the twelve member committee. Thus any action to be taken by the committee requires a majority vote of the committee. 5. Modified language regarding the Risk Committee’s reviewing and approving Energy Supply Plans and any exceptions to the Energy Supply Plans. 6. Added a policy revision log.
December 16, 2014	Modified Existing Policy: 1. Replaced the acronyms RECs and PECs with their full wording. 2. Corrected the appendix reference in the policy revision log.
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NV Energy, Risk Management and Control Policy

	activities and required approvals and notifications as stated in the Company's Energy Risk Management and Control Policy. Added how meetings can be conducted; in person, via telephone, videoconference, or via email.
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September 17, 2020	Modified Existing Policy 1. Added Assistant along side Treasurer 2. Added Vice President, Electric Delivery to Risk Committee 3. Added Vice President, Transmission to Risk Committee 4. Added Vice President, Generation to Risk Committee 5. Added Assistant Treasurer to Risk Committee 6. Deleted Senior Vice President, Operations from Risk Committee 7. Added & Treasurer to Vice President, Chief Financial Officer title
November 16, 2021	Modified Existing Policy 1. Deleted Vice President, Resource Optimization
December 14, 2022	1. Deleted Senior Vice President, Energy Supply 2. Added Vice President, Renewables 3. Added Vice President, Generation 4. Added Vice President, Resource Optimization

NV Energy, Risk Management and Control Policy

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November 15, 2023	Modify Existing Policy 1. Replaced Assistant Treasurer with Treasurer 2. Removed Appendix B (Employee acknowledgement)

NV Energy, Risk Management and Control Policy

NV Energy, Inc.

Risk Management and Control Policy

Risk Committee Approval

~~April 19~~ November 15, 2023

This policy should only be distributed to the employees of NV Energy (and its subsidiaries) who need access to the document during the performance of their assigned duties. This policy should not be provided to anyone outside the Company without the prior approval of the Risk Control Department.

TABLE OF CONTENTS

I.	BACKGROUND	3
II.	OBJECTIVES.....	3
III.	ENTERPRISE RISK TYPES.....	4
A.	ACCIDENTAL LOSS RISK	4
B.	CREDIT RISK	4
C.	ENERGY SUPPLY RISK	4
D.	FACILITIES RISK	5
E.	ENVIRONMENTAL RISK.....	5
F.	FINANCIAL RISK	5
G.	INFORMATION AND CONTROL SYSTEMS RISK	5
H.	OTHER OPERATING RISK.....	5
IV.	RISK MANAGEMENT AND CONTROL FRAMEWORK	6
A.	ORGANIZATION AND GOVERNANCE	6
B.	RISK MANAGEMENT PROGRAMS.....	6
C.	RISK CONTROL PRACTICES	6
V.	ORGANIZATION AND GOVERNANCE.....	6
A.	PRESIDENT.....	6
B.	RISK COMMITTEE.....	7
C.	GENERAL COUNSEL	9
D.	RISK CONTROL	9
VI.	RISK MANAGEMENT PROGRAMS	9
A.	ENERGY SUPPLY RISK MANAGEMENT PROGRAM	9
B.	CREDIT RISK MANAGEMENT PROGRAM	9
C.	ACCIDENTAL LOSS RISK.....	9
D.	ENVIRONMENTAL RISK	10
E.	FACILITIES RISK	10
F.	FINANCIAL RISK	10
G.	INFORMATION AND CONTROL SYSTEMS RISK	10
H.	OTHER OPERATING RISK	10
VII.	RISK REPORTING	10
	REPORTING PROCESS	11
	APPENDIX A: POLICY REVISION LOG.....	11

NV Energy, Risk Management and Control Policy

I. Background

NV Energy, Inc. (the Company) has two wholly owned utility subsidiaries, Nevada Power Company (d/b/a NV Energy) and Sierra Pacific Power Company (d/b/a NV Energy) (and together with NV Energy, the 'Companies') who are engaged in the generation, transmission and distribution of electric energy and in the distribution of natural gas in Nevada. The Companies are exposed to a variety of risks inherent in their commercial operations. Those risks include accidental loss risk, credit risk, energy supply risk, environmental risk, facilities risk, financial risk, information and control systems risk, and other operating risk. In aggregate, these risks constitute the Companies' enterprise risk.

The Companies manage risk in a variety of ways. For example, commitments to generation and transmission and to longer-term energy supply contracts are managed through the resource planning process (including distributed energy resource plans) and culminating with Public Utilities Commission of Nevada (PUCN) approval of the resource plans. Other multiyear risks are managed, in part, through the Companies' strategic planning exercises. Shorter-term risks are managed through annual Energy Supply Plans, budgets, key performance indicators and prioritized objectives by departments or functional area¹.

II. Objectives

This policy establishes standards for monitoring and managing enterprise risk.

The primary objectives of the Companies' risk management and control efforts will be:

- The identification of risks;
- The qualitative or quantitative assessment of risks;
- The evaluation of the costs and merits of risk mitigation options;
- The identification of risks to be retained by the Companies; and,
- The identification of risks to be shifted to other entities and the means to do so.

Continuous oversight of the Companies' risk management programs is essential for effective risk control. The Risk Committee will be responsible for the overall policy direction and administration of the Companies' risk control efforts.

¹ Because organizations change names, responsibilities, and reporting relationships, references in this policy to 'department' or 'departments' is effectively referencing the executive or senior vice president responsible for that department or functional area,

NV Energy, Risk Management and Control Policy

The Treasurer and Assistant Treasurer will assist the Risk Committee in monitoring the operations of the Companies to ensure compliance with risk related policies and procedures. All material omissions and exceptions will be promptly reported to the Risk Committee. The Treasurer and Assistant Treasurer will also be responsible for assisting with modifications to those policies and procedures dictated by changing conditions, new technologies and other factors affecting the risks faced by the Companies. The executive leader of each functional area will be responsible for maintaining an inventory of the three biggest risks faced by their organization. Appraisals of those risks will be reported to the Risk Committee on a semi-annual basis along with mitigation plans/tracking/variances.

III. Enterprise Risk Types

The Companies encounter several types of risk in their day-to-day operations. For the purposes of this policy, such risks have been categorized as:

- A. Accidental loss risk
- B. Credit risk
- C. Energy supply risk
- D. Environmental risk
- E. Facilities risk
- F. Financial risk
- G. Information and control systems risk
- H. Other risk (e.g., regulatory, reputational, legal, etc.)

A. Accidental Loss Risk

Accidental loss risk is defined as the possibility that the Companies will experience financial losses or detrimental operating effects because of accidents and other unanticipated occurrences for which insurance may be acquired. Financial losses can result from damage to the Companies' property, increased operating costs, liability for injury to employees and others, and liability for damage to the property of others.

B. Credit Risk

The Companies contract with numerous entities in the normal course of business. Credit risk is defined as the possibility that a counterparty to one or more contracts will be unwilling or unable to fulfill its financial or physical obligations to the Companies because of the counterparty's financial condition.

C. Energy Supply Risk

The Companies buy and sell coal, natural gas, oil, wholesale power, carbon allowances, and other products (e.g. Renewable Energy Credit's or Portfolio Energy Credit's) to meet the energy requirements of their customers. They also operate generating plants that produce electric energy for their customers. Those

NV Energy, Risk Management and Control Policy

activities expose the Companies to energy risk which causes uncertainty as to the Companies' cash flow requirements for fuel and wholesale power, the expense the Companies incur as a result of their energy procurement efforts, and the Companies' recovery of these costs in customer rates. Energy risk also encompasses reliability risk which is the prospect that energy supplies will not be sufficient to fulfill customer requirements.

D. Facilities Risk

The Companies lease or own numerous facilities that are used to provide services to their customers. Facilities risk is defined as the uncertainty introduced by the threat of vandalism, sabotage and other willful acts that could result in injury or death to the Companies' personnel and the general public while they are at the Companies facilities and damage to those facilities. Facilities risk will also include the prospective loss of revenue through theft of service and misappropriation of the Companies' assets through burglaries and other wrongful acts.

E. Environmental Risk

The Companies operate generating facilities, electric transmission and distribution lines and substations, gas pipelines and other facilities with the potential to adversely affect the environment. Environmental risk is defined as the possibility that the Companies will experience financial losses or adverse operating conditions because of an emission or release to the environment in excess of that which is currently allowed by law.

F. Financial Risk

The primary constituents of financial risk are earnings and liquidity risk. Earnings risk constitutes the uncertainty inherent in the Companies' efforts to earn acceptable levels of revenue. Liquidity risk addresses the uncertainty inherent in the Companies' efforts to have sufficient cash and credit facilities to cover their needs.

G. Information and Control Systems Risk

The Companies operate and maintain electronic systems for the accumulation and dissemination of data, the preparation of documents, the distribution of information and the monitoring and control of facilities used in the provision of service to their customers. Information and control systems risk is defined as the uncertainty introduced by the threat of disruption to business activities and to the services provided that could be caused by the wrongful infiltration or manipulation of those information and control systems.

H. Other Operating Risk

The preceding description of certain types of operating risk is not intended to be exhaustive. The Companies are currently exposed to other risks and will continue to be exposed to new risks because of the changing business environments in which they operate. This policy will be modified to address any areas of significant risk that have not been specifically cited.

Page 5 of 14

IV. Risk Management and Control Framework

The Companies will systematically manage and control each of the types of risk identified above through three primary vehicles.

A. Organization and Governance

This policy defines certain risk parameters and exposure management techniques that the departments and employees are expected to use in managing the risk faced by the Companies. The Risk Committee will be responsible for the risk policies of the Company. Each department will be responsible for administration of the Companies' risk management and risk mitigation programs and will be accountable to the Risk Committee.

B. Risk Management Programs

The Companies' personnel, who are responsible for managing each type of risk, will maintain risk management programs that provide for the assessment and quantification of the magnitude of each type of risk on an ongoing basis by the development of risk policies; the creation and maintenance of risk mitigation plans; and the implementation of these plans and policies in a manner consistent with this policy.

C. Risk Control Practices

The Companies personnel, who are responsible for risk control, will monitor compliance with approved risk management policies and procedures through the use of specific notification thresholds and processes.

V. Organization and Governance

A. Chief Executive Officer

The Chief Executive Officer will be responsible for assuring that the Risk Committee follows its charter.

To preclude interruptions in the performance of the Risk Committee's assigned duties, the Chief Executive Officer may replace members of the committee who leave the organization or are otherwise assigned within the organization with other members.

The Chief Executive Officer will also have the authority to designate authorized representatives for the members of the Risk Committee and its committees. Authorized representatives will have the same rights and obligations as the members.

NV Energy, Risk Management and Control Policy

B. Risk Committee

The Risk Committee will be responsible for the overall policy direction and administration of the Companies' risk control activities.

The Risk Committee will be responsible for ensuring that the Chief Executive Officer is kept apprised of Risk Committee activities and required notifications and approvals as stated in the Company's Energy Risk Management and Control Policy.

The Risk Committee will provide a forum for the discussion and evaluation of all of the risks faced by the Companies to achieve an integrated view of overall risk.

The Risk Committee will be responsible for ensuring that adequate risk assessment and control policies and procedures are in place and followed. The Risk Committee will have full authority to approve risk policies and risk mitigation programs of the Company.

The Risk Committee will pursue its objective through and as a complement to the Companies' existing organizational structures.

The Risk Committee is comprised of the following individuals:

- Senior Vice President, General Counsel, Corporate Secretary, Chief Compliance Officer (Chairperson)
- Vice President, Chief Financial Officer
- Vice President, Electric Delivery & Natural Disaster Protection
- Vice President, Regulatory
- Vice President, Transmission
- Vice President, Customer Operations
- Vice President, Environmental Services & Land Management
- Vice President, Gas Delivery
- Treasurer
- Vice President, Integrated Energy Services
- Director, Resource Planning & Analysis
- Vice President, Renewables
- Vice President, Generation
- Vice President, Resource Optimization

A quorum of the committee will consist of seven of the members. Any action taken by the Risk Committee will require a majority of affirmative votes. The Risk Committee will meet at least once each quarter, or more frequently if requested by the Chairman of the committee. Meetings may be conducted in person, via telephone, video conference, or email. The purpose of the meetings will be to perform the duties set forth in this policy and any additional duties assigned to the

Page 7 of 14

NV Energy, Risk Management and Control Policy

committee by the Chief Executive Officer.

Minutes of the Risk Committee meetings will be kept in accordance with Company's Records Retention Policy. Those minutes will include, as attachments, all of the documents presented to the committee during the associated meetings.

The Risk Committee will be responsible for:

- Monitoring the current and expected future economic conditions, assessing their effect on the general business environment and on the Companies, and disseminating the information obtained through such monitoring to the management of the Companies;
- Initiating the preparation of new risk control policies when or where appropriate and the modification of risk control policies already in place;
- Ensuring the ongoing availability of procedures required to implement those policies or any changes to them;
- Resolving any disputes regarding the appropriate application of those policies and procedures;
- Ensuring the availability of the systems required to monitor, record and report on the risks inherent in the Companies' operations;
- Reviewing and approving the Companies' resource plans, energy supply plans, ~~and the financing of the plans prior to Chief Executive Officer approval;~~
- Assuring integration of energy procurement or sale risk, credit risk, cash flow risk and ratepayer risk;
- Reviewing and approving all transactions requiring exceptions to the approved plans for acquiring or selling fuel and wholesale power prior to implementation;
- Reviewing all energy procurement or sale transactions requiring the approval of the Chief Executive Officer² prior to the presentation of such transactions to the Chief Executive Officer; and
- Assessing the appropriateness of the Companies' risk control activities and modifying this policy, whenever modifications are required to ensure the ongoing viability of the Companies' risk management and control programs and the continued fulfillment of the Companies' obligations.

The Risk Committee will have the right to delegate portions of its assigned duties to one or more committees. The Risk Committee will establish the charter of each Committee when it is established and modify the charter if necessary. Committees will keep minutes in the same manner as the Risk Committee. Committees will also make periodic reports of their activities to the Risk Committee in the manner designated by the Risk Committee.

² The review by the Risk Committee prior to the presentation to the Chief Executive Officer is not required if such transactions are being done in accordance with an Energy Supply Plan already approved by the Chief Executive Officer.

NV Energy, Risk Management and Control Policy

VII. General Counsel

The officers and managers of the Companies will be responsible for enforcing the Companies' risk control policies and procedures applicable to the areas for which they are responsible. The General Counsel will serve as the independent compliance officer responsible for monitoring the operations of the Companies to ensure compliance with policies and procedures as identified in Section VI and VII. All material omissions and exceptions identified by any department will be promptly reported to the General Counsel.

VII. Risk Control

Each department will be responsible for developing policies, procedures and risk mitigation plans dictated by changing conditions, new technologies, and other factors affecting the risk faced by the department.

Each department will be responsible for maintaining an inventory of the risks faced by that department and providing integrated appraisals of those risks to the Risk Committee at least once each year. Each department will take steps to ensure that the Risk Committee has adequate descriptions of possible future conditions as a setting for risk analysis, evaluation and policy direction. Each department subject to general oversight will monitor compliance with this policy and any additional policies approved by the Risk Committee.

VI. Risk Management Programs

Each of the previously identified types of enterprise risk will be managed through the Companies' risk management programs. Primary responsibility for risk management execution will be through these programs and company management as distinct from the risk integration and control function of the Risk Committee.

VII. Accidental Loss Risk

The Companies will attempt to avoid financial losses through the identification, assessment, prevention, monitoring, and financing of insurable risks. The program will have provisions for the timely evaluation of alternatives for minimizing the frequency and severity of losses and for the mitigation of losses. Financing alternatives such as self-insurance and various forms of commercially available insurance will be routinely evaluated. The program will also have provisions for the preparation of periodic reports to document the Companies' efforts and to comply with legal and regulatory requirements.

VII. Credit Risk Management

See the Credit Risk Management and Control Policy

VII. Energy Supply Risk Management Program

See the Energy Risk Management and Control Policy

Page 9 of 14

VII. Environmental Risk

The Companies will attempt to avoid financial losses through the identification, evaluation, prevention, and monitoring of environmental risks. The program will rely heavily upon the training of personnel to help to ensure compliance with environmental laws and regulations. The program will also have provisions for ongoing communication and cooperation with environmental agencies and other groups.

E. Facilities Risk

The Companies, through a program of identification and evaluation of threats, monitoring of facilities, and training of personnel, will attempt to preclude injury, damage, and losses to its facilities. The program will also have provisions for the ongoing communication and cooperation with law enforcement agencies and for the preparation of periodic reports to document the Companies' efforts and to comply with legal and regulatory requirements. Additionally, the program will have provisions to ensure adequate preparation for prompt recovery if any of the Companies' facilities are damaged by willful acts or natural disasters.

F. Financial Risk

The Companies have numerous processes like their budgetary processes for the control of expenditures and the management of cash flow as well as the annual financing plan. Financial risk will be addressed through the management processes in place for that purpose.

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NV Energy, Risk Management and Control Policy

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Page 11 of 14

Revisions Approved by the Risk Committee on ~~April 19~~ November 15, 2023

RMCP111504192023

NV Energy, Risk Management and Control Policy

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Page 12 of 14

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RMCP111504192023

NV Energy, Risk Management and Control Policy

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NV Energy, Risk Management and Control Policy

Appendix B: Employee Acknowledgement

~~I have been provided a copy of the Companies' Risk Management and Control Policy dated December 14, 2022. I have read and familiarized myself with the documents and understand the requirements that apply to my position.~~

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~~I further understand that each employee must adhere to the requirements of the policy and the associated procedures, and I agree to comply with the provisions of the policy and the associated procedures that apply to my position.~~

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~~If I am unsure about the interpretation of any of the provisions of the policy, I will seek guidance from my supervisor before taking actions that may be contrary to the policy.~~

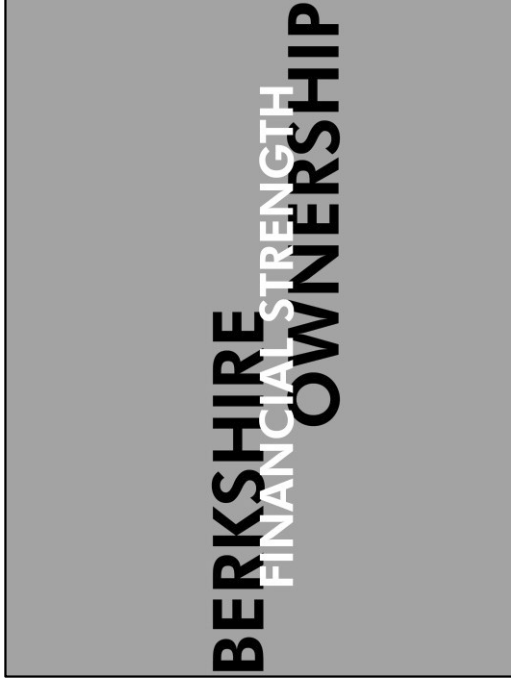
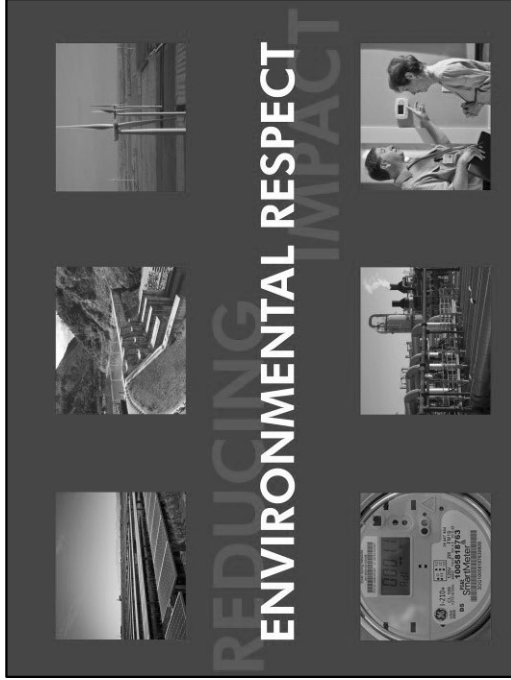
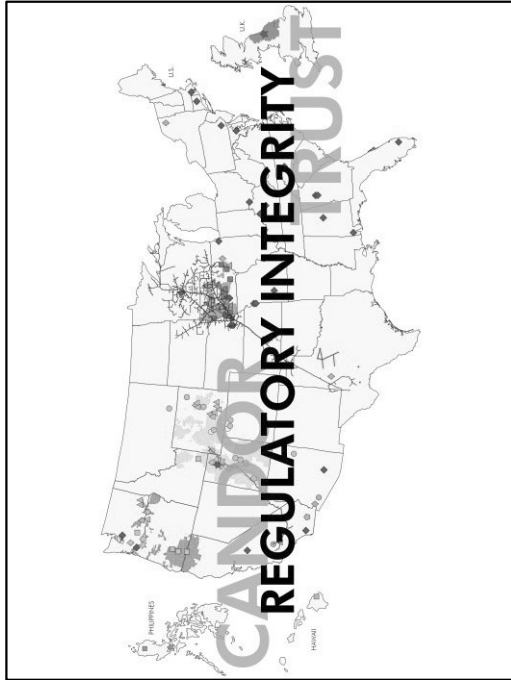
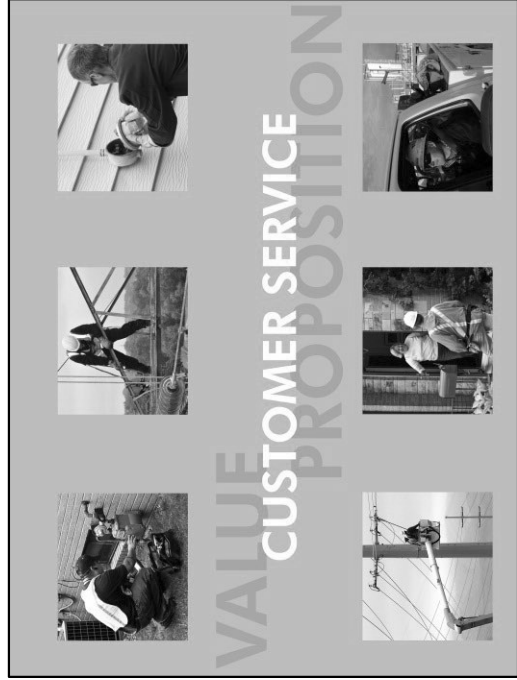
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Signature

Date

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Risk Committee

Risk Control Report

November 15, 2023

Privileged and Confidential

Risk Control Report

- Information-only presentation
- Reporting period is for October portfolio, and credit threshold notifications
- Monitoring the contract values and contract terms for executed transactions
- Monitoring the difference between the base tariff energy rate revenues and expenses

Executive Summary

- **Transaction Approval Notification Thresholds**
 - No exceptions to the transaction notification thresholds¹
- **Portfolio Risk Notification Thresholds**

Mark-to-Base Change Notification Thresholds:

 - All three entities are within the notification threshold

Value-at-Risk (VaR) Notification thresholds:

 - All three entities exceeded the notification threshold
- **Credit Risk Notification Thresholds**
 - No counterparties exceeded their assigned credit limits in October 2023
 - 0% of NV Energy's portfolio with mark-to-market exposure is below investment grade
 - The weighted average credit rating of the portfolio is AAA

Page 151 of 259

¹ – Transactions being reported do not include EIM transactions, only bilateral transactions

Forward Power Sales Compliance

- Risk Control has verified that forward sales activities were in compliance with the forward sales Procedure Manual.

Transaction Notification Thresholds

Contract Value

Entity	Notification Threshold		Actuals	Status
NV Energy	≤\$5.0M	Manager Contract Management (Amendments/Settling disputes only)	NV Energy South 614-Transactions NV Energy North 178-Transactions Total 792-Transactions ¹ Largest transaction \$256K Power Deal	
	≤\$5.0M	Manager, Gas Trading		
	≤\$5.0M	Manager, Power Trading		
	≤\$7.5.0M	Director, Gas Trading		
	≤\$7.5.0M	Director, Power Trading		
	≤\$12.5M	Vice President, Resource Optimization		
	≤\$12.5M	Vice President, Renewable & Origination		
	≤\$25.0M	Vice President, Chief Financial Officer		
	≤\$50.0M	Chief Executive Officer		
	Unlimited	Chief Executive Officer, Berkshire Hathaway Energy Company		

Commitment Threshold

Entity	Notification Threshold		Actuals	Status
NV Energy	≤\$12.5M	Vice President, Resource Optimization		
	≤\$25M	Vice President, Chief Financial Officer		
	≤\$100M	Chief Executive Officer		

1 – Transactions being reported do not include EIM transactions, only bilateral transactions

Largest transaction –1-day power deal (Pwx) October 19 –
October 19, 2023



Portfolio Notification Thresholds

Test Period	Notification Threshold (\$m)	Est. BTER Costs (\$m)	Est. BTER Revenue (\$m)	Cumulative Mark-to-Base (\$m)	Status	Previous Month's Cumulative Mark-to-Base (\$m)	Monthly Mark-to-Base Change (\$m)	Status
Jan 23-Dec 23	80	1,864.9	(1,899.4)	(34.6)	●	(53.7)	19.2	●
Jan 23-Dec 23	50	501.9	(602.1)	(100.2)	●	(106.6)	6.3	●
Jan 23-Dec 23	10	145.5	(154.1)	(8.6)	●	(13.0)	4.4	●

Revenues estimated using the following projected BTER rates:

Entity	10/1/2023	1/1/2024	4/1/2024	7/1/2024
NVE-S Residential	\$0.09869	\$0.09139	\$0.09000	\$0.07090
NVE-S Non-residential	\$0.09800	\$0.09227	\$0.08985	\$0.06732
NVE-N	\$0.06909	\$0.06440	\$0.05849	\$0.05955
NVE-N LDC	\$0.83721	\$0.80468	\$0.68038	\$0.49063

NPC has a breakout between residential and non-residential because of direct assignment of Hoover costs between the two groups. This results in one BTER/DEAA set of rates for residential and one BTER/DEAA set of rates for non-residential.

SPPC and the LDC do not have any directly assigned resource costs that are broken out between two customer categories. All customers pay the same BTER/DEAA rate.

●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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Portfolio Notification Thresholds

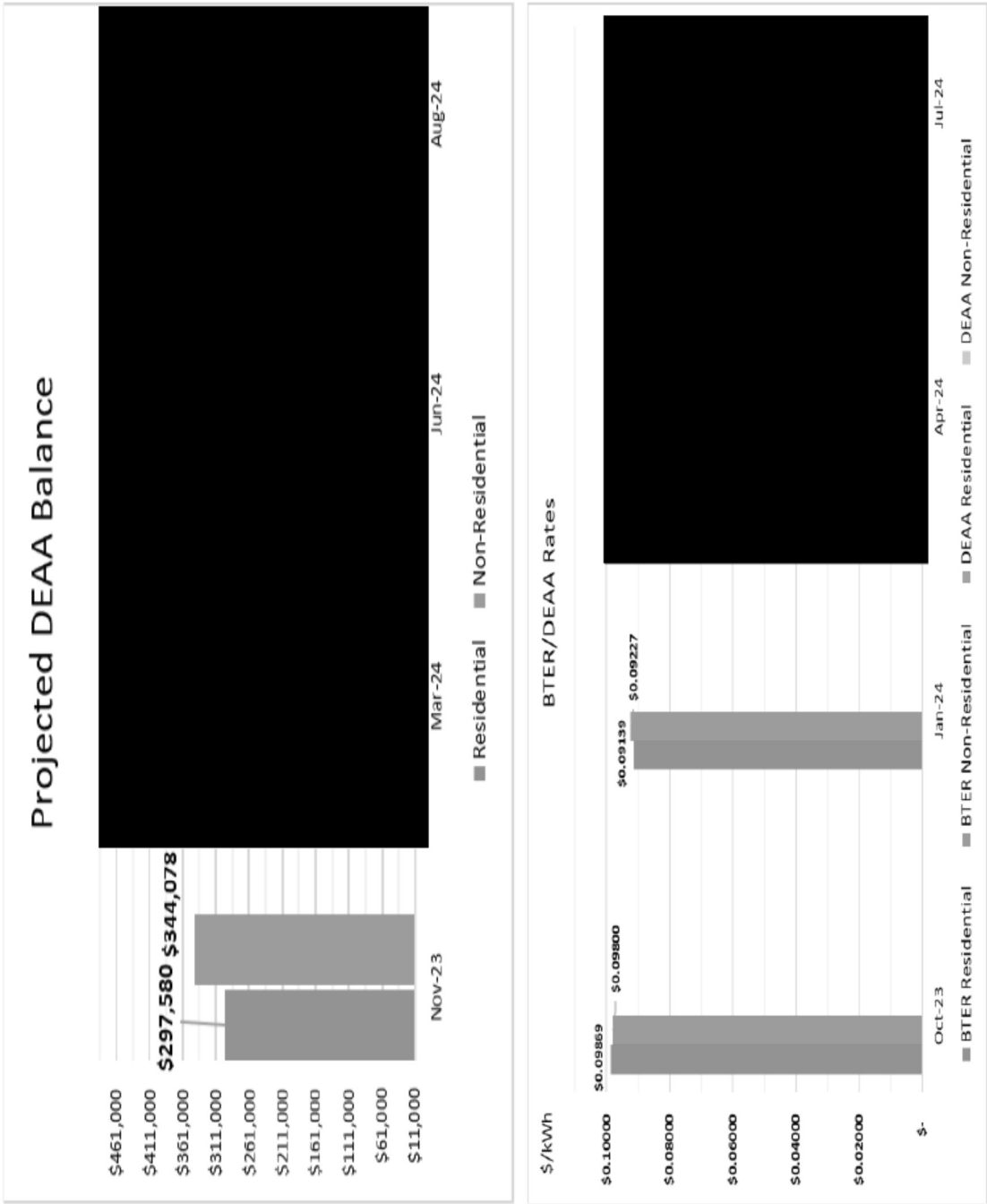
Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,864.9	201.3	●
NV Energy North	60	501.9	96.9	●
NV Energy LDC	20	145.5	49.3	●

●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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Base Tariff Energy Rates and DEAA Balances – NPC Electric

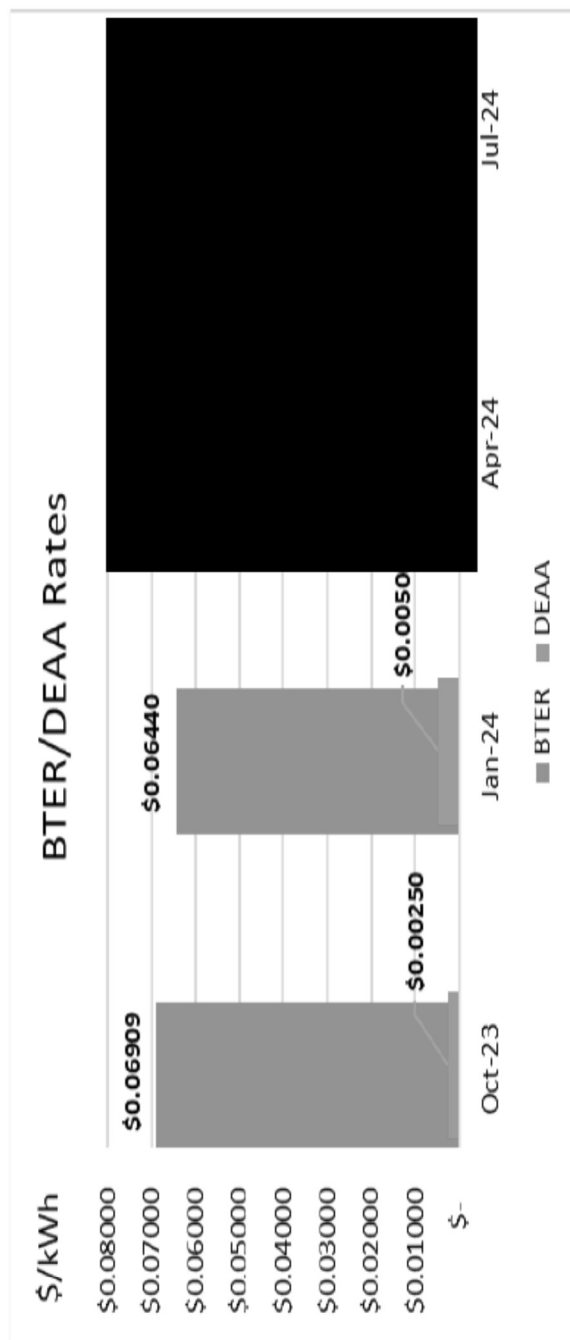
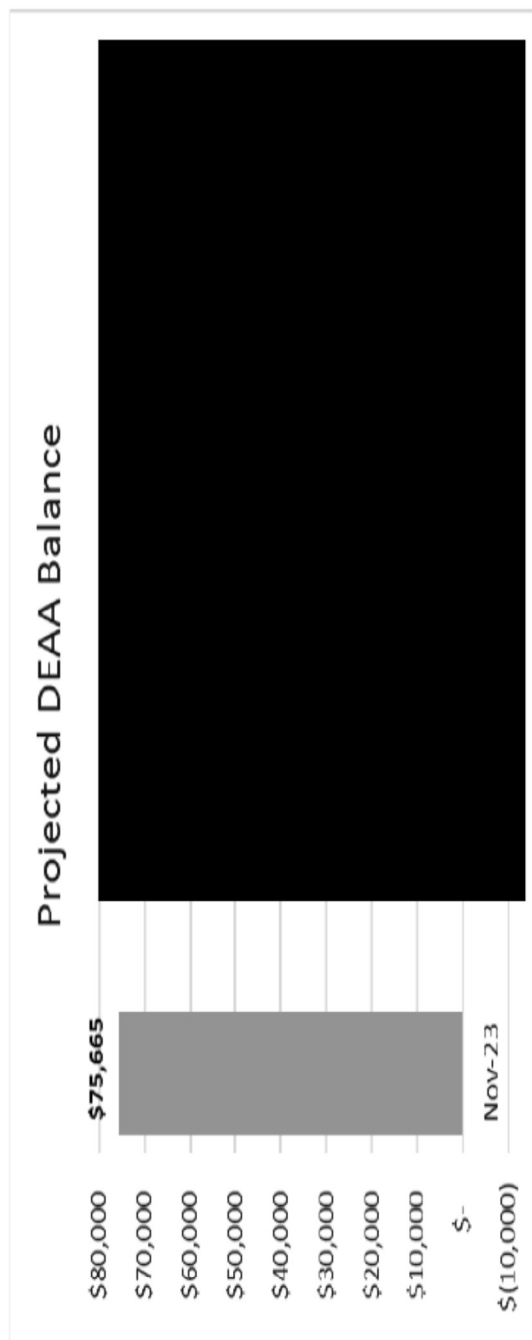
Privileged and Confidential

REDACTED PUBLIC VERSION



Negative = over collection
Positive = under collection



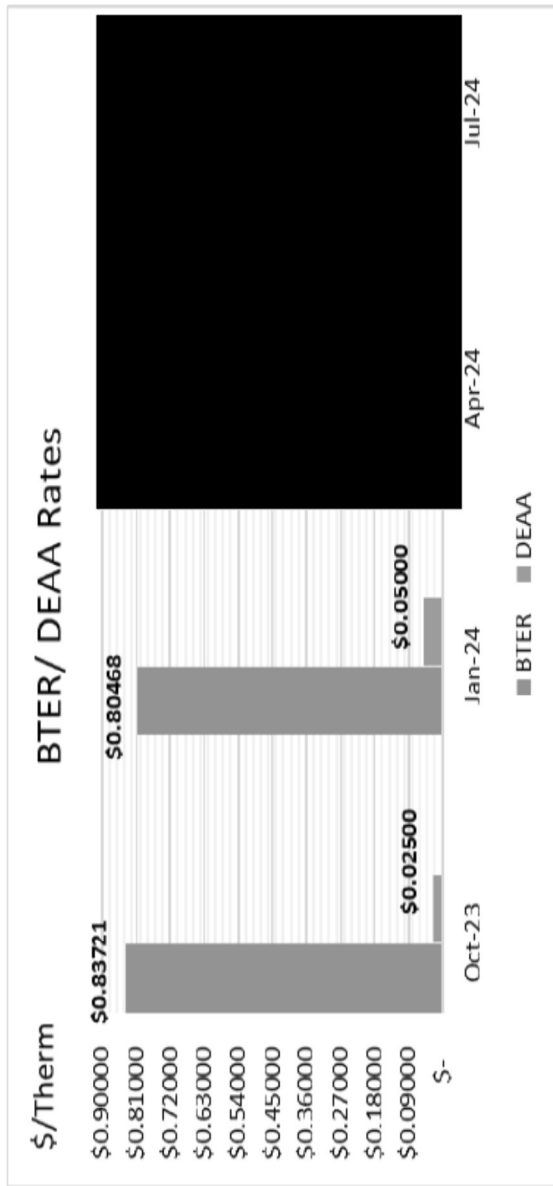
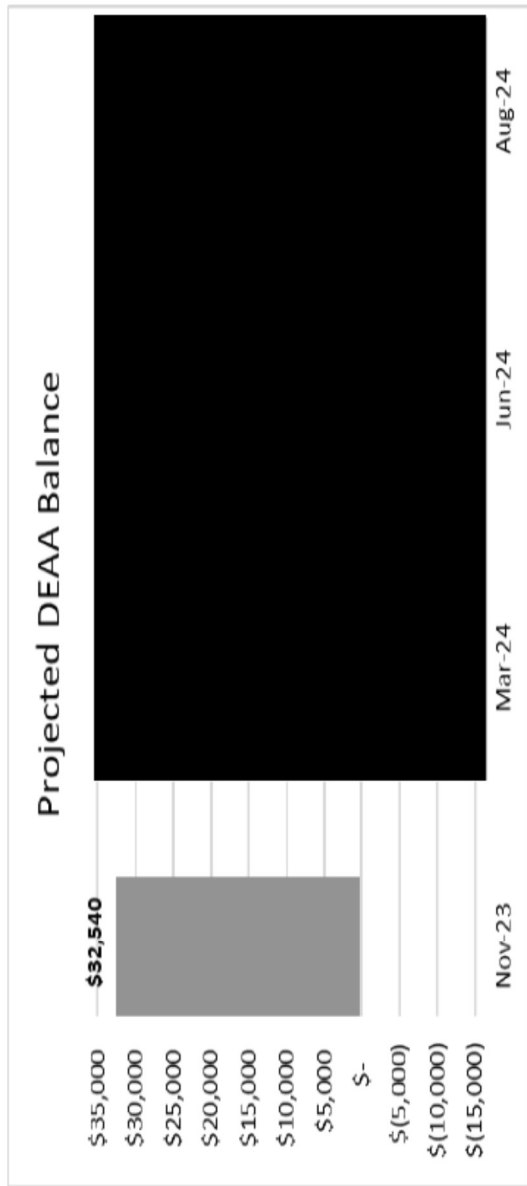


Negative = over collection
Positive = under collection

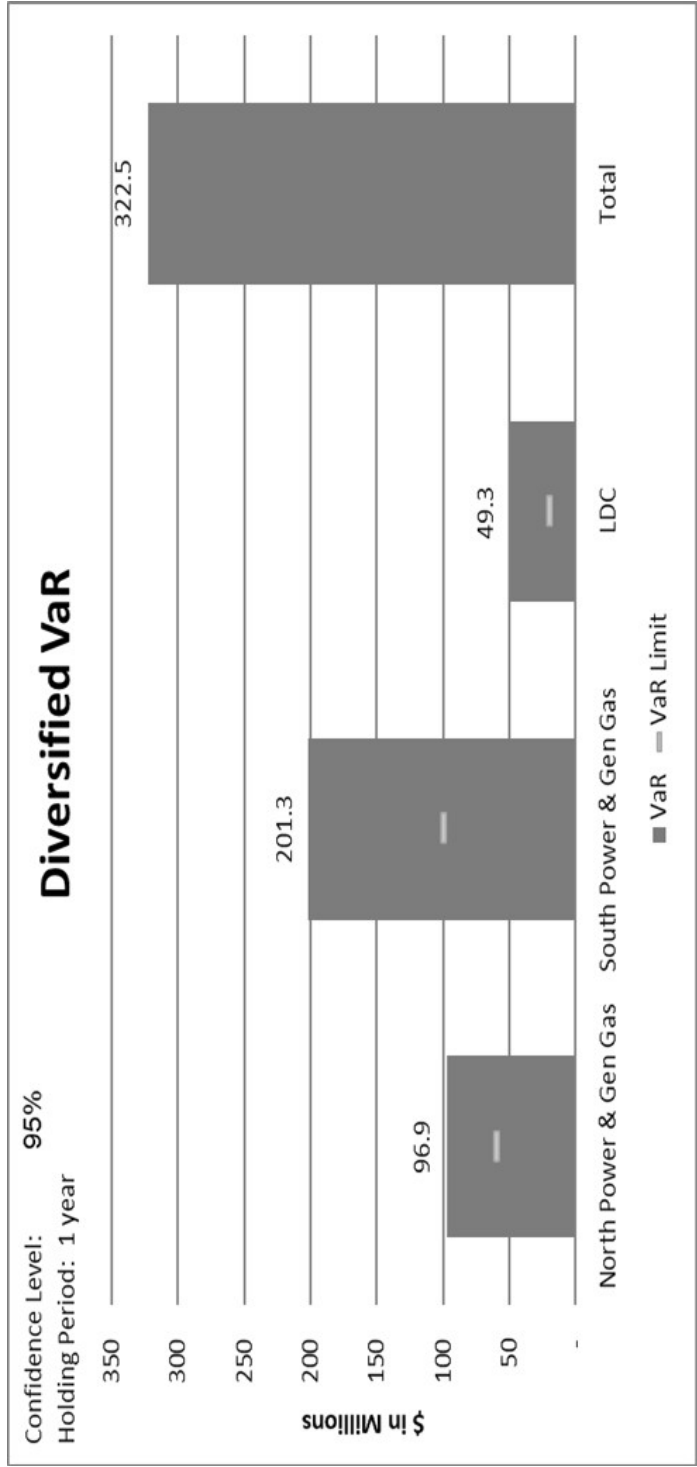
Base Tariff Energy Rates and DEAA Balances – SPPC LDC

Privileged and Confidential

REDACTED PUBLIC VERSION



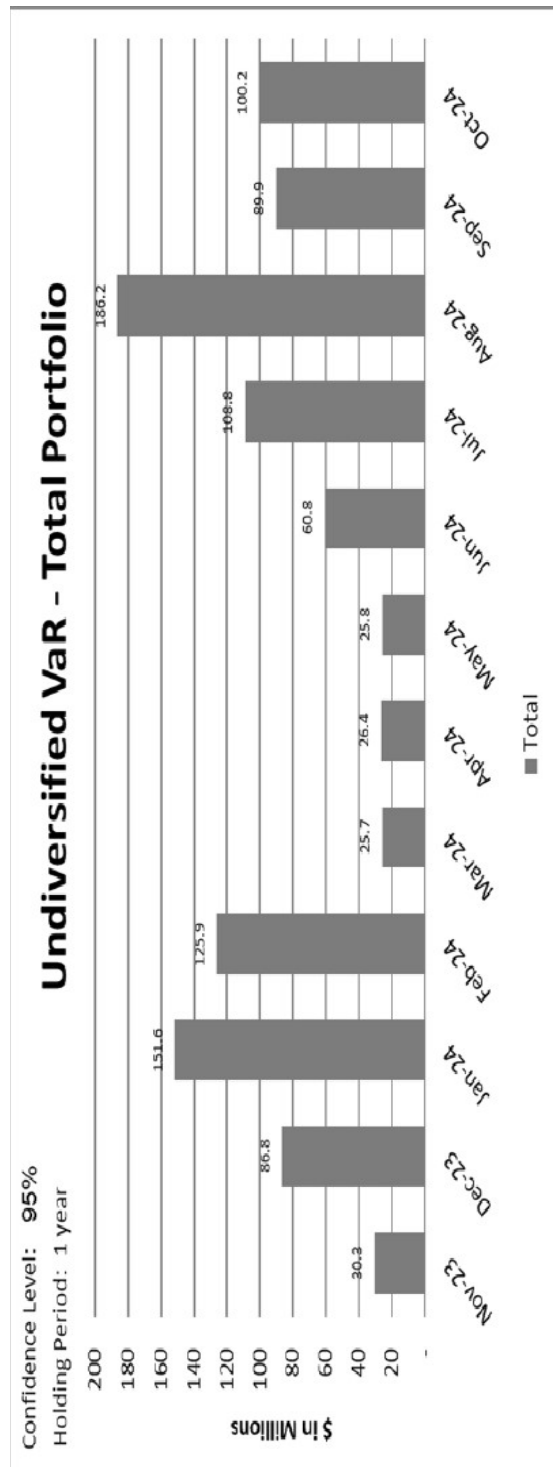
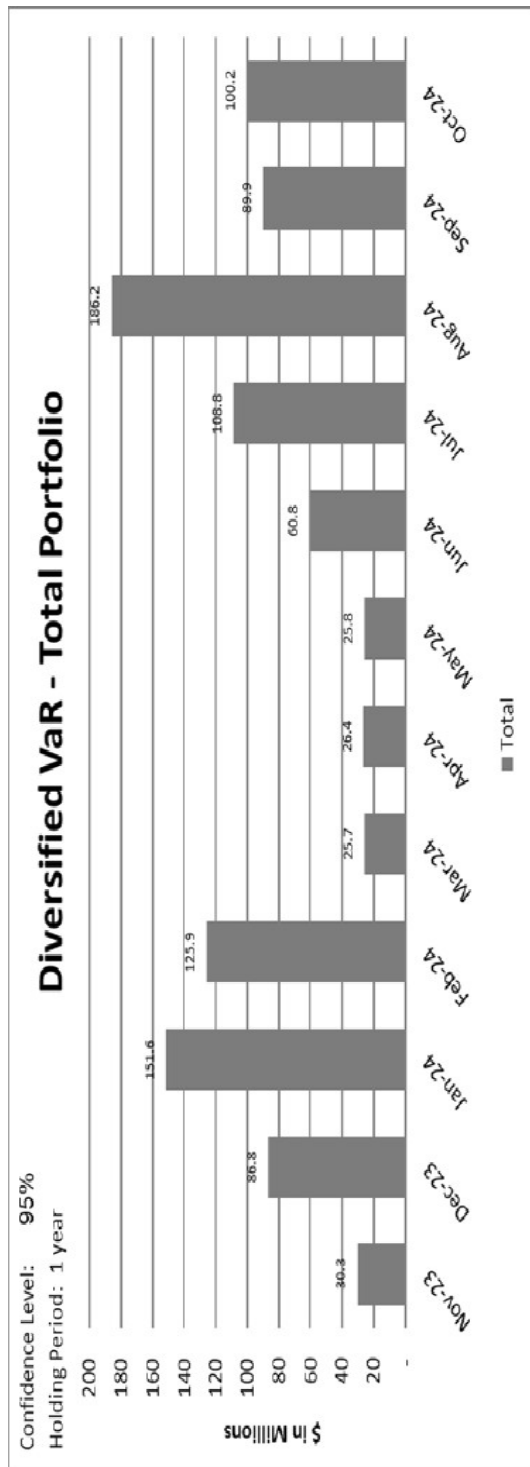
Portfolio Value-at-Risk Charts



Value-at-Risk
(also referred to as Cash-Flow-at-Risk when used in analyzing liquidity requirements)

The expected maximum increase in fuel and wholesale power costs over a target horizon within a given confidence interval and holding period. Value-at-Risk serves as a gauge of market exposure, summarizing the total market risk in a portfolio of assets.

Portfolio Value-at-Risk Charts



Credit Notification Thresholds

Portfolio Below Investment Grade Notification Threshold*

Company	Actuals	Notification Threshold	Status
NV Energy	0% of NV Energy's portfolio with MTM exposure is below sub-investment grade.	40%—interim notification threshold and an actual MTM exposure threshold of \$10M	●

Portfolio Weighted Average Credit Rating*

Company	Actuals	Notification Threshold	Status
NV Energy	The weighted average rating for the month of October "AAA"	BBB- or above—interim notification threshold <u>and</u> an actual MTM exposure threshold of \$10M	●

●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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* Excludes counterparties associated with long-term gas tolling agreements and qualifying facility agreements.

Credit Notification Thresholds

Counterparty Notification Threshold for Ongoing Transactions*

Company	Actuals	Notification Threshold		Status
NV Energy	No counterparties exceeded their assigned credit limits in October	AAA to AA-	\$20.0M	●
		A+ to A-	\$15.0M	
		BBB+ to BBB-	\$10.0M	
		BB+	\$6.0M	
		Less than BB+	\$0	

* Excludes counter-parties associated with long term gas tolling agreements and qualifying facility agreements.

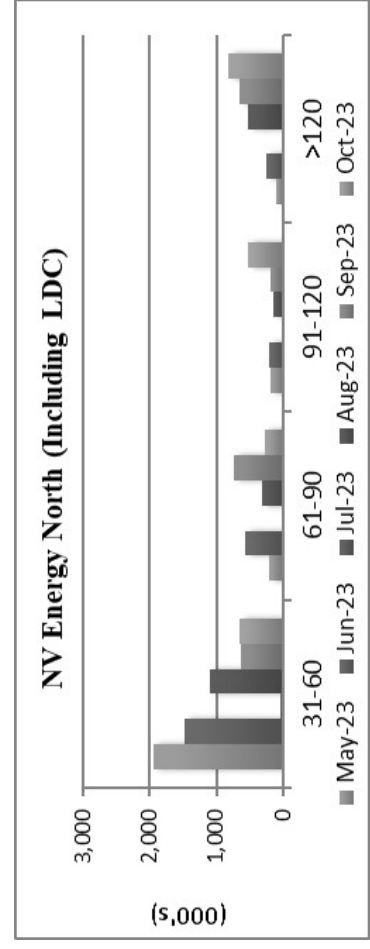
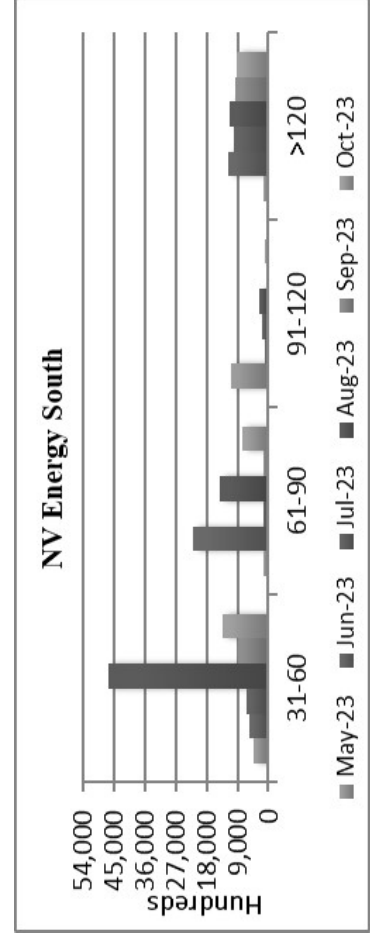
Counterparty Notification Threshold for Large Transactions

Company	Actuals	Notification Threshold		Status
NV Energy	No transactions >\$6.0M were executed during the month.	AAA to AA-	\$20.0M	●
		A+ to A-	\$15.0M	
		BBB+ to BBB-	\$10.0M	
		BB+	\$6.0M	
		Less than BB+	\$0	

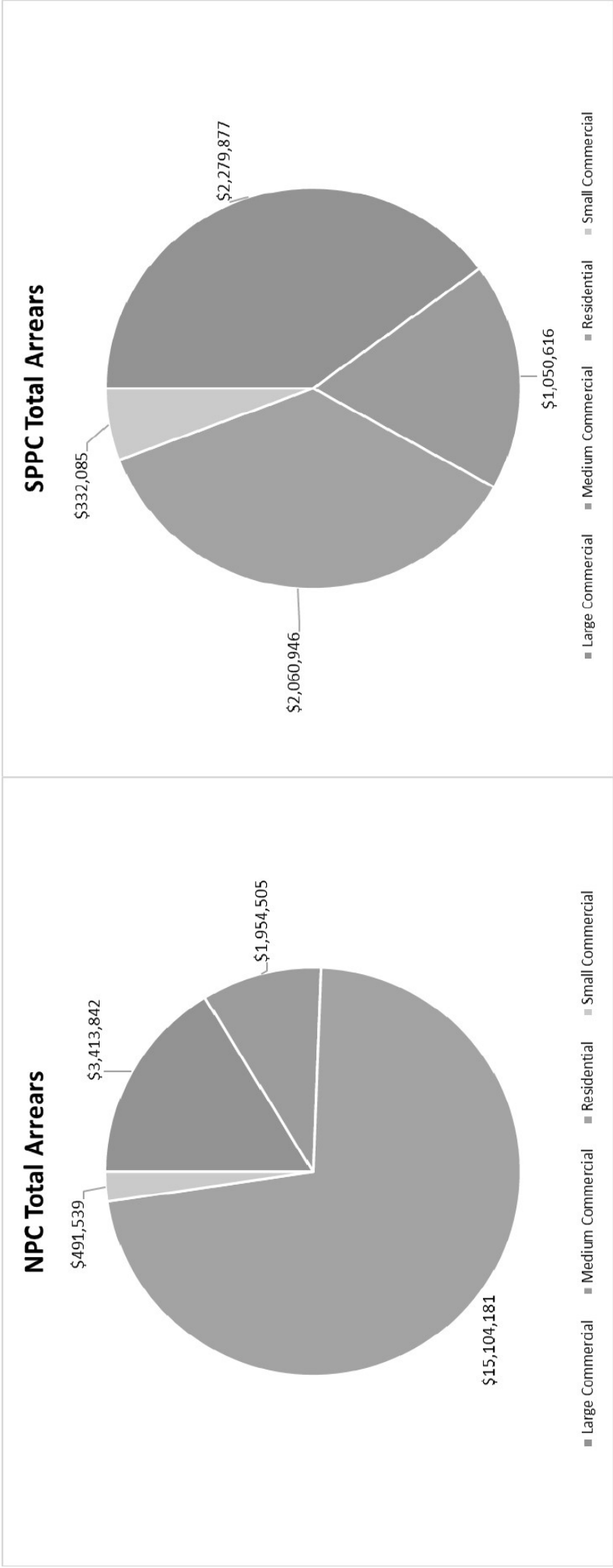
●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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Medium-Large Major Commercial Customers Arrears Balance

Company	Month	Arrears Balance (\$K)	Total Monthly Current Receivables for the Past 12 Months (\$K)	% in Arrears	Largest Arrears Balance of a Single Customer (\$K)
NV Energy South	23-May	1,805.77	288,659.6	0.626%	1078.8
	23-Jun	4,040.06	293,350.8	1.377%	1375.3
	23-Jul	1,943.26	303,173.3	0.641%	1163.6
	23-Aug	7,447.46	312,948.6	2.380%	3402.0
	23-Sep	2,019.45	327,432.9	0.617%	1128.9
NV Energy North/LDC	23-Oct	3,116.59	327,279.1	0.952%	1188.1
	23-May	2,452.78	73,763.2	3.325%	583.9
	23-Jun	2,509.25	82,652.8	3.036%	621.6
	23-Jul	43.23	82,761.2	0.052%	22.0
	23-Aug	2,071.70	79,681.0	2.600%	1334.4
	23-Sep	2,210.45	84,917.1	2.603%	1492.9
	23-Oct	2,257.41	84,218.8	2.680%	1661.1



Medium-Large Major Commercial and Residential Arrears Balance

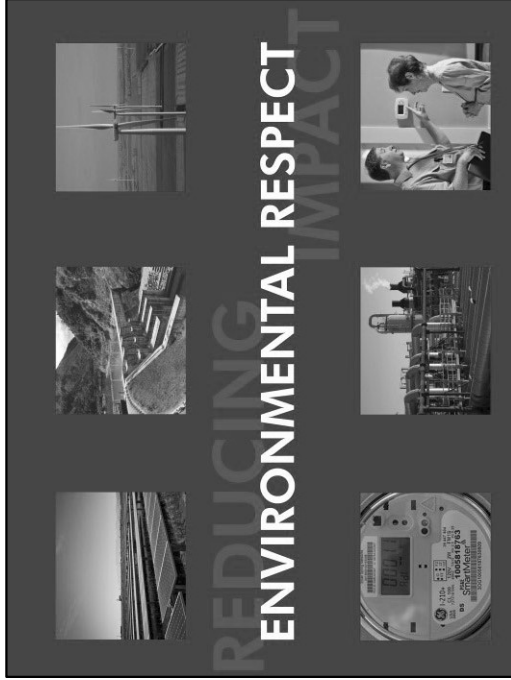
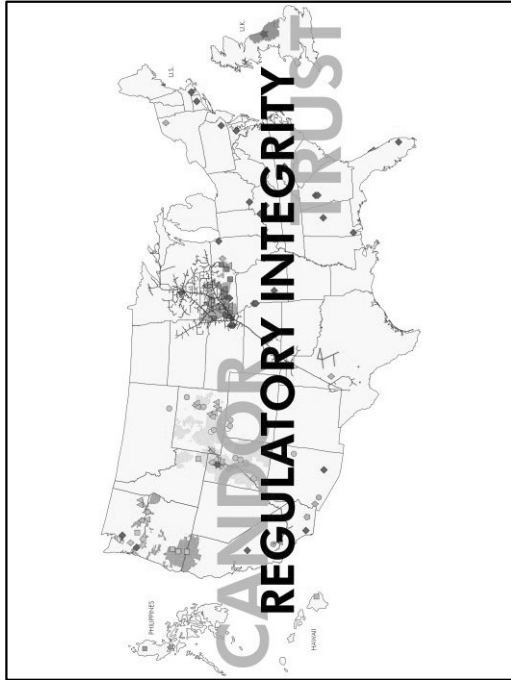
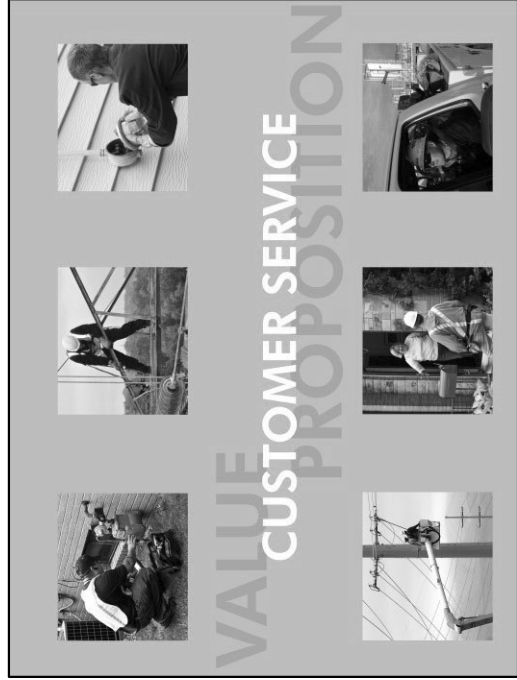


Data from Banner – Run date 10/31//23



Recommendations and Corrective Action

- No corrective action is necessary at this time



Risk Committee

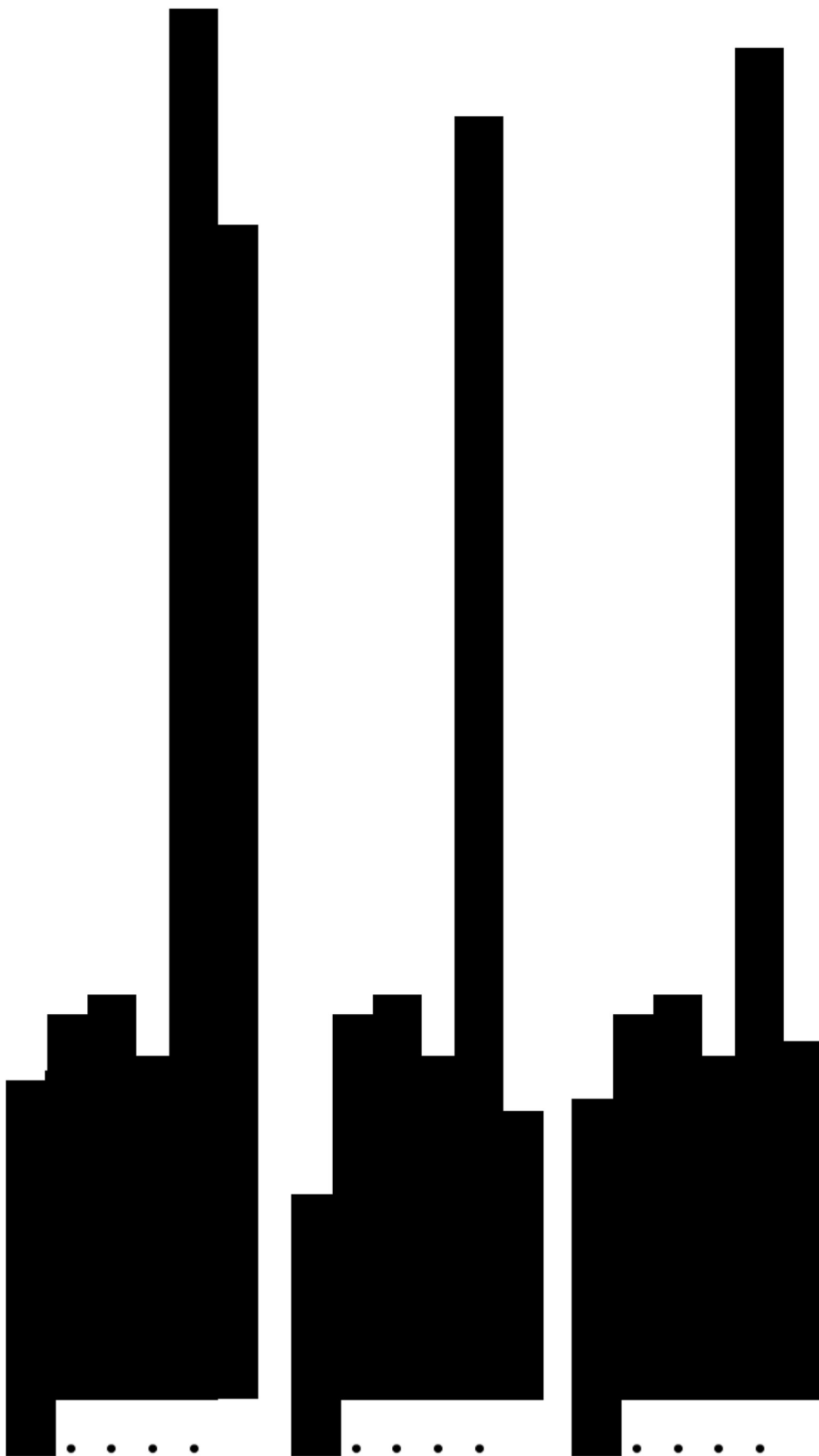
Arrears Balance

November 15, 2023

Privileged and Confidential

Source: Billing and Credit Operations

The following customers have a >60 day arrears balance as of Nov 9th :





Load Forecast Update 2024 IRP

Privileged and Confidential

Tim Pollard

Director-Load Forecasting, Research & Analytics

October 18, 2023



Recommendation



- Recommend approval of the updated load forecast for use in the 2024 Integrated Resource Plan including:

Year	MW Peak	GWh
2022	7,750	29,439
2023	8,485	30,642
2024	8,388	31,660
2025	8,690	32,923
2026	8,785	34,253
2027	8,916	35,488
2028	9,206	37,136
2029	9,439	38,568
2030	9,948	40,847
2031	10,278	43,137
2032	10,698	45,434
2033	10,778	46,222

2023-2033:

Change	3,028	16,783
Percent Change	39%	57%

CAGR 2023-2033	3.0%	4.2%
----------------	------	------

- 1,035 peak MW increase by 2026 and 3,028 MW increase by 2033

- 4,814 GWh increase in sales by 2026 and an increase of 16,783 GWh by 2033

- Note: Forecast excludes DR event information

Summary of Load Forecast Development



- Presentation compares to forecast approved by the Commission in the 2021 IRP 3rd Amendment
- This forecast is similar to that approved by Risk Committee in February 2023 that was being considered for inclusion in the 5th Amendment
- Decision made to use previously Commission approved 3rd Amendment forecast in 5th Amendment, and present updated load growth in the 2024 full triennial IRP filing

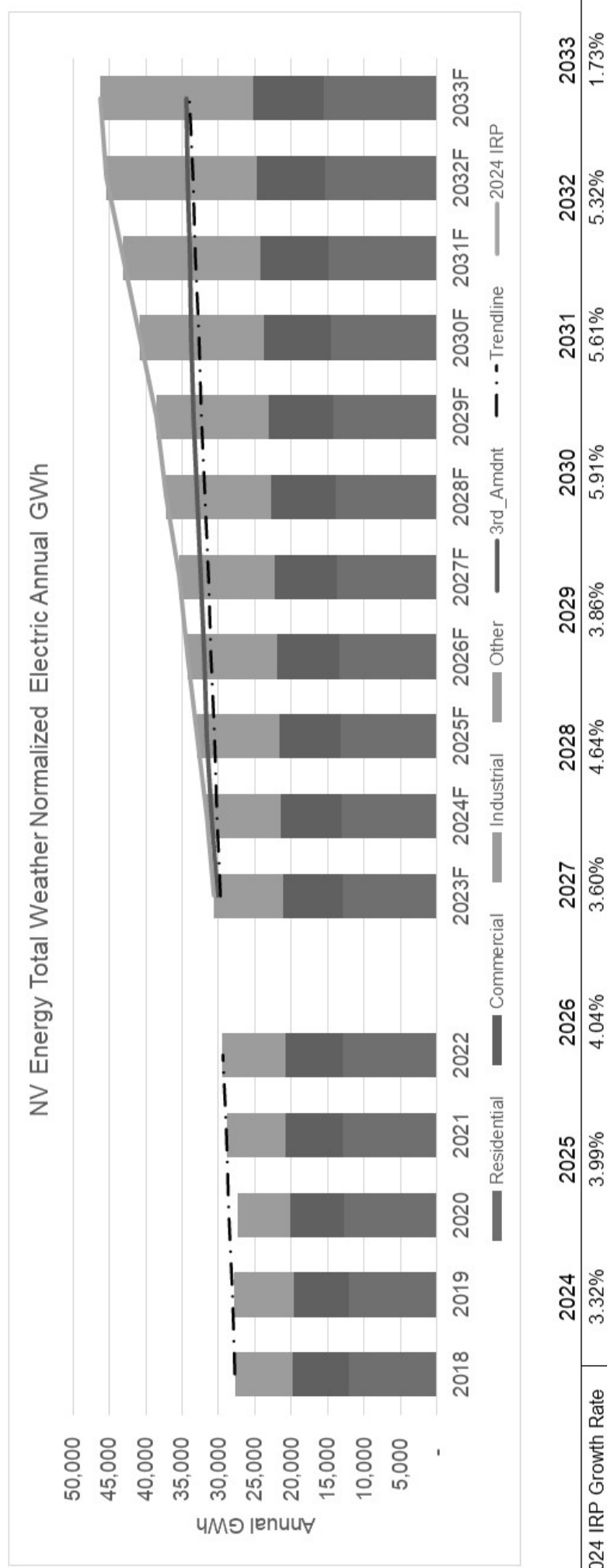
Summary of Load Forecast Development

- **Proposed Load Forecast update for 2024 IRP includes:**
 - Forecast incorporates modelling updates specified in the 3rd amendment stipulation in response to feedback from Staff and BCP
 - Primary drivers include:
 - Planned expansion and/or incremental major project additions to Industrial load
 - Updated NEM forecast
 - EV forecast inputs updated by consultant, E3, performing DER market potential study
 - Energy efficiency customer program impact modeled at 1.1% of sales (last approved portfolio target). Other flexible load or distributed energy resource customer programs will be modeled as a resource, rather than a load modifier
 - Refinement to recently approved trended normal weather approach (Monthly vs. Annual regression)
- **Significant increase of peak and energy requirements for system even at adjusted levels of estimated growth**
 - As a reference, the historical trendline of 2018-2022 system sales includes annual growth rate of approximately 1.7 percent
 - Recommended forecast is 2.5 times historical trend with compounded annual growth rate of 4.2 percent

NV Energy – Total Update



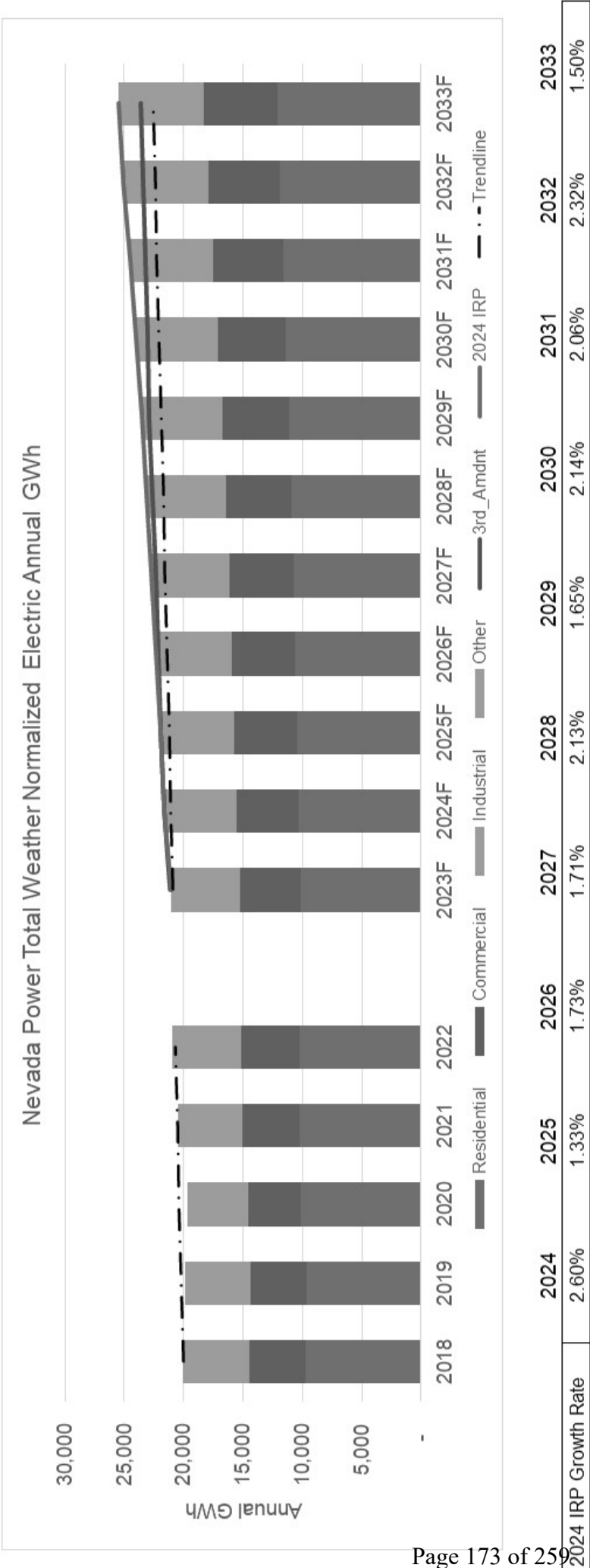
- 10-year CAGR at 4.2 percent driven by large projects
- Higher growth rate from 3rd Amendment driven by Industrial Major Projects



Nevada Power – Total Update



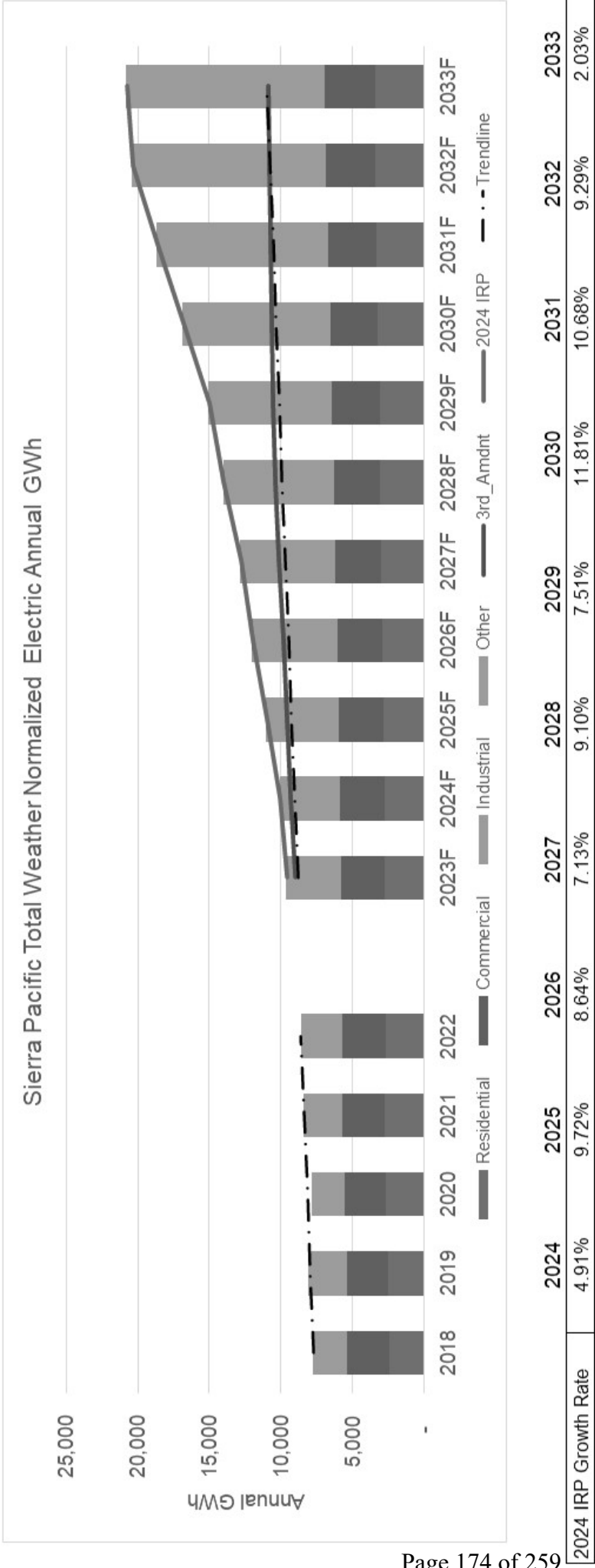
- 10-year CAGR 1.8 percent compared to 5-year historical value of 0.9 percent
- Industrial major projects driving higher growth





Sierra – Total Update

- 10-year CAGR at 8.4 percent continues to be driven by large customer projects
- Industrial major projects driving higher growth



Large Project Forecasts



- 45 major projects containing mostly high load factor Data Centers, Mines, Casinos, and Manufacturing customers
 - 17 major projects further along in process with signed Rule 9 agreements that provide defined facilities and investment
 - Majority (11) are expansions for current locations
 - Customer requests for 530 MW of incremental capacity at Sierra by 2032 adjusted to 300 MW
 - Customer requests for 100 MW at Nevada Power by 2032, adjusted to 40 MW
 - 28 Major projects in earlier study phase
 - Requested incremental capacity of 3,740 MW at Sierra
 - Requested incremental capacity of 910 MW at Nevada Power
- Of all projects, eight are current Distribution-Only Service customer projects, which are excluded from retail load forecast
- 170 MW incremental peak at Sierra and 240 MW at Nevada Power to be served by another provider

Type of Large Projects



- Bundled service Data Center projects are largest additions and account for 67 percent of adjusted MW
- Distribution-Only Service Data Center projects also significant at 11 percent of adjusted MW additions

Company	Type	Projects	Requested MW	Adjusted MW
SPPCo	Data Center	11	5,208	1,374
	Manufacturing	8	1,145	271
	Mine	5	111	37
	Total	24	6,464	1,682
NVPWR	Manufacturing	11	372	62
	Data Center	5	863	307
	Casino	3	64	16
	Water	2	14	4
	Total	21	1,313	389
NVE Total		45	7,777	2,071

Project adjustments



- Adjusted customer schedule provides peak load of customer by year
- Signed agreements reduced by 52 percent, and those in Study phase reduced by 85 percent

Signed Agreements

Company	2022		2032		Adj. Pct
	Total MW	Peak	Incremental Requested	Incremental Adjusted	
SPPCo	2,505	173	2,332	1,060	45.5%
NVPWR	145	48	97	97	100.0%
Total	2,650	221	2,429	1,157	47.6%
Reduction					52.4%

Study Phase

Company	2022		2032		Adj. Pct
	Total MW	Peak	Incremental Requested	Incremental Adjusted	
SPPCo	3,736	0	3,736	521	13.9%
NVPWR	912	0	912	165	18.1%
Total	4,648	0	4,648	686	14.7%
Reduction					85.3%

Adjusted Load Estimates



- Adjusted customer schedule provides peak load of customer by year
- To estimate energy sales, identified type of load for each project (Casino, Mine, Data Center) and applied representative hourly load shape to adjusted peak MW capacity
 - Results in hourly energy representative of project load for thirty-year forecast period
- On average for 2032, forecast reduces requested incremental bundled service additions by approximately 74 percent
 - 52 percent reduction for projects with signed agreements
 - 85 percent reduction for projects in study phase

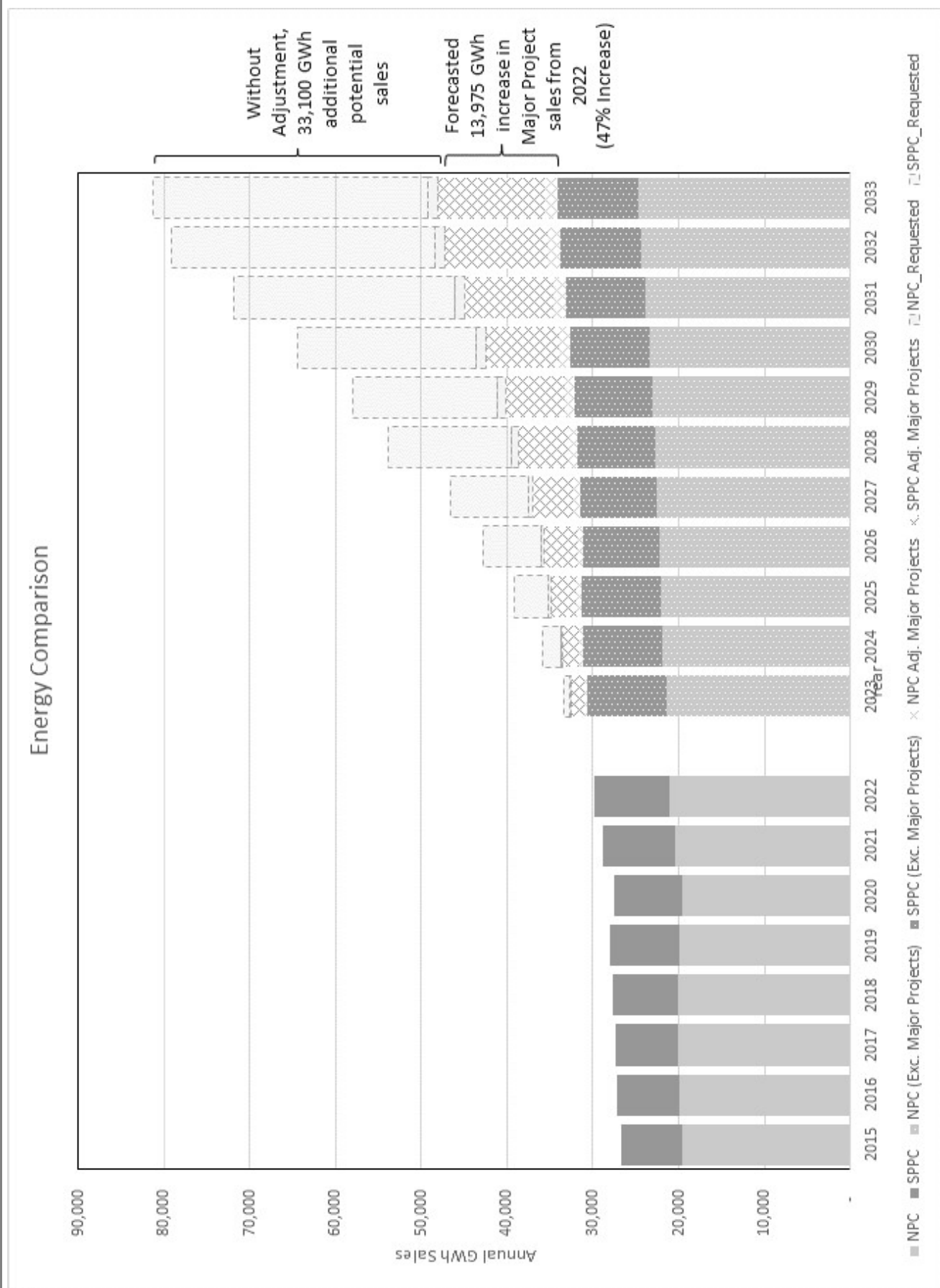
Project Adjustments



- Customer provided schedule not reasonable to include without modifications, due to typical delays and reductions
- Adjustments to requested Peak MW load necessary
- When available, we compared customer projects to ramp-up of past projects for same customer
- Aspects of individual project schedules considered:
 - Is the project for an existing customer/location (expansion)
 - Does the project have a signed Rule 9 agreement
 - What is estimated business/credit risk
 - What amount of load may be delayed in a typical year of schedule
 - Should the end level of peak MW be lowered
- Result is weighted percent for individual project adjustments applied to customer provided requested MW schedule

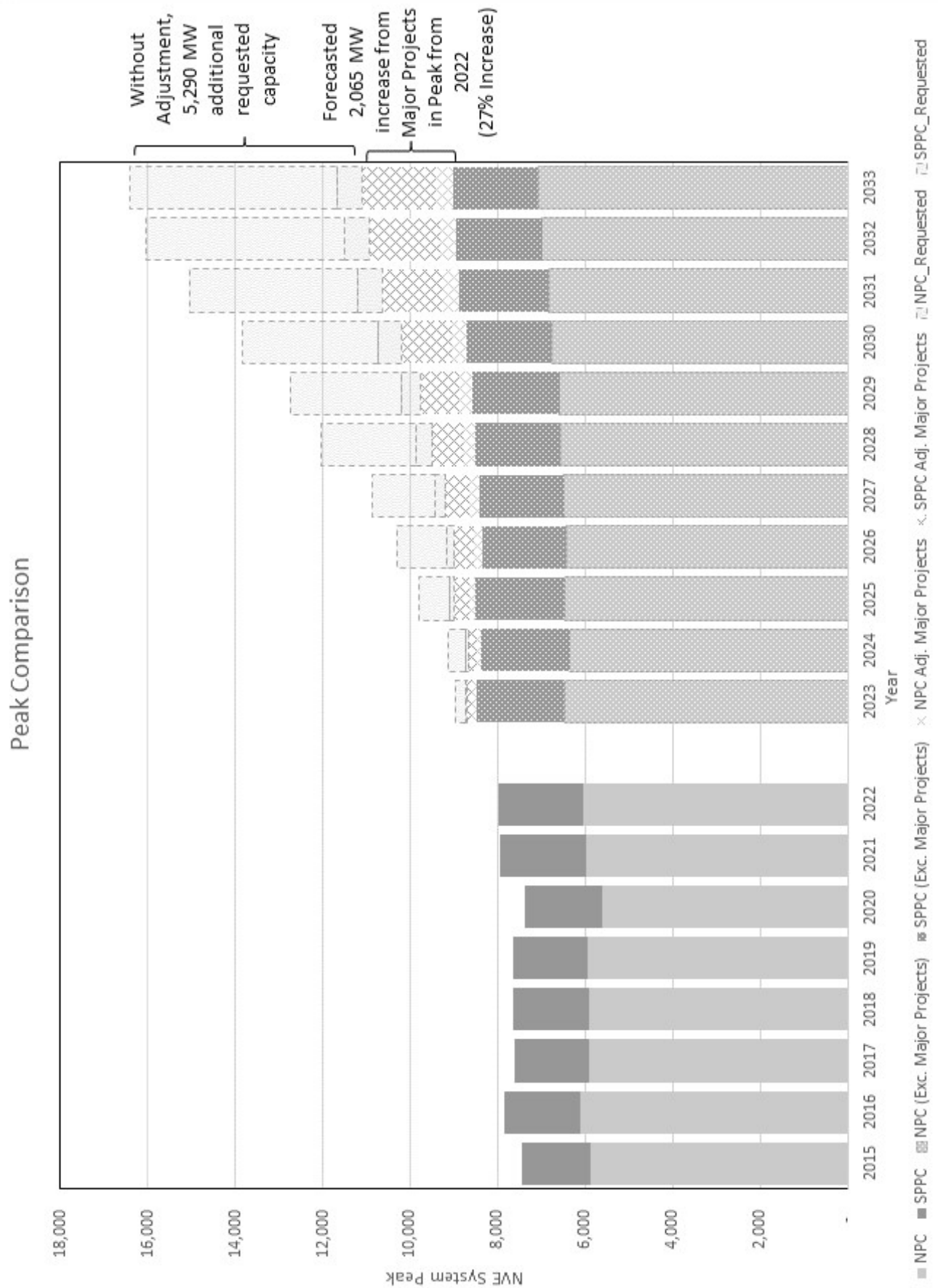


Sensitivity of Adjustments - Energy





Sensitivity of Adjustments - Peak



Forecast Drivers - NEM



- Customers continue to migrate towards NEM schedules through installation of rooftop solar
- Assumption was made that growth levels off from trend once 15% saturation

- After 15% saturation in Sep 2027 for NPC, a 5% annual reduction to the regression coefficient is applied against the percent increase based on population growth

Same assumption was used at Sierra, but never reaches saturation point

Nevada Power

Year	Customer Count EOY	Capacity EOY (MW)	Avg Monthly Generation Total (MWh)
2023	98,935	733	91,652
2025	122,682	909	115,592
2030	179,801	1,333	172,583
2035	227,820	1,689	220,868
2040	267,416	1,982	260,715
2045	299,882	2,223	293,400
2050	326,386	2,420	320,093
2054	343,994	2,550	408,976

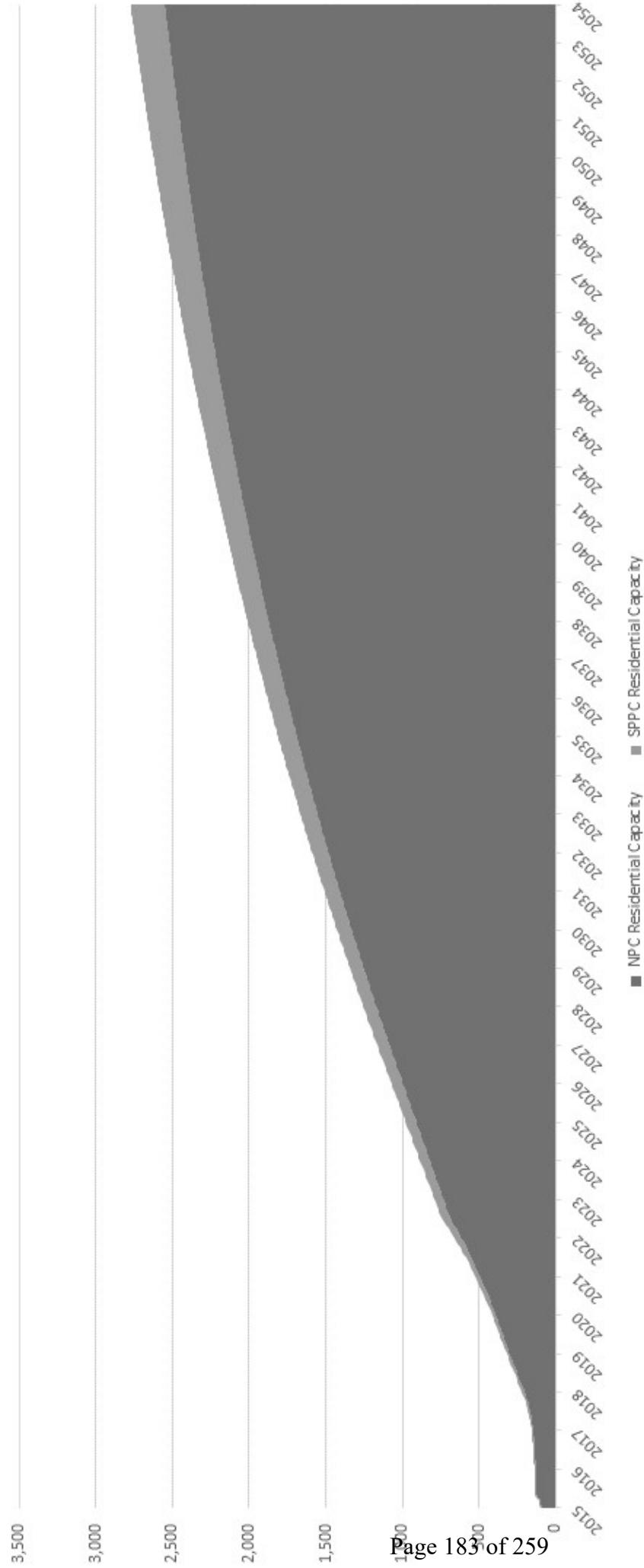
Sierra

Year	Customer Count EOY	Capacity EOY (MW)	Avg Monthly Generation Total (MWh)
2023	9,677	57	6,691
2025	11,536	67	8,246
2030	16,185	95	11,698
2035	20,834	122	15,152
2040	25,483	149	18,651
2045	30,132	176	22,088
2050	34,781	203	25,525
2054	38,500	225	28,339

Forecast Drivers - NEM



- By 2054, forecasted installed capacity is 2,550 MW at Nevada Power and 225 MW at Sierra
- Average monthly generation is approx. 410,000 MWh at Nevada Power and 28,000 MWh at Sierra



Forecast Drivers - EV



- Updated EV forecast provided by E3
- Assumes larger adoption levels over previous forecast
- Reflects split between at-home and workplace (68/32)
- By 2033, EVs account for 25% of total vehicles in Nevada
- By 2054, EVs are 60% of all vehicles in Nevada

Year	NPC EV Forecast			SPPC EV Forecast		
	Vehicles	Residential GWH Sales	Commercial GWH Sales	Vehicles	Residential GWH Sales	Commercial GWH Sales
2023	42,060	130	60	19,798	61	28
2024	67,847	208	96	32,559	100	46
2025	99,446	302	138	48,281	146	67
2026	137,242	412	189	67,033	201	92
2027	181,010	538	247	88,376	263	121
2028	231,926	684	314	113,097	334	153
2029	288,580	841	386	140,476	409	188
2030	349,598	1,009	463	169,803	490	225
2031	408,102	1,172	538	197,834	568	261
2032	470,681	1,350	619	227,654	653	299
2033	508,702	1,447	664	245,690	699	321

Risks to Load Forecast



- Incremental peak and energy considerations highly dependent on several risk factors
 - Customer project is terminated or delayed
 - Level of projected loads does not materialize
 - Customer chooses Distribution-Only Service
 - All but 8 projects with signed agreements are above 10 MW SB547 limit
 - Lack of import capacity likely limiting option in near term at Sierra
- NEM Forecast growth accelerates or slows
- EV adoption and growth accelerates or slows
- Building electrification accelerates in the near-term

Summary



- Forecast takes cautious approach to major project additions
- Current upcoming major projects provide significant system growth in both peak and energy requirements
 - 2,065 MW growth by 2033
 - 13,975 GWh sales by 2033
- Forecast provides updates to key policy driven technologies, like net metering and electric vehicles in Integrated Resource Plan filing
- Recommend approval of the updated load forecast for use in the 2024 Integrated Resource Plan



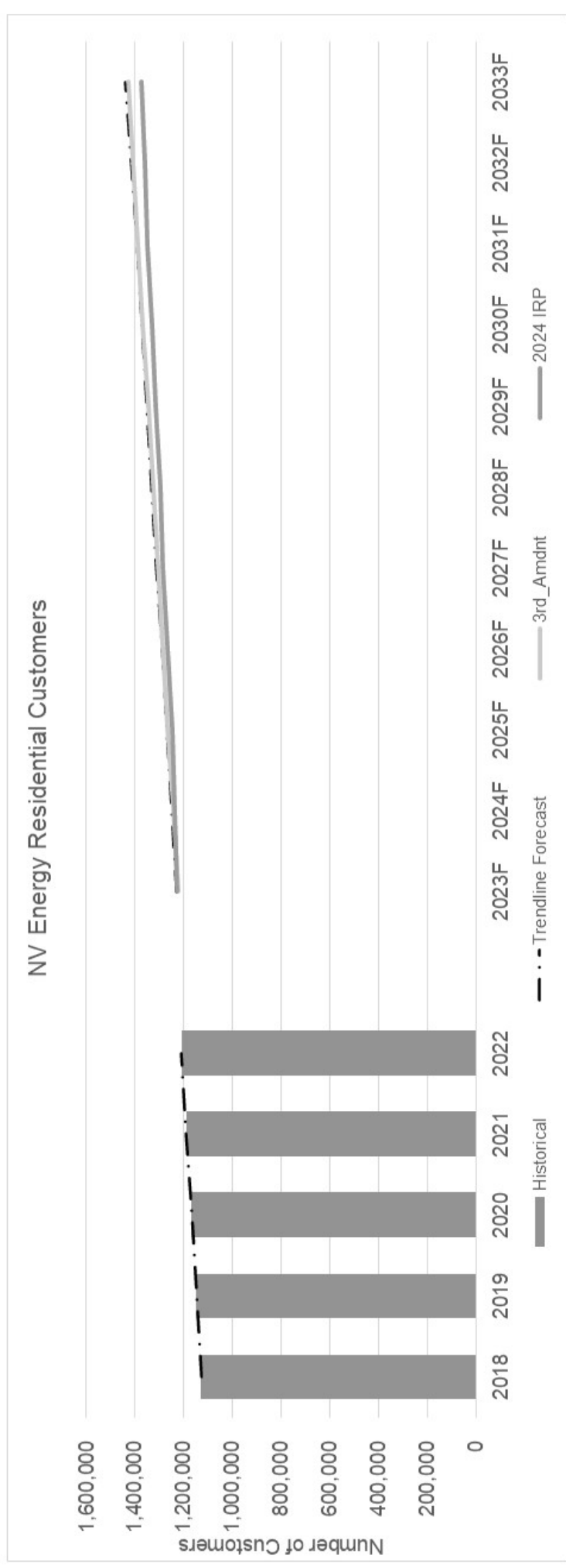
Appendix

Customer Group information

NV Energy – Residential Customers



- Customer growth at 1.2 percent compared to 1.5 percent presented in 3rd Amendment



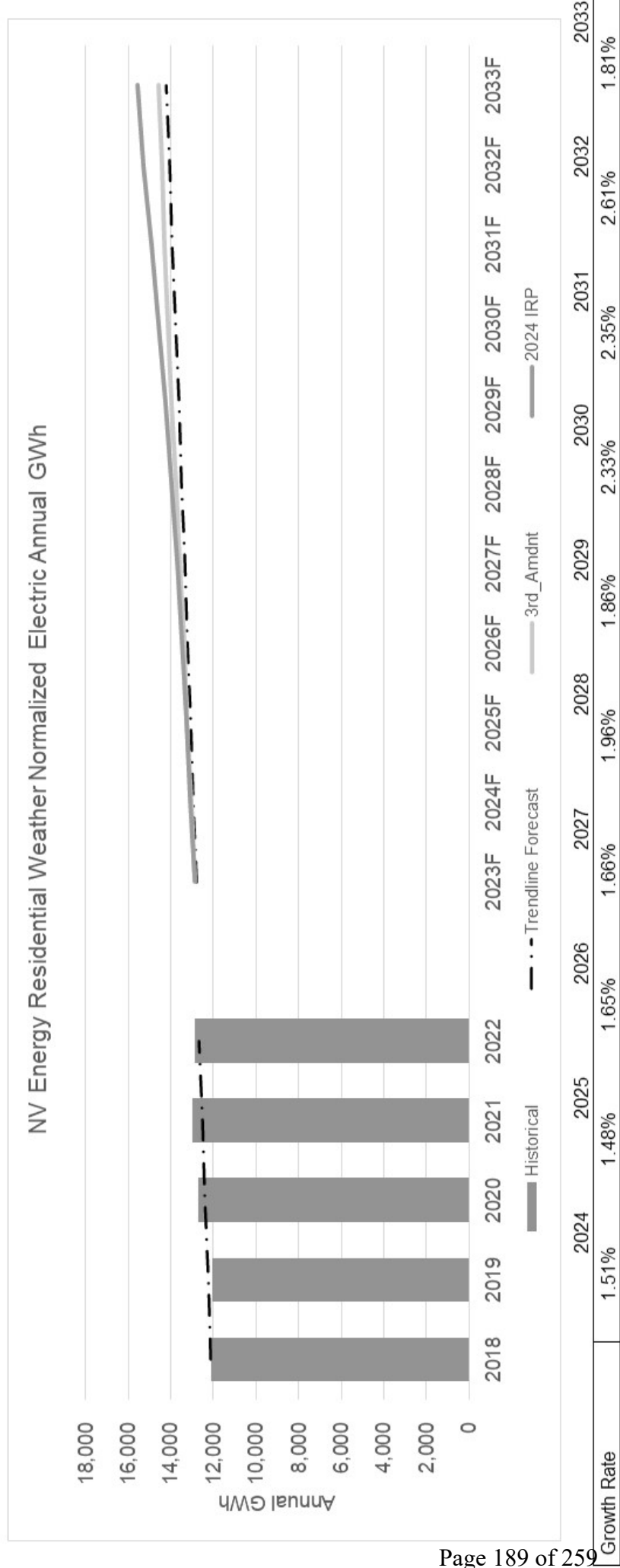
Growth Rate	2018	2019	2020	2021	2022	2023F	2024F	2025F	2026F	2027F	2028F	2029F	2030F	2031F	2032F	2033F
		0.84%		1.02%	1.43%	1.45%	0.92%	0.97%	1.56%	1.33%	0.99%	1.08%				

Historical trend (2018-2022): 1.41% 3rd Amdint: 1.53% 2024 IRP: 1.18%

NV Energy – Total Residential



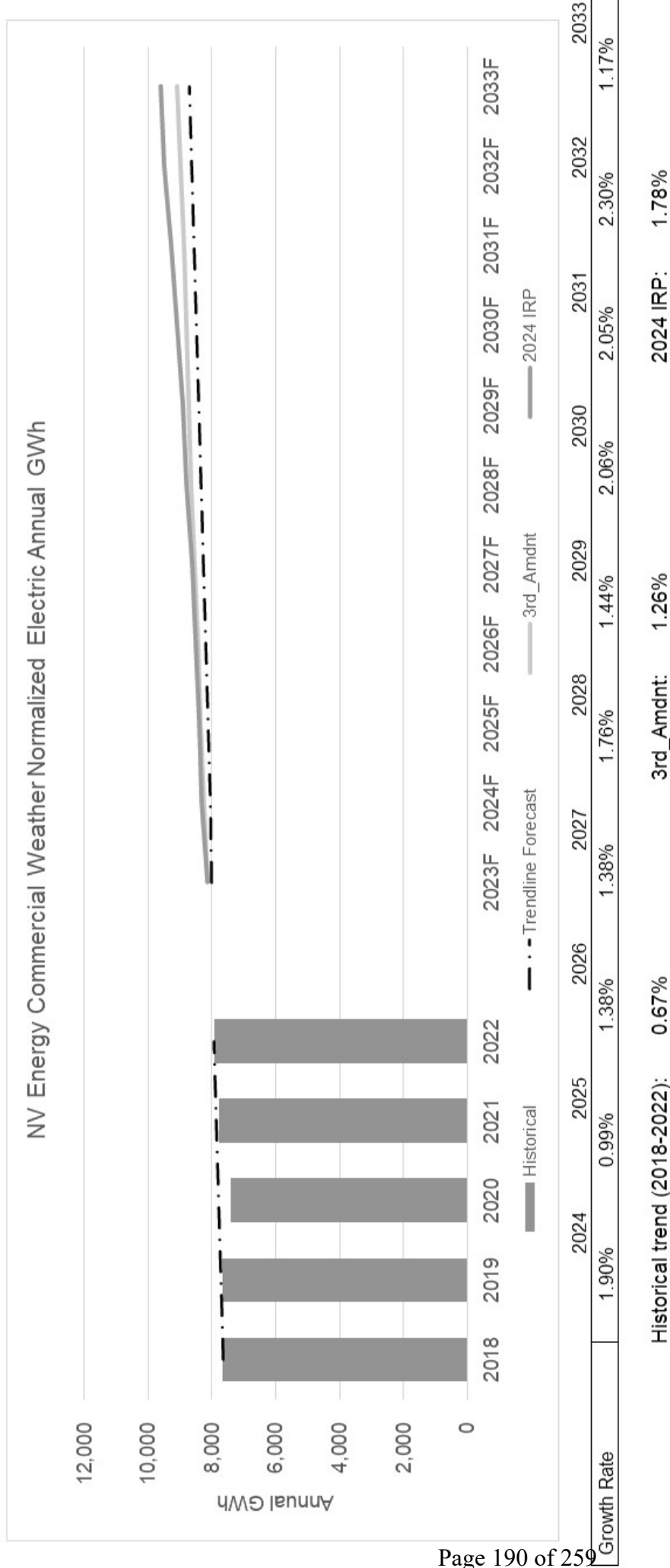
- Decreases in residential sales from NEM partially offset by EV adoption in early years, but EV increases overcomes in later periods as NEM growth rate slows





NV Energy – Total Commercial

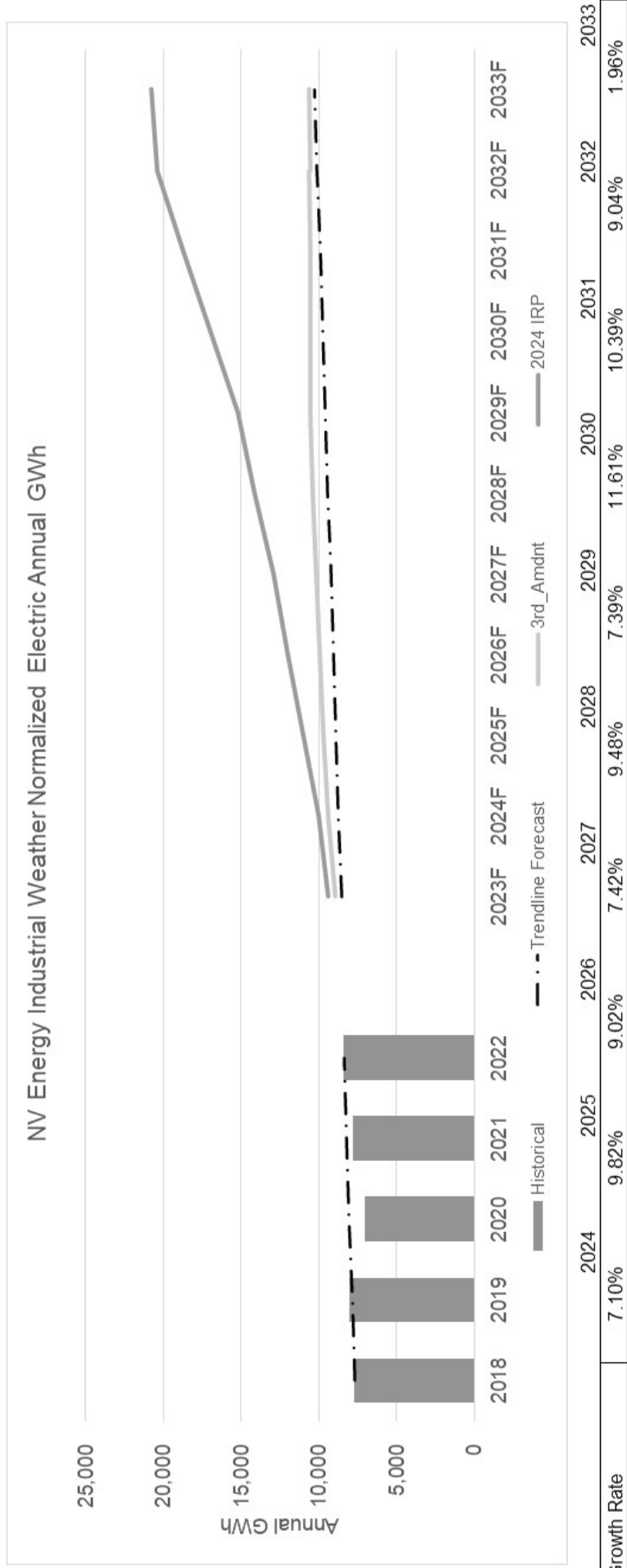
- Higher growth in commercial sales due to EV adoption relative to February forecast



NV Energy – Total Industrial



- Systemwide growth driven by large projects
- Industrial growth driven by data center projects



DECEMBER

Risk Committee
Wednesday, December 20, 2023
8:00 a.m. - 9:30 a.m.

Locations
Las Vegas: Red Rock
Conference Room
Reno: Virginia

[Click here to join the meeting](#)

Microsoft Team Meeting (702-870-3481/Access code: 3632412#)

DEAA Compliance Portion						
	Min	Start	End	Subject	Action	Presenter
1	0:10	8:00	8:10	Introduction and approval of Risk Committee Meeting Minutes for November 15, 2023	Approval	Adrian Cacuci
2	0:20	8:10	8:30	Energy Supply Plan Update	Approval	Dave Maher
3	0:25	8:30	8:55	Deferred Balance Projections	Informational	Cary Shelton-Patchell
4	0:15	8:55	9:10	Risk Report	Informational	Richard Kirkendoll

**Risk Committee Meeting
Wednesday, December 20, 2023
8:00 a.m. – 9:30 a.m.**

Voting Members in Attendance:

Brandon Barkhuff, Senior Vice President, General Counsel, Corporate Secretary & Chief Compliance Officer
Michael Behrens, Vice President, Chief Financial Officer
Matthew Johns, Vice President, Environmental Services & Land Management
Marie Steele, Vice President, Integrated Energy Services
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Zeina Randall, Vice President, Gas Delivery
Ryan Atkins, Vice President, Resource Optimization
Jesse Murray, Vice President, Electric Delivery
Jason Hammons, Vice President, Generations
Janet Wells, Vice President, Regulatory
Adrian Cacuci, Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Jimmy Daghlion

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Tim Pollard, Rob Kocour
Cary Shelton-Patchel, Ryan Tardy, Dave Maher, Jenny Venter,
Michael McClellan

Presenters: Dave Maher (Item 2), Richard Kirkendoll (Item 4)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee November 15, 2023, meeting minutes

Attachments: November 15, 2023, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from the November 15, 2023

Discussion: The Committee reviewed and discussed the meeting minutes for November 15, 2023

Voting Results: Motion: Antoine Tilmon
Second: Brandon Barkhuff
Motion Approved Unanimously

Item 2 Energy Supply Plan Update and Natural Hedging Strategy

Attachments: Monthly Energy Supply Plan Update – Presentation

- Overview: Review of the energy supply forecasts and procurements, as well as capacity positions, coal procurement and load forecasts. Recommending no changes to the approved physical gas volumes for both NV Energy North and South and recommending a change to the 2024 and 2025 open capacity positions, and recommending maintaining the Company's no hedge strategy.
- Discussion: The Committee discussed the physical gas volumes as presented and were informed that the current open position for 2024 (summer) is at 642 MW's and the current open position for 2025 (summer) is at 1,669 MW's. We continue to maintain the current coal strategy and currently have 160,000 tons of coal on hand, which would allow both Valmy units to run at a minimum load per month. It should be noted that in December we contracted for MW's that reduced our open positions for summer 2024. The load forecast for both the Nevada Power and Sierra (electric) remain the same as well as Sierra gas load forecast. The coal inventory is currently at 46 days, we had more deliveries than burns in November, which increased the inventory. A question was posed as to whether we would try to build up on our coal inventory, and the response was that the current strategy is to continue to build while we are able to supplies delivered. We want to make sure that we have enough coal on hand to mitigate against any unforeseen issues that may come about in the future and there is not a limit that we would settle on as it relates to our stockpile.
- Gas prices remain lower than originally forecasted especially in the west, but throughout the country and the expectation is that the trend will continue through 2024. It should be noted that the lower gas prices are due to recent increases in natural gas production.
- Committee Action: The Committee approved the recommended approval of no changes to the approved physical gas changes for NV Energy North and South
- Voting Results: Motion: Jesse Murray
Second: Brandon Barkhuff
Motion Approved Unanimously
- Committee Action: The Committee approved the recommendation of changes to the 2024-2025 open capacity position.
- Voting Results: Motion: Mike Behrens
Second: Janet Wells
Motion Approved Unanimously
- Committee Action: The Committee approved the recommendation to maintain the current no hedge strategy.
- Voting Results: Motion: Jesse Murray
Second: Brandon Barkhuff

Item 3 Deferred Energy Forecast

Attachments: No Attachments

Overview: Deferred Energy Forecast and Availability

Discussion: The Committee was informed that due to the timing of the Risk Committee meetings, and especially this year, the deferred energy forecast was sometimes not available for the meetings. However, this did not impact Resource Optimization as they were able to schedule special out of cycle meetings or email votes if approval actions were required for gas or power procurements contracts, which would use those forecast.

Committee Action: Informational Item

Item 4 Risk Control Report

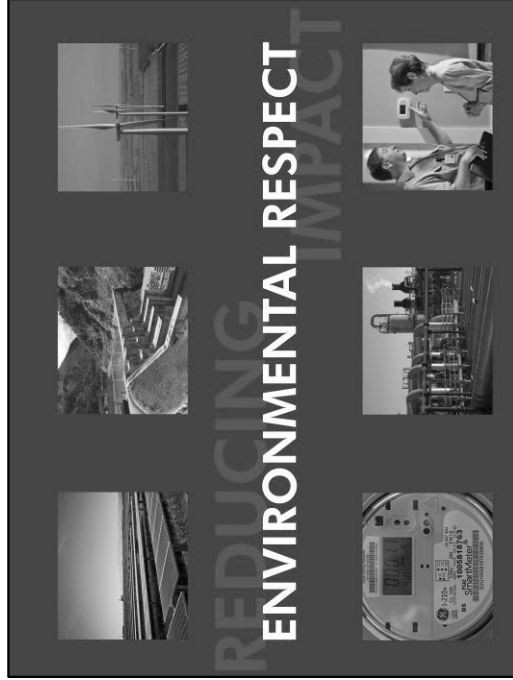
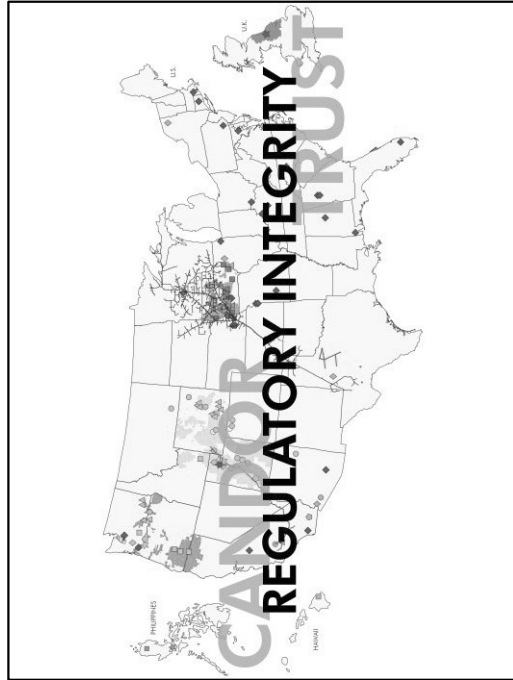
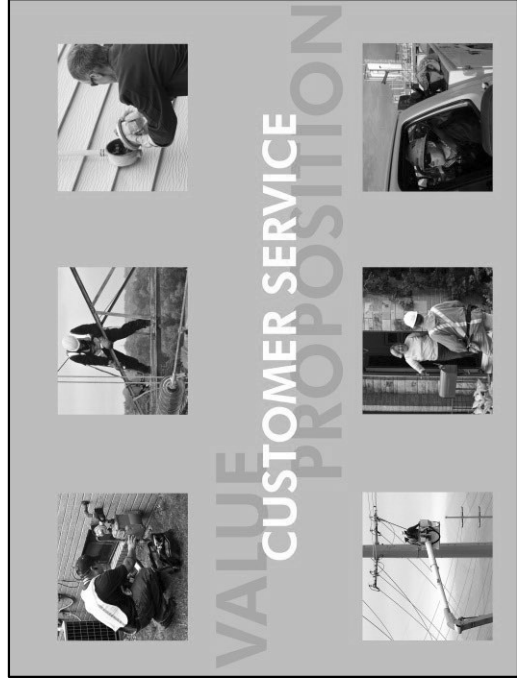
Attachments: Risk Control – Presentation

Overview: Review of credit and market risk thresholds through November 2023.

Discussion: The Committee was informed that NPC South and the LDC was above its notification limit threshold for the Value-at-Risk (VaR). The cumulative mark-to-base change were within the notification thresholds for all three entities. The weighted average credit rating of the Company portfolio is AAA.

The BTER rates are projected to decrease for all three entities from the 1st qtr 2024 to the 2nd qtr 2024, as well as the DEAA balances projected to decrease from the 4th qtr 2023 to the 1st qtr 2024.

Committee Action: Informational Item



Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

December 20, 2023

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Recommendations

1. Recommend no changes to the approved physical gas volumes for both NV Energy North and South (as shown on slides 10 and 11, highlighted in yellow) as the targets for the procurement of gas for the four-season ahead laddering strategy:

- Volumes were last approved by the Risk Committee in August 2023
- Material variances between procured and projected volumes during the current season will be resolved either through the daily market or during bid week
- The next natural gas request for proposal is first quarter of 2024, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend change (reduction) to the 2024 and 2025 open capacity positions as shown on slide 6

- a) Slide 6 reflects all firm market power purchases transacted as of December 6, 2023

2024	June	July	August	September
RFP	725 MW	635 MW	635 MW	400 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	893 MW	803 MW	803 MW	568 MW

2025	June	July	August	September
RFP	350 MW	250 MW	250 MW	250 MW

- b) Slide 6 reflects 2024 IRP load forecast approved by the Risk Committee on November 8, 2023.
- c) Slide 6 reflects the Unit Characteristics Table (starts-cost based) updated on May 19, 2023
- d) Slide 6 reflects the inclusion of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, Silverhawk peaking units and the extension of NCA 1 (summer 2024).
- e) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- f) Slide 6 reflects a 16% Planning Reserve Margin ("PRM") and 90 MW OATT reserve.
- g) Slide 6 reflects the removal of Hot Pot, Iron Point, Southern Bighorn Solar, and Chuckwalla, and the delay of Boulder Solar III and the Liberty Utilities Luning Expansion Project (50 MW PV/60 MW battery).
- h) Slide 6 reflects Demand Response as a resource

3. Natural Gas Hedging Strategy

- Maintain the current, no hedge strategy and not physically hedge natural gas portfolio for the northern and southern Nevada service territories



Topics/Issues

1. Physical Gas Procurement

- Sierra (electric and gas) and Nevada Power employ a four-season laddering strategy for physical gas purchases through which 25% of projected monthly gas requirements per season are procured, as approved by the Public Utilities Commission of Nevada in Docket No. 09-09001
- Four-season projected physical gas requirements, subject to approval by the Risk Committee, are the basis for gas purchases and serve as the approved procurement volumes
- Physical gas transactions through the Summer 2025 season are at the targeted procurement levels per the four-season laddering strategy, e.g., 100% for the current season

2. Power Procurement

- Sierra (electric) and Nevada Power employ a four-season laddering strategy to close up to the largest open power position, as approved by the Public Utilities Commission of Nevada in Docket No. 21-06001.
- Four-season projected open power requirements, subject to approval by the Risk Committee, are the basis for power purchases and serve as the approved procurement volumes.

Topics/Issues

3. Summer Peak Hour Capacity Positions for 2024 and 2025 (Table on slide 6)

- The table shows 642 MW open position for summer 2024.
- The table shows up to 1,669 MW open position for summer 2025

4. Coal Procurement and Strategy

- Projected coal burns for Sierra (electric) are continually monitored; additional coal, if needed, will be procured on the spot market
- NV Energy aims to maintain 30 burn days of coal, or 78,000 tons, which would allow both Valmy units (NVE share only) to run at minimum load per month

2024-2025 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-24	Jul-24	Aug-24	Sep-24	Jun-25	Jul-25	Aug-25	Sep-25
Net Peak Forecast-NPC	5,813	6,136	6,372	5,634	5,777	6,274	6,519	5,551
Net Peak Forecast-SPPC	1,745	1,849	1,919	1,757	1,845	1,995	2,071	2,003
Reserves (16%)NPC	930	982	1,020	902	924	1,004	1,043	888
Reserves (16%)SPPC	279	296	307	281	295	319	331	320
Required NVE	8,767	9,263	9,618	8,575	8,841	9,592	9,964	8,762
					0	0	0	0
Available NPC	6,558	6,937	7,044	6,625	6,531	6,448	6,551	6,320
Available SPPC	1,830	1,804	1,933	1,618	1,744	1,716	1,744	1,588
Available NVE	8,388	8,742	8,977	8,242	8,275	8,164	8,295	7,908
Long/(Open) - NPC	(185)	(181)	(349)	88	(170)	(830)	(1,011)	(119)
Long/(Open) - SPPC	(194)	(341)	(293)	(421)	(396)	(599)	(658)	(735)
Long/(Open) - NVE	(379)	(521)	(642)	(333)	(567)	(1,428)	(1,669)	(854)
Additional Term Purchases	0	85	85	400	150	150	150	150
November Open Positions	(379)	(606)	(727)	(733)	(717)	(1,578)	(1,819)	(1,004)
December Open Positions	(379)	(521)	(642)	(333)	(567)	(1,428)	(1,669)	(854)

Per the stipulation in Docket No. 21-06001, Phase II, approved by the Public Utilities Commission of Nevada, the Net Peak Forecast is based on the hour of greatest need on the date of each month's system coincident peak day.

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2024 IRP Load Forecasts approved by the Risk Committee on November 8, 2023.
- Sierra (gas) is based on the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the current gas season, January 2024 thru March 2024, Nevada Power is within the targeted bandwidths, and Sierra (gas) is within the targeted bandwidths except for February 2024.

Nevada Power

Updates to Forecasts and Procurement

Summary of Major Changes (Last Approved Forecast vs. Current Forecast)

		Remarks	
Load Forecast	2024 IRP Forecast		
Gas Price Forecast (SoCal)	Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025 Summer 2025	Change In Prices Since Gas Volumes Were Approved in August 2023 -30% -12% 1% -2%	Change In Prices From Prior Month -37% -16% -14% -6%
Power Price Forecast (Mead)	Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025 Summer 2025	-19% -7% -9% -9%	-18% -4% -5% -2%
Plant Maintenance / Outages	Updated as of the end of November 2023		

Forecast Results			
Natural Gas Burns	Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025 Summer 2025	Change in Volumes Since Approved in August 2023 3% -17% 7% -12%	Change In Volumes From Prior Month 1% 0% 5% 7%

Page 204 of 259

Sierra

Updates to Forecasts and Procurement

Summary of Major Changes (Last Approved Forecast vs. Current Forecast)

		Remarks
Electric Load Forecast	2024 IRP Forecast	
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast	
Gas Price Forecast (Malin)	Change In Prices Since Gas Volumes Were Approved in August 2023	Change In Prices From Prior Month
	Winter 2023 - 2024	-34%
	Summer 2024	-17%
	Winter 2024 - 2025	-9%
	Summer 2025	-7%
Plant Maintenance / Outages	Updated as of the end of November 2023	

Forecast Results		
Natural Gas Burns	Change in Volumes Since Approved in August 2023	Change In Volumes From Prior Month
	Winter 2023 - 2024	-2%
	Summer 2024	1%
	Winter 2024 - 2025	-2%
	Summer 2025	3%

Nevada Power Daily Physical Gas Requirements (MMBtu/day)

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2024

1	Approved (Rounded to thousands)	359,000	304,000	271,000	328,000	311,000	342,000	500,000	455,000	397,000	318,000	286,000	343,000	1
2	Risk Committee Approval Date	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	2
3	Current Procured Volumes	359,000	304,000	271,000	246,000	233,000	256,000	375,000	341,000	297,500	238,000	142,500	171,000	3
4	Current Target Procurement Level	100%	100%	100%	75%	75%	75%	75%	75%	75%	75%	50%	50%	4
5	Current Projection (December 2023 Risk Run)	381,229	321,407	257,018	288,008	269,413	294,887	405,315	356,501	308,200	275,284	293,283	365,852	5
6														6
7	Variance (Approved - Current Projection)	(22,229)	(17,407)	13,982	39,992	41,587	47,113	94,685	98,499	88,800	42,716	(7,283)	(22,852)	7
8														8
9														9
10														10
11	Approved (Rounded to thousands)	324,000	283,000	241,000	228,000	306,000	406,000	513,000	479,000	380,000	329,000			11
12	Risk Committee Approval Date	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023			12
13	Current Procured Volumes	161,500	141,500	120,500	56,500	76,000	101,500	128,000	119,500	95,000	82,000			13
14	Current Target Procurement Level	50%	50%	50%	25%	25%	25%	25%	25%	25%	25%			14
15	Current Projection (December 2023 Risk Run)	365,741	312,884	238,373	228,433	294,504	370,754	431,447	378,480	324,649	308,441			15
16														16
17	Variance (Approved - Current Projection)	(41,741)	(29,884)	2,627	(433)	11,496	35,246	81,553	100,520	55,351	20,559			17

Variances outside the targeted bandwidth of 30,000 MMBtu/day within the current season are highlighted in gray—these variances will be resolved either through the daily market or during bid week

Sierra

Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

2024

1	Approved (Rounded to thousands)	179,000	180,000	171,000	73,000	110,000	117,000	153,000	147,000	137,000	123,000	152,000	185,000	1
2	Risk Committee Approval Date	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	2
3	Current Procured Volumes	178,500	180,000	170,500	63,000	82,500	87,500	114,500	110,000	102,500	92,000	76,000	92,500	3
4	Current Target Procurement Level	100%	100%	100%	75%	75%	75%	75%	75%	75%	75%	50%	50%	4
5	Current Projection (December 2023 Risk Run)	190,065	197,105	166,340	94,283	115,877	122,794	152,277	148,191	141,034	124,400	157,703	193,028	5
6														6
7	Variance (Approved - Current Projection)	(11,065)	(17,105)	4,660	(21,283)	(5,877)	(5,794)	723	(1,191)	(4,034)	(1,400)	(5,703)	(8,028)	7
8														8

2025

10	Approved (Rounded to thousands)	173,000	172,000	148,000	119,000	114,000	125,000	147,000	145,000	123,000	112,000			10
11	Risk Committee Approval Date	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023	Aug 2023			11
12	Current Procured Volumes	86,500	86,000	73,500	29,500	28,500	31,000	36,500	36,000	30,500	28,000			12
13	Current Target Procurement Level	50%	50%	50%	25%	25%	25%	25%	25%	25%	25%			13
14	Current Projection (December 2023 Risk Run)	192,178	190,192	159,114	128,131	123,727	132,139	161,206	160,084	150,392	125,121			14
15														15
16	Variance (Approved - Current Projection)	(19,178)	(18,192)	(11,114)	(9,131)	(9,727)	(7,139)	(14,206)	(15,084)	(27,392)	(13,121)			16
17														17

Variances outside the targeted bandwidth of 15,000 MMBtu/day within the current season are highlighted in gray—these variances will be resolved either through the daily market or during bid week

Coal Inventory

Proactive actions taken regarding coal supply

- Diversified supply by contracting with three different mines
- Weekly calls with Union Pacific to ensure train/crew schedules are on track

Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Nov 2023	138,485	46 days as of November 30, 2023 (Assumes daily burn of 3,000 tons(1))
Oct 2023	117,198	
Sep 2023	129,236	
Aug 2023	106,423	

⁽¹⁾ Burn days for each plant are based on 90% capacity burn

Market Fundamentals Overview

- ✓ EIA forecasts, in its December Short term Outlook (STEO), the U.S. benchmark Henry Hub spot price to average about \$2.80 per million British thermal units (MMBtu) for the rest of the winter heating season which ends in March. EIA lowered the forecast for natural gas prices this winter by compared with previous STEO forecasts. The lower price forecast is due to recent increases in natural gas production, which reduced natural gas prices in November, and high natural gas storage inventory levels. [EIA, Short-Term Energy Outlook, December 2023].
- ✓ The Henry Hub spot price averaged \$2.71/MMBtu in November, down 27 cents from October. Increased U.S. natural gas production in October and November 2023 contributed to the natural gas price decline in November. U.S. dry natural gas production averaged about 105 billion cubic feet per day (Bcf/d) in November, the most for any month on record. U.S. dry natural gas production averaged almost 103 Bcf/d in 1H23 and has increased in most months during 2H23. EIA forecasts dry natural gas production to remain close to 105 Bcf/d for the rest of winter. [EIA, Short-Term Energy Outlook, December 2023].



Market Fundamentals Overview

- ✓ Increased natural gas production throughout all of 2023 contributed to more natural gas in U.S. storage to start the winter heating season. High inventories at the end of November reduced forecast natural gas prices for this winter heating season. Storage inventories started the winter heating season at more than 3,800 billion cubic feet (Bcf), 5% more than the five-year (2018–2022) average. Mild winter weather in the United States in November reduced natural gas consumption. Less natural gas consumption along with increased natural gas production help increase storage inventories to 3,771 Bcf at the end of November, 7% more than the five-year average. EIA forecasts natural gas storage inventories to remain above the five-year average throughout winter and for all of 2024. [EIA, Short-Term Energy Outlook, December 2023].

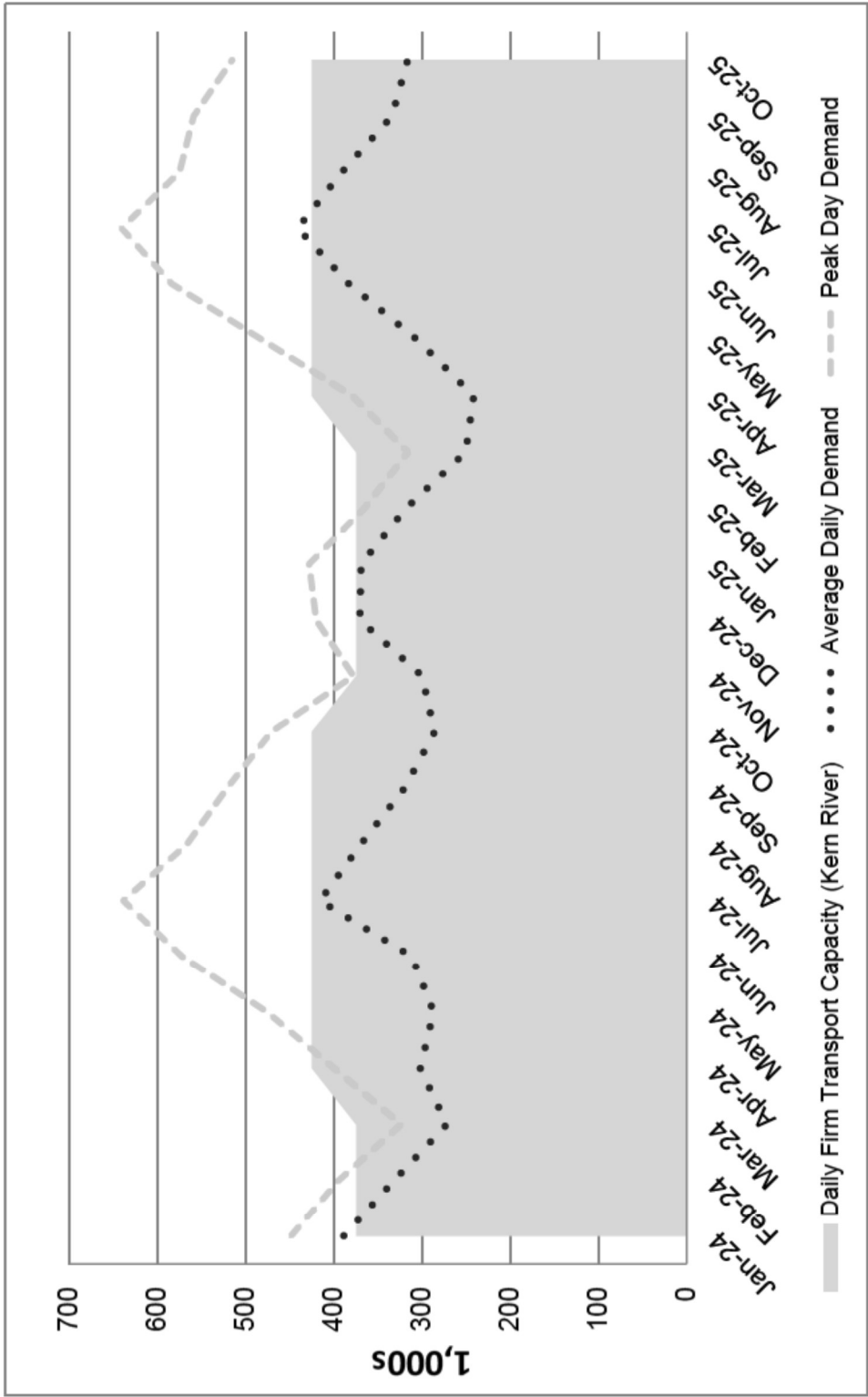


Technical Appendix



Nevada Power

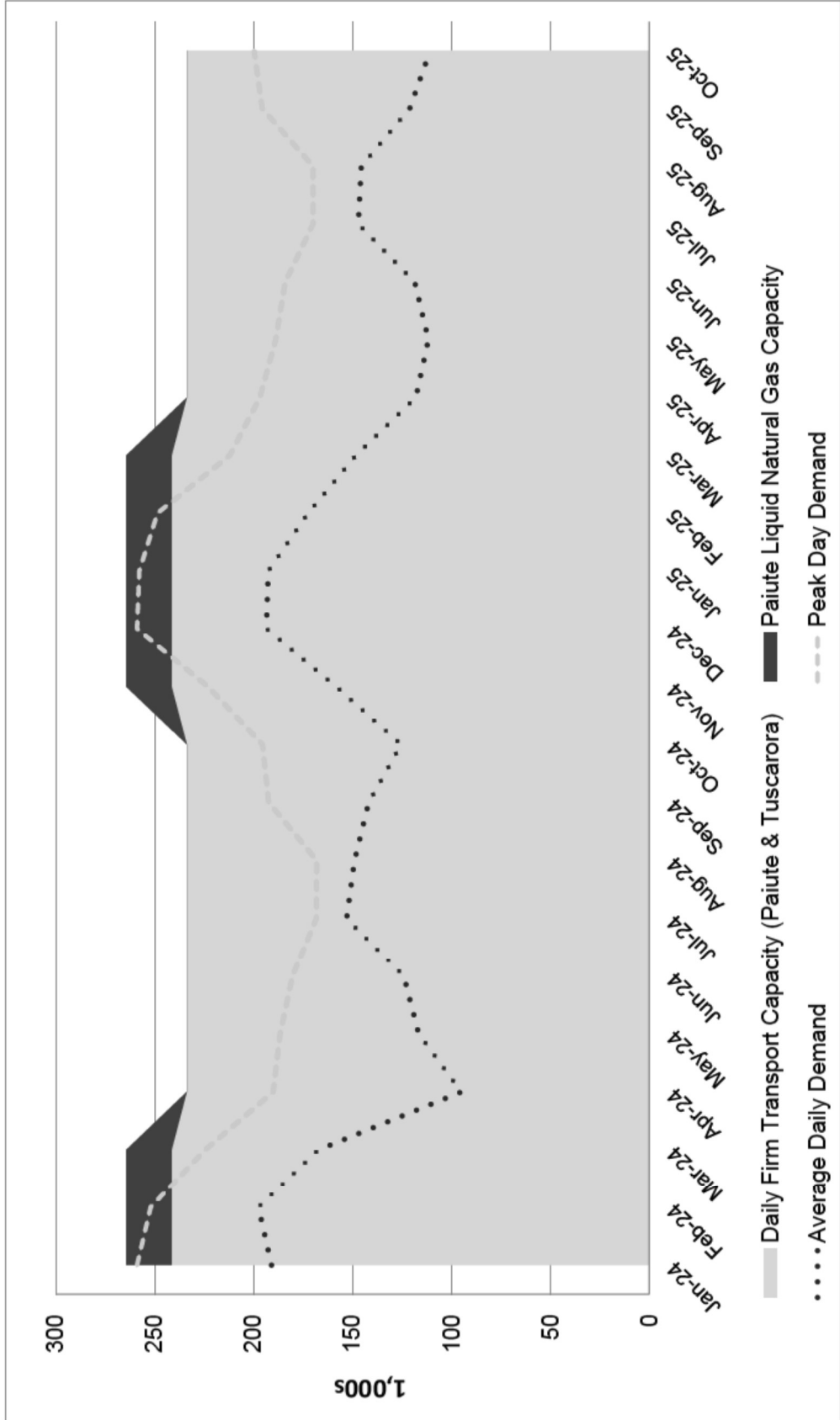
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



Note: Based on normal weather

Sierra (electric and gas) Gas Demand Versus Transport Capacity (MMBtu)

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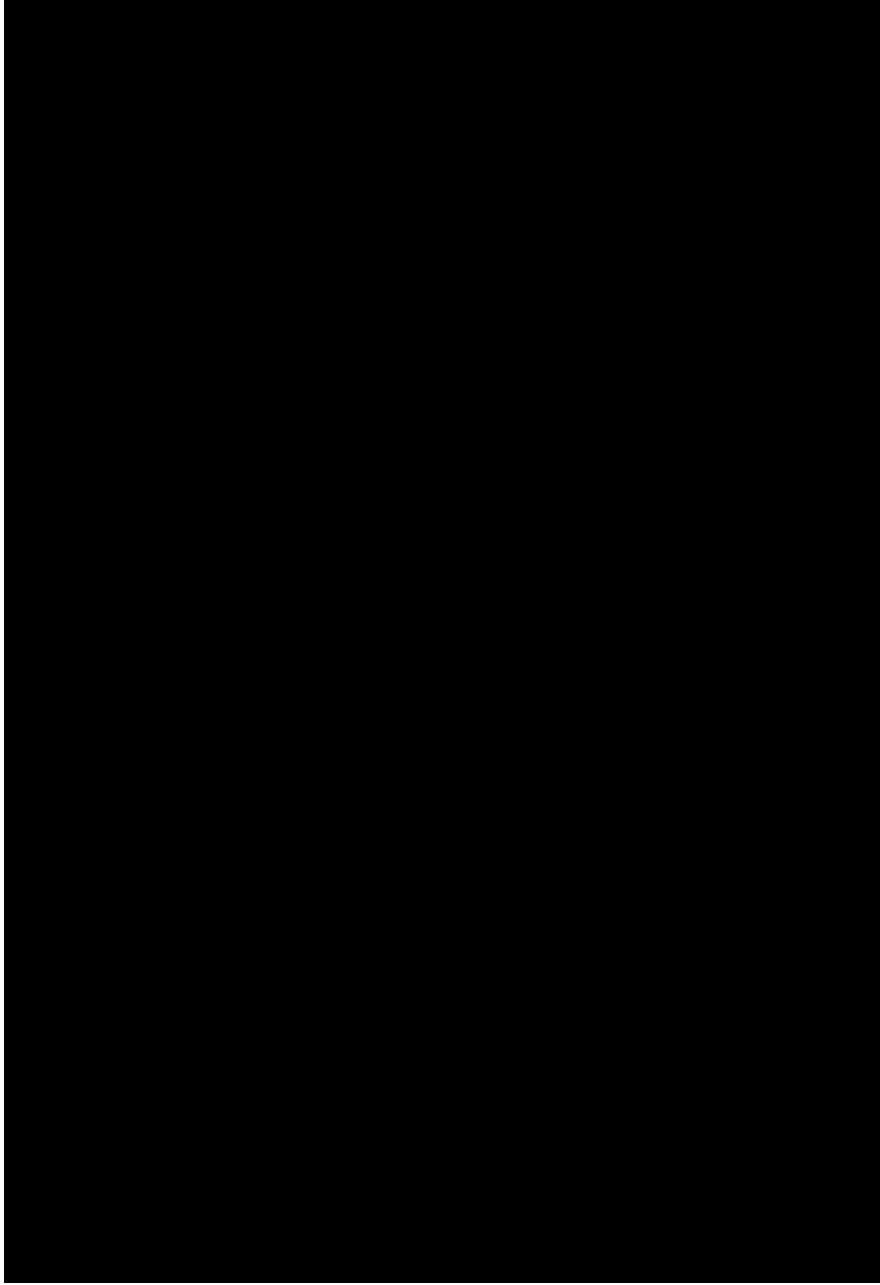


Note: Based on normal weather

Nevada Power Natural Gas Price Forecasts

SoCal Gas Price Forecast (dollars per MMBtu)

— December-23 Forecast - - Approved Aug-23



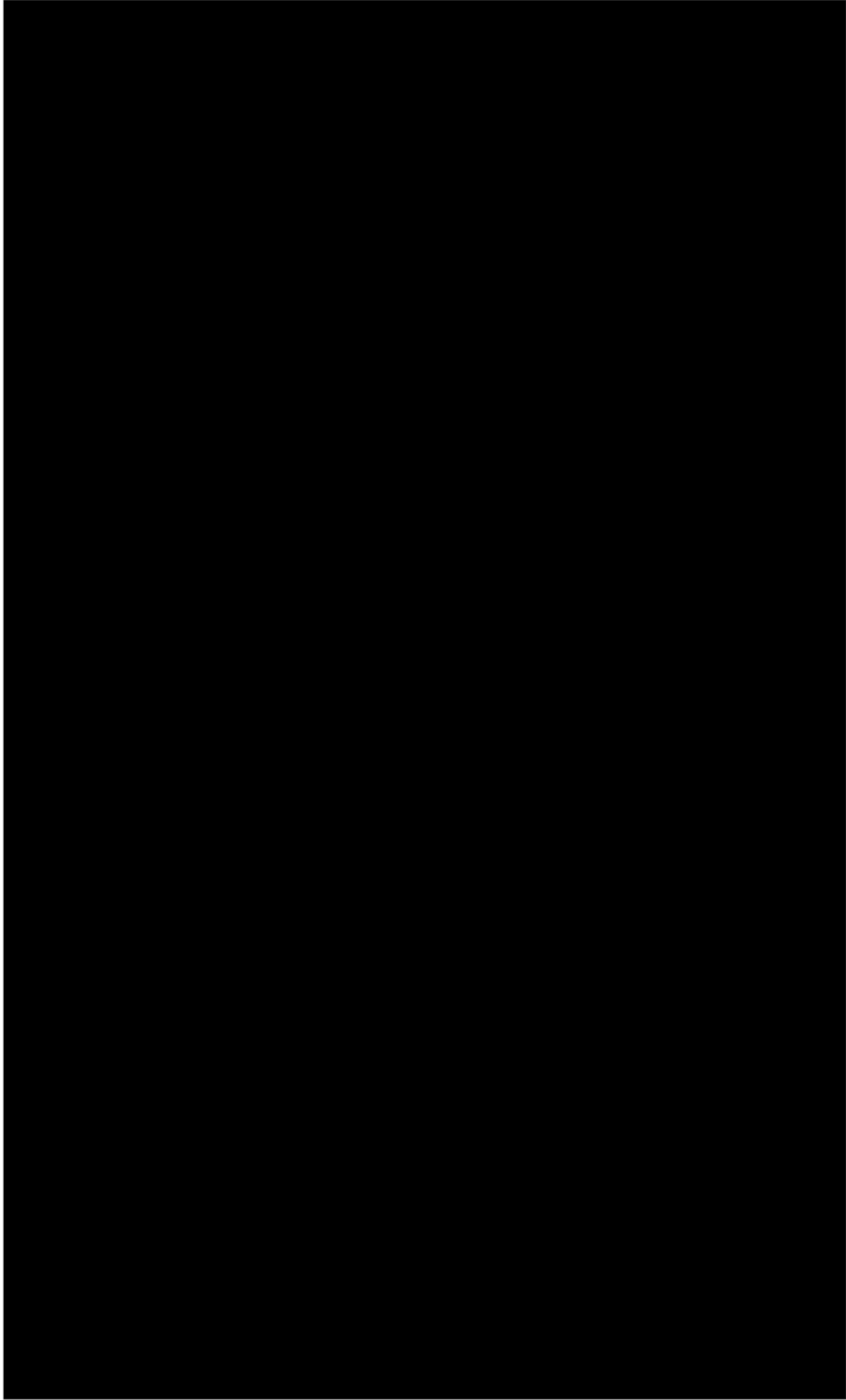
Delivery Month



Nevada Power and Sierra Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- December 2023 Forecast - On-Peak
- Approved (August 2023) - On-Peak
- December 2023 Forecast - Off-Peak
- Approved (August 2023) - Off-Peak



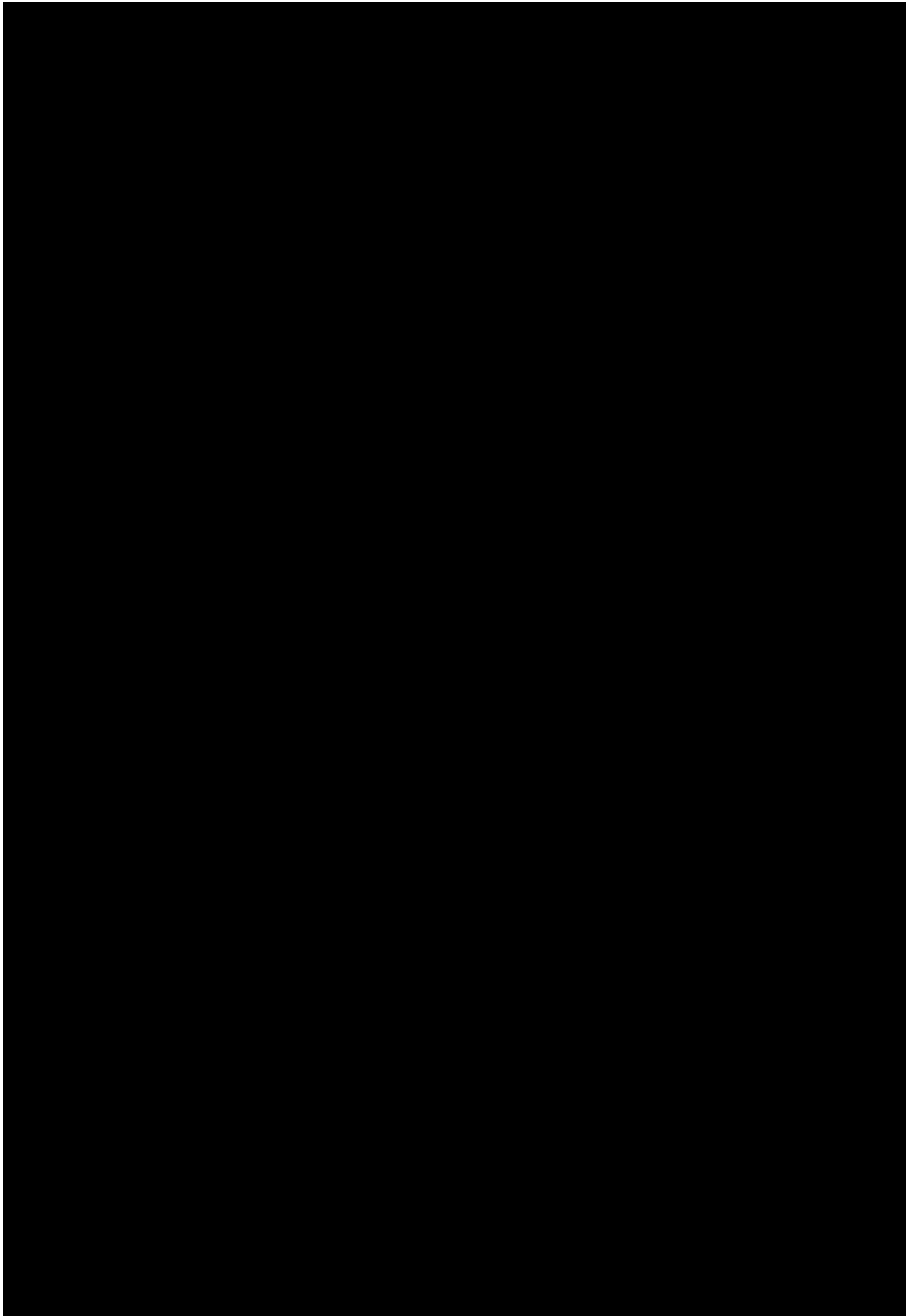
Delivery Month

Sierra

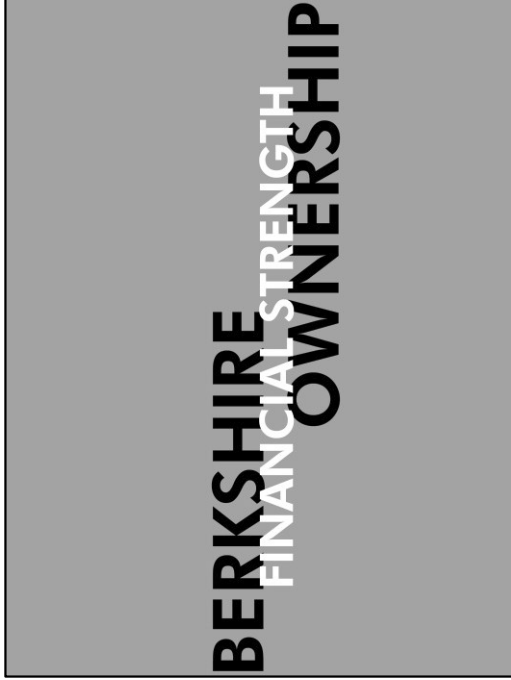
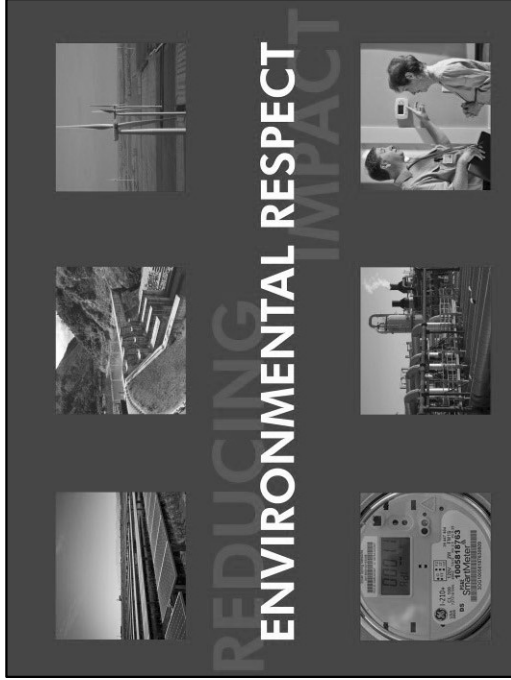
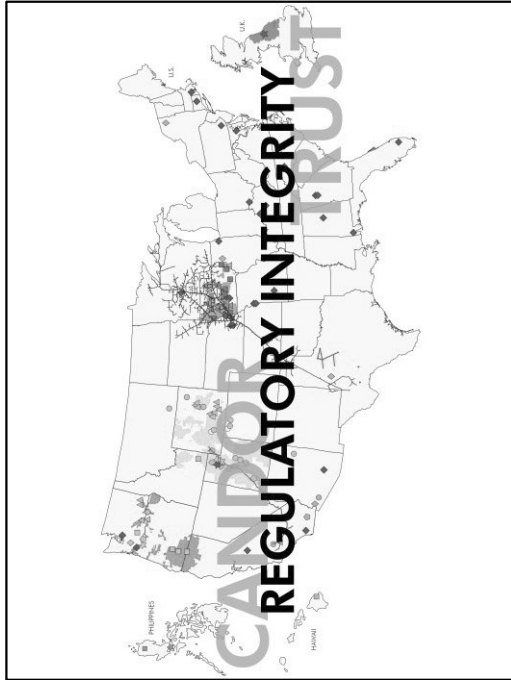
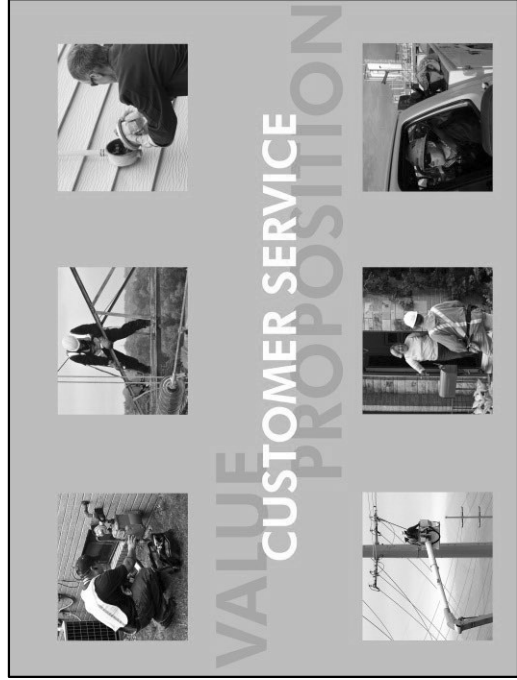
Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— December-23 Forecast - - Approved Aug-23



Delivery Month



Risk Committee

Risk Control Report

December 20, 2023

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Risk Control Report

- Information-only presentation
- Reporting period is for November 2023
- Reporting transaction, portfolio, and credit threshold notifications
- Monitoring the contract values and contract terms for executed transactions
- Monitoring the difference between the base tariff energy rate revenues and expenses

Executive Summary

- **Transaction Approval Notification Thresholds**
 - No exceptions to the transaction notification thresholds¹

- **Portfolio Risk Notification Thresholds**
 - Mark-to-Base Change Notification Thresholds:
 - All three entities are within the notification threshold

Value-at-Risk (VaR) Notification thresholds:

- All three entities exceeded the notification threshold

- **Credit Risk Notification Thresholds**
 - No counterparties exceeded their assigned credit limits in November 2023
 - 0% of NV Energy's portfolio with mark-to-market exposure is below investment grade
 - The weighted average credit rating of the portfolio is AAA

¹ – Transactions being reported do not include EIM transactions, only bilateral transactions

Forward Power Sales Compliance

- Risk Control has verified that forward sales activities were in compliance with the forward sales Procedure Manual.

Transaction Notification Thresholds

Contract Value

Entity	Notification Threshold		Actuals	Status
NV Energy	≤\$5.0M	Manager Contract Management (Amendments/Settling disputes only)	NV Energy South 395-Transactions NV Energy North 209-Transactions Total 604-Transactions ¹ Largest transaction \$777K Power Deal	●
	≤\$5.0M	Manager, Gas Trading		
	≤\$5.0M	Manager, Power Trading		
	≤\$7.5.0M	Director, Gas Trading		
	≤\$7.5.0M	Director, Power Trading		
	≤\$12.5M	Vice President, Resource Optimization		
	≤\$12.5M	Vice President, Renewable & Origination		
	≤\$25.0M	Vice President, Chief Financial Officer		
	≤\$50.0M	Chief Executive Officer		
	Unlimited	Chief Executive Officer, Berkshire Hathaway Energy Company		

Commitment Threshold

Entity	Notification Threshold		Actuals	Status
NV Energy	≤\$12.5M	Vice President, Resource Optimization		●
	≤\$25M	Vice President, Chief Financial Officer		
	≤\$100M	Chief Executive Officer		

1 – Transactions being reported do not include EIM transactions, only bilateral transactions

Largest transaction –1-day power deal (Mercuria) Nov 27, 2023 – Nov 27, 2023

Portfolio Notification Thresholds

Company	Test Period	Notification Threshold (\$m)		Est. BTER Costs (\$m)	Est. BTER Revenue (\$m)	Cumulative Mark-to-Base (\$m)	Status	Previous Month's Cumulative Mark-to-Base (\$m)	Monthly Mark-to-Base Change (\$m)	Status
NV Energy South	Jan 23-Dec 23	80	CEO	1,803.6	(1,896.9)	(93.3)	●	(34.6)	(58.8)	●
NV Energy North	Jan 23-Dec 23	50	CEO	484.6	(598.4)	(113.8)	●	(100.2)	(13.6)	●
NV Energy LDC	Jan 23-Dec 23	10	CEO	142.2	(156.5)	(14.4)	●	(8.6)	(5.8)	●

Revenues estimated using the following projected BTER rates:

Entity	1/1/2024	4/1/2024	7/1/2024	10/1/2024
NVE-S Residential	\$0.09139	\$0.08755	\$0.06576	\$0.06437
NVE-S Non-residential	\$0.09227	\$0.08649	\$0.06069	\$0.05879
NVE-N	\$0.06440	\$0.05707	\$0.05507	\$0.05434
NVE-N LDC	\$0.80468	\$0.65589	\$0.40888	\$0.40847

NPC has a breakout between residential and non-residential because of direct assignment of Hoover costs between the two groups. This results in one BTER/DEAA set of rates for residential and one BTER/DEAA set of rates for non-residential.

SPPC and the LDC do not have any directly assigned resource costs that are broken out between two customer categories. All customers pay the same BTER/DEAA rate.

●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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Portfolio Notification Thresholds

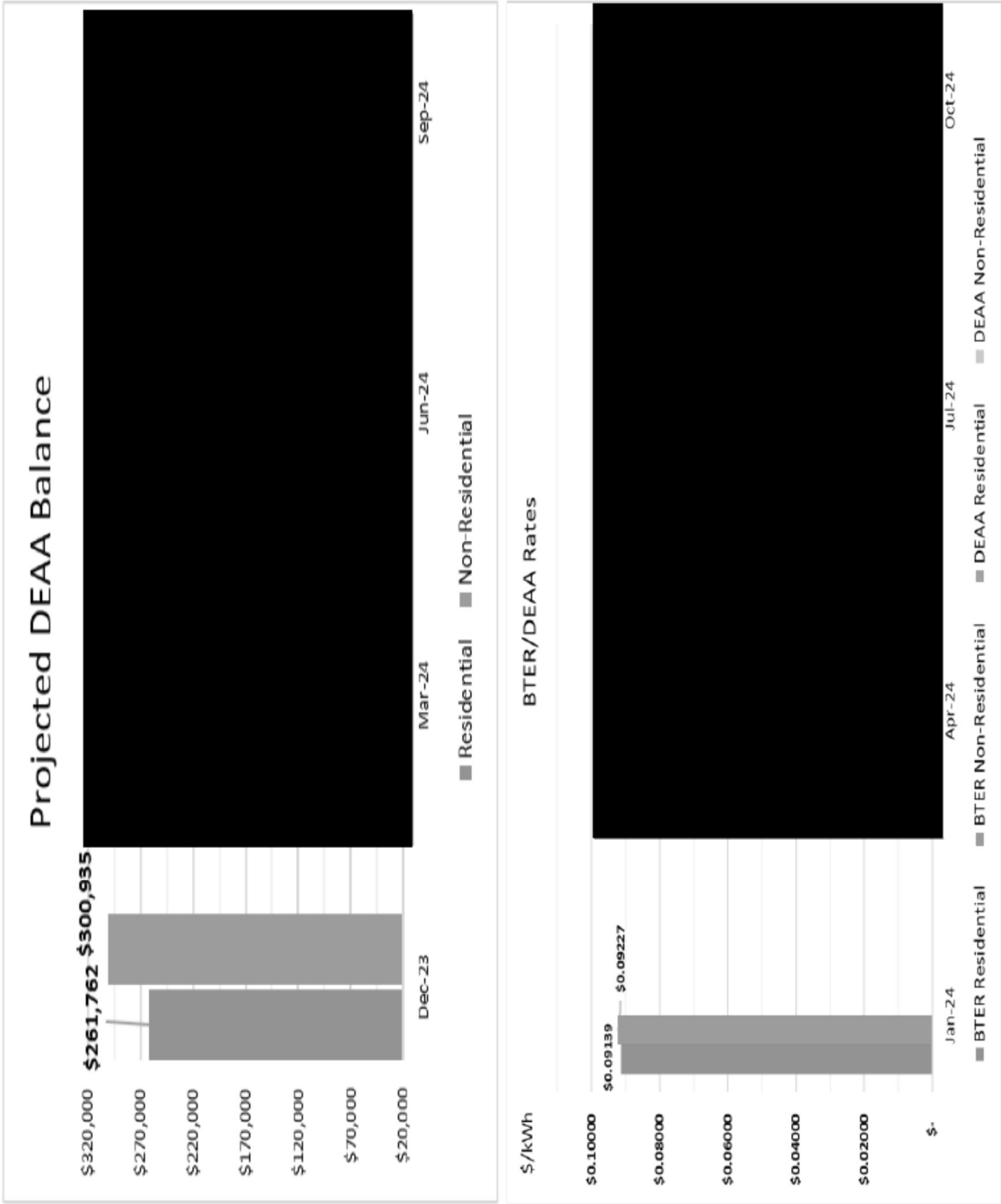
Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,803.6	186.3	
NV Energy North	60	484.6	76.1	
NV Energy LDC	20	142.2	26.4	

	Notification Not Required		Near Notification Threshold		Notification Required
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Base Tariff Energy Rates and DEAA Balances – NPC Electric

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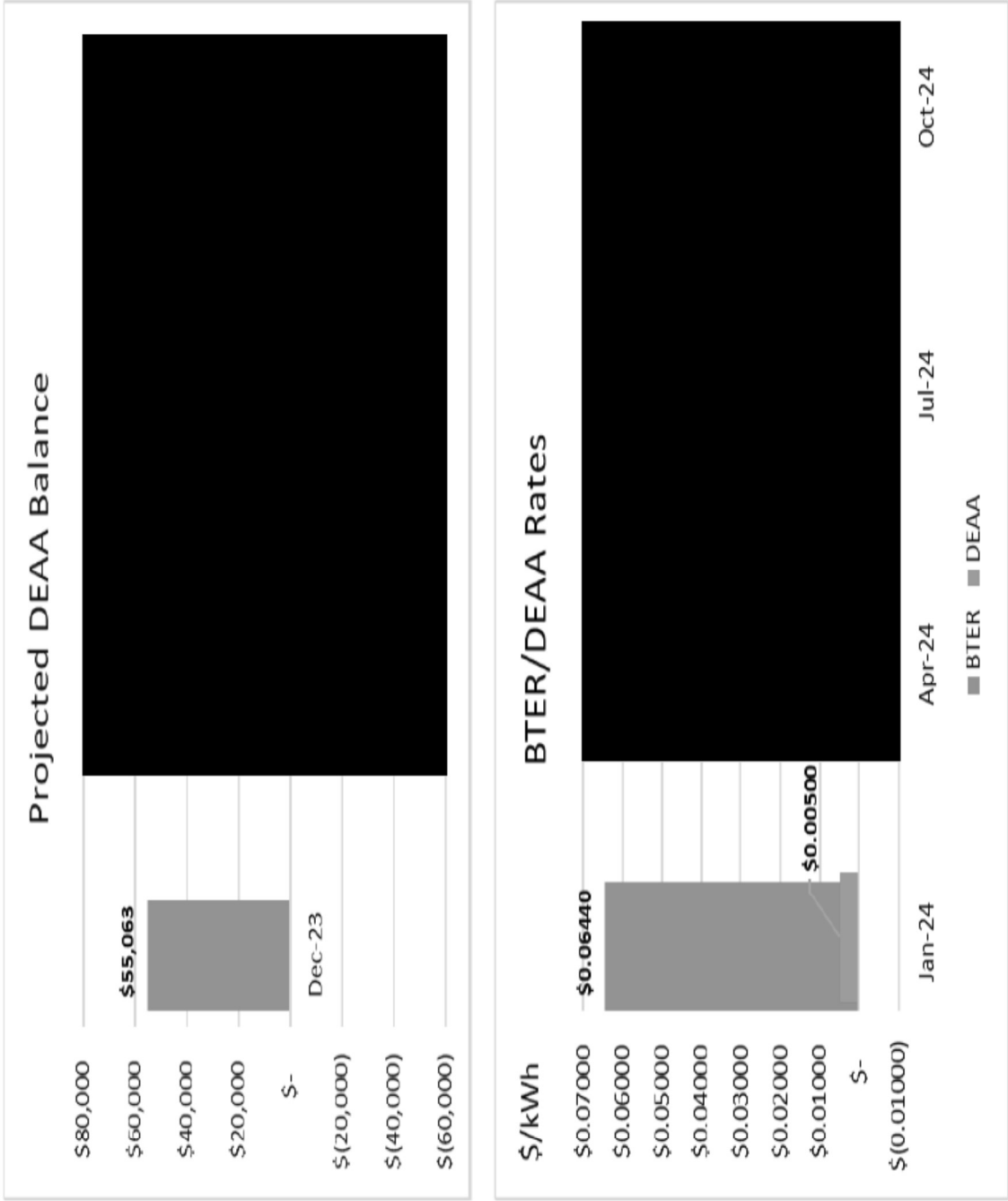
Negative = over collection
Positive = under collection



Base Tariff Energy Rates and DEAA Balances – SPPC Electric

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REDACTED PUBLIC VERSION



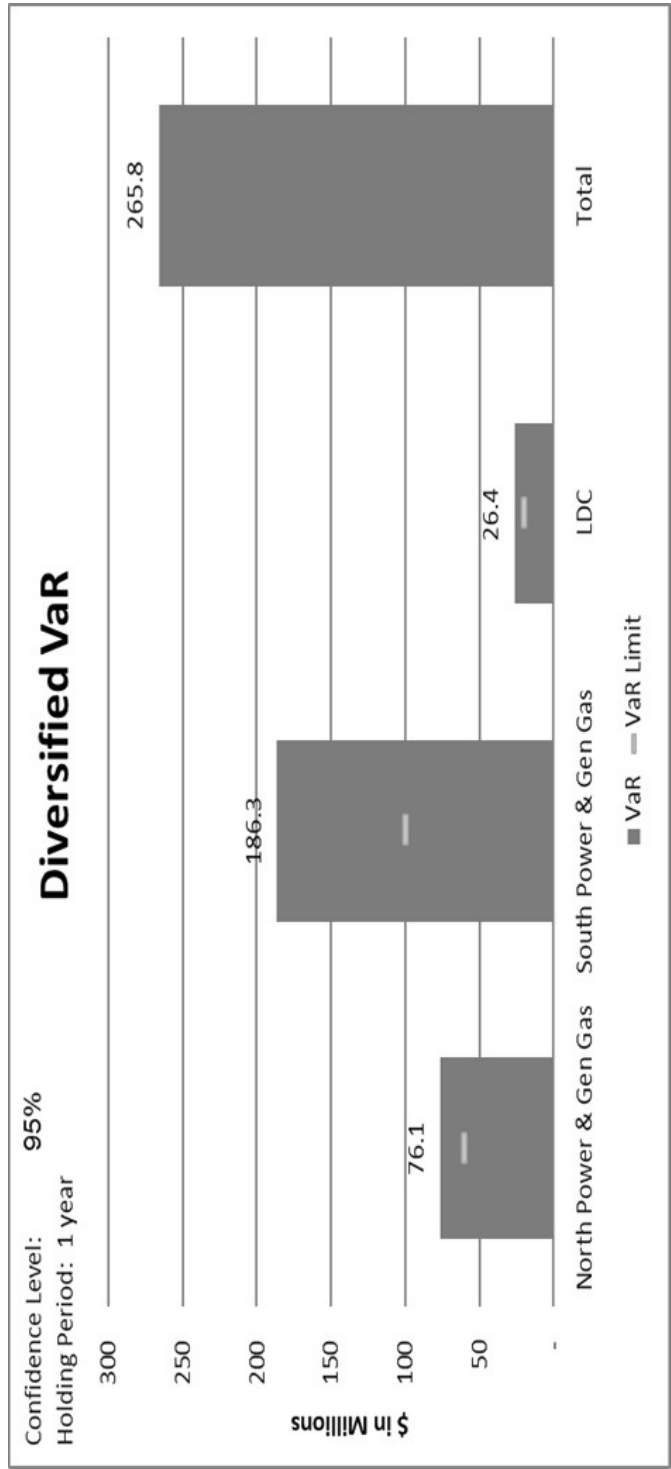
Base Tariff Energy Rates and DEAA Balances – SPPC LDC

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REDACTED PUBLIC VERSION



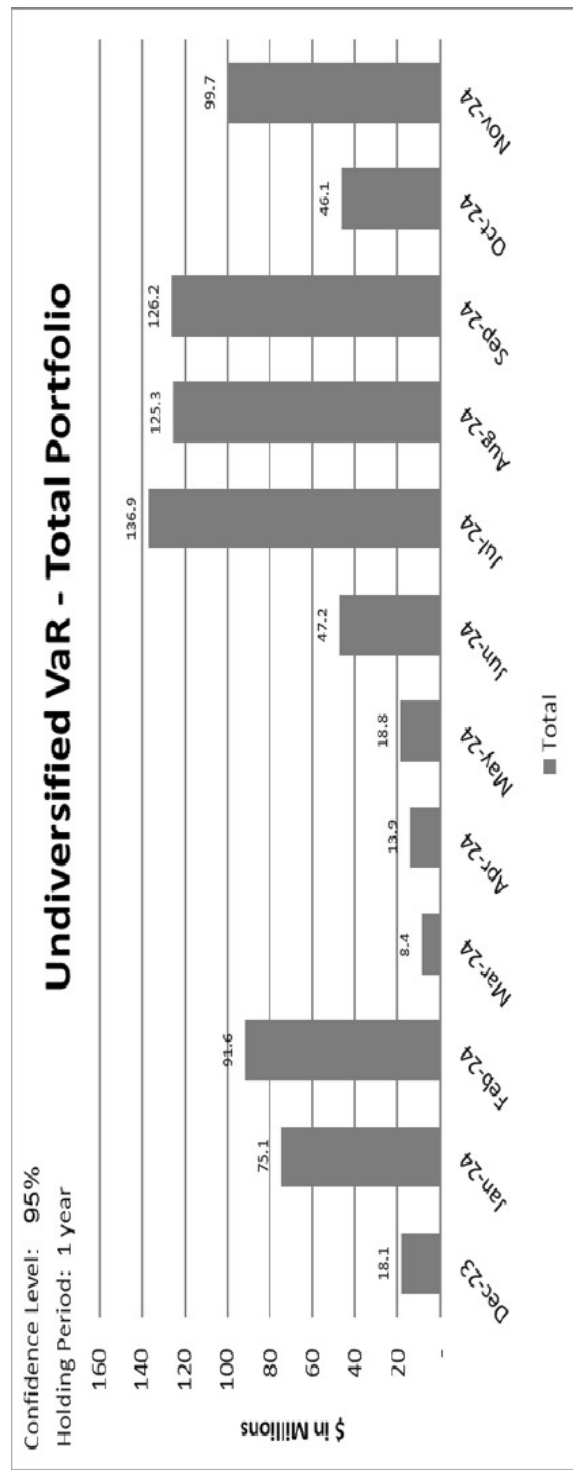
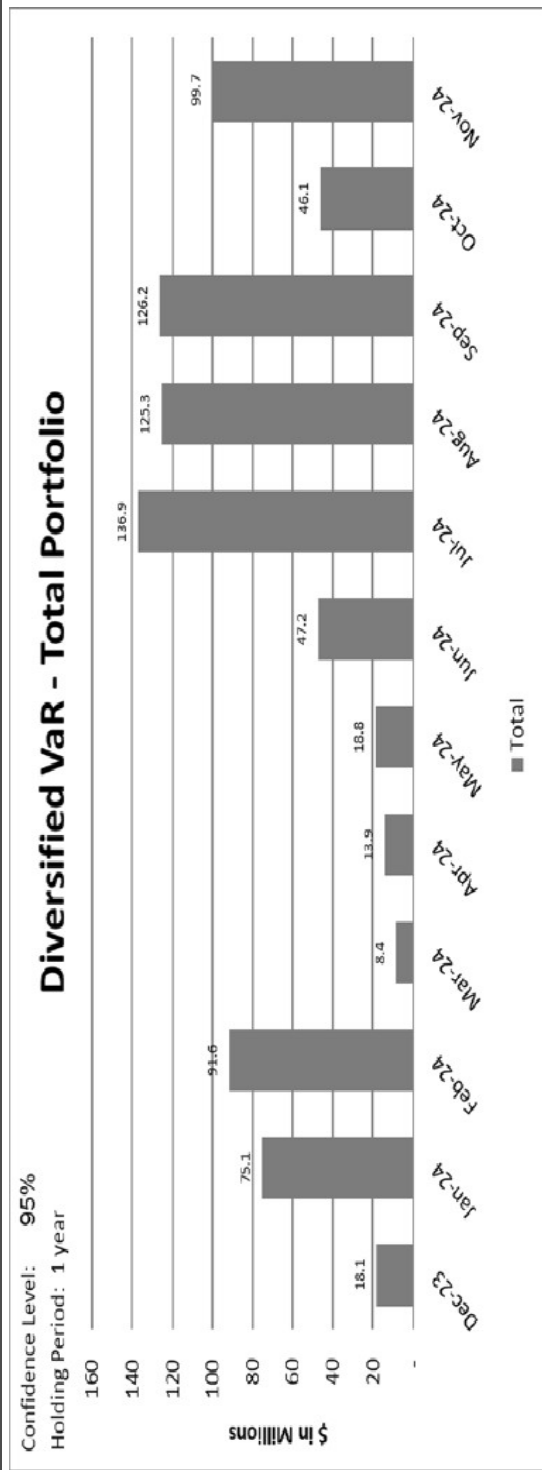
Portfolio Value-at-Risk Charts



Value-at-Risk
(also referred to as Cash-Flow-at-Risk when used in analyzing liquidity requirements)

The expected maximum increase in fuel and wholesale power costs over a target horizon within a given confidence interval and holding period. Value-at-Risk serves as a gauge of market exposure, summarizing the total market risk in a portfolio of assets.

Portfolio Value-at-Risk Charts



Credit Notification Thresholds

Portfolio Below Investment Grade Notification Threshold*

Company	Actuals	Notification Threshold	Status
NV Energy	0% of NV Energy's portfolio with MTM exposure is below sub-investment grade.	40%—interim notification threshold and an actual MTM exposure threshold of \$10.0M	●

Portfolio Weighted Average Credit Rating*

Company	Actuals	Notification Threshold	Status
NV Energy	The weighted average rating for the month of November "AAA"	BBB- or above—interim notification threshold <u>and</u> an actual MTM exposure threshold of \$10.0M	●

●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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* Excludes counterparties associated with long-term gas tolling agreements and qualifying facility agreements.

Credit Notification Thresholds

Counterparty Notification Threshold for Ongoing Transactions*

Company	Actuals	Notification Threshold	Status
NV Energy	No counterparties exceeded their assigned credit limits in November	AAA to AA-	\$20.0M
		A+ to A-	\$15.0M
		BBB+ to BBB-	\$10.0M
		BB+	\$6.0M
		Less than BB+	\$0

* Excludes counter-parties associated with long term gas tolling agreements and qualifying facility agreements.

Counterparty Notification Threshold for Large Transactions

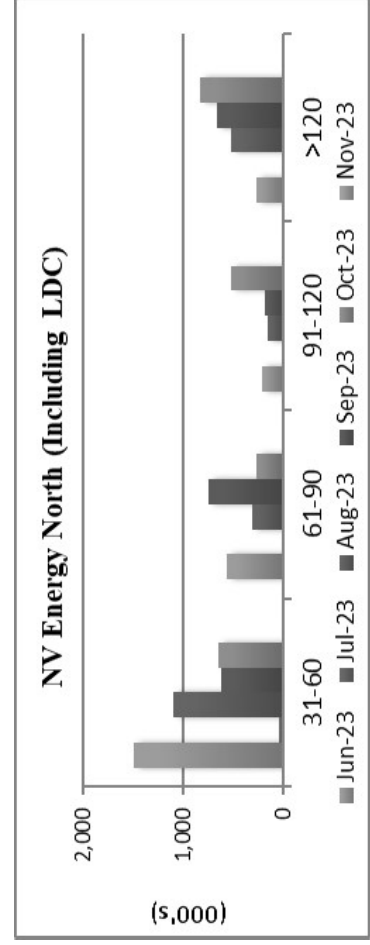
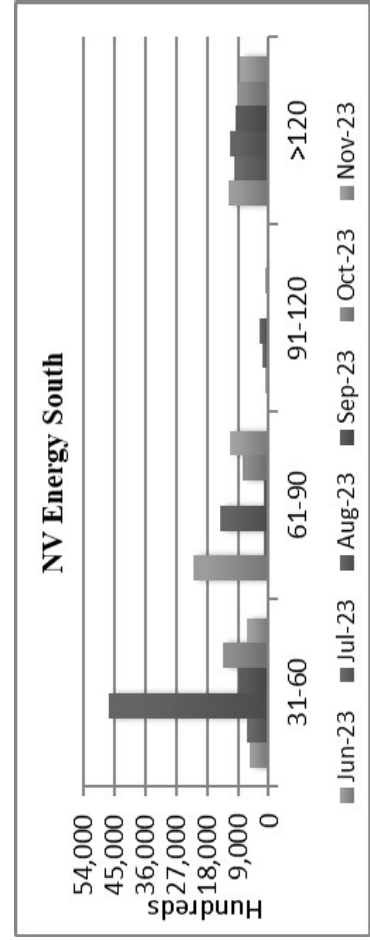
Company	Actuals	Notification Threshold	Status
NV Energy	No transactions >\$6.0M were executed during the month.	AAA to AA-	\$20.0M
		A+ to A-	\$15.0M
		BBB+ to BBB-	\$10.0M
		BB+	\$6.0M
		Less than BB+	\$0

☒	Notification Not Required	☐	Near Notification Threshold	☒	Notification Required
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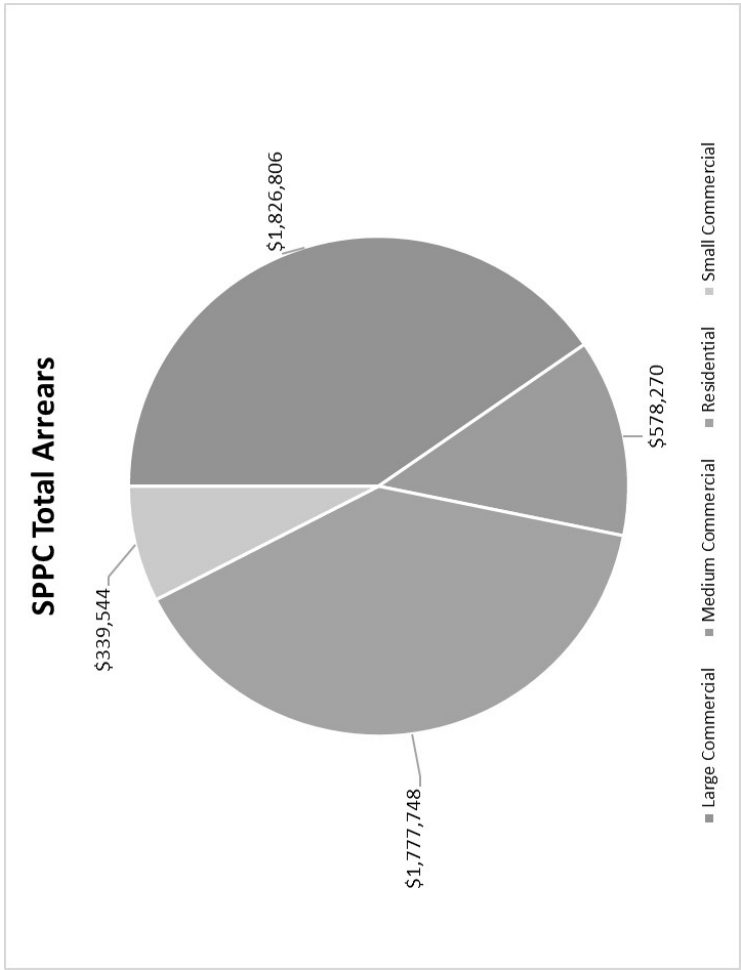
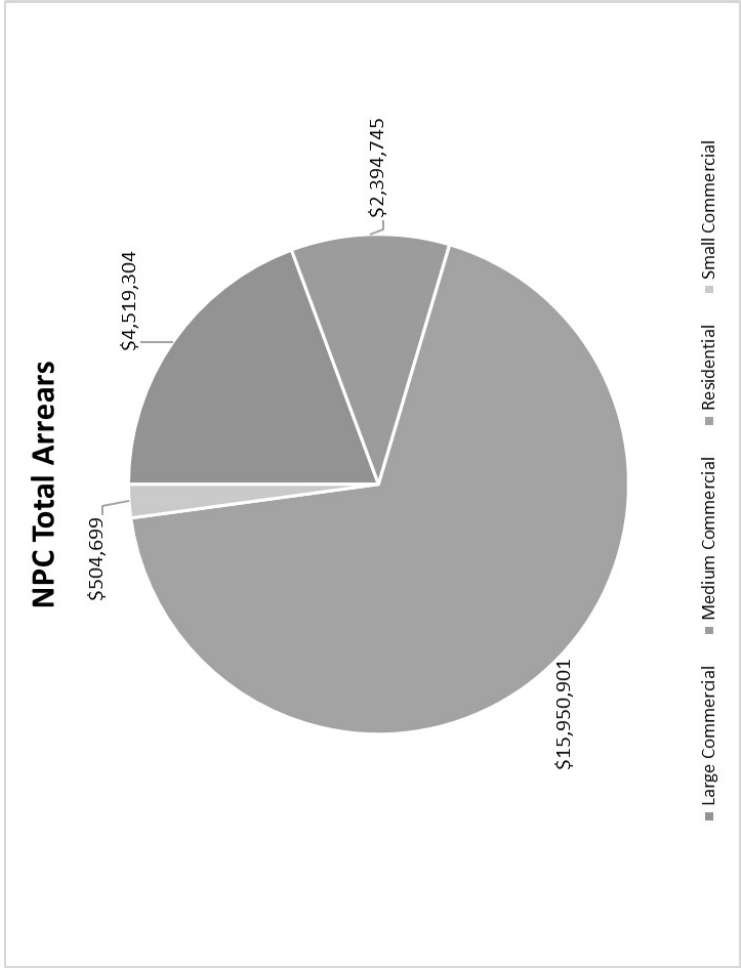
Medium-Large Major Commercial Customers

Arrears Balance

Company	Month	Arrears Balance (\$K)	Total Monthly Current Receivables for the Past 12 Months (\$K)	% in Arrears	Largest Arrears Balance of a Single Customer (\$K)
NV Energy South	23-Jun	4,040.06	293,350.8	1.377%	1375.3
	23-Jul	1,943.26	303,173.3	0.641%	1163.6
	23-Aug	7,447.46	312,948.6	2.380%	3402.0
	23-Sep	2,019.45	327,432.9	0.617%	1128.9
	23-Oct	3,116.59	327,279.1	0.952%	1188.1
	23-Nov	2,647.66	323,817.7	0.818%	1091.3
NV Energy North/LDC	23-Jun	2,509.25	82,652.8	3.036%	621.6
	23-Jul	43.23	82,761.2	0.052%	22.0
	23-Aug	2,071.70	79,681.0	2.600%	1334.4
	23-Sep	2,210.45	84,917.1	2.603%	1492.9
	23-Oct	2,257.41	84,218.8	2.680%	1661.1
	23-Nov	0.01	73,364.6	0.000%	0.0



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 11/30/23



Recommendations and Corrective Action

- No corrective action is necessary at this time

APPENDIX 7

Nevada Power Company
Regulatory Return on Equity
As of December 2023
(in thousands)

Exhibit M
Page 1 of 2
Naughton

Ln	Item	(a)	(b)	(c)	(d)	(e)	Ln	
No	Section	No	Description	Total Reported	Non Rate-Base	FERC Jurisdiction	Nevada Jurisdiction	No
1	I		Rate Base					1
2		1	Utility Plant					2
3		1a	Utility Plant in Service	10,834,659	13,671	307,449	10,513,539	3
4		1b	Electric Plant Held for Future Use	41,248	41,248	—	—	4
5		1c	Capital Leases	310,529	310,529	—	—	5
6		1d	Asset Retirement Obligation	11,523	11,523	—	—	6
7		2	Construction Work in Progress	850,235	850,235	—	—	7
8		3	(Less) Accum Prov Depreciation					8
9		3a	Utility Plant in Service	(4,074,773)	(265)	(101,614)	(3,972,893)	9
10		3b	Electric Plant Held for Future Use	(3)	—	(3)	—	10
11		3c	Asset Retirement Obligation	(19,943)	(19,943)	—	—	11
12		4	Other Property and Investments	87,785	87,785	—	—	12
13		5	Working Capital					13
14		5a	Fuel Stock	0	—	—	0	14
15		5b	Materials and Supplies	114,944	—	3,322	111,622	15
16		5c	Prepayments	45,415	—	847	44,568	16
17		5d	Cash Working Capital - Assets	499,487	533,640	(581)	(33,572)	17
18		5e	Cash Working Capital - Liabilities	(622,376)	(622,376)	—	—	18
19		6	(Less) Accumulated Uncollectibles	(19,842)	—	—	(19,842)	19
20		7	Regulatory Assets					20
21		7a	Included in Nevada retail rate base	276,260	—	—	276,260	21
22		7b	Excluded in Nevada retail rate base	149,134	149,134	—	—	22
23		7c	Other recovery method - balancing accounts	761,029	761,029	—	—	23
24		7d	GAAP	97,833	97,833	—	—	24
25		7e	Tax	66,992	—	—	66,992	25
26		8	Miscellaneous Deferred Debits					26
27		8a	Included in Nevada retail rate base	18,408	—	343	18,065	27
28		8b	Excluded in Nevada retail rate base	5,629	5,629	—	—	28
29		8c	Asset Retirement Obligations	68,953	68,953	—	—	29
30		8d	Other recovery method	—	—	—	—	30
31		8e	Pension - AOCI Adjustment	—	33,521	—	(33,521)	31
32		9	Other Deferred Debits	51,530	51,530	—	—	32
33		10	(Less) Accum Deferred Taxes					33
34		10a	Asset	764,023	—	—	764,023	34
35		10b	Liability	(1,661,475)	(135,789)	(39,379)	(1,486,307)	35
36		10c	Investment Tax Credit	(31,471)	(11,354)	—	(20,117)	36
37		11	Obligations Under Capital Leases	(314,602)	(314,602)	—	—	37
38		12	(Less) Reserves	(23,651)	—	(455)	(23,196)	38
39		13	Accumulated Provision for Rate Refunds	(2,293)	(2,293)	—	—	39
40		14	Derivative Instrument Liabilities	(89,151)	(89,151)	—	—	40
41		15	Asset Retirement Obligations	(60,542)	(60,542)	—	—	41
42		16	(Less) Customer Advances - Constr	(121,431)	—	—	(121,431)	42
43		17	Regulatory Liabilities					43
44		17a	Included in Nevada retail rate base	(42,061)	—	—	(42,061)	44
45		17b	Other recovery method - balancing accounts	(45,222)	(45,222)	—	—	45
46		17c	GAAP	(30,984)	(30,984)	—	—	46
47		17d	Tax	(602,041)	—	—	(602,041)	47
48		17e	Current year earnings sharing accrual	(117,558)	(117,558)	—	—	48
49		18	Other deferred credits	(108,097)	—	—	(108,097)	49
50		19	Unamortized Gain on Reacquired Debt	(117)	(117)	—	—	50
51		20	Long-Term Debt	(3,304,585)	(3,304,585)	—	—	51
52		21	Total Net Utility Rate Base	3,763,401	(1,738,521)	169,929	5,331,993	52
53								53
54	II		Income Statement					54
55		25	Operating Revenues	3,185,133	—	38,167	3,146,967	55
56		26	Operating Expenses:					56
57		26a	Operations & Maintenance	2,327,129	772	10,813	2,315,544	57
58		26b	Depreciation & Amortization	446,239	—	6,034	440,214	58
59		26c	Taxes Other than Income Taxes	63,110	—	1,653	61,457	59
60		26d	Income Taxes	(91,260)	(102)	4,130	(95,288)	60
61		26e	Investment Tax Credit - Net	100,169	(429)	—	100,598	61
62		26f	Gains/Losses from Disposition of Allowances	(0)	—	—	(0)	62
63		27	Total Operating Expenses	2,845,386	241	22,631	2,822,524	63
64								64
65		28	Operating Income Before Adjustments	339,747	(241)	15,536	324,443	65
66		29	Carry on regulatory assets/liabilities				(3,761)	66
67		30	Lenzie incentive				(2,778)	67
68		31	Tax on Line 30				583	68
69		32	Net Operating Income				318,488	69
70								70
71		33	Other Income	103,929				71
72		34	Other Deductions	(23,492)				72
73		35	Taxes on Other Income and Deductions	(12,800)				73
74		36	Interest Charges	(145,649)				74
75		37	Net Income	261,735				75
76								76
77		38	Return on Rate Base (net operating income/adjusted net utility rate base)				5.97 %	77

Nevada Power Company
Regulatory Return on Equity
As of December 2023
(in thousands)

Exhibit M
Page 1 of 2
Naughton

Ln No	Section	Item No	Description	Amount (a)	Ratio (b)	Cost % (c)	Weighted Average Cost (d)	Ln No
1	III		Cost of Capital (5-quarter average)					1
2		39	Short-Term Debt	6,600	0.09 %	34.42 %	0.03 %	2
3		40	Customer Deposits	54,217	0.76 %	1.60 %	0.01 %	3
4		41	Long Term Debt	3,313,800	46.27 %	4.95 %	2.29 %	4
5		42	Common Equity	3,788,020	52.89 %	9.70 %	5.13 %	5
6		43	Total	7,162,637			7.46 %	6
7								7
8	IV		Summary					8
9		44	Operating Income		Actual	Adjustment	Allowed	9
10		45	Rate Base		318,488		397,855	10
11		46	Rate of Return (WACC)		5,331,993	—	5,331,993	11
12		47	Cost of Debt & Preferred		5.97 %		7.46 %	12
13		48	Available for Common		2.33 %		2.33 %	13
14		49	Common Equity Percentage		3.64 %		5.13 %	14
15		50	Imputed Return on Common		52.89 %		52.89 %	15
16		51	SEC Return on Equity (5-point)	6.95 %	6.89 %		9.70 %	16
17								17
18	V		Earnings Sharing					18
19			Sharing Over 9.7% ROE					19
20		52	Operating Income				318,488	20
21		53	Plus/(less) manual adjustments				—	21
22		54	Plus Long-term incentive plan				1,753	22
23		55	Tax on Lines 2-3				(368)	23
24		56	Adjusted Operating Income				319,872	24
25		57	Operating Income @ 9.7%				397,855	25
26		58	Difference				(77,983)	26
27		59	50% Sharing				—	27
28		60	Tax Gross Up Factor (21%)				21 %	28
29		61	Tax Gross UP Dollars				—	29
30		62	Sharing Over 9.7% ROE				—	30

Line No.	Title of Account	ACTUALS				ACTUALS				5 Quarter Average (Adjusted)	Jurisdictional Rate	Jurisdictional Rates	5 Quarter Average (Non-Date Base)	5 Quarter Average (FERC)	5 Quarter Average (Nevada)
		PT Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3						
1	UTILITY PLANT														
2	Utility Plant (100-106, 114)	10,863,269,330	10,915,740,435	11,188,352,062	11,270,288,301	11,276,034,795				11,196,736,985			375,740,095	307,448,769	10,513,539,120
3	Construction Work in Progress (107)	484,448,963	702,325,304	905,648,756	1,100,603,487	1,090,257,283				850,234,574			850,234,574	—	—
4	TOTAL Utility Plant (Enter Total of lines 2 and 3)	11,347,718,292	11,618,065,739	12,094,000,818	12,370,791,788	12,366,292,078				12,046,971,558					
5	(Less) Accum. Prov. for Depr. Amort. Depl. (108, 110, 111, 115)	(3,977,214,049)	(4,032,390,594)	(4,086,480,418)	(4,157,673,940)	(4,317,580,024)				(4,094,669,609)			(201,62,074)	(201,613,979)	(3,977,893,288)
6	Net Utility Plant (Enter Total of line 4 less 5)	7,370,504,244	7,606,666,144	8,005,520,399	8,213,117,839	8,058,712,044				7,952,301,949					
7	Nuclear Fuel in Process of Ref., Conv., Enrich., and Fab. (120.1)	—	—	—	—	—				—					
8	Nuclear Fuel Materials and Assemblies-Stock Account (120.2)	—	—	—	—	—				—					
9	Nuclear Fuel Assemblies in Reactor (120.3)	—	—	—	—	—				—					
10	Spent Nuclear Fuel (120.4)	—	—	—	—	—				—					
11	Nuclear Fuel Under Capital Leases (120.6)	—	—	—	—	—				—					
12	(Less) Accum. Prov. for Amort. of Nucl. Fuel Assemblies (120.5)	—	—	—	—	—				—					
13	Net Nuclear Fuel (Enter Total of lines 7-11 less 12)	—	—	—	—	—				—					
14	Net Utility Plant (Enter Total of lines 6 and 13)	7,370,504,244	7,606,666,144	8,005,520,399	8,213,117,839	8,058,712,044				7,952,301,949					
15	Utility Plant Adjustments (116)	—	—	—	—	—				—					
16	Gas Stored Underground - Noncurrent (117)	—	—	—	—	—				—					
17	OTHER PROPERTY AND INVESTMENTS														
18	Nonutility Property (121)	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467				1,221,467					
19	(Less) Accum. Prov. for Depr. and Amort. (122)	(45,100)	(47,093)	(49,076)	(51,059)	(53,042)				(49,076)					
20	Investments in Associated Companies (123)	—	—	—	—	—				—					
21	Investment in Subsidiary Companies (123.1)	—	—	—	—	—				—					
22	(For Cost of Account 123.1, See Footnote Page 224, line 42)	—	—	—	—	—				—					
23	Noncurrent Portion of Allowances	—	—	—	—	—				—					
24	Other Investments (124)	31,900,858	33,407,328	34,491,463	34,002,664	35,672,610				33,894,985					
25	Sinking Funds (125)	—	—	—	—	—				—					
26	Depreciation Fund (126)	—	—	—	—	—				—					
27	Amortization Fund - Federal (127)	—	—	—	—	—				—					
28	Other Special Funds (128)	49,989,987	51,333,715	48,559,988	48,187,200	65,512,458				52,717,672					
29	Special Funds (Non Major Only) (129)	—	—	—	—	—				—					
30	Long-Term Portion of Derivative Assets (175)	—	—	—	—	—				—					
31	Long-Term Portion of Derivative Assets - Hedges (176)	—	—	—	—	—				—					
32	TOTAL Other Property and Investments (Lines 18-21 and 22-31)	83,071,202	85,916,417	84,223,853	83,160,272	102,352,495				87,784,848					
33	CURRENT AND ACCRUED ASSETS														
34	Cash and Working Funds (Non-major Only) (130)	—	—	—	—	—				—					
35	Cash (131)	8,638,248	2,444,127	(1,752,919)	10,010,814	9,357,305				5,799,515					
36	Special Deposits (132-134)	160,408	160,408	176,822	193,237	169,408				170,257					
37	Working Fund (135)	—	—	—	—	—				—					
38	Temporary Cash Investments (136)	33,935,293	21,051,589	48,394,161	34,272,653	10,319,086				29,894,556					
39	Notes Receivable (141)	—	—	—	—	—				—					
40	Customer Accounts Receivable (142)	222,978,112	176,244,709	190,772,979	327,950,402	231,325,757				230,054,392					
41	Other Accounts Receivable (143)	5,668,211	6,618,543	6,757,916	7,719,972	10,595,777				7,388,048					
42	(Less) Accum. Prov. for Uncollectible Acct.-Credit (144)	(20,471,549)	(19,660,093)	(17,606,418)	(20,910,302)	(20,533,770)				(19,844,826)					(19,844,826)
43	Notes Receivable from Associated Companies (145)	100,000,000	—	—	—	—				20,000,000					
44	Accounts Receivable from Assoc. Companies (146)	49,148,262	91,109,964	43,916,921	24,717,874	10,765,564				39,825,326					
45	Fuel Stock (151)	151	152	168	183	205				142					142
46	Fuel Stock Expenses Undistributed (152)	—	—	—	—	—				—					
47	Residuals (Elec) and Extracted Products (153)	—	—	—	—	—				—					
48	Plant Materials and Operating Supplies (154)	93,177,567	105,720,038	120,881,132	128,000,076	129,326,556				115,421,074					115,421,074
49	Merchandise (155)	—	—	—	—	—				—					
50	Other Materials and Supplies (156)	—	—	—	—	—				—					
51	Nuclear Materials Held for Sale (157)	—	—	—	—	—				—					
52	Allowances (158.1 and 158.2)	—	—	—	—	—				—					
53	(Less) Noncurrent Portion of Allowances	—	—	—	—	—				—					
54	Stores Expense Undistributed (163)	(66,949)	140,223	(1,023,633)	(1,367,871)	(65,166)				(477,479)					(463,682)
55	Gas Stored Underground - Current (164.1)	—	—	—	—	—				—					
56	Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)	—	—	—	—	—				—					
57	Prepayments (165)	36,440,375	59,337,515	35,713,482	52,705,393	42,676,999				45,414,753					44,567,813
58	Advances for Gas (166-167)	—	—	—	—	—				—					
59	Interest and Dividends Receivable (171)	—	—	—	—	—				—					
60	Rents Receivable (172)	—	—	—	—	—				—					

Line No.	Title of Account	ACTUALS				ACTUALS				5 Quarter Average (Adjusted)	Manual Adjustment	Jurisdictional Rate	Jurisdictional Rates	5 Quarter Average (Non-Date Base)	5 Quarter Average (FERC)	5 Quarter Average (Nevada)
		PY Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3							
173	Accrued Utility Revenues (173)	142,811,272	136,265,816	250,500,194	226,693,235	150,665,659	—	—	—	181,387,275	—	—	—	—	—	—
61	Miscellaneous Current and Accrued Assets (174)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
62	Derivative Instrument Assets (175)	23,099,721	3,489,515	46,516	—	—	—	—	—	5,327,154	—	—	—	—	—	—
64	(Less) Long-Term Portion of Derivative Instrument Assets (175)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
65	Derivative Instrument Assets - Hedges (176)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
66	(Less) Long-Term Portion of Derivative Instrument Assets - Hedges (176)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
67	Total Current and Accrued Assets (Lines 34 through 66)	696,119,124	582,916,521	676,778,777	789,545,485	575,588,381	—	—	—	664,189,578	—	—	—	—	—	—
DEFERRED DEBITS																
68	Unamortized Debt Expenses (181)	30,251,524	30,567,387	30,206,567	34,169,658	31,674,769	—	—	—	31,694,769	—	N/A	—	31,694,769	—	—
69	Extraordinary Property Losses (182.1)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
70	Unrecovered Plant and Regulatory Study Costs (182.2)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
72	Other Regulatory Assets (182.3)	1,279,147,441	1,623,181,682	1,419,458,332	1,343,305,162	1,091,149,933	—	—	—	1,351,248,510	—	N/A	—	1,007,996,432	—	348,252,078
73	Prelim. Survey and Investigation Charges (Electric) (183)	1,785,984	2,122,617	2,239,216	619,160	1,274,497	—	—	—	1,604,899	—	N/A	—	1,604,899	—	—
74	Preliminary Natural Gas Survey and Investigation Charges (183.1)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
75	Other Preliminary Survey and Investigation Charges (183.2)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
76	Clearing Accounts (184)	(184,300)	2,438,516	2,219,050	501,898	(115,857)	—	—	—	971,821	—	N/A	—	971,821	—	—
77	Temporary Facilities (185)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
78	Miscellaneous Deferred Debits (186)	95,848,993	95,824,494	94,787,625	96,850,199	81,600,880	—	—	—	92,990,438	—	N/A	—	—	—	—
79	Def. Losses from Disposition of Utility Plt. (187)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
80	Research, Devel. and Demonstration Expense (188)	—	—	—	—	—	—	—	—	—	—	N/A	—	—	—	—
81	Unamortized loss on Reacquired Debt (189)	17,917,638	17,583,194	17,258,749	16,929,304	16,600,505	—	—	—	17,258,878	—	N/A	—	17,258,878	—	—
82	Accumulated Deferred Income Taxes (190)	788,243,936	759,575,064	754,446,193	767,353,242	759,816,943	—	—	—	764,023,134	4,386,391	N/A	100.00 %	—	—	764,023,134
83	Unrecovered Purchased Gas Costs (191)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
84	Total Deferred Debits (Lines 69 through 83)	2,193,351,018	2,331,100,954	2,320,596,150	2,246,641,660	1,865,141,511	—	—	—	2,259,792,659	—	—	—	—	—	—
85	TOTAL ASSETS (Lines 14-16, 32, 67, and 84)	10,343,045,588	10,806,799,037	11,087,118,779	11,332,665,216	11,262,795,431	—	—	—	10,999,882,633	—	—	—	—	—	—
PG 112-113: Comparative Balance Sheet: Liabilities and Other Credits																
PROPRIETARY CAPITAL																
1	Common Stock Issued (201)	1,000	1,000	1,000	1,000	1,000	—	—	—	1,000	—	—	—	—	—	—
2	Preferred Stock Issued (204)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
204	Capital Stock Subscribed (202, 205)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
202,205	Stock Liability for Conversion (202, 206)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
203,206	Premium on Capital Stock (207)	773,510,116	773,510,116	773,510,116	773,510,116	773,510,116	—	—	—	773,510,116	—	—	—	—	—	—
6	Other Paid-in Capital (208-211)	1,562,639,552	1,962,639,552	1,962,639,552	1,962,639,552	1,962,639,552	—	—	—	1,882,639,552	—	—	—	—	—	—
208-211	Installments Received on Capital Stock (212)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8	(Less) Discount on Capital Stock (213)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
212	(Less) Capital Stock Expense (214)	(2,930,253)	(2,930,253)	(2,930,253)	(2,930,253)	(2,930,253)	—	—	—	(2,930,253)	—	—	—	—	—	—
214	Retained Earnings (215, 215.1, 216)	1,084,844,438	1,039,009,732	1,105,434,959	1,316,438,240	1,245,890,331	—	—	—	1,148,323,540	—	—	—	—	—	—
215, 215.1, 216	Unappropriated Undistributed Subsidiary Earnings (216.1)	(12,178,879)	(12,178,879)	(12,178,879)	(12,178,879)	(12,178,879)	—	—	—	(12,178,879)	—	—	—	—	—	—
216	(Less) Reacquired Capital Stock (217)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
217	Noncorporate Proprietorship (Non-major only) (218)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
218	Accumulated Other Comprehensive Income (219)	(1,345,510)	(1,323,126)	(1,300,743)	(1,278,359)	(1,477,446)	—	—	—	(1,345,037)	—	—	—	—	—	—
219	Total Proprietary Capital (Lines 2 through 19)	3,854,540,464	3,798,728,143	3,825,175,753	4,086,201,418	3,965,454,421	—	—	—	3,788,020,040	—	—	—	—	—	—
LONG-TERM DEBT																
17	Bonds (221)	92,500,000	92,500,000	92,500,000	92,500,000	92,500,000	—	—	—	92,500,000	—	—	—	—	—	—
18	(Less) Reacquired Bonds (222)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
221	Advances from Associated Companies (223)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
222	Other Long-Term Debt (224)	3,141,300,000	3,141,300,000	3,141,300,000	3,341,300,000	3,341,300,000	—	—	—	3,221,300,000	—	—	—	—	—	—
223	Unamortized Premium on Long-Term Debt (225)	(9,247,883)	(9,065,128)	(8,882,767)	(9,534,115)	(9,344,910)	—	—	—	(9,214,882)	—	—	—	—	—	—
224	(Less) Unamortized Discount on Long-Term Debt (226)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
225	Total Long-Term Debt (Lines 18 through 23)	3,224,532,512	3,224,779,872	3,224,917,133	3,424,265,885	3,424,455,090	—	—	—	3,304,585,118	—	N/A	—	3,304,585,118	—	—
226	Obligations Under Capital Leases - Noncurrent (227)	304,462,272	298,312,011	293,999,524	287,708,527	286,013,189	—	—	—	294,099,105	—	N/A	—	294,099,105	—	—
227	Accumulated Provision for Property Insurance (228.1)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
228	Accumulated Provision for Injuries and Damages (228.2)	1,668,915	1,353,997	1,308,899	1,286,634	1,383,126	—	—	—	1,383,126	—	—	—	—	39,968	1,343,158
228	Accumulated Provision for Pensions and Benefits (228.3)	10,065,849	9,658,475	9,559,647	8,953,629	9,847,795	—	—	—	9,617,079	—	—	—	—	179,349	9,457,730
229	Accumulated Miscellaneous Operating Provisions (228.4)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Accumulated Provision for Rate Refunds (229)	1,075,574	2,206,577	2,981,185	3,945,098	1,256,021	—	—	—	2,293,283	—	N/A	—	2,293,283	—	—
229	Long-Term Portion of Derivative Instrument Liabilities	24,019,581	29,731,029	21,760,860	9,456,791	5,603,319	—	—	—	18,114,316	(18,114,316)	—	—	—	—	—
32	Long-Term Portion of Derivative Instrument Liabilities - Hedges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
33	Asset Retirement Obligations (230)	59,485,216	57,222,818	57,956,559	65,884,186	62,158,304	—	—	—	60,541,617	—	N/A	—	60,541,617	—	—
34	Total Other Noncurrent Liabilities (Lines 26 through 34)	400,777,407	398,487,907	387,566,674	377,245,374	365,165,261	—	—	—	386,048,525	—	—	—	—	—	—
35	CURRENT AND ACCRUED LIABILITIES	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
36	Notes Payable (231)	—	33,000,000	—	451	6,600,090	—	—	—	6,600,090	—	—	—	—	—	—
37																

Line No.	Title of Account	ACTUALS				ACTUALS				ACTUALS				5 Quarter Average	Jurisdictional Rate	Jurisdictional Rates	5 Quarter Average (Non-Date Base)	5 Quarter Average (FERC)	5 Quarter Average (Nevada)
		PT Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	(Adjusted)				
38	Accounts Payable (232)	336,940,129	245,594,304	438,724,129	360,984,025	405,051,305	—	—	—	—	—	—	—	—	357,316,818	—	—	—	—
39	Notes Payable to Associated Companies (233)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
40	Accounts Payable to Associated Companies (234)	89,374,229	91,533,500	201,373,679	71,349,405	64,753,352	—	—	—	—	—	—	—	—	103,670,649	—	—	—	—
41	Customer Deposits (235)	50,339,680	52,167,130	53,488,221	56,168,742	58,722,862	—	—	—	—	—	—	—	—	54,217,347	—	—	—	—
42	Taxes Accrued (236)	6,547,750	9,057,088	9,240,045	60,490,145	43,507,030	—	—	—	—	—	—	—	—	25,768,411	—	—	—	—
43	Interest Accrued (237)	39,572,585	50,540,227	39,381,288	51,410,530	43,937,592	—	—	—	—	—	—	—	—	44,968,444	—	—	—	—
44	Dividends Declared (238)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
45	Matured Long-Term Debt (239)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
46	Matured Interest (240)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
47	Tax Collections Payable (241)	25,712,648	25,815,734	25,974,333	44,819,225	26,850,999	—	—	—	—	—	—	—	—	29,834,688	—	—	—	—
48	Miscellaneous Current and Accrued Liabilities (242)	7,671,677	12,104,352	16,076,240	16,991,031	10,409,921	—	—	—	—	—	—	—	—	12,650,644	—	—	—	—
49	Obligations Under Capital Leases Current (243)	13,677,003	19,920,716	20,560,115	20,949,833	21,665,925	—	—	—	—	—	—	—	—	20,502,758	—	—	—	—
50	Derivative Instrument Liabilities (244)	75,044,028	119,726,540	125,234,244	58,166,103	67,583,096	—	—	—	—	—	—	—	—	89,150,838	—	—	—	—
51	(Less) Long-Term Portion of Derivative Instrument Liabilities	(24,019,581)	(29,731,029)	(21,760,860)	(9,456,791)	(5,603,319)	—	—	—	—	—	—	—	—	—	—	—	—	—
52	Derivative Instrument Liabilities - Hedges (245)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
53	(Less) Long-Term Portion of Derivative Instrument Liabilities-Hedges	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
54	Total Current and Accrued Liabilities (lines 37 through 53)	636,860,148	629,717,641	908,292,114	731,873,199	785,788,783	—	—	—	—	—	—	—	—	744,680,689	—	—	—	—
55	DEFERRED CREDITS																		
56	Customer Advances for Construction (252)	104,273,144	111,240,119	123,763,283	130,405,366	137,475,071	—	—	—	—	—	—	—	—	121,431,397	—	—	—	—
57	Accumulated Deferred Investment Tax Credits (255)	11,566,478	11,463,886	11,359,394	11,255,701	11,709,194	—	—	—	—	—	—	—	—	31,470,711	—	—	—	—
58	Deferred Gains from Disposition of Utility Plant (256)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
59	Other Deferred Credits (253)	88,704,309	96,034,764	104,824,039	140,861,762	114,108,557	—	—	—	—	—	—	—	—	108,906,686	—	—	—	—
60	Other Regulatory Liabilities (254)	888,023,710	850,627,261	828,122,016	818,459,788	804,086,814	—	—	—	—	—	—	—	—	837,863,918	—	—	—	—
61	Unamortized Gain on Reacquired Debt (257)	122,788	120,018	117,248	114,477	117,248	—	—	—	—	—	—	—	—	117,248	—	—	—	—
62	Accum. Deferred Income Taxes-Accr. Amort (281)	1,383,470,652	1,396,595,235	1,389,249,364	1,397,603,653	1,387,206,770	—	—	—	—	—	—	—	—	1,390,825,135	—	—	—	—
63	Accum. Deferred Income Taxes-Other Property (282)	250,853,975	329,050,192	283,731,764	264,378,632	215,233,782	—	—	—	—	—	—	—	—	270,649,669	—	—	—	—
64	Accum. Deferred Income Taxes-Other (283)	2,737,035,066	2,795,130,474	2,741,167,006	2,763,075,379	2,765,981,896	—	—	—	—	—	—	—	—	2,740,454,762	—	—	—	—
65	Total Deferred Credits (lines 56 through 64)	10,348,045,588	10,806,795,037	11,087,118,779	11,332,665,256	11,362,795,431	—	—	—	—	—	—	—	—	10,966,484,818	—	—	—	—
66	TOTAL LIABILITIES AND STOCKHOLDER EQUITY (lines 16, 24, 35, 54 and 65)																		

Appendix 7

Nebraska Power Company
Revenues
As of December 2023

	Earning Sharing Model Calculation												Appendix 7	
	12 Month Rolling	Market Adjustment	12 Month (Adjusted)	Jurisdictional Rate	Jurisdictional Rates	12 Month (Non-Rate Base)	12 Month Rolling (FERC)	12 Month Rolling (FERC)	12 Month Rolling (FERC)	12 Month Rolling (FERC)	12 Month Rolling (FERC)	12 Month Rolling (FERC)	12 Month Rolling (FERC)	12 Month Rolling (FERC)
Residential sales	440	109,807,640	94,851,982	92,870,186	98,477,788	143,324,722	143,324,722	143,324,722	143,324,722	143,324,722	143,324,722	143,324,722	143,324,722	143,324,722
Commercial and industrial sales	441	—	—	—	—	—	—	—	—	—	—	—	—	—
Public street and highway lighting	442	98,075,365	90,618,880	93,428,976	100,022,294	114,900,036	114,900,036	114,900,036	114,900,036	114,900,036	114,900,036	114,900,036	114,900,036	114,900,036
Other sales to public authorities (Major only)	443	1,278,182	1,151,129	1,198,448	1,100,140	1,010,909	1,010,909	1,010,909	1,010,909	1,010,909	1,010,909	1,010,909	1,010,909	1,010,909
Sales to railroads and railroads (Major only)	445	278,900	304,072	307,209	301,000	298,588	298,588	298,588	298,588	298,588	298,588	298,588	298,588	298,588
Sales for resale	446	—	—	—	—	—	—	—	—	—	—	—	—	—
Interdepartmental sales	447	3,219,940	7,138,303	7,978,850	7,741,854	3,541,050	3,541,050	3,541,050	3,541,050	3,541,050	3,541,050	3,541,050	3,541,050	3,541,050
Other sales (Nonmajor only)	448	—	—	—	—	—	—	—	—	—	—	—	—	—
Personal care refund	449	—	—	—	—	—	—	—	—	—	—	—	—	—
Intergovernmental	450	—	—	—	—	—	—	—	—	—	—	—	—	—
Miscellaneous service revenues	451	418,382	407,175	448,210	477,256	477,237	477,237	477,237	477,237	477,237	477,237	477,237	477,237	477,237
Sales of water and water power	452	—	—	—	—	—	—	—	—	—	—	—	—	—
Rent from electric property	453	101,306	87,117	83,322	82,858	81,471	81,471	81,471	81,471	81,471	81,471	81,471	81,471	81,471
Intergovernmental	454	—	—	—	—	—	—	—	—	—	—	—	—	—
Revenue from transmission of electricity of others	455	2,895,366	1,897,275	1,967,018	2,029,641	2,022,432	2,022,432	2,022,432	2,022,432	2,022,432	2,022,432	2,022,432	2,022,432	2,022,432
Regional transmission service revenues	456	4,861,131	4,231,118	2,711,506	3,746,118	4,331,007	4,331,007	4,331,007	4,331,007	4,331,007	4,331,007	4,331,007	4,331,007	4,331,007
Miscellaneous revenues	457	—	—	—	—	—	—	—	—	—	—	—	—	—
458	—	—	—	—	—	—	—	—	—	—	—	—	—	—
459	—	—	—	—	—	—	—	—	—	—	—	—	—	—
		220,414,033	201,014,254	209,415,522	214,959,592	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460
		220,414,033	201,014,254	209,415,522	214,959,592	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460	270,793,460

Per FERC Income Statement

Nevada Power Company
Operating Expense Details
As of December 2023

Appendix 7

April December 2028														12 Month	12 Month	12 Month	12 Month			
	1	2	3	4	5	6	7	8	9	10	11	12	YTD	Rolling	Manual Adjustment	Rolling (Adjusted)	Jurisdictional Rate	Rolling (Non-File Rate)	Rolling (FIBC)	Rolling (Newsfile)
Op Superv & Engineering- Steam	500	34,104	25,882	27,011	22,466	26,881	34,425	36,065	32,313	29,673	28,567	20,246	337,737	337,737	357,757	337,737	337,737	100.00%	—	337,737
Fuel - Steam	501	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	—	—	—
Steam Expenses - Steam	502	(12,790)	14,826	15,136	13,586	13,637	14,998	15,200	8,478	4,248	14,992	16,981	157,640	157,640	157,640	157,640	100.00%	100.00%	—	157,640
Steam from other rics- Steam	503	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	157,640
Steam Transferred (C) - Steam	504	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	157,640
Electric Expenses - Steam	505	3,913	(3,435)	—	—	—	—	—	1,859	(280)	6,784	(21,46)	7,055	4,373,253	4,373,253	4,373,253	100.00%	100.00%	—	4,373,253
Misc Steam Power Expenses	506	34,127	33,384	604,896	551,745	17,663	25,174	32,179	31,966	345,814	292,007	437,227	4,373,253	4,373,253	4,373,253	4,373,253	100.00%	100.00%	—	4,373,253
Allowances	509	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Op Superv & Engineering- Nuc	517	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Fuel - Nuclear	518	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Coolants & Water	519	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Steam Expenses - Nuclear	520	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Steam from other rics- Nuclear	521	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Steam Transferred (C)- Nuclear	522	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Electric Expenses - Nuclear	523	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Electric from other rics- Nuclear	524	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Misc Nuclear Power Expenses	525	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Op Superv & Engineering-Hydro	535	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Water for Power	536	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Hydraulic Expenses	537	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Electric Expenses - Hydro	538	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Electric from other rics- Hydro	539	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Rents - Hydro	540	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Op Superv & Engineering-Other	546	256,049	128,885	225,080	228,123	300,521	224,204	244,806	115,369	212,666	297,088	153,364	2,556,287	2,556,287	2,556,287	2,556,287	100.00%	100.00%	—	2,556,287
Fuel - Other	547	458,118,897	98,976,843	48,982,217	34,515,664	295,184,420	22,478,997	50,183,392	51,207,986	36,116,457	29,727,687	52,661,989	982,513,818	982,513,818	982,513,818	982,513,818	100.00%	100.00%	—	982,513,818
Generation Expenses	548	835,232	771,768	838,667	861,673	693,519	1,008,915	873,086	730,255	646,374	844,596	592,027	9,350,811	9,350,811	9,350,811	9,350,811	100.00%	100.00%	—	9,350,811
Misc Other Power Gen Expenses	549	1,605,091	1,171,089	1,389,014	1,386,144	1,731,358	1,733,007	1,493,886	1,609,852	1,538,481	1,670,094	1,506,465	18,088,144	18,088,144	18,088,144	18,088,144	100.00%	100.00%	—	18,088,144
Rents - Other	550	202,070	196,816	196,816	196,816	196,816	196,816	196,816	196,816	196,816	196,816	196,816	2,887,266	2,887,266	2,887,266	2,887,266	100.00%	100.00%	—	2,887,266
Electric Expenses - Other	551	34,127	33,384	604,896	551,745	17,663	25,174	32,179	31,966	345,814	292,007	437,227	4,373,253	4,373,253	4,373,253	4,373,253	100.00%	100.00%	—	4,373,253
System Control & Load Dispatch	555	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Op Superv & Engineering-Trans	560	17,120	18,984	17,117	12,910	14,502	14,502	11,775	11,199	11,444	16,321	47,750	214,726	214,726	214,726	214,726	100.00%	100.00%	—	214,726
Load Dispatching - Trans	561	634,110	26,422	322,908	267,853	268,503	330,219	324,652	35,481	308,917	336,747	279,214	3,598,919	3,598,919	3,598,919	3,598,919	100.00%	100.00%	—	3,598,919
Overhead Lines Expense - Trans	562	(86,277)	10,093	19,873	13,023	48,186	219,563	42,345	37,390	37,324	11,381	26,778	47,077	47,077	47,077	47,077	100.00%	100.00%	—	47,077
Underground Lines Exp - Trans	563	15,158	133,366	153,409	126,763	273,365	(482)	127,229	19,186	255,433	31,103	(28,279)	1,716,987	1,716,987	1,716,987	1,716,987	100.00%	100.00%	—	1,716,987
Underground Lines Exp - Trans	564	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Miscellaneous - Transmission Exp	565	218,650	(602,677)	759,640	(39,800)	88,660	1,771,957	1,906,633	1,482,740	(409,200)	137,669	8,186,762	8,186,762	8,186,762	8,186,762	8,186,762	100.00%	100.00%	—	8,186,762
Rents - Trans	567	3,074,559	3,367,540	2,706,768	2,706,768	2,932,108	3,308,459	2,538,528	2,936,400	3,512,049	2,931,493	3,646,114	36,939,830	36,939,830	36,939,830	36,939,830	100.00%	100.00%	—	36,939,830
Op Superv & Engineering- Dist	580	78,727	70,046	81,095	61,252	76,619	67,099	57,918	74,794	108,124	85,704	172,550	1,028,688	1,028,688	1,028,688	1,028,688	100.00%	100.00%	—	1,028,688
Load Dispatching - Dist	581	113,430	82,530	105,782	93,994	97,270	89,463	80,334	96,667	114,857	85,241	80,983	1,149,502	1,149,502	1,149,502	1,149,502	100.00%	100.00%	—	1,149,502
Station Expenses - Dist	582	70,200	48,300	71,234	93,949	78,859	55,982	43,852	64,647	79,801	85,241	80,983	1,149,502	1,149,502	1,149,502	1,149,502	100.00%	100.00%	—	1,149,502
Overhead Lines Expense - Dist	583	136,693	469,424	131,873	183,780	160,627	184,113	221,465	178,383	140,848	951,569	260,462	3,209,273	3,209,273	3,209,273	3,209,273	100.00%	100.00%	—	3,209,273
Underground Lines Exp - Dist	584	336,301	281,966	304,725	688,103	681,554	714,786	447,102	770,043	618,072	770,610	585,493	6,881,260	6,881,260	6,881,260	6,881,260	100.00%	100.00%	—	6,881,260
Underground Lines Exp - Dist	585	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Misc Customer Accounts Exp	905	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Supervision - Customer Service	907	562	920	609	783	862	946	2,388	1,065	2,752	(338)	3,072	15,352	15,352	15,352	15,352	100.00%	100.00%	—	15,352
Customer Assistance Expenses	908	2,500,985	2,276,565	2,301,325	2,356,971	3,495,970	3,602,970	5,340,508	4,545,126	3,624,214	2,856,516	2,612,527	37,430,132	37,430,132	37,430,132	37,430,132	100.00%	100.00%	—	37,430,132
Information & Instruction Exp	909	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Misc Cust Svc & Information Ex	910	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Supervision - Sales	911	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Demonstrating & Selling Exp	912	25,172	20,001	—	18,236	29,246	22,218	21,389	25,426	19,440	20,480	13,246	296,336	296,336	296,336	296,336	100.00%	100.00%	—	296,336
Advertising Expenses	913	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Miscellaneous Sales Expenses	916	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	100.00%	100.00%	—	—
Administrative & &																				

Earning Sharing Model Calculation															
		12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month	12 Month
		Rolling	Manual	Rolling	Jurisdictional	Jurisdictional	Rolling	Rolling	Rolling	Rolling	Rolling	Rolling	Rolling	Rolling	Rolling
			Adjustment	(Adjusted)	Rate	Rate	(Non-Firm Rate)	(Firm)	(Firm)	(Firm)	(Firm)	(Firm)	(Firm)	(Firm)	(Firm)
510	Maint of Suprson & Eng - Steam														
511	Maint of Structures - Steam														
512	Maintenance of Boiler Plant														
513	Maint of Electric Plant Steam														
514	Maintenance of Misc Steam Pnt														
515	Maint of Suprson & Eng - Nuc														
516	Maint of Structures - Nuc														
517	Maint of Electric Plant - Nuc														
518	Maint of Electric Plant Equip														
519	Maint of Electric Plant - Nuc														
520	Maint of Misc Nuclear Plant														
521	Maint of Electric Plant Equip														
522	Maint of Electric Plant - Nuc														
523	Maint of Electric Plant Equip														
524	Maint of Structures - Hydro														
525	Maint of Reservoirs, Dams, etc														
526	Maint of Electric Plant-Hydro														
527	Maintenance of Misc Hydro Pnt														
528	Maint of Suprson & Eng - Other														
529	Maint of Structures - Other														
530	Maint of Gen & Electric Plant														
531	Maint Misc Other Pwr Gen Maint														
532	Maint of Suprson & Eng - Trns														
533	Maint of Structures - Trns														
534	Maint of Station Equip - Trns														
535	Maint of Station Equip - Trns														
536	Maint of Overhead Lines-Trns														
537	Maint of Underground Lines-Trns														
538	Maint of Misc Trns Plant														
539	Maint of Suprson & Eng - Dist														
540	Maint of Structures - Dist														
541	Maint of Station Equip - Dist														
542	Maint of Overhead Lines - Dist														
543	Maint of Overhead Lines-Dist														
544	Maint of Station Equip-Dist														
545	Maint of Misc Dist Equip														
546	Maint of Misc Dist Equip														
547	Maint of Misc Dist Equip														
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598	Maint of Misc Dist Equip														
599	Maint of Misc Dist Equip														
935	Maintenance of General Plant														
		3,257,254	2,611,946	4,179,641	3,290,168	3,754,220	3,802,692	2,830,222	1,850,909	39,672,318	39,672,318	39,672,318	39,672,318	39,672,318	39,672,318

Page 244 of 259

Nevada Power Company
PP&E (End Bal)
As of December 2023

Per FERC Balance Sheet

Plant (including ARO and NPP)
Add: Leases

10,863,269,330
10,545,156,474
319,334,324
10,864,490,798

10,935,740,435
10,622,458,615
314,502,288
10,936,961,202

11,188,352,062
10,879,403,962
310,169,568
11,189,573,530

11,720,288,301
10,966,349,651
305,160,117
11,721,509,769

11,726,634,795
11,423,779,178
303,477,084
11,727,256,763

Type	2022 PV	2023 1	2023 2	2023 3	2023 4	2023 5	2023 6	2023 7	2023 8	2023 9	2023 10	2023 11	2023 12	Earning Sharing Model Calculation					5 Quarter Average (Newrate)
														Jurisdictional Rate	Jurisdictional Rates	Average (Non-Rate Base)	Average (FERC)		
1. Intangible Plant	426,926,500	426,978,955	427,996,873	428,071,615	428,634,095	433,725,710	434,129,904	434,171,949	436,571,189	438,800,756	438,956,287	438,541,511	441,780,375	433,941,830	4	98.135 %	8,092,581	425,849,249	—
2. Production Plant	3,917,094,179	3,923,061,244	3,927,208,356	3,919,301,319	3,912,719,615	4,039,994,099	4,040,118,415	4,042,405,441	4,043,032,723	4,046,517,454	4,047,052,217	4,058,913,539	4,331,997,721	4,051,006,818	2	100.000 %	—	4,051,006,818	—
3. Transmission Plant	1,535,181,166	1,536,417,724	1,538,943,434	1,542,609,794	1,543,444,046	1,557,082,603	1,556,684,220	1,556,997,188	1,559,856,790	1,560,073,487	1,560,127,355	1,562,504,726	1,565,064,421	1,551,922,678	1	81.349 %	289,450,651	1,262,472,027	—
4. Distribution Plant	4,106,116,776	4,120,963,854	4,135,645,522	4,159,134,588	4,193,884,378	4,238,719,628	4,263,874,553	4,281,164,655	4,303,054,482	4,326,650,484	4,343,000,423	4,387,412,531	4,400,028,878	4,252,961,056	N	100.000 %	—	4,252,961,056	—
6. General Plant	443,681,391	443,454,426	444,537,418	458,039,716	458,884,2569	466,413,855	463,179,026	462,478,323	462,516,495	463,227,209	463,844,688	463,997,785	463,633,365	458,358,141	4	98.135 %	8,547,921	449,810,020	—
Other (Acq Adj)	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	72,798,367	4	98.135 %	1,357,617	71,440,751	—
Other (Misc)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Other (NUP)	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	1,221,467	—	—	—	—	—
Other (Neg Bal Reclass)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
	10,503,019,846	10,524,896,038	10,548,351,439	10,581,176,867	10,611,551,537	10,809,955,730	10,832,006,254	10,850,837,390	10,879,051,512	10,909,319,225	10,927,000,585	10,985,388,926	11,285,524,594	10,822,209,357	—	—	1,221,467	307,448,769	10,513,539,120
Other (Exclude - ARO)	11,672,375	11,672,375	11,672,375	8,842,476	8,842,476	8,842,476	8,995,310	8,995,310	8,995,310	16,319,789	16,319,789	16,319,789	11,783,119	11,522,614	N/A	—	11,522,614	—	—
Other (Exclude - Leases)	—	—	—	—	—	—	—	—	—	—	—	—	—	310,528,876	N/A	—	310,528,876	—	—
Other (Exclude - NPP)	4,432,760	5,241,074	5,462,773	6,392,629	6,668,993	11,550,924	12,247,689	14,079,714	14,521,149	14,567,337	15,697,042	16,225,530	16,578,756	10,848,834	N/A	—	10,848,834	—	—
Other (Exclude - ESAP)	1,600,787	1,615,937	1,615,937	1,615,937	1,615,937	1,615,937	1,612,599	1,612,599	1,600,759	1,600,759	1,600,759	1,600,759	1,600,759	1,606,169	N/A	—	1,606,169	—	—
Other (Exclude - PHFU)	24,430,705	24,430,705	24,430,705	24,430,705	24,430,705	24,430,705	24,542,110	24,542,110	24,542,541	24,542,541	26,441,476	26,441,476	108,291,951	41,247,602	N/A	—	41,247,602	—	—
	42,136,628	42,960,092	43,181,790	41,281,747	41,558,112	46,440,042	47,897,708	49,230,165	49,660,760	57,030,426	59,559,066	60,287,553	138,254,584	375,749,095	—	—	375,749,095	—	—
	10,545,156,474	10,567,856,110	10,591,533,229	10,622,458,615	10,653,109,648	10,856,395,772	10,879,403,962	10,900,067,555	10,928,712,272	10,966,349,651	10,986,559,650	11,045,677,480	11,423,779,178	11,197,958,432	—	—	376,970,562	307,448,769	10,513,539,120
Ending Balance (less NUP)														11,196,736,985	—	—	375,749,095	307,448,769	10,513,539,120

Page 246 of 259

[illegible]

[illegible]

Per FERC Balance Sheet - Regulatory Liab (25-6)
VARIANCE

Reg/Liab Category	Reg/Liab Description	5 Quarter Average												Jurisdictional Rates	Jurisdictional Rate	5 Quarter Average (FERC)	5 Quarter (Nevada)	
		2022	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023					
PY		1	2	3	4	5	6	7	8	9	10	11	12					
SO2 Allowances	Included in Rate Base	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	(11)	100.00%	—	—	(11)	
	Gain on tower sales	(4,040,650)	(3,703,209)	(3,030,488)	(2,693,767)	(2,337,046)	(2,020,325)	(1,383,064)	(1,010,163)	(673,442)	(336,721)	0	(2,000,126)	100.00%	—	(2,000,126)	(11)	
	Impact fees excluding BTR	(17,576,625)	(14,593,136)	(15,168,051)	(14,643,232)	(13,828,682)	(12,200,237)	(11,386,363)	(10,577,725)	(9,799,322)	(8,946,158)	(8,133,232)	(7,320,547)	100.00%	—	(12,299,997)	(12)	
	Net energy metering	(107,333,648)	(9,833,177)	(8,844,708)	(8,050,236)	(7,155,765)	(6,261,294)	(5,366,824)	(4,472,353)	(3,577,883)	(2,683,422)	(1,788,941)	(894,471)	100.00%	—	(5,366,824)	(13)	
	Net metering rate difference	(237,414)	(217,630)	(197,845)	(178,061)	(158,492)	(138,492)	(118,707)	(98,933)	(79,138)	(59,354)	(39,569)	(19,765)	100.00%	—	(118,707)	(14)	
	On Line Reallocation Deferral	(3,392,539)	(3,711,779)	(6,033,254)	(8,338,024)	(6,731,759)	(7,104,338)	(7,539,497)	(8,001,144)	(8,574,264)	(9,093,770)	(9,739,381)	(10,517,647)	100.00%	—	(6,048,410)	(15)	
	Net energy metering (research)	(1,896,348)	(1,606,150)	(1,344,669)	(1,084,814)	(829,726)	(574,624)	(319,527)	(62,721)	(1,938,428)	(2,272,932)	(2,330,213)	(2,352,668)	100.00%	—	(1,711,274)	(16)	
	Net energy metering (research)	(555,558,424)	(53,377,360)	(51,296,485)	(49,075,663)	(47,111,162)	(45,230,744)	(43,370,812)	(41,546,008)	(39,748,272)	(37,954,417)	(36,204,393)	(34,494,938)	100.00%	—	(12,076,513)	(17)	
	Other Recovery Method	Energy efficiency/renewable programs	(26,669,514)	(26,116,767)	(25,603,688)	(25,038,753)	(24,486,440)	(23,937,757)	(23,394,896)	(22,856,832)	(22,318,378)	(21,779,622)	(21,239,866)	(20,699,110)	100.00%	—	(22,076,513)	(18)
	Other Recovery Method	Temporary renewable energy program	39,521,270	39,718,752	40,193,494	40,888,326	42,514,688	44,418,620	46,244,501	48,101,480	49,957,466	50,895,130	52,015,423	52,509,103	100.00%	46,693,347	(64,151,556)	(19)
Other Recovery Method	TRID revenue	(97,739,465)	(50,711,609)	(59,487,449)	(60,451,260)	(61,251,770)	(62,147,411)	(63,139,160)	(64,200,785)	(65,326,601)	(66,508,226)	(67,745,251)	(69,037,476)	100.00%	(64,151,556)	(64,151,556)	(20)	
Other Recovery Method	Wynn BTR exit fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Other Recovery Method	BTR impact fees	(98,848)	(96,462)	(94,422)	(91,617)	(89,172)	(86,724)	(84,251)	(81,772)	(79,273)	(76,762)	(74,234)	(71,692)	100.00%	(84,123)	(84,123)	(21)	
Tax Adjustments	Deferred tax unamortized ITC	(43,005,857)	(44,206,365)	(45,091,085)	(45,692,863)	(46,127,749)	(46,503,282)	(46,823,210)	(47,087,959)	(47,302,554)	(47,468,042)	(47,651,018)	(47,785,326)	100.00%	(45,221,643)	(45,221,643)	(22)	
Tax Adjustments	Exc. Tax - Imputed FERC	(3,074,534)	(3,065,459)	(3,065,726)	(3,067,000)	(3,067,917)	(3,068,738)	(3,069,559)	(3,070,380)	(3,071,201)	(3,072,022)	(3,072,843)	(3,073,664)	100.00%	(8,365,632)	(8,365,632)	(23)	
Tax Adjustments	Excess deferred taxes non-property	504,516	482,156	459,696	437,236	414,776	392,316	369,856	347,396	324,936	302,476	280,016	257,556	100.00%	264,219	264,219	(24)	
Tax Adjustments	Regulatory Deferred Income taxes	(580,508,823)	(579,440,245)	(577,951,668)	(576,514,493)	(574,776,383)	(572,277,146)	(569,518,239)	(566,344,328)	(562,510,417)	(558,066,506)	(553,062,595)	(547,558,684)	100.00%	(22,683,407)	(22,683,407)	(25)	
GAAP Adjustments	Equity component carry charge	(30,748,006)	(29,879,023)	(29,010,397)	(28,148,849)	(27,289,750)	(26,462,924)	(25,619,063)	(24,775,099)	(23,944,594)	(23,114,247)	(22,287,597)	(21,464,846)	100.00%	(26,656,303)	(26,656,303)	(26)	
GAAP Adjustments	Risk management	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	(23,099,221)	100.00%	(39,983,337)	(39,983,337)	(27)	
Other (Earning Sharing)	Current year earnings sharing accrual	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Other (Earning Sharing)	Prior year(s) earnings sharing accrual	(114,317,547)	(115,854,632)	(117,432,607)	(119,050,582)	(120,708,557)	(122,406,532)	(124,144,507)	(125,922,482)	(127,740,457)	(129,598,432)	(131,496,407)	(133,434,382)	100.00%	(117,557,613)	(117,557,613)	(28)	
Other (Earning Sharing)	Earning sharing accrual	(114,317,547)	(115,854,632)	(117,432,607)	(119,050,582)	(120,708,557)	(122,406,532)	(124,144,507)	(125,922,482)	(127,740,457)	(129,598,432)	(131,496,407)	(133,434,382)	100.00%	(117,557,613)	(117,557,613)	(29)	
Total		(888,002,721)	(859,879,866)	(855,443,906)	(850,627,272)	(845,811,551)	(840,619,233)	(835,044,560)	(829,082,608)	(822,867,357)	(816,409,008)	(809,740,590)	(802,861,929)	100.00%	(139,762,493)	(139,762,493)	(30)	

Account	1	2	3	4	5	6	7	8	9	10	11	12
419006	(1,389,465)	(2,797,774)	(4,211,659)	(5,637,578)	(7,087,789)	(8,571,816)	(10,070,690)	(11,598,635)	(13,146,515)	(13,970,746)	(15,415,810)	(14,468,989)
419006 (Exclude - NDPP)	78,582	163,435	252,485	347,497	445,925	578,339	714,879	867,302	1,028,786	1,183,544	1,282,869	1,444,334
431006	286,469	254,411	543,952	835,042	1,127,692	1,421,909	1,717,705	2,016,701	2,315,887	2,414,028	2,701,603	3,127,481
	(1,024,415)	(2,379,929)	(3,415,222)	(4,455,039)	(5,514,172)	(6,571,568)	(7,638,107)	(8,714,632)	(9,801,842)	(10,373,174)	(11,431,338)	(9,897,174)
Credit	(565,383)	(1,140,478)	(1,739,629)	(2,344,171)	(3,005,849)	(3,713,055)	(4,487,276)	(5,311,817)	(6,116,903)	(6,742,008)	(7,367,449)	(7,669,535)
Debit	1,115,927	2,232,173	3,348,100	4,464,027	5,579,954	6,695,880	7,818,378	8,934,305	10,050,232	13,856,375	14,972,302	21,327,671
	550,543	1,091,695	1,608,471	2,119,856	2,574,105	2,982,825	3,331,102	3,622,488	3,933,328	7,114,367	7,604,853	13,658,136
	473,871	1,288,234	1,806,751	2,335,183	2,940,067	3,588,743	4,307,004	5,092,144	5,868,514	3,258,807	3,826,485	(3,760,962)

Nevada Power Company										Appendix			
ADIT													
As of December 2023													
	PV Q4	Q1	Q2	Q3	Q4		5 Quarter Average	Manual Adjustment	5 Quarter Average (Adjusted)	Jurisdictional Rates	5 Quarter Average (Non-Rate Base)	5 Quarter Average (FERC)	5 Quarter Average (Nevada)
Accum. Deferred Income Taxes-Other Property (282)	1,383,470,652	1,396,595,235	1,389,249,364	1,397,603,653	1,397,206,770		1,390,825,135		1,390,825,135				(1,390,825,135)
Accum. Deferred Income Taxes-Other (283)	260,853,975	329,050,192	283,731,764	264,378,632	215,233,782		270,649,669		270,649,669				(270,649,669)
	1,644,324,627	1,725,645,427	1,672,981,128	1,661,982,284	1,602,440,552			—	1,661,474,804				
FERC													
Misc Deferred Debits							343,300		TAX			(72,093)	72,093
(Less) Reserves							(455,239)		95,600			95,600	(95,600)
							(111,939)		23,507				
Non-Rate Base													
Lease Assets									TAX				
Lease Obligation							310,528,876		(65,211,064)				
Accumulated Provision for Rate Refunds							(314,601,863)		66,066,391				
Derivative Instrument Liabilities							(2,293,283)		481,589				
Regulatory Assets (182.3) - Excluded from Rate Base							(89,150,838)		18,721,676				
Regulatory Assets (182.3) - Excluded from Rate Base (ADD IN-Merger Goodwill)							149,134,064		(31,318,153)				
Regulatory Assets (182.3) - GAAP Adjustments							(102,711,524)		21,569,420				
Regulatory Assets (182.3) - Other Recovery Method							97,833,445		(20,545,023)				
Regulatory Liabilities (254) - GAAP Adjustments							761,028,924		(159,816,074)				
Regulatory Liabilities (254) - Other Recovery Method							(30,989,537)		6,506,543				
Regulatory Liabilities (254) - Other (Earning Sharing)							(45,221,643)		9,496,545				
							(117,557,613)		24,687,099				
							616,005,008		(129,361,052)				
Utility Plant in Service							10,834,659,360						
(Less) Accum Prov Depreciation							(4,074,772,674)						
Utility Plant in Service - FERC							307,448,769						
(Less) Accum Prov Depreciation - FERC							(101,613,979)						
							304 %						
ADIT - Other Property	282,000	1,285,314,073	1,301,509,821	1,281,829,878	1,285,883,955	1,271,944,970	1,285,296,539		1,285,296,539			(39,402,035)	44,116,042
ADIT - Other Property - Manual IE YTD	282,000	2,016,283	2,009,750	5,338,476	5,331,942	5,325,409	4,004,372		4,004,372				—
ITC Basis Reduction	282,050	—	(3,229,612)	—	—	—	(645,922)		(645,922)				645,922
PAS109 for Property Items	282,100	31,834,604	32,972,595	39,616,586	44,933,168	49,086,759	39,688,742		39,688,742				—
ADIT - STATE deferred tax	282,111	—	—	—	—	—	—		—				—
ADIT - Leases	282,197	65,338,700	64,353,889	63,473,832	62,452,197	62,129,441	63,549,612		63,549,612				—
ADIT - Disallowed Property	282,198	(1,033,008)	(1,021,208)	(1,009,408)	(997,608)	(1,279,808)	(1,068,208)		(1,068,208)				1,068,208
		1,383,470,652	1,396,595,235	1,389,249,364	1,397,603,653	1,397,206,770	1,390,825,135	—	1,390,825,135				
Non-Utility Property Adjustment		643,743	14,857,460	1,333,688	1,879,727	4,855,419	4,714,007		4,714,007				
											</		

Nevada Power Company Manual Adjustments As of December 2023																Appendix 7	
		2022	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	2023	5 Quarter Average	12 Month Rolling
		PV	1	2	3	4	5	6	7	8	9	10	11	12			
	Adj - Dry Lake	432010 107000	2,236,129 (2,236,129)	— (2,236,129)	— (2,236,129)	— (2,236,129)	2,809,149 (5,045,278)	1,034,867 (6,080,145)	1,085,066 (7,165,211)	1,132,476 (8,297,687)	1,141,561 (9,439,248)	1,163,503 (10,602,751)	1,165,582 (11,768,333)	1,250,940 (13,019,273)	1,250,940 (13,019,273)	(6,602,185)	10,783,144
	Adj - General Provision Reserve	253021 407300	(1,350,000) 1,350,000	(1,350,000) 1,350,000	(1,350,000) 1,350,000	(1,350,000) 1,350,000	(1,350,000) 1,350,000	(1,350,000) 1,350,000	(1,350,000) 1,350,000	— —	— —	— —	— —	— —	— —	(810,000)	—
	Adj - Reclas derivative liab to current	245 244700	(24,019,581) 24,019,581	— —	(29,731,029) 29,731,029	— —	— —	(21,760,860) 21,760,860	— —	— —	(9,456,791) 9,456,791	— —	— —	(5,603,319) 5,603,319	(18,114,316) 18,114,316	— —	— —
	Adj - Reclas derivative asset to current	175 175	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —
	Adj - ADT - Federal NOL (if any)	190 146	3,518,047 (3,518,047)	— —	13,587,526 (13,587,526)	— —	— —	3,826,382 (3,826,382)	— —	— —	— —	— —	— —	— —	— —	4,186,391 (4,186,391)	— —
	Adj - ADT - Federal Credits (if any)	190 146	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —
	Adj - Earning Sharing - Prior Year	Prior Year 409100	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	(851,827) 178,884	Adjusted with Non-Rate Base Classification	(851,827) 178,884
	Adj - Earning Sharing - Current Year	Current Year 409100	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —	Adjusted with Non-Rate Base Classification	— —
		254095	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Nevada Power Company d/b/a/ NV Energy GRC Allocators

Allocation No.	Allocation Factor	PY Dec EROR
_1	Transmission Demand	81.3489 %
_2	Production Demand	100.0000 %
_3	Energy	100.0000 %
_4	Wages & Salaries	98.1351 %
_5	O&M Ex Fuel, PP, Def Energy, EEPR & A&G	94.9524 %
_6	Gross Electric Plant in Service	97.1103 %
_7	Depreciable Gross Electric Plant in Service	97.1295 %
_8	Net Plant	96.9095 %
_9	Tax Depreciation	99.5877 %
_N	Direct - Nevada	100.0000 %
_F	Direct - Transmission	— %

NEVADA POWER COMPANY
d/b/a NV Energy
EARNED RATE OF RETURN
JURISDICTIONAL ELECTRIC COST OF SERVICE STUDY - NEVADA
TWELVE MONTHS ENDED DECEMBER 31, 2022
(IN THOUSANDS)

(a) ID No	(b) Allocation Factors	(c) Total	(d) Allocator ID	(e) Nevada	(f) FERC	ALLOCATION LABEL
_1	Transmission Demand					
	MW Demand	7,084	Direct	5,763	1,321	
	Percent	100.0000 %		81.3489 %	18.6511 %	_1
_2	Production Demand					
	MW Demand	46,798	Direct	46,798	0	
	Percent	100.0000 %		100.0000 %	- %	_2
_3	Energy					
	MWH Sales	22,531,269	Direct	22,531,269	0	
	Percent	100.0000 %		100.0000 %	- %	_3
_4	Wages & Salaries					
	Production - Operation - ex Fuel Handling	22,486	_2	22,486	0	
	Production - Operation - Fuel Handling	0	_3	0	0	
	Production - Maintenance	5,366	_3	5,366	0	
	Transmission - Operation	2,097	_1	1,706	391	
	Transmission - Maintenance	1,204	_1	979	225	
	Distribution - Operation	9,536	_N	9,536	0	
	Distribution - Maintenance	6,996	_N	6,996	0	
	Customer Accounting	13,989	_N	13,989	0	
	Cust Service & Information	615	_N	615	0	
	Administrative & General	17,142	_5	16,277	865	
	Total Wages & Salaries	79,431		77,950	1,481	
	Percent	100.0000 %		98.1351 %	1.8649 %	_4

NEVADA POWER COMPANY
d/b/a NV Energy
EARNED RATE OF RETURN
JURISDICTIONAL ELECTRIC COST OF SERVICE STUDY - NEVADA
TWELVE MONTHS ENDED DECEMBER 31, 2022
(IN THOUSANDS)

(a) ID	(b)	Allocation Factors			(d)	(e) Nevada	(f) FERC	ALLOCATION LABEL
		O&M Ex Fuel, PP, Def Energy, ML, EEPR & A&G	Total	(c)				
_5								
		Expense	181,977			172,792	9,186	
		Percent	100.0000 %			94.9524 %	5.0476 %	_5
_6		Gross Electric Plant in Service						
		Plant Dollars	10,506,517			10,202,907	303,610	
		Percent	100.0000 %			97.1103 %	2.8897 %	_6
_7		Depreciable Gross Electric Plant in Service						
		Plant Dollars	10,430,841			10,131,419	299,422	
		Percent	100.0000 %			97.1295 %	2.8705 %	_7
_8		Net Plant						
		Plant Dollars	6,529,379			6,327,587	201,793	
		Percent	100.0000 %			96.9095 %	3.0905 %	_8
_9		Tax Depreciation						
		Dollars	132,156			131,611	545	
		Percent	100.0000 %			99.5877 %	0.4123 %	_9
_N _F		Direct - Nevada	100.0000 %			100.0000 %	- %	_N
		Direct - FERC Other	100.0000 %			- %	100.0000 %	_F

Nevada Power Company
Cost of Capital
General Rate Case - 2020

Appendix 7

ROE	9.40 %
Basis Points	30
Allowed Earnings	9.70 %

	Capital Amount	Capital Ratio (%)	Cost of Capital (%)	Weighted Cost of Capital (%)
Debt				
Short-Term Debt	56,177	1.03 %	2.13 %	0.02 %
Customer Deposits	61,686	1.14 %	1.57 %	0.02 %
Long-Term Debt	2,533,900	46.64 %	4.81 %	2.24 %
Total Debt	2,651,663	48.81 %	8.51 %	2.28 %
Equity				
Preferred Equity	—	— %	— %	— %
Common Equity	2,781,401	51.19 %	10.00 %	5.12 %
Total Equity	2,781,401	51.19 %	10.00 %	5.12 %
Total Capital	5,433,064	100.00 %		7.40 %

	Short-Term Debt	Long-Term Debt
Notes Payable (231)	6,600,090	
Int Exp on ST Credit Facility (431600)	2,271,452	
	34.42 %	
Customer Deposits (235)	54,217,347	
	865,647	
	1.60 %	
Preferred (130)	52,167,130	
53,488,321		
56,168,742		
58,722,862		
55,136,764		
1.57 %		
	865,647	
Bonds (221)	92,500,000	
Required Bonds (222)	—	
Other Long-Term Debt (224)	3,221,300,000	
Unamortized Premium on Long-Term Debt (225)	—	
Unamortized Discount on Long-Term Debt (226)	(9,214,882)	
(Less) Unamortized Debt Expenses (181)	31,694,769	
(Less) Unamortized Loss on Required Debt (189)	17,258,878	
Unamortized Gain on Required Debt (257)	117,248	
	3,255,748,719	
Interest on Long-Term Debt (427)	156,308,798	
Amort. of Debt Disc. and Expense (428)	3,390,829	
Amortization of Loss on Required Debt (428.1)	1,317,135	
(Less) Amort. of Premium on Debt-Credit (429)	—	
(Less) Amortization of Gain on Required Debt-Credit (429.1)	11,076	
	161,005,686	
Equity	4.95 %	
	3,788,020,039	

Nevada Power Company
Cash Working Capital
General Rate Case - 2020

Appendix 7

NPC 2020 GRC Dkt. 20-06003											
Item No	Calculation of Cash Working Capital	Recorded & Adjusted	Allocator ID	Allocator Rate	Nevada	FERC	Revenue Lag	Expense Lead	(Lead) Lag	Nevada	FERC
1	Cost of fuel (natural gas, diesel, coal, residual oil)	982,514	_3	100.00 %	982,514	—	37.47	-40.00	-2.53	(6,810)	—
2	Steam from other sources	158	_3	100.00 %	158	—	37.47	0.00	37.47	16	—
3	Purchased power	861,178	_3	100.00 %	861,178	—	37.47	-38.36	-0.89	(2,100)	—
4	Goods and services										
4a	O&M expenses	2,326,357			2,315,544	10.813					
	Less:										
4b	Cost of fuel (natural gas, diesel, coal, residual oil)	(982,514)	_3	100.00 %	(982,514)	—					
4c	Steam from other sources	(158)	_3	100.00 %	(158)	—					
4d	Purchased power	(861,178)	_3	100.00 %	(861,178)	—					
4e	Deferred energy , ML, REPR	(146,974)	_3	100.00 %	(146,974)	—					
4f	EEPR expense	(37,430)	_N	100.00 %	(37,430)	—					
4g	Uncollectibles	(17,375)	_N	100.00 %	(17,375)	—					
4h	Labor including fuel handling	(73,578)	_4	98.14 %	(72,206)	(1,372)					
4i	Pensions and benefits	(19,611)	_4	98.14 %	(19,246)	(366)					
4j	Regulatory commission expense including mill tax	(13,409)	_N	100.00 %	(13,409)	—					
4z	Total goods and services	174,129			165,054	9,076	37.47	-35.85	1.62	733	40
5	Labor including fuel handling	73,578	_4	98.14 %	72,206	1,372	37.47	-10.45	27.02	5,345	102
6	Regulatory commission expense including mill tax	13,409	_N	100.00 %	13,409	—	37.47	-145.58	-108.11	(3,972)	—
7	Property tax - AZ	60	_8	96.91 %	58	2	37.47	-214.33	-176.86	(28)	(1)
8	Possessory interest tax	1	_2	100.00 %	1	—	37.47	-45.32	-7.85	(0)	—
9	NV franchise tax	2,439	_N	100.00 %	2,439	—	37.47	-372.33	-334.86	(2,237)	—
10	Unemployment tax	231	_4	98.14 %	226	4	37.47	-76.38	-38.91	(24)	(0)
11	FICA	6,802	_4	98.14 %	6,675	127	37.47	-11.00	26.47	484	9
12	NV business tax & UEC company use	470	_N	100.00 %	470	—	37.47	-76.18	-38.71	(50)	—
13	Use tax on Pcard purchases	17	_4	98.14 %	17	0	37.47	-15.27	22.20	1	0
14	NV commerce tax	3,900	_N	100.00 %	3,900	—	37.47	-225.61	-188.14	(2,010)	—
15	Federal income taxes	(21,211)	_8	96.91 %	(20,555)	(656)	37.47	-37.00	0.47	(26)	(1)
16	Interest expense	164,143	_8	96.91 %	159,070	5,073	37.47	-90.00	-52.53	(22,893)	(730)
17	Total Cash Working Capital	2,261,816			2,246,818	14,998	37.47			(33,572)	(581)

Nevada Power Company

Tax Inputs

As of December 2023

Regulatory Return on Equity

ETR Reconciliation

As of December 2023

(in thousands)

	Calculated ETR - Actuals	Nevada Retail Jurisdiction
Operating Income	335,747	324,443
Current Year ES Expense	—	—
Other Income	103,929	—
Other Deductions	(23,492)	—
Interest Charges	(145,649)	(145,649)
Net Income, before Income Tax - BTL	274,535	178,794
Income Tax - ATL	(91,260)	(95,288)
Income Tax - BTL	12,800	—
Deferral/Amortization of ITC	100,169	100,598
Tax on Line 30	—	(583)
Tax on Current Year ES Expense	—	—
Tax Expense (excludes FIN 48 interest expense)	21,709	4,726
Pre-tax Book Income	283,443	183,520
ETR	7.66 %	2.58 % Tax uses this amount to determine if % seems reasonable
Below the Line - Total other income (expense)		
US GAAP	63,622,782	
FERC	63,137,979	
Difference	484,802	101,808 Excluded from earning sharing
Total ADIT in Ratebase - Actuals		

To summarize all "tax lines" on the RB calc for easier review:

Reg Asset - Tax	7e	66,992	182310
Deferred Taxes - Asset	10a	764,023	190xxx
Deferred Taxes - Liability	10b	(1,486,307)	282xxx, 283xxx
Deferred Taxes - Investment Tax Credit	10c	(20,117)	255,xxx
Reg Liability - Tax	17d	(602,041)	254xxx
		(1,277,449)	

	Manual Inputs			
	PY Q4	Q1	Q2	Q3
ADIT	643,743	14,857,460	1,333,688	1,879,727
Adj - ADIT - Federal NOL (if any)	3,518,047	13,587,526	3,826,382	—
Adj - ADIT - Federal Credits (if any)	—	—	—	—
411.4 ITC Net Amortization - Prior Methodology	—	—	—	(428,936)

Nevada Power Company	Payroll Tax Allocation			
Payroll Tax Analysis				
For the Year Ended 12/31/2023				
Based On Year Ended 12/31/2022 Information				

S:\Rates\SOX\Earnings sharing accruals\New Model\Current Year\Tax Files\2023 NPC Payroll allocation.xlsx\Payroll Allocation

	FICA	FUTA	NV Unemp	Total
Elect	15,861,608.96	64,920.56	471,885.49	16,398,415.01
	96.72 %	0.40 %	2.88 %	100.00 %