

BEFORE THE PUBLIC UTILITIES COMMISSION OF NEVADA

Annual Deferred Energy Accounting Adjustment
Application of the Gas Division of Sierra Pacific
Power Company d/b/a NV Energy for the 12-
month period ended December 31, 2023.

Docket No. 24-03____

VOLUME 4 OF 6

TECHNICAL APPENDIX

ITEM	DESCRIPTION	PAGE NUMBER
APPENDIX 5 – RISK COMMITTEE		
	January 18, 2023 (REDACTED)	2
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	July 19, 2023 (REDACTED)	325

JANUARY

Risk Committee
Wednesday, January 18, 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 of December 14, 2022	Approval	Brandon Barkhuff
2	0:25	8:10	8:35	Energy Supply Plan Update	Approval	Sophia Hickly
3	0:20	8:35	8:55	Trading Authorization Limits	Approval	Ryan Atkins
4	0:15	8:55	9:10	Risk Control Report	Informational	Richard Kirkendoll

Risk Committee
Tuesday, January 31, 2023
4:30 p.m. - 5:00 p.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	0:30	16:30	17:00	2022 Tuscarora Pipeline Rate Case	Approval	Kimberly Williams

Risk Committee Meeting
Wednesday, January 18, 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, Interim, Chief Financial Officer
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Matthew Johns, Vice President, Environmental Services & Land Management
Marie Steele, Vice President, Integrated Energy Services
Janet Wells, Vice President, Regulatory
Ryan Atkins, Vice President, Resource Optimization
Jimmy Daghlian, Vice President, Renewables
Jason Hammons, Vice President, Generation
Zeina Randall, Vice President Gas Delivery
Adrian Cacuci, Assistant Treasurer

Members not in attendance: Jesse Murray, Kimberly Williams

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Jenny Venter,
Michael McClellan, Cary Shelton-Patchel, Kimberly Hopps, Ryan Tardy

Presenters: Sophia Hickly (Item 2), Ryan Atkins (Item 3), Richard Kirkendoll (Item 4)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee December 14, 2022, meeting minutes

Attachments: December 14, 2022, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from the December 14, 2022

Discussion: The Committee reviewed and discussed the meeting minutes for December 14, 2022

Voting Results: Motion: Brandon Barkhuff
Second: Joshua Langdon
Motion Approved Unanimously

Item 2 Energy Supply Plan Update and Natural Hedging Strategy

Attachments: Monthly Energy Supply Plan Update - Presentation

REDACTED PUBLIC VERSION

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. Also, recommending no changes to the 2023 and 2024 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and the proposal for no changes to the physical gas volumes for the four-season ahead laddering strategy for both NV Energy North and South. The open capacity positions as presented last month are the same as this month. The Company is currently in negotiations with Seguro, looking to switching to a tolling agreement which will bring in another 100MW's for summer of 2023 and there could be another 50MW's-100MW's of non-CAISO supply from other counterparties and the remainder of our purchases could be CAISO sourced. A question was posed as to would the Company be getting supplies from NCA1 for the open position and the response was that we will, which would be an additional 95MW's. Our load assumptions, for larger customers include [REDACTED] in the forecast in the north, but not so for the south.

Natural gas procurement for February 2023-March 2023 has NPC within the targeted bandwidth and SPPC gas is within the targeted bandwidth with the exception of March 2023. Continued increased prices in gas in January 2023 had a major impact on the deferred balance. The Committee was also informed that due to the high gas prices in January caused the Company to spend more than 4 times what was spent in January 2022. This seems to be a Western pricing and mainly driven by California. The prices are forecasted to come down in March which should be reflective on the deferred energy balance.

A question was brought up regarding the Companies Energy Supply Plan (ESP) and is the Company making any changes to the plan, the response was that other opportunities are being looked at, such as hedging and looking at different index deals, but a mechanism is in place to provide a balanced portfolio and it should be noted that we are working with other entities with our recommendations to ensure we are bringing forth the best options in relation to the ESP. It was also mentioned that our total price for the BTER and DEAA combined will max out in July which would show the peak rates and reflect so in the south. A recommendation was put forth that a smaller group get together to review the forecasts for the company because within the last few years there as been a lot of abnormality with the weather and power and gas prices and this group would take a more in depth look at the forecast.

There are 42 burn days left of coal as of December 31, 2022 which did drop somewhat due to a derailed train. We should be in a good position in 2023, but will be doing an RFP for 2024 supply. One of the main issues we and around the country are having is the quality of the coal to burn at the plants. Looking at blending the coal currently on hand and that being delivered to burn. The coal is being bought from our normal supplier, but the quality isn't as good, also the delivery of coal is pretty much consistent as the last few years, not as good as pre-covid.

Committee Action: The Committee approved the recommended no changes to the physical gas volumes for both NV Energy North and South.

REDACTED PUBLIC VERSION

Voting Results: Motion: Antoine Tilmon
Second: Janet Wells
Motion Approved Unanimously

Committee Action: The Committee approved the recommended no changes to the 2023 and 2024 open capacity positions.

Voting Results: Motion: Joshua Langdon
Second: Janet Wells
Motion Approved Unanimously

Item 3 Trading

Attachments: No attachment

Overview: Review of the Trading Authorization Limits

Discussion: This was a proposal to raise the Vice President limit for fuel and purchase power is raised to be in alignment with PacifiCorp, but after further review it was discovered that only a small number of invoices would not have to go for the President's signature. The idea was to have the President or someone with the authority to sign off on the invoices that may exceed the Vice Presidents authorization. There was a suggestion that a backup may be required for the President when he's not available, maybe rewording the Corporate Governance policy to reflect the backup would be idea.

Committee Action: Information only

Item 4 Risk Control Report

Attachments: Risk Control (December 2022)

Overview: Due to the timing of the meeting the Risk Control report (informational item) will be sent via email once available.

ADDITIONAL ITEM: 2022 Tuscarora Pipeline Rate Case

Attachments: 2022 Tuscarora Pipeline Rate Case

Overview: There was a request to move forward with a counteroffer that NV Energy would like to make in conjunction with FERC Staff and Southwest Gas as part of the settlement negotiations with Tuscarora. The proposed settlement offer if accepted by TCT would reduce Sierra's annual costs to [REDACTED] below current rates.

Committee Action: This item was sent out via email on Friday, January 13, 2023 and approved unanimously.

**Risk Committee Meeting
Tuesday, January 31, 2023
4:30 p.m. – 5:00 p.m.**

Voting Members in Attendance:

Brandon Barkhuff, Senior Vice President, General Counsel, Corporate Secretary & Chief Compliance Officer
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Matthew Johns, Vice President, Environmental Services & Land Management
Marie Steele, Vice President, Integrated Energy Services
Janet Wells, Vice President, Regulatory
Jimmy Daghlain, Vice President, Renewables
Jesse Murray, Vice President, Electric Delivery
Jason Hammons, Vice President, Generation
Zeina Randall, Vice President Gas Delivery
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Michael Behrens, Adrian Cacuci, Ryan Atkins

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Jenny Venter,
Cary Shelton-Patchel, Ryan Tardy, Michael Knox

Presenters: Kimberly Williams (Item 1)

Recorder: Richard Kirkendoll, Risk Control

Item 1 **2022 Tuscarora Pipeline Rates Case**

Attachments: 2022 Tuscarora Pipeline Rate Case

Overview: Review the Tuscarora gas transmission settlement rate.

Discussion: Seeking approval to negotiate a settlement rate with Tuscarora Gas Transmission (TGT). NVE and Tuscarora have been having discussion regarding a settlement rate of up to [REDACTED] per month, this is a 6-year average. Tuscarora is recommending [REDACTED]

Essentially, we're looking at an amount that would be a settlement equivalent of a high end of what we believe we would receive in litigation. A question was asked regarding how long the rate would be in effect if we went to litigation. The assumption was that the litigator rates would not be in effect for 3 years, so up until then we would be paying the filed rates of Tuscarora. It should be noted that these rates, which we are negotiating for would be beneficial to our customers.

REDACTED PUBLIC VERSION

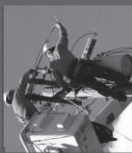
Committee Action: Recommend the Committee approval to negotiate a settlement rate with Tuscarora Gas Transmission up to [REDACTED] age.

Voting Results: Motion: Janet Wells
Second: Antoine Tilmon
Motion Approved Unanimously





EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT





BERKSHIRE
FINANCIAL STRENGTH
OWNERSHIP

Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

January 18, 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 2022
- 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 2023, with the recommendation for new target volumes to be presented to the Risk Committee.

Recommendations

2. Recommend no changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of December 6, 2022.

2023	June	July	August	September
RFP	1025 MW	1100 MW	1000 MW	550 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1299 MW	1374 MW	1274 MW	824 MW

2024	June	July	August	September
Total	168 MW	168 MW	168 MW	168 MW

- a) Slide 6 reflects updated unit characteristics dated April 1, 2022 and unit capacity changes on Tracy Clark Mountain 3 & 4, Clark Peakers, Harry Allen Peakers, and Sunpeak.
- b) Slide 6 reflects the addition of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, and the extension of NCA 1 and 2.
- c) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- d) Slide 6 reflects a 16% Planning Reserve Margin (“PRM”) and 90 MW OATT reserve.
- e) Slide 6 reflects a minor adjustment to the approved load forecast.
- f) Slide 6 reflects the following assumptions for Valmy 1 and 2:
- Valmy 1 is available and in economic status through 12/31/2025, its retirement date.
 Valmy 2 on RMR (reliability must run) economic dispatch above minimum load status from 2/1/2022 through 12/31/2025, its retirement date.



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 2024 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 2023 and 2024 (Table on slide 6)
 - The table shows 516 MW open position for July 2023 and 831 MW open position for July 2024
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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-23	Jul-23	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,612	5,759	5,978	5,304	5,734	5,832	5,976	5,330
Net Peak Forecast-SPPC	1,684	1,696	1,768	1,373	1,790	1,863	1,943	1,612
Reserves (16%)NPC	898	921	957	849	917	933	956	853
Reserves (16%)SPPC	269	271	283	220	286	298	311	258
Required NVE	8,463	8,647	8,987	7,746	8,727	8,926	9,186	8,053
Available NPC	6,161	6,200	6,222	5,896	6,349	6,326	6,446	6,350
Available SPPC	1,911	1,928	2,032	1,749	1,771	1,769	1,904	1,674
Available NVE	8,073	8,128	8,255	7,645	8,120	8,095	8,350	8,024
Long/(Open) - NPC	(-) 349	(-) 480	(-) 713	(-) 257	(-) 302	(-) 438	(-) 486	167
Long/(Open) - SPPC	(-) 42	(-) 40	(-) 19	156	(-) 305	(-) 393	(-) 350	(-) 196
Long/(Open) - NVE	(-) 390	(-) 519	(-) 732	(-) 101	(-) 608	(-) 831	(-) 836	(-) 29

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2022 IRPA Load Forecasts approved on May 18, 2022. The load forecasts included a minor adjustment updated in September 2022.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of February 2022 through March 2023, Nevada Power is within the targeted bandwidth. Sierra (gas) is within the targeted bandwidth except for March 2023.

Nevada Power

Updates to Forecasts and Procurement

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

Remarks		
Load Forecast	2022 IRPA Forecast	
		Change In Prices Since Gas Volumes Were Approved in August 2022
Gas Price Forecast (SoCal)	Winter 2022 - 2023	83%
	Summer 2023	7%
	Winter 2023 - 2024	21%
	Summer 2024	(-) 4%
Power Price Forecast (Mead)	Winter 2022 - 2023	122%
	Summer 2023	27%
	Winter 2023 - 2024	36%
	Summer 2024	24%
Plant Maintenance / Outages	Updated as of the end of December 2022	
		Change In Prices From Prior Month
		75%
		(-) 8%
		5%
		(-) 6%
		100%
		(-) 2%
		18%
		1%

Forecast Results		
		Change in Volumes Since Approved in August 2022
Natural Gas Burns	Winter 2022 - 2023	3%
	Summer 2023	(-) 8%
	Winter 2023 - 2024	0%
	Summer 2024	1%
		Change In Volumes From Prior Month
		(-) 7%
		(-) 4%
		(-) 2%
		(-) 3%

Sierra

Updates to Forecasts and Procurement

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

	Remarks		
Electric Load Forecast	2022 IRPA Forecast		
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast		
		Change In Prices Since Gas Volumes Were Approved in August 2022	Change In Prices From Prior Month
Gas Price Forecast (Malin)	Winter 2022 - 2023	65%	49%
	Summer 2023	(-) 15%	(-) 20%
	Winter 2023 - 2024	13%	(-) 1%
	Summer 2024	(-) 11%	(-) 8%
Power Price Forecast (Northern Nevada)	Winter 2022 - 2023	103%	58%
	Summer 2023	44%	4%
	Winter 2023 - 2024	52%	14%
	Summer 2024	38%	2%
Plant Maintenance / Outages	Updated as of the end of December 2022		

Forecast Results		
	Change in Volumes Since Approved in August 2022	Change In Volumes From Prior Month
Natural Gas Burns	Winter 2022 - 2023	15%
	Summer 2023	8%
	Winter 2023 - 2024	4%
	Summer 2024	(-) 1%

Nevada Power

Daily Physical Gas Requirements

(MMBtu/day)

Privileged and Confidential

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
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The variance within the current season (February 2023 - March 2023) is derived by subtracting current projection from procured volumes
The variance beyond the current season is derived by subtracting current projection from approved volumes
Variances outside the acceptable bandwidth of 30,000 MMBtu/day within the current season are highlighted in gray--these variances will be resolved either the daily market or during bid week
Above volumes represent KERN River Pipeline delivered gas only.

(MMBtu/day – includes electric and gas)

[illegible]

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

Coal Inventory

Proactive actions taken regarding coal supply

- Second train contracted for 2022-2023 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
- Front loading as many deliveries as possible before summer to ensure supply

Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Dec 2022	112,675	42 days as of December 31, 2022 (Assumes daily burn of 2,700 tons ¹)
Nov 2022	160,361	
Oct 2022	154,841	
Sep 2022	139,316	

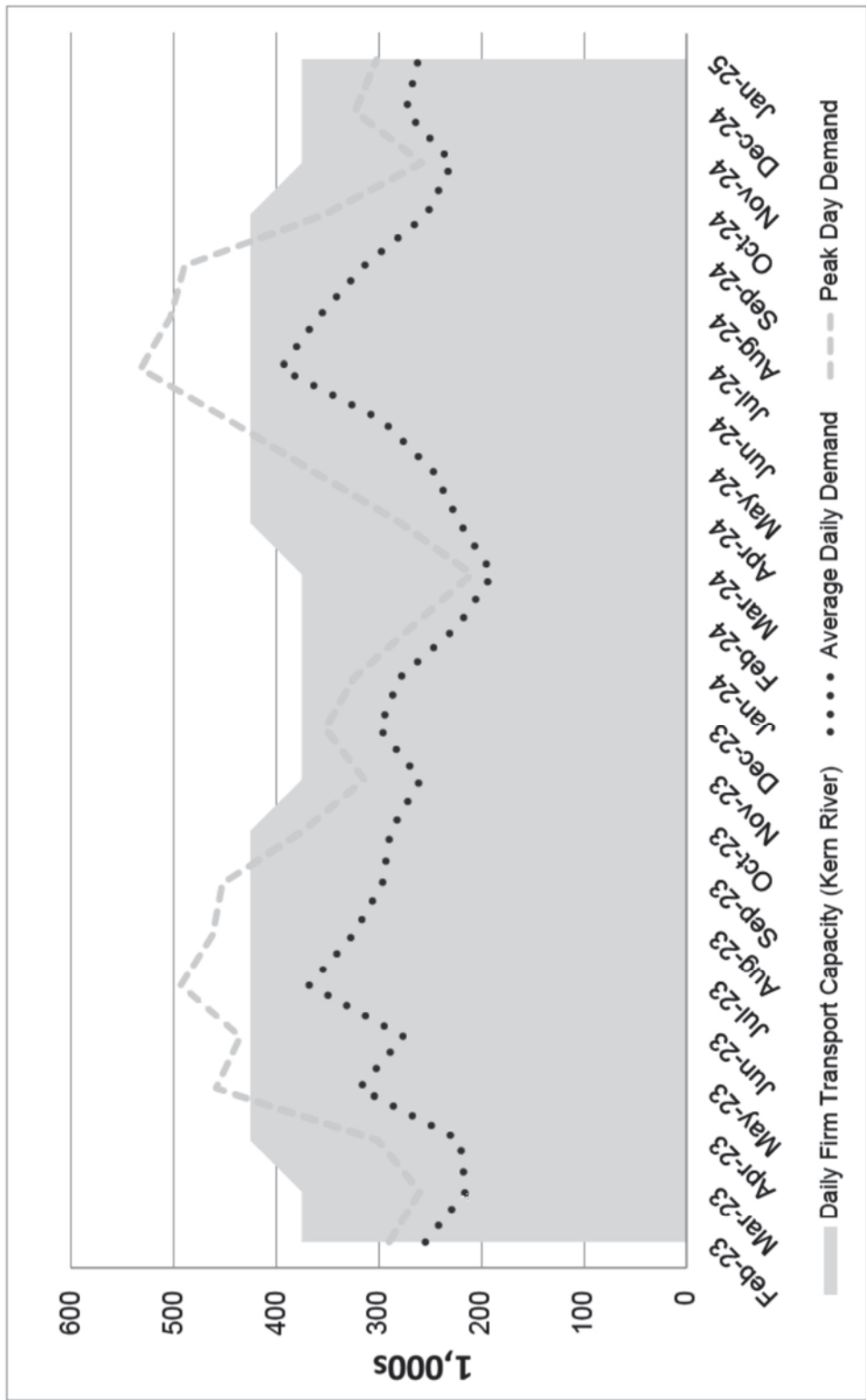
¹ Burn days for each plant are based on 90% capacity burn

Technical Appendix



Nevada Power

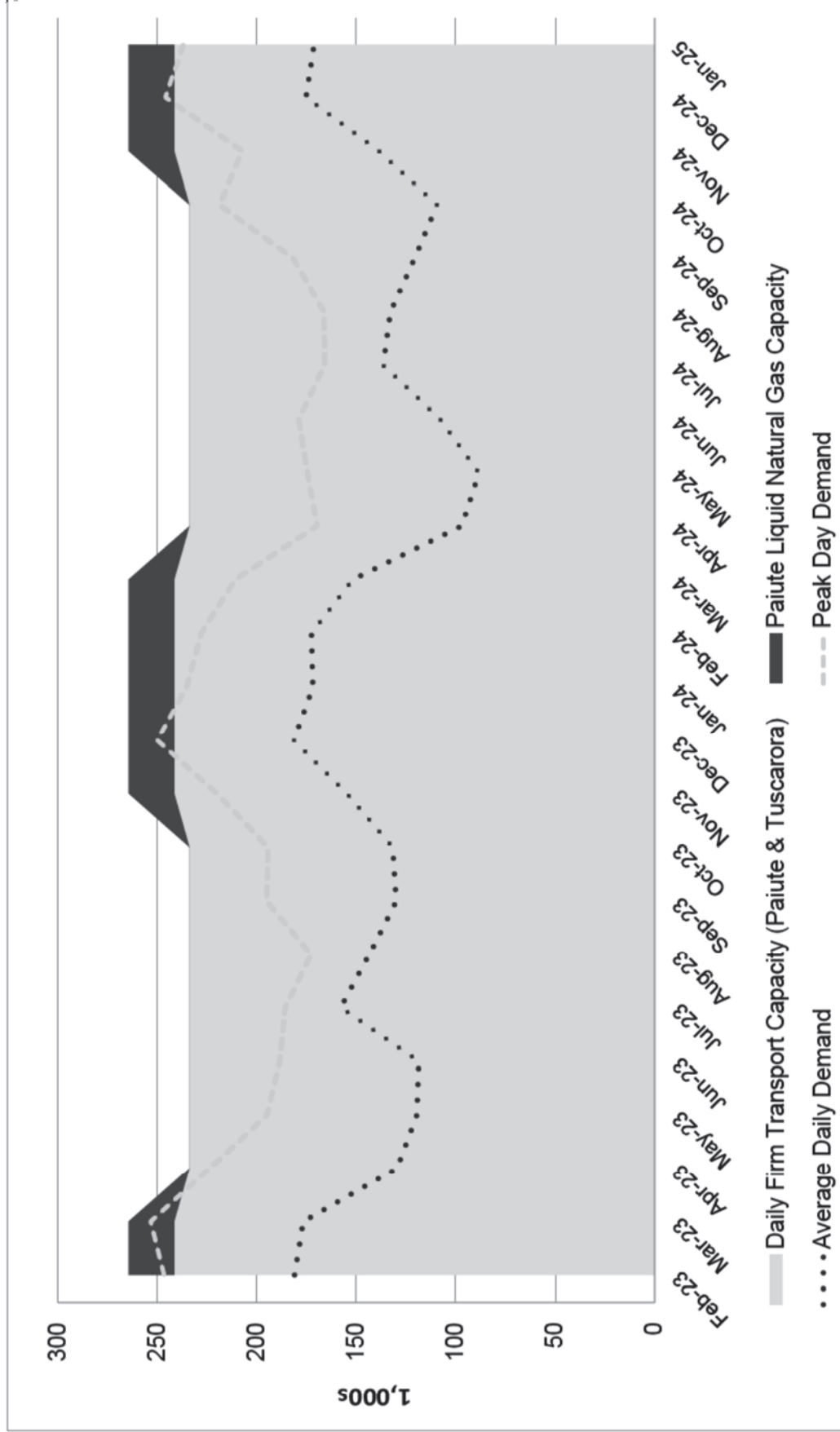
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



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)

January-23 Forecast Approved Aug-22

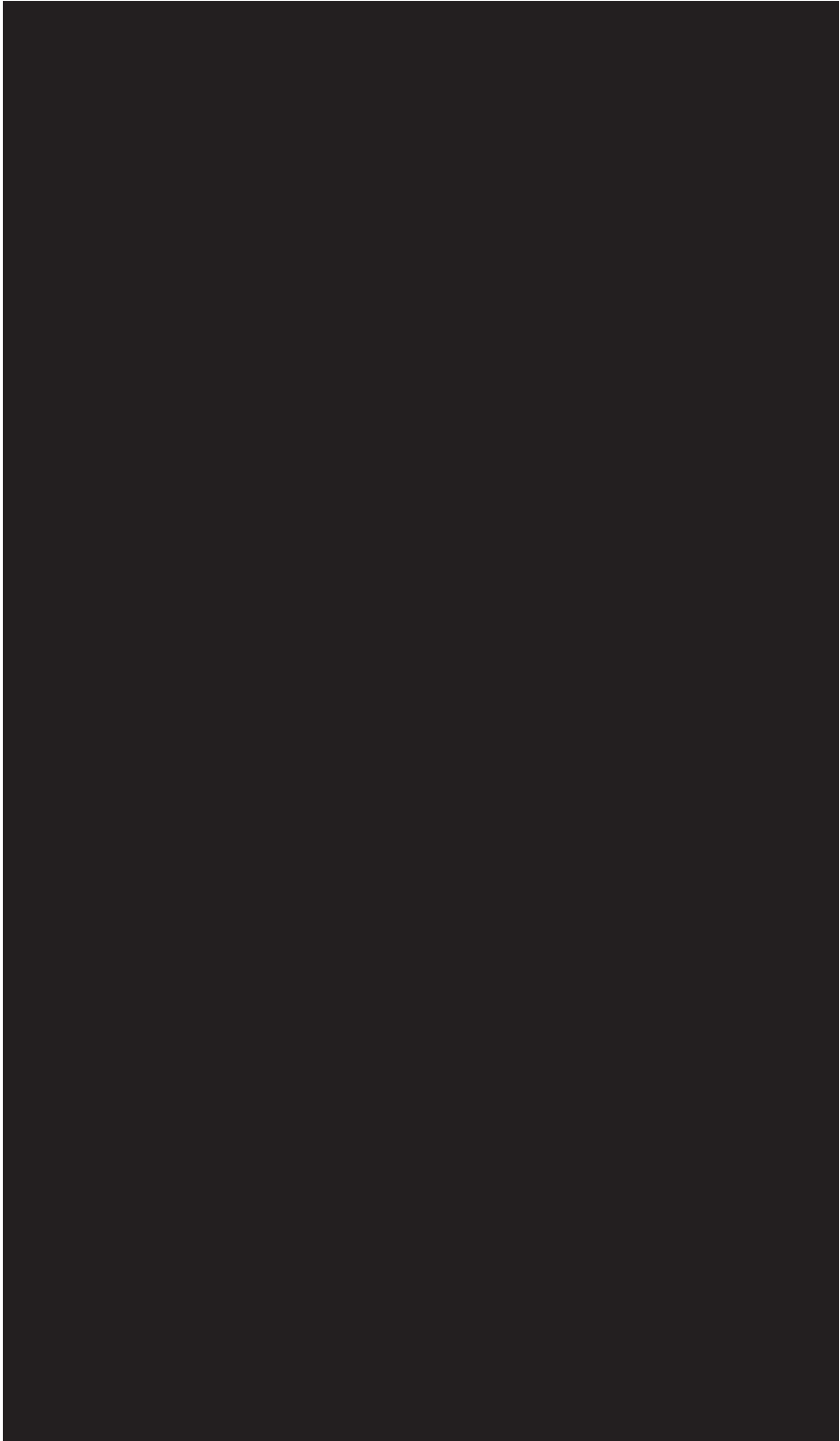


Delivery Month

Nevada Power Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- January 2022 Forecast - On-Peak
- Approved (August 2022) - On-Peak
- January 2022 Forecast - Off-Peak
- Approved (August 2022) - Off-Peak



Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— January-23 Forecast — Approved Aug-22



Delivery Month



Sierra Power Price Forecasts

Northern Nevada Power Price Forecast (dollars per MWh)

— January 2022 Forecast - On-Peak — January 2022 Forecast - Off-Peak
- - Approved (August 2022) - On-Peak - - Approved (August 2022) - Off-Peak



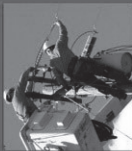
Delivery Month







EMPLOYEE COMMITMENT









CUSTOMER SERVICE









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ENVIRONMENTAL RESPECT





BERKSHIRE
FINANCIAL STRENGTH
OWNERSHIP

Risk Committee

Risk Control Report

Risk Control Report

- Information-only presentation
- Reporting period is for December 2022
- 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 exceeded 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 December 2022
 - 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 471-Transactions NV Energy North 225-Transactions Total 696-Transactions ¹ Largest Transaction \$740K Fixed Price Gas Deal	●
	≤\$5.0M	Manager, Market Operations and Trading,		
	≤\$7.5M	Sr. Director, Trading Analytics & Operations		
	≤\$15.0M	Senior 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	≤\$5M	Director, Trading Analytics & Operations		●
	≤\$12.5M	Vice President, Chief Financial Officer		
	≤\$25.0M	Chief Executive Officer		

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

Largest transaction –4-day fixed price gas deal (Conoco)
December 24 – December 27, 2022)

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 22- Dec 22	80	CEO	1,745.0	(1,209.6)	535.4	●	518.6	16.8	●
NV Energy North	Jan 22- Dec 22	50	CEO	648.7	(430.0)	218.7	●	194.9	23.8	●
NV Energy LDC	Jan 22- Dec 22	10	CEO	139.8	(93.9)	45.9	●	29.6	16.2	●

Revenues estimated using the following projected BTER rates:

Entity	1/1/2023	4/1/2023	7/1/2023	10/1/2023
NVE-S Residential	\$0.08445	\$0.08416	\$0.09870	\$0.09421
NVE-S Non-residential	\$0.07960	\$0.07961	\$0.09889	\$0.09469
NVE-N	\$0.06704	\$0.07376	\$0.08497	\$0.08018
NVE-N LDC	\$0.61234	\$0.72690	\$0.95456	\$0.90486

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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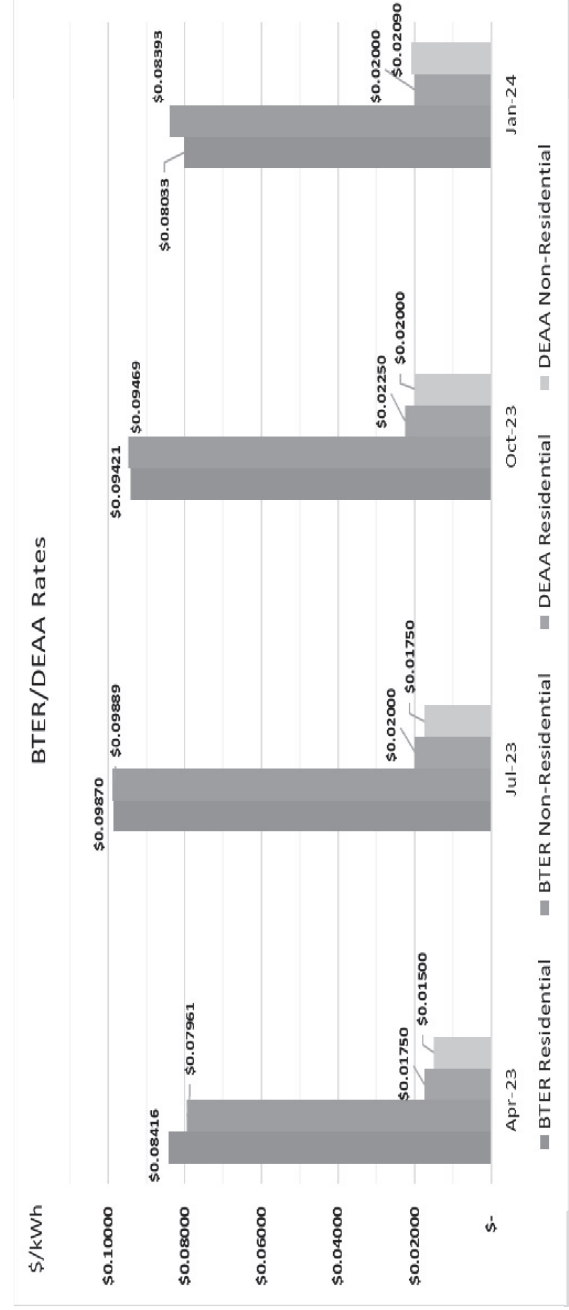
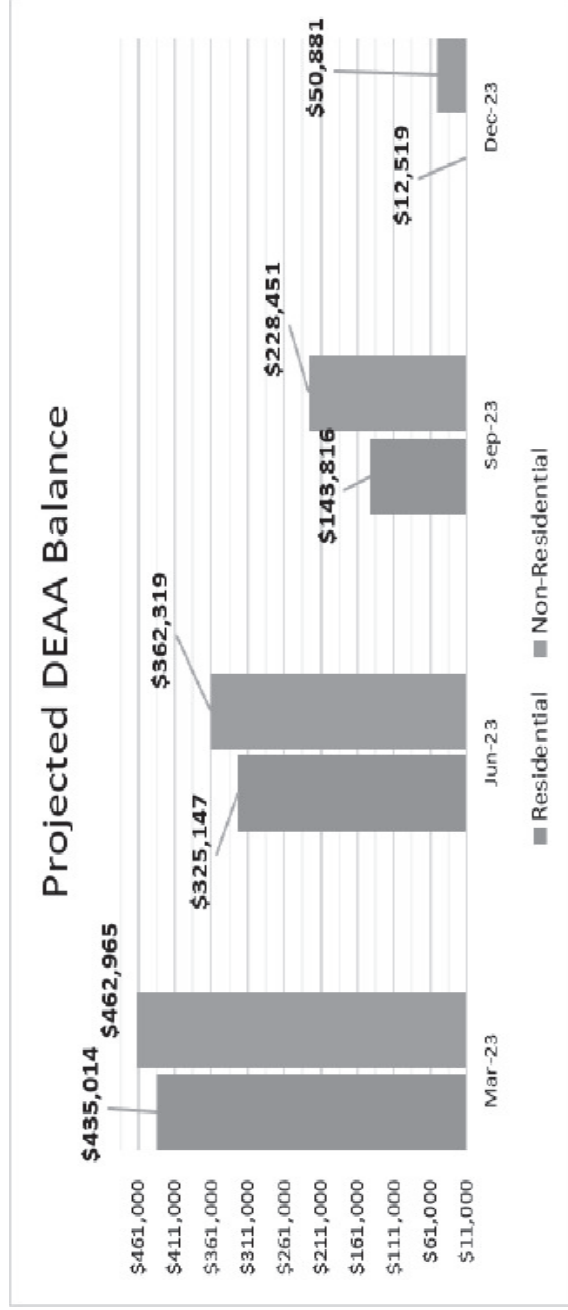
Portfolio Notification Thresholds

Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,745.0	457.2	
NV Energy North	60	648.7	86.1	
NV Energy LDC	20	139.8	103.5	

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

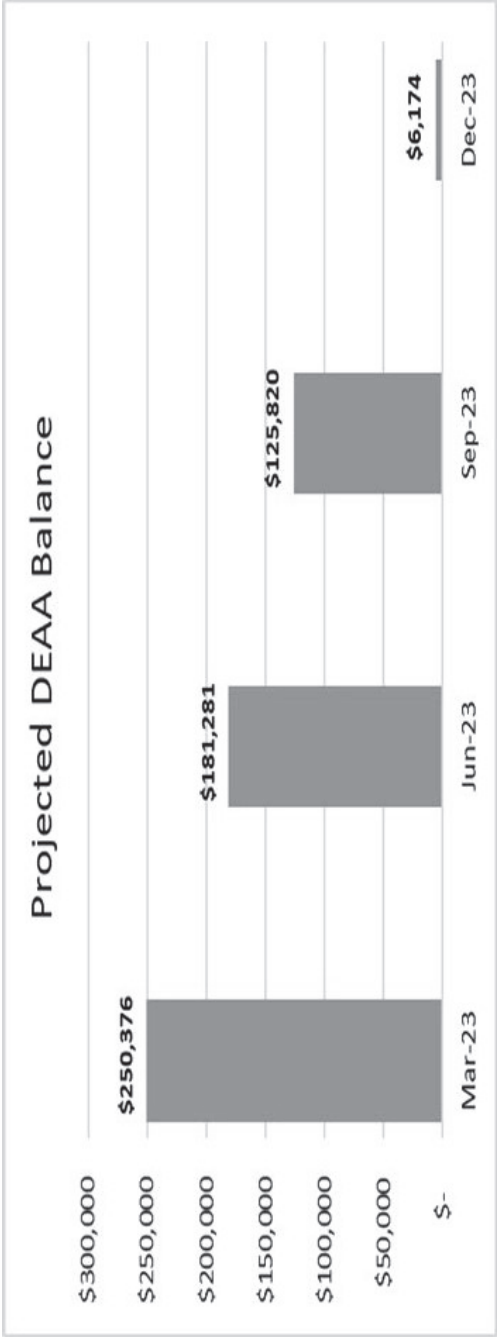
Privileged and Confidential



Negative = over collection
Positive = under collection

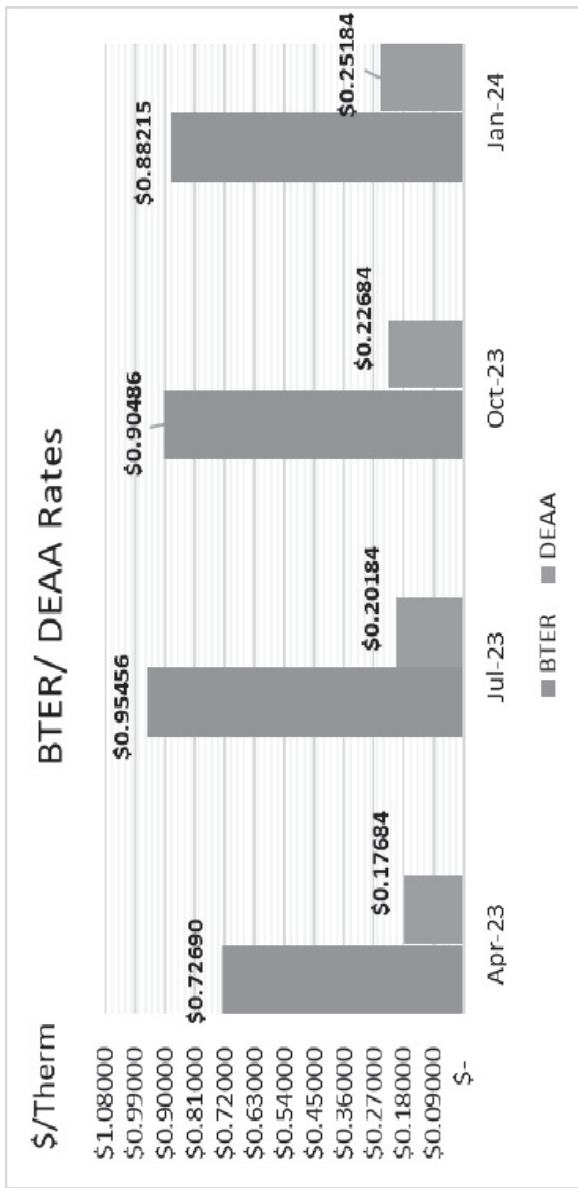
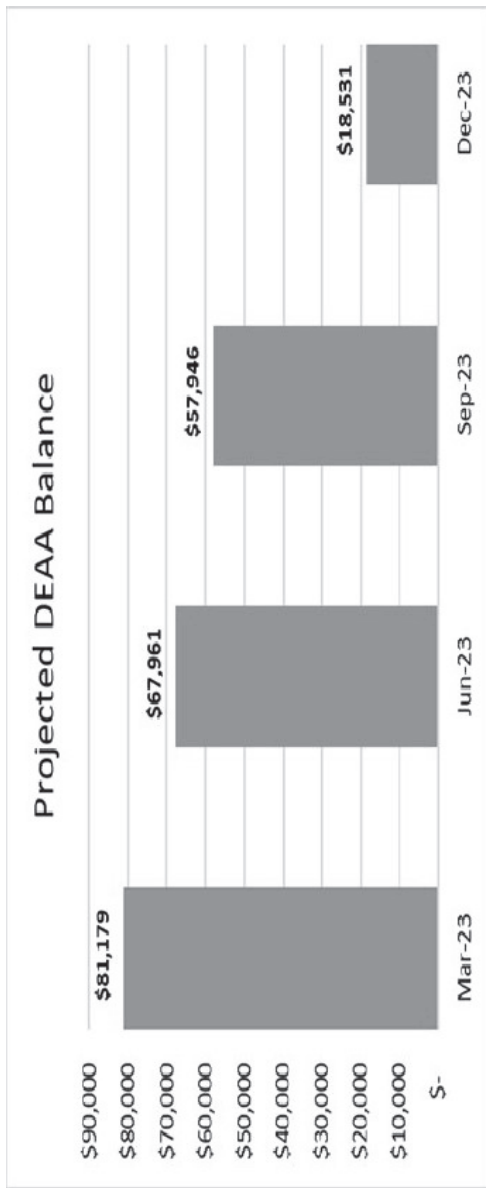
Base Tariff Energy Rates and DEAA Balances – SPPC Electric

Privileged and Confidential

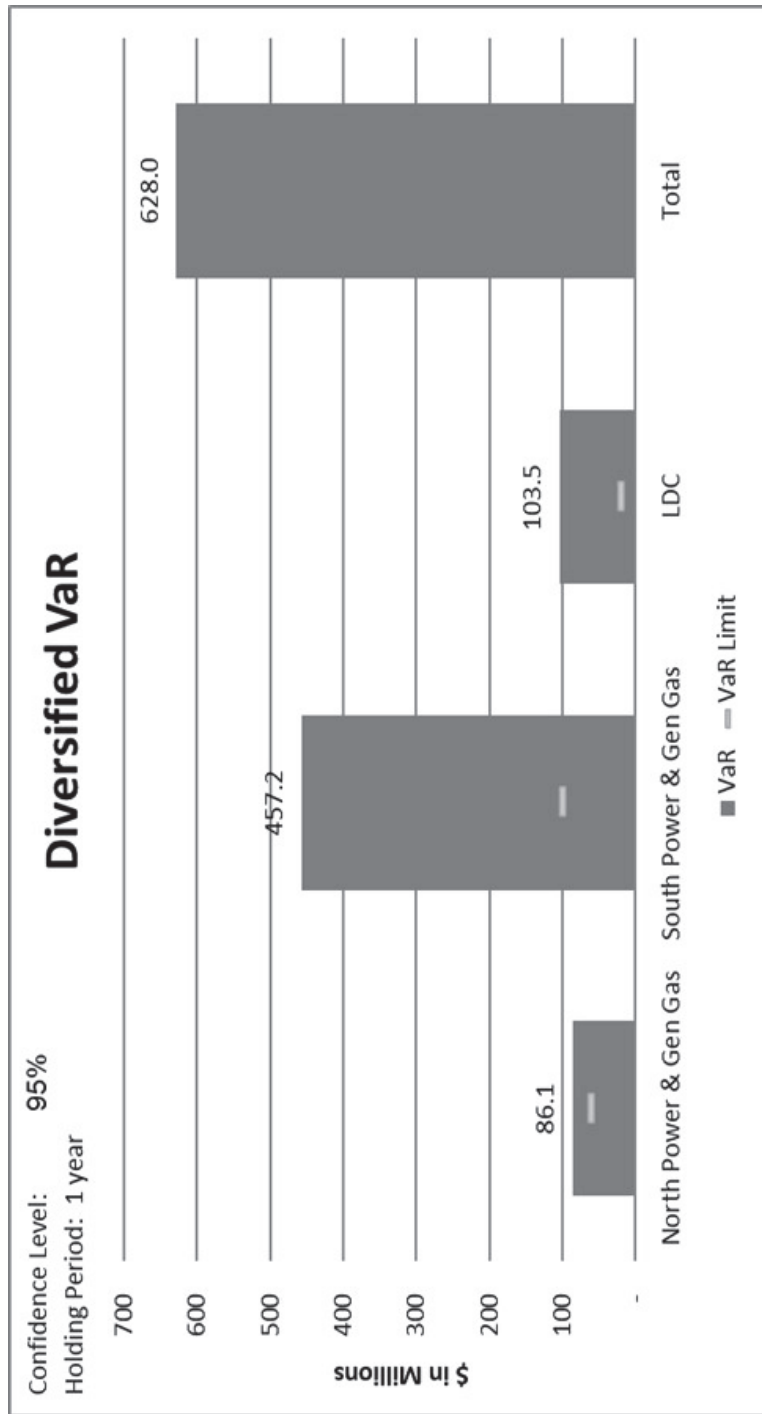


Base Tariff Energy Rates and DEAA Balances – SPPC LDC

Privileged and Confidential



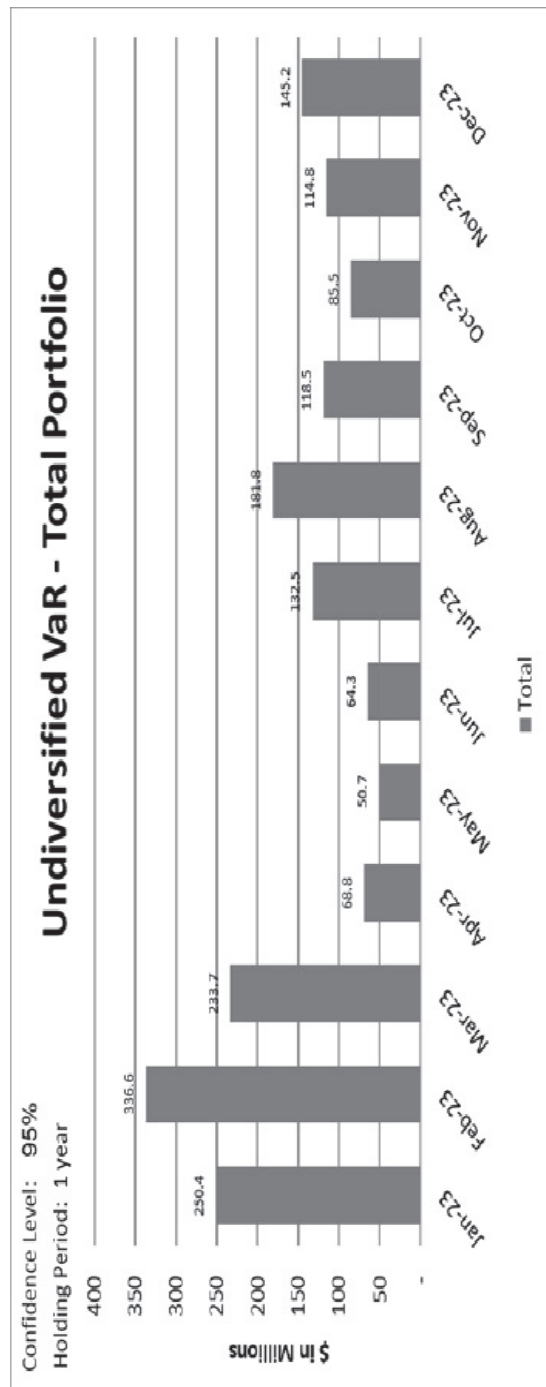
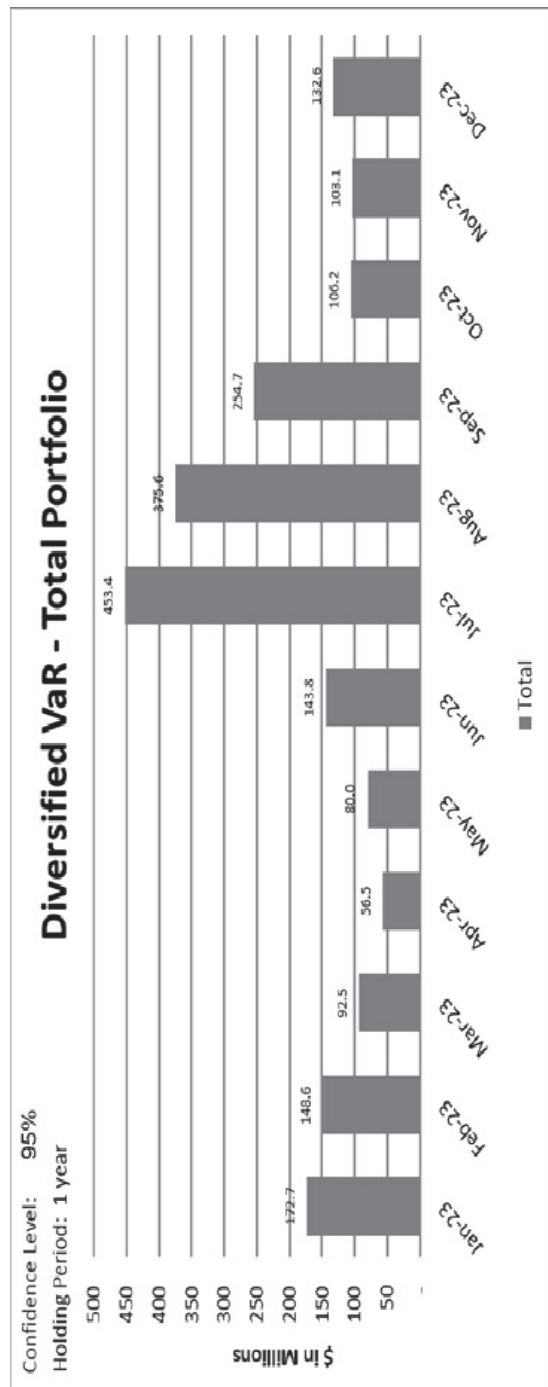
Portfolio Value-at-Risk Charts



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 December "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 December	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.

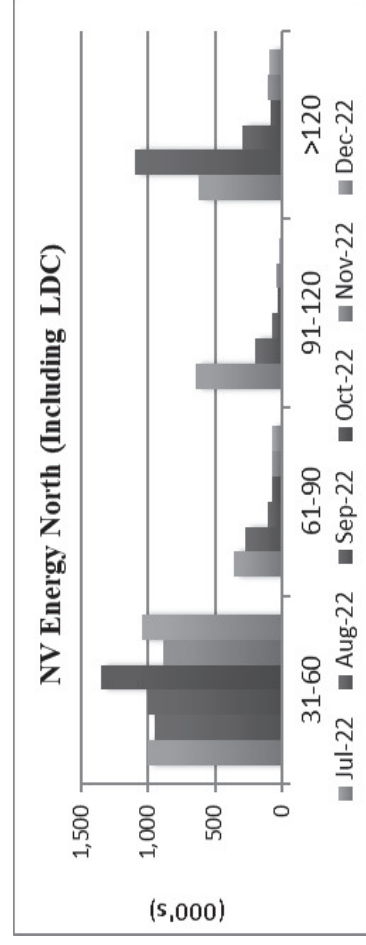
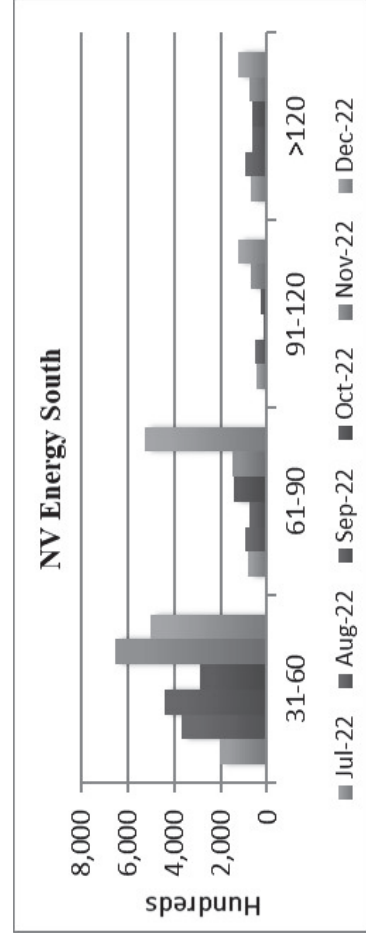
Counterparty Notification Threshold for Large Transactions

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

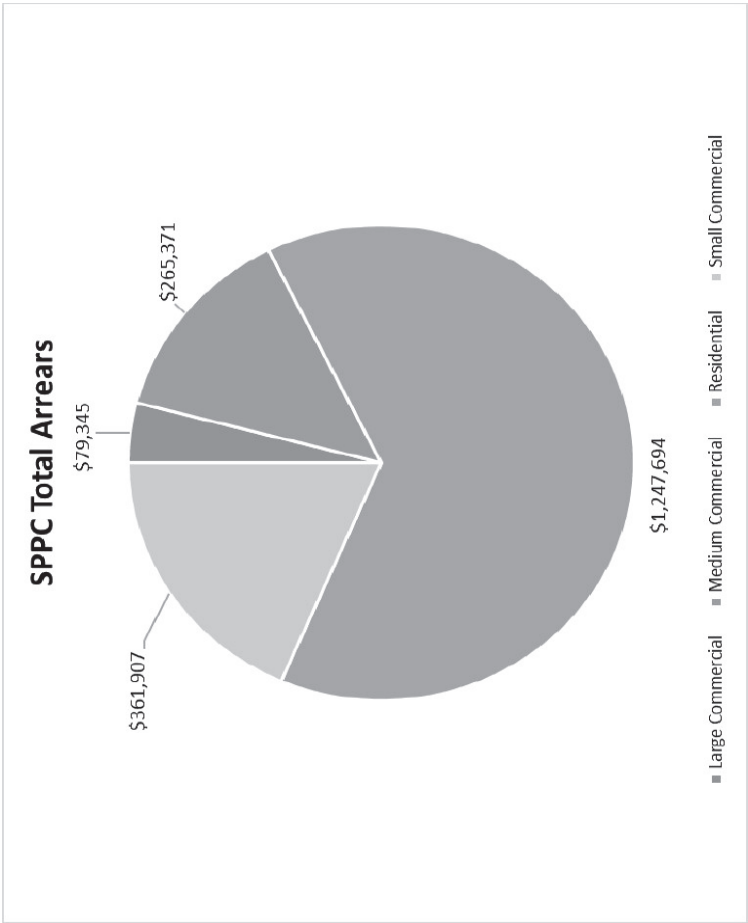
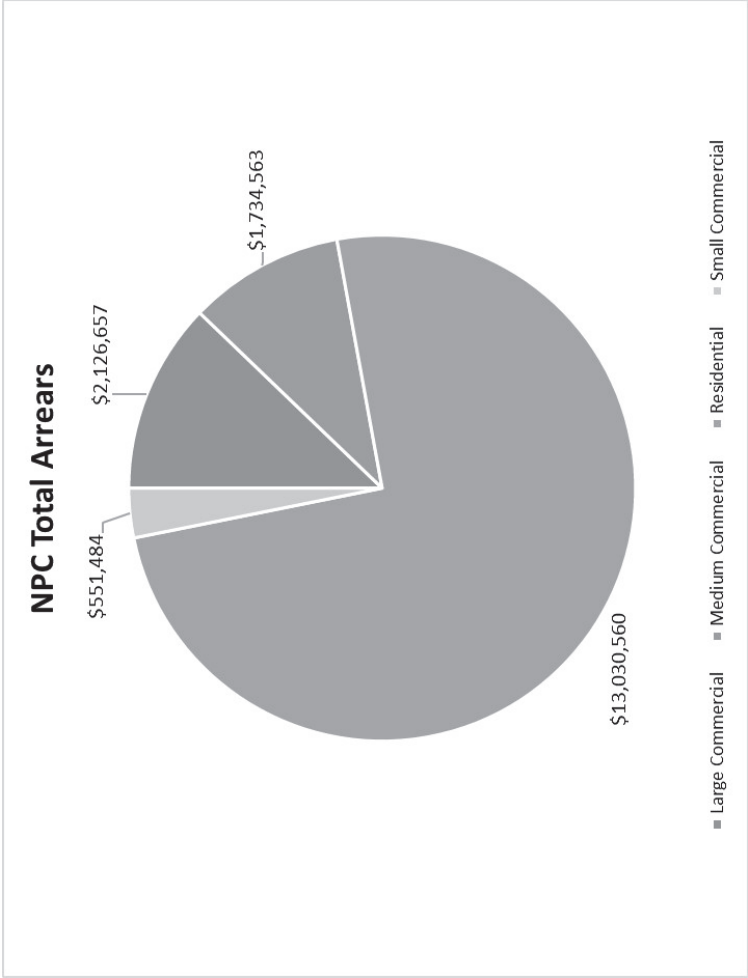
☐	Notification Not Required	☐	Near Notification Threshold	☒	Notification Required
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Medium-Large Major Commercial Customers Arrears Balance

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	22-Jul	412.65	198,986.0	0.207%	224.5
	22-Aug	617.40	205,272.9	0.301%	354.4
	22-Sep	604.49	219,248.2	0.276%	123.4
	22-Oct	529.95	229,403.8	0.231%	210.5
	22-Nov	949.47	236,540.8	0.401%	420.2
	22-Dec	1,299.28	248,108.7	0.524%	420.2
NV Energy North/LDC	22-Jul	2,616.14	56,343.6	4.643%	1276.3
	22-Aug	2,518.55	53,867.4	4.675%	1593.3
	22-Sep	1,474.20	58,692.7	2.512%	315.2
	22-Oct	1,545.64	54,615.2	2.830%	325.5
	22-Nov	1,108.17	52,492.6	2.111%	216.2
	22-Dec	1,222.45	57,817.9	2.114%	752.2



Medium-Large Major Commercial and Residential Arrears Balance

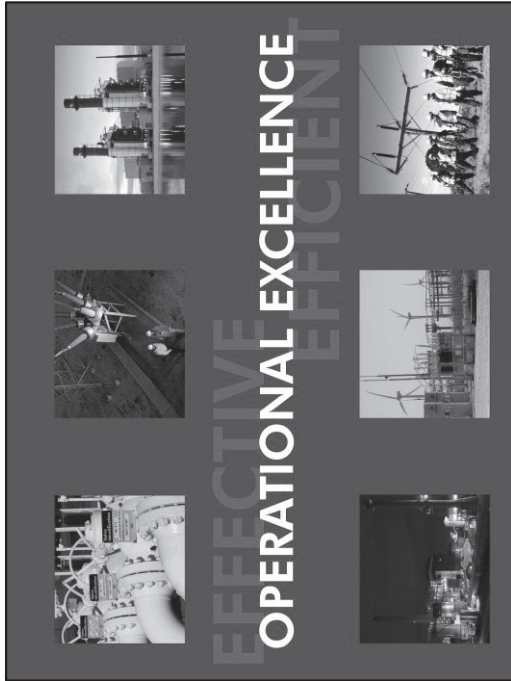
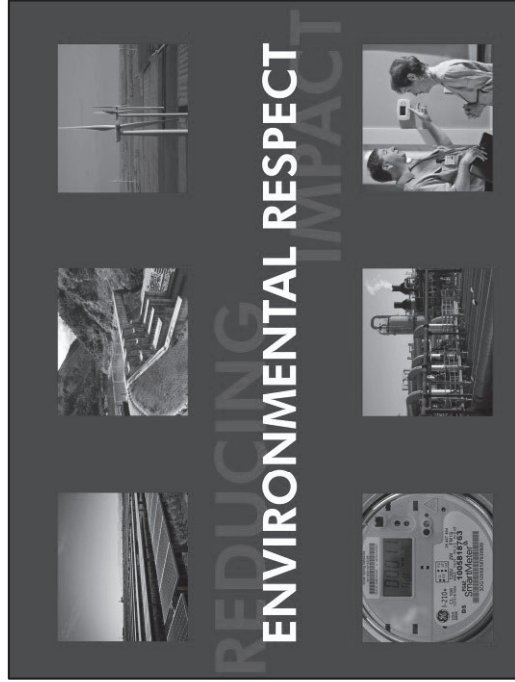
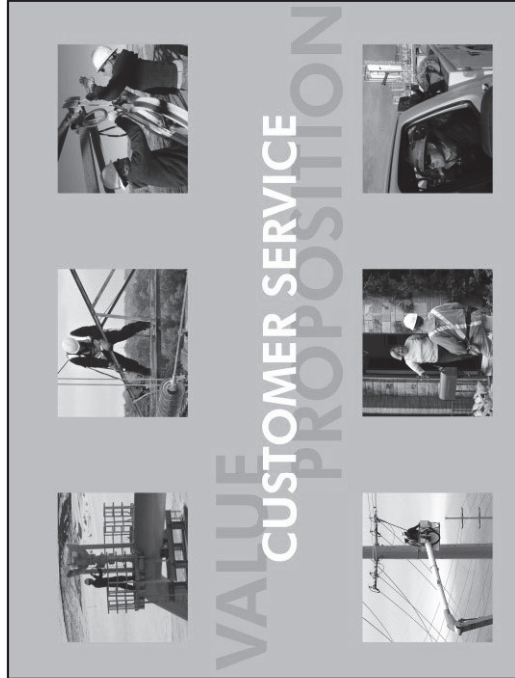


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Recommendations and Corrective Action

- No corrective action is necessary at this time



Risk Committee Meeting 2022 Tuscarora Pipeline Rate Case Update

Privileged & Confidential
Attorney Work Product



January 31, 2022

Request for Approval

- Seeking approval to negotiate a settlement rate with Tuscarora Gas Transmission (TGT) up to [REDACTED] per month, 6-year average, outlined on slide 4
 - Sierra's current annual TGT costs - \$15.3 million
 - TGT as-filed annual costs for Sierra - \$19.1 million
- TGT's latest counter-offer listed on slide 4 results in the same current annual rate of [REDACTED] through July 31, 2025, then an annual rate of [REDACTED] through December 1, 2028.

REDACTED PUBLIC VERSION

Cost Comparison

REDACTED PUBLIC VERSION



Potential Outcome

	Annual Reservation Rate Cost (\$mm)						
	2023	2024	2025	2026	2027	2028	NPV

Current Settlement Offers	2023-2024	2025-2028
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Likely Litigation Outcomes
2023-2028

Settlement Rates Equivalent to Litigation NPV
2023-2028

Calculation of annual charges at litigation outcome reflects early year payments at TGT’s as-filed rate (\$9.15), subject to refund after litigation settlement, down to a floor of the current rate (\$7.33).

Litigation annual charges assume a three-year timeframe to settle the rate case at a cost of \$600k.



Previously discussed TGT information

- TGT was required to file a formal Section 4 rate case by July 31, 2022.
- Pre-filing settlement discussions began on April 19, 2022. Shippers submitted informal data requests. TGT responded with the requested information.
- When a settlement was not reached, TGT filed with FERC on July 29, 2022. New rates were to be effective February 1, 2023.
- TGT filed for a significant rate increase. Analysis by Sierra and other shippers determined a rate decrease is warranted.

Previously Discussed Benefits of Settlement

- Rate certainty
 - Moratorium through 12/1/2028
 - Comeback 1/1/2030
- Avoid cost of litigating a rate case at FERC

Settlement vs. Rate Case filing

- Independent rate analysis performed by Sierra and Southwest Gas concludes that a rate decrease by TGT is warranted
- TGT has not filed a formal rate case since 2019
- Unless TGT is willing to settle below current rates, proceeding with the rate case may be the best course of action
- Litigation risks include:
 - Filed rates go into effect and shippers pay higher costs subject to refund when the final FERC order is in place. A fully litigated case may take years.
 - Litigation costs (internal, legal and consulting) projected to be approximately \$600,000.

Settlement vs. Rate Case filing (continued)

- Settlement would result in lower rates beginning August 1, 2025
- Avoid payment of higher rates subject to refund with refund
- Lower rate through litigation would only be refunded from TGT's as-filed rate of \$9.1582 to the current rate of \$7.3305.

FEBRUARY

Risk Committee
Wednesday, February 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 January 18, 2023, January 31, 2023	Approval	Adrian Cacuci
2	0:25	8:10	8:35	Energy Supply Plan Update	Approval	Sophia Hickly
3	0:15	8:35	8:50	Physical Gas Transactions Above Premium Cap	Approval	Ryan Atkins
4	0:25	8:50	9:15	2023 Load Forecast Update	Approval	Tim Pollard

**Risk Committee Meeting
Wednesday, February 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
Joshua Langdon, Vice President, Transmission
Matthew Johns, Vice President, Environmental Services & Land Management
Marie Steele, Vice President, Integrated Energy Services
Janet Wells, Vice President, Regulatory
Ryan Atkins, Vice President, Resource Optimization
Jimmy Daghlain, Vice President, Renewables
Jason Hammons, Vice President, Generation
Adrian Cacuci, Assistant Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Jesse Murray, Antoine Tilmon, Zeina Randall, Michael Behrens

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Jenny Venter,
Michael McClellan, Cary Shelton-Patchel, Kimberly Hopps, Ryan Tardy,
Tim Pollard

Presenters: Sophia Hickly (Item 2), Ryan Atkins (Item 3), Tim Pollard (Item 4)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee January 18, 2023 and January 31, 2023, meeting minutes

Attachments: January 18, 2023 and January 31, 2023, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from January 18 and January 31, 2023

Discussion: The Committee reviewed and discussed the meeting minutes for January 18 and January 31, 2023

Voting Results: January 18, 2023
Motion: Brandon Barkhuff
Second: Janet Wells
Motion Approved Unanimously

January 31, 2023
Motion: Brandon Barkhuff

Second: Marie Steele
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 approval of current projected physical gas volumes for both NV Energy North and South and recommending changes to the 2023 and 2024 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and the recommendation to approve current projected physical gas volumes and changes to the 2023 and 2024 open capacity positions. We are going through a gas RFP in which summer 2023 will be filled 100%, winter 2023-2024 75%, summer 2024 50%, and winter 2024-2025 25%. Hot Pot and Iron Point have been removed from the L&R table and model and Bighorn, Chuckwalla, and Boulder Solar III are delayed until 2025. Valmy 1 is only available for July through September until it is retired (2025). Open position for both North and South combined are 136 for July 23 and 1,315 for July 2024. We are also completing a power RFP and looking to close the open positions or coming close to closing them, but we are looking to close all of the open positions.

Natural gas procurement for March 2023 has both Companies within the targeted bandwidth. The gas and power prices have dropped as compared to last month, so the gas burns are affected by the market prices. Currently we have 49-days of coal inventory. We continue to have concerns with the quality of coal being received, which was delivered from the same supplier. One of our ways to combat the coal issue is to use unit 2 which can handle the higher mercury coal and to bring in higher grade chemicals to treat the mercury that is found in the coal. We do have enough coal to get us through 2024, but the biggest concern is the quality of the coal we are receiving. We will continue to work with the plants to get creative on the different technology to burn the coal we receive.

Committee Action: The Committee approved the recommended changes to the physical gas volumes for both NV Energy North and South.

Voting Results: Motion: Janet Wells
 Second: Jason Hammons
 Motion Approved Unanimously

Committee Action: The Committee approved the recommended no changes to the 2023 and 2024 open capacity positions.

Voting Results: Motion: Kimberly Williams
 Second: Janet Wells
 Motion Approved Unanimously

Item 3 Physical Gas Transaction Above Premium Cap

Attachments: Physical Gas Transaction Above Premium Cap - Presentation

Overview: Seeking approval to transact above the premium cap provided the transactions are the least cost supply options.

Discussion: Resource Optimization will issue a physical gas request for proposal February 9th for Nevada Power, with bids due back by February 16th and February 23rd, with bids due back by March 2nd. Due to market conditions all of the bids that come back may be above the premium cap, but we do select the least cost options. Requesting preapproval to transact above the Risk policy premium cap provided the transaction is the least cost option.

Committee Action: The Committee approved the approval to transact above the premium cap, provided that those options are the least cost supply options.

Voting Results: Motion: Brandon Barkhuff
Second: Joshua Langdon
Motion Approved Unanimously

Item 4 2023 Load Forecast Update

Attachments: 2023 Load Forecast Update - Presentation

Overview: Recommending approval of the updated load forecast for use in the fifth amendment to the 2021 Joint Integrated Resource Plan.

Discussion: The updated forecast includes an increase in peak loads of close to 300 MW's by 2026 and close to 2,400 MW's by 2032. There is also an increase in energy requirements of ~1,500 GWh by 2026 and ~16,000 by 2032. The large driver for the increases are the planned expansion and incremental major project in additions to the industrial loads, which consists of Data Centers, Mines, Casinos, and manufacturing. There are a total of 38 major projects with 17 major projects that have defined facilities and investments, and the other 21 projects are in their early study phase.

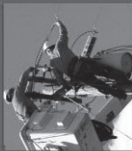
Committee Action: Recommended approval to update the load forecasts for use in the fifth amendment to the 2021 Joint Integrated Resource Plan.

Voting Results: Motion: Marie Steele
Second: Janet Wells
Motion Approved Unanimously





EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT





BERKSHIRE
FINANCIAL STRENGTH
OWNERSHIP

Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

February 15, 2023

Privileged and Confidential

Recommendations

1. Recommend approval of current projected 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:

Season	% of Volumes Closed After First Quarter 2023 Procurement
▪ Summer 2023	100%
▪ Winter 2023 - 2024	75%
▪ Summer 2024	50%
▪ Winter 2024 – 2025	25%

Recommendations

2. Recommend changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of December 6, 2022.

2023	June	July	August	September
RFP	1305 MW	1455 MW	1330 MW	575 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1579 MW	1729 MW	1604 MW	849 MW

2024	June	July	August	September
Total	243 MW	243 MW	243 MW	168 MW

- a) Slide 6 reflects updated unit characteristics dated April 1, 2022 and unit capacity changes on Tracy Clark Mountain 3 & 4, Clark Peakers, Harry Allen Peakers, and Sunpeak.
- b) Slide 6 reflects the addition of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, and the extension of NCA 1 and 2.
- c) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- d) Slide 6 reflects a 16% Planning Reserve Margin (“PRM”) and 90 MW OATT reserve.
- e) Slide 6 reflects a minor adjustment to the approved load forecast.
- f) Slide 6 reflects the removal of Hot Pot and Iron Point.
- g) Slide 6 reflects that Southern Bighorn Solar, Chuckwalla, and Boulder Solar III are delayed to 2025.
- h) Slide 6 reflects the following assumptions for Valmy 1 and 2:

To conserve coal pile, Valmy 1 is only available for July through September for the remaining years and will retire on 12/31/2025
 Valmy 2 on RMR (reliability must run) economic dispatch above minimum load status from 2/1/2022 through 12/31/2025, its retirement date.

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 2024 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 2023 and 2024 (Table on slide 6)
 - The table shows 136 MW open position for July 2023 and 1,315 MW open position for July 2024
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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-23	Jul-23	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,612	5,759	5,978	5,304	5,734	5,832	5,976	5,330
Net Peak Forecast-SPPC	1,684	1,696	1,768	1,373	1,790	1,863	1,943	1,612
Reserves (16%)NPC	898	921	957	849	917	933	956	853
Reserves (16%)SPPC	269	271	283	220	286	298	311	258
Required NVE	8,463	8,647	8,987	7,746	8,727	8,926	9,186	8,053
Available NPC	6,413	6,509	6,512	5,876	5,997	5,979	6,083	5,949
Available SPPC	1,967	2,002	2,101	1,687	1,634	1,631	1,760	1,518
Available NVE	8,381	8,511	8,613	7,563	7,631	7,610	7,843	7,467
Long/(Open) - NPC	(-) 97	(-) 171	(-) 423	(-) 277	(-) 655	(-) 786	(-) 849	(-) 234
Long/(Open) - SPPC	14	35	49	94	(-) 442	(-) 530	(-) 494	(-) 352
Long/(Open) - NVE	(-) 82	(-) 136	(-) 374	(-) 183	(-) 1,097	(-) 1,315	(-) 1,343	(-) 586
Term Purchases	275	350	325	25	75	75	75	0
UCT Adjustment	28	28	28	28	26	26	26	26
Southern Bighorn PV/BESS	0	0	0	(135)	(135)	(135)	(135)	(135)
Term Purchase	5	5	5	0	(58)	(58)	(58)	(58)
January Open Positions	(390)	(519)	(732)	(101)	(197)	(192)	(200)	(190)
February Open Positions	(82)	(136)	(374)	(183)	(200)	(200)	(214)	(200)
January Open Positions					(608)	(831)	(836)	(29)
February Open Positions					(1,097)	(1,315)	(1,343)	(586)

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2022 IRPA Load Forecasts approved on May 18, 2022. It included the stipulated load forecasts filed in September 2022, Docket 22-09006.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of March 2023, Nevada Power is within the targeted bandwidth. Sierra (gas) is within the targeted bandwidth.

Nevada Power

Updates to Forecasts and Procurement

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

		Remarks
Load Forecast	2022 IRPA Forecast	
Gas Price Forecast (SoCal)	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	Change In Prices Since Gas Volumes Were Approved in August 2022 54% (-) 21% 7% (-) 9% Change In Prices From Prior Month (-) 16% (-) 26% (-) 11% (-) 6%
Power Price Forecast (Mead)	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	(-) 35% (-) 25% (-) 21% (-) 13%
Plant Maintenance / Outages	Updated as of the end of January 2023	

Forecast Results		
Natural Gas Burns	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	Change in Volumes Since Approved in August 2022 8% 4% 22% 15% Change In Volumes From Prior Month 10% 13% 21% 14%

Sierra

Updates to Forecasts and Procurement

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

	Remarks		
Electric Load Forecast	2022 IRPA Forecast		
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast		
Gas Price Forecast (Malin)	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	Change In Prices Since Gas Volumes Were Approved in August 2022	Change In Prices From Prior Month
			1%
			(-) 21%
			(-) 7%
Power Price Forecast (Northern Nevada)	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	Change In Prices Since Gas Volumes Were Approved in August 2022	(-) 10%
			(-) 31%
			(-) 25%
			(-) 18%
Plant Maintenance / Outages	Updated as of the end of January 2023	Change In Prices Since Gas Volumes Were Approved in August 2022	(-) 14%

Forecast Results		
Natural Gas Burns	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	Change in Volumes Since Approved in August 2022
		3%
		13%
		4%
	Winter 2022 - 2023 Summer 2023 Winter 2023 - 2024 Summer 2024	Change In Volumes From Prior Month
		(-) 15%
		(-) 1%
		1%
	Updated as of the end of January 2023	Change In Volumes Since Approved in August 2022
		16%

Nevada Power

Daily Physical Gas Requirements

(MMBtu/day)

Privileged and Confidential

Physical

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023												
1 Approved (Rounded to thousands)			220,000	232,000	320,000	315,000	429,000	370,000	330,000	285,000	257,000	297,000
2 Risk Committee Approval Date			Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022
3 Current Procured Volumes			219,500	173,500	240,000	236,000	321,500	277,500	247,500	213,500	128,500	148,000
4 Current Target Procurement Level			100%	75%	75%	75%	75%	75%	75%	75%	50%	50%
5 Current Projection (February 2022 Risk Run)			236,849	243,014	345,502	332,601	407,174	378,119	338,771	328,228	293,855	346,217
6												
7 Variance			(-) 17,349	(-) 11,014	(-) 25,502	(-) 17,601	21,826	(-) 8,119	(-) 8,771	(-) 43,228	(-) 36,855	(-) 49,217
8												
2024												
10												
11 Approved (Rounded to thousands)			192,000	207,000	235,000	302,000	408,000	360,000	312,000	250,000		
12 Risk Committee Approval Date			Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022		
13 Current Procured Volumes			139,000	51,500	58,500	75,500	102,000	89,500	78,000	62,500		
14 Current Target Procurement Level			50%	25%	25%	25%	25%	25%	25%	25%		
15 Current Projection (February 2022 Risk Run)			330,881	267,601	300,624	346,232	434,062	393,219	333,651	303,572	275,811	335,126
16												
17 Variance (Approved - Current)			(-) 51,881	(-) 62,652	(-) 67,793	(-) 60,601	(-) 26,062	(-) 33,219	(-) 21,651	(-) 53,572		
18												
2025												
19												
20												
21 Approved (Rounded to thousands)												
22 Risk Committee Approval Date												
23 Current Procured Volumes												
24 Current Target Procurement Level												
25 Current Projection (February 2022 Risk Run)			321,222	276,559	239,986							
26												
27 Variance (Approved - Current)												

The variance within the current season (March 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

Variances outside the acceptable 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

Above volumes represent KERN River Pipeline delivered gas only.

Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

Physical

2023

1 Approved (Rounded to thousands)
 2 Risk Committee Approval Date
 3 Current Procured Volumes
 4 Current Target Procurement Level
 5 Current Projection (February 2022 Risk Run)

Variance

2024

10 Approved (Rounded to thousands)
 11 Risk Committee Approval Date
 12 Current Procured Volumes
 13 Current Target Procurement Level
 14 Current Projection (February 2022 Risk Run)

Variance (Approved - Current)

2025

19 Approved (Rounded to thousands)
 20 Risk Committee Approval Date
 21 Current Procured Volumes
 22 Current Target Procurement Level
 23 Current Projection (February 2022 Risk Run)

Variance (Approved - Current)

The variance within the current season (March 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
145,000	144,500	149,676	109,000	115,000	110,000	128,000	119,000	109,000	122,000	149,000	176,000
Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022
100%	75%	75%	75%	75%	75%	75%	75%	75%	75%	50%	50%
174,652	173,937	154,658	126,442	115,816	122,088	145,862	140,159	128,706	124,113	147,538	175,892
170,000	172,000	145,000	108,000	97,000	107,000	131,000	120,000	112,000	105,000	105,000	105,000
Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022	Aug 2022
85,000	85,500	72,000	27,000	24,000	26,500	32,500	29,500	28,000	26,000	26,000	26,000
50%	50%	50%	25%	25%	25%	25%	25%	25%	25%	25%	25%
174,652	173,937	154,658	126,442	115,816	122,088	145,862	140,159	128,706	124,113	147,538	175,892
(-) 4,652	(-) 1,937	(-) 9,658	(-) 18,442	(-) 18,816	(-) 15,088	(-) 14,862	(-) 20,159	(-) 16,706	(-) 19,113	(-) 7,648	(-) 4,803

Coal Inventory

Proactive actions taken regarding coal supply

- Second train contracted for 2022-2023 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
- Front loading as many deliveries as possible before summer to ensure supply

Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Jan 2023	132,898	49 days as of January 31, 2023 (Assumes daily burn of 2,700 tons ¹)
Dec 2022	112,675	
Nov 2022	160,361	
Oct 2022	154,841	

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

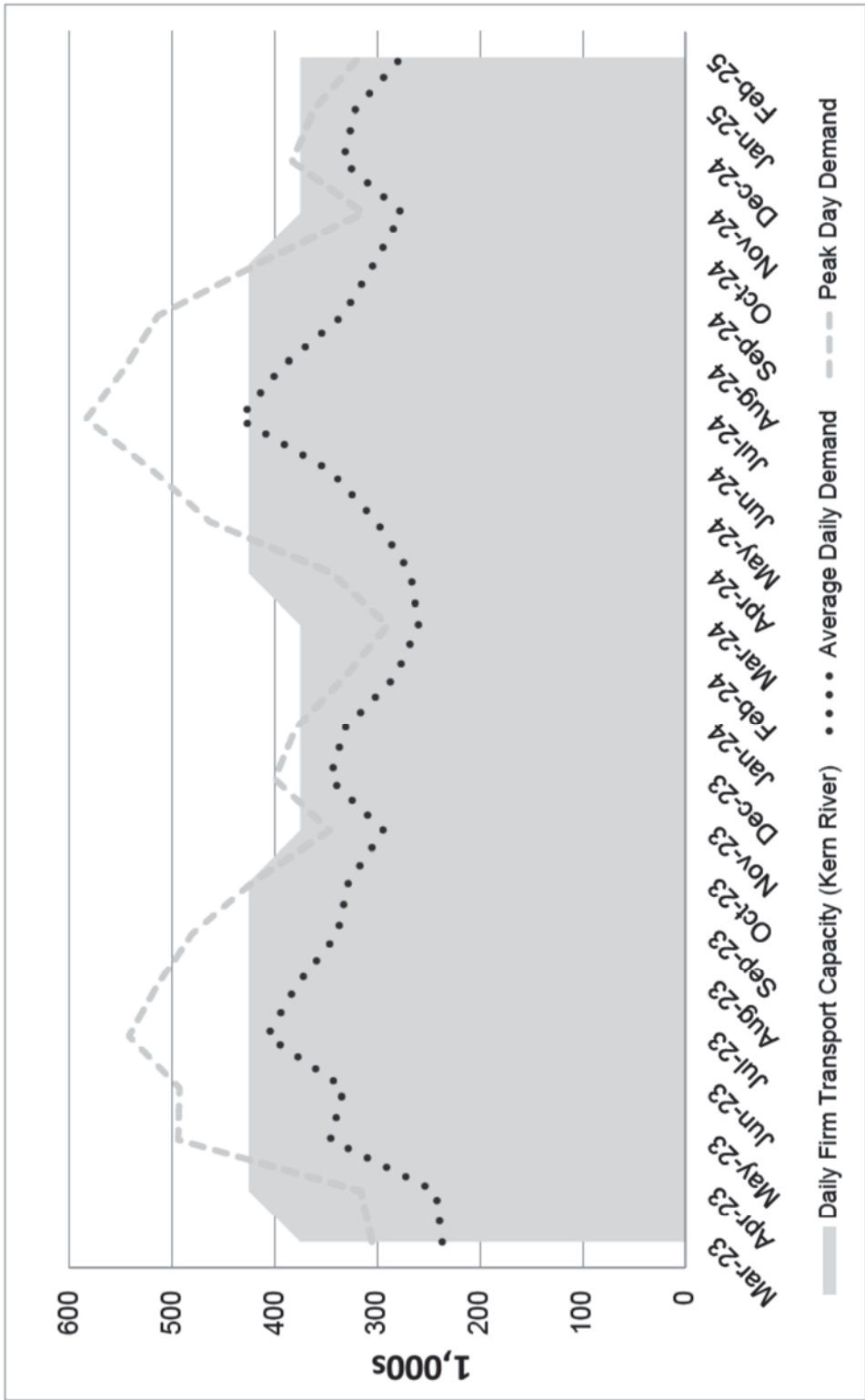


Technical Appendix



Nevada Power

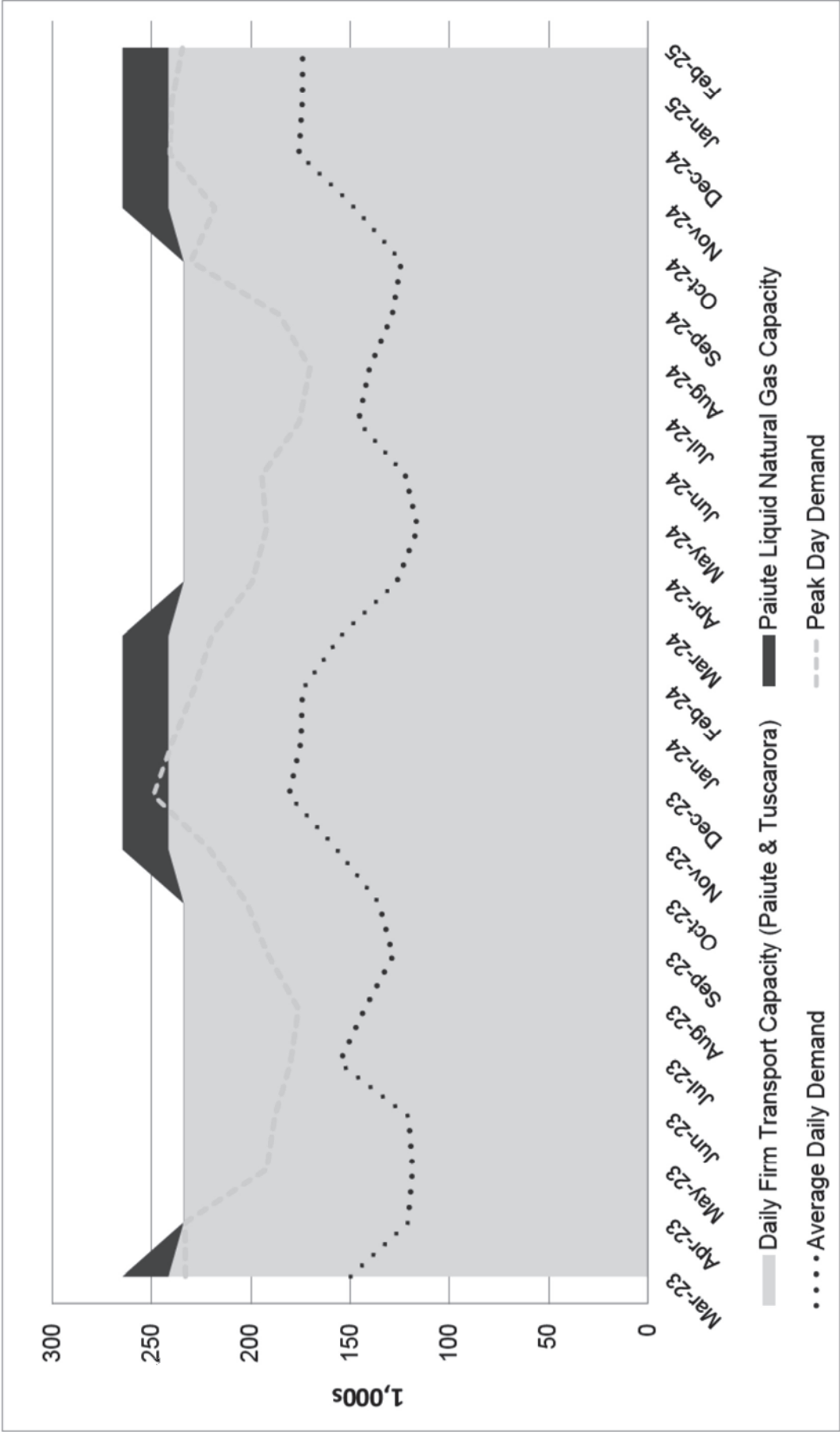
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



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)

— February-23 Forecast — Approved Aug-22



Delivery Month

Nevada Power Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- February 2023 Forecast - On-Peak
- February 2023 Forecast - Off-Peak
- Approved (August 2022) - On-Peak
- Approved (August 2022) - Off-Peak



Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— February-23 Forecast — Approved Aug-22



Delivery Month

Sierra Power Price Forecasts

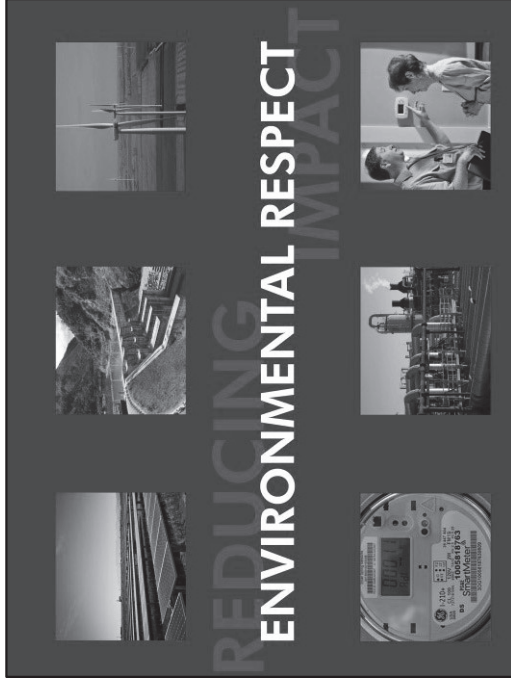
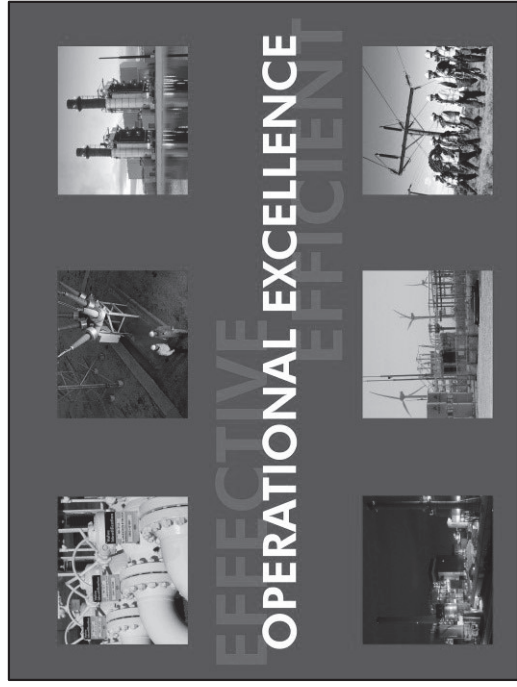
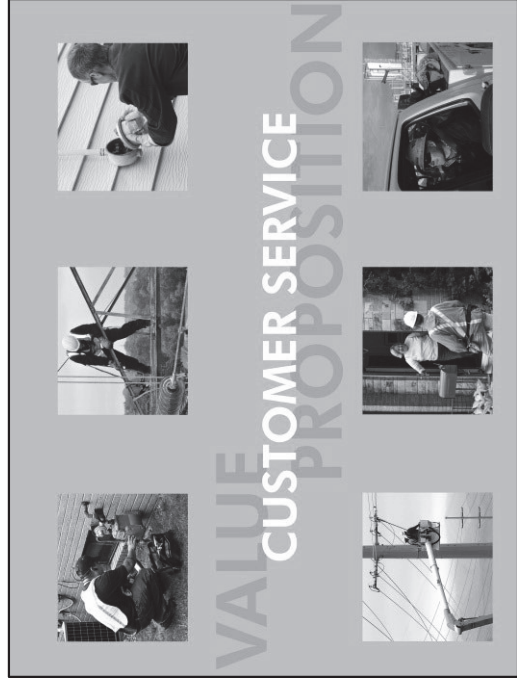
REDACTED PUBLIC VERSION

Northern Nevada Power Price Forecast (dollars per MWh)

- February 2023 Forecast - On-Peak
- - Approved (August 2022) - On-Peak
- February 2023 Forecast - Off-Peak
- - Approved (August 2022) - Off-Peak



Delivery Month



Risk Committee

Physical Gas Transactions Above Premium Cap

Executive Summary

- Resource Optimization plans to issue a physical gas request for proposal for Nevada Power on February 9 with bids due back February 16
- Resource Optimization plans to issue a physical gas request for proposal for Sierra Pacific Power on February 23 with bids due back March 2
- Issue: Risk committee approval is needed for transactions which exceed the premium cap (per the Energy Supply Plan)
- Recommendation: Risk committee grant approval to transact above the premium cap, provided those transactions are the least cost supply options

Background

- Energy Supply Plan: physical gas procurement plan
 - Per Stipulation, Docket Nos. 09-07003 and 09-09001
 - A four-season laddering strategy for physical gas purchases, subject to the availability of conforming bids and the willingness of suppliers to accept reasonable commercial terms
 - Volumes are to be procured at indexed prices, subject to a cap of 2.5 cents on the index premium
 - Approval from the energy risk committee is required prior to exceeding the premium cap
 - Per Stipulation, Docket Nos. 17-09001 and 17-09002
 - Notification of transaction exceeding the premium cap and is not the least cost supply option must be provided to the Public Utilities Commission of Nevada and Bureau of Consumer Protection

Procurement Process

- Resource optimization issues physical gas request for proposals twice a year (first and third quarters)
 - Procure gas at an index price point closest to the delivery point
 - Use systematic techniques to select the most economic bids subject to constraints such as limits on transport capacity and limits on the amount of gas taken at each delivery point

Transaction Season	Delivery Season			
	Winter 22-23	Summer 23	Winter 23-24	Summer 24
Q1 2021	25%			
Q3 2021	25%	25%		
Q1 2022	25%	25%	25%	
Q3 2022	25%	25%	25%	25%
Q1 2023		25%	25%	25%
Q3 2023			25%	25%
Q1 2024				25%
Q3 2024				25%

Index Premium and Discount

- Monthly indices are determined by all transacted prices during the bid week period at each index point
 - NV Energy procures physical gas using indices such as the Canadian Gas Price Reporter's AECO 7a index, Inside FERC's Rockies index and NWPL Canadian Border index, or Natural Gas Intelligence's Malin and SoCal index.
- Index products are advantageous
 - Not subject to out-of-market costs (i.e., short-term price volatility due to weather, temporary market inefficiencies, etc.)
 - Limit the financial exposure associated with holding a fixed-price product
- Index premium and discount are influenced by factors such as demand, liquidity, physical proximity to the index point
- The best supply option may contain a premium above the cap
 - Example: Rockies and SoCal indices at \$2.60 and \$2.80, respectively
 - Rockies supply at index + \$0.03 offered is \$2.72 per MMBtu delivered (3% fuel and \$.006 variables)
 - SoCal supply at index + \$0.01 offered is \$2.81 per MMBtu delivered



2023 Load Forecast Update

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Tim Pollard

Director-Load Forecasting, Research & Analytics

February 15, 2023



Recommendation



- Recommend approval of the updated load forecast for use in the fifth amendment to the 2021 Joint Integrated Resource Plan including:

- Increase in peak loads of 41, 183, 299 MW in 2024, 2025, and 2026 respectively, with an increase of 2,366 MW by 2032

- Increase in sales of 893, 1,163, 1,553 GWh in 2024, 2025, and 2026 respectively, with an increase of 15,671 GWh by 2032

Year	MW Peak	GWh
2022	7,750	29,858
2023	7,791	30,751
2024	7,974	31,913
2025	8,272	33,466
2026	8,406	34,613
2027	8,646	36,050
2028	8,905	37,562
2029	9,308	40,242
2030	9,533	41,664
2031	9,820	43,499
2032	10,116	45,528

2022-2032:

Change 2,366 15,671

Percent Change 31% 52%

CAGR 2022-2032 2.7% 4.3%

Summary of Load Forecast Development



- Proposed Load Forecast update for 5th Amendment of the 2021 IRP includes:
 - Forecast stipulated in 3rd Amendment incorporating items specified in the agreement
 - Incorporation of planned expansion and/or incremental major project additions to Industrial load
- Presentation compares Stipulated 3rd amendment to proposed load forecast for the 5th amendment
- 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 4.3 percent

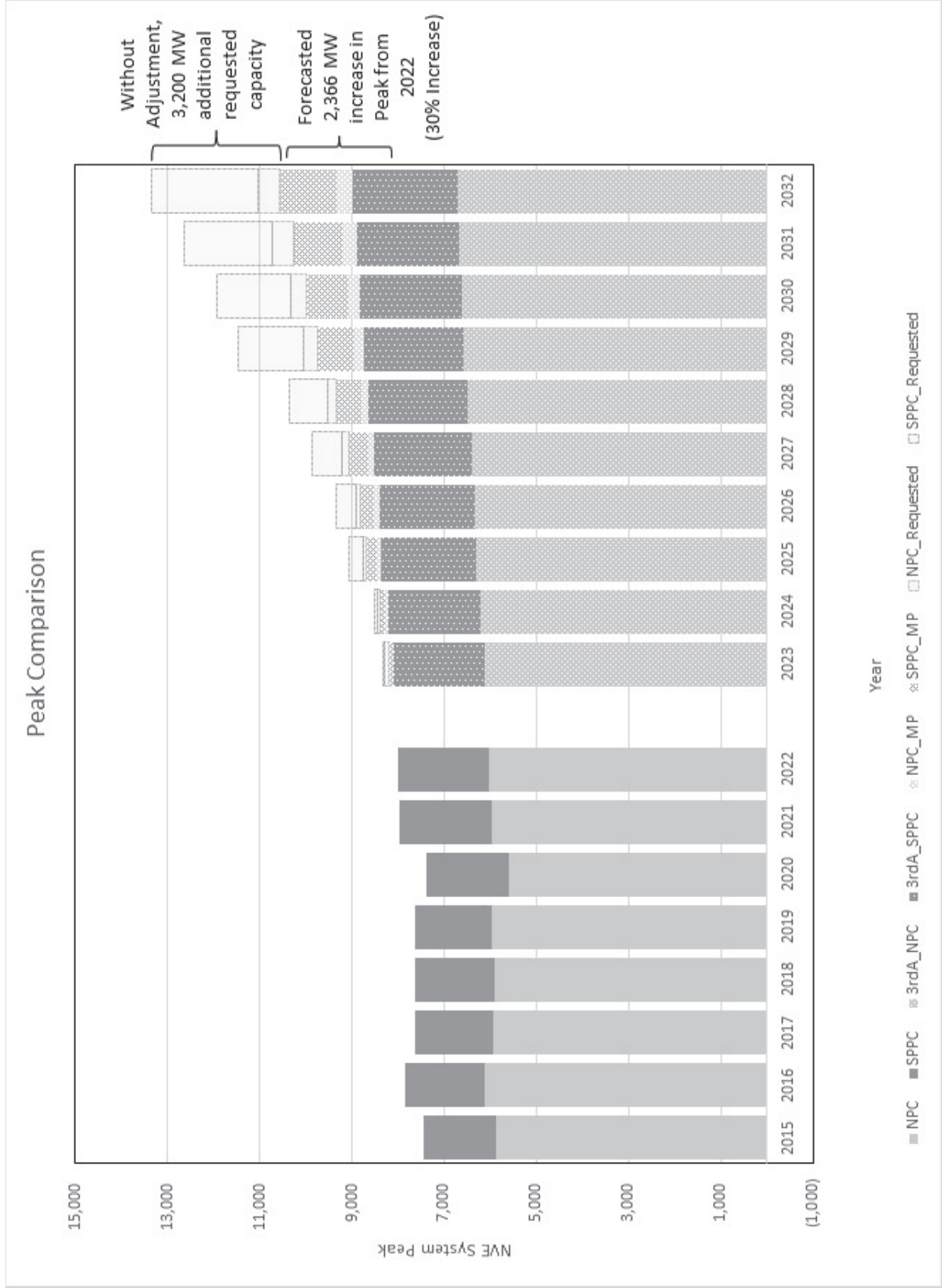
Customer Specific Load Forecasts



- 38 major projects containing mostly high load factor Data Centers, Mines, Casinos, and Manufacturing
- 17 major projects further along in process with signed Rule 9 agreements that provide defined facilities and investment
 - Majority of projects (11) are expansions for current locations
 - Customer requests for 520 MW of incremental capacity at Sierra by 2032
 - Customer requests for 120 MW at Nevada Power by 2032
- 21 major projects in earlier study phase
 - Requested incremental capacity of 2,890 MW at Sierra
 - Requested incremental capacity of 630 MW at Nevada Power
- Of all projects, seven are current Distribution-Only Service customer projects, which are excluded from retail load forecast
 - 150 MW incremental peak at Sierra and 140 MW at Nevada Power to be served by another provider

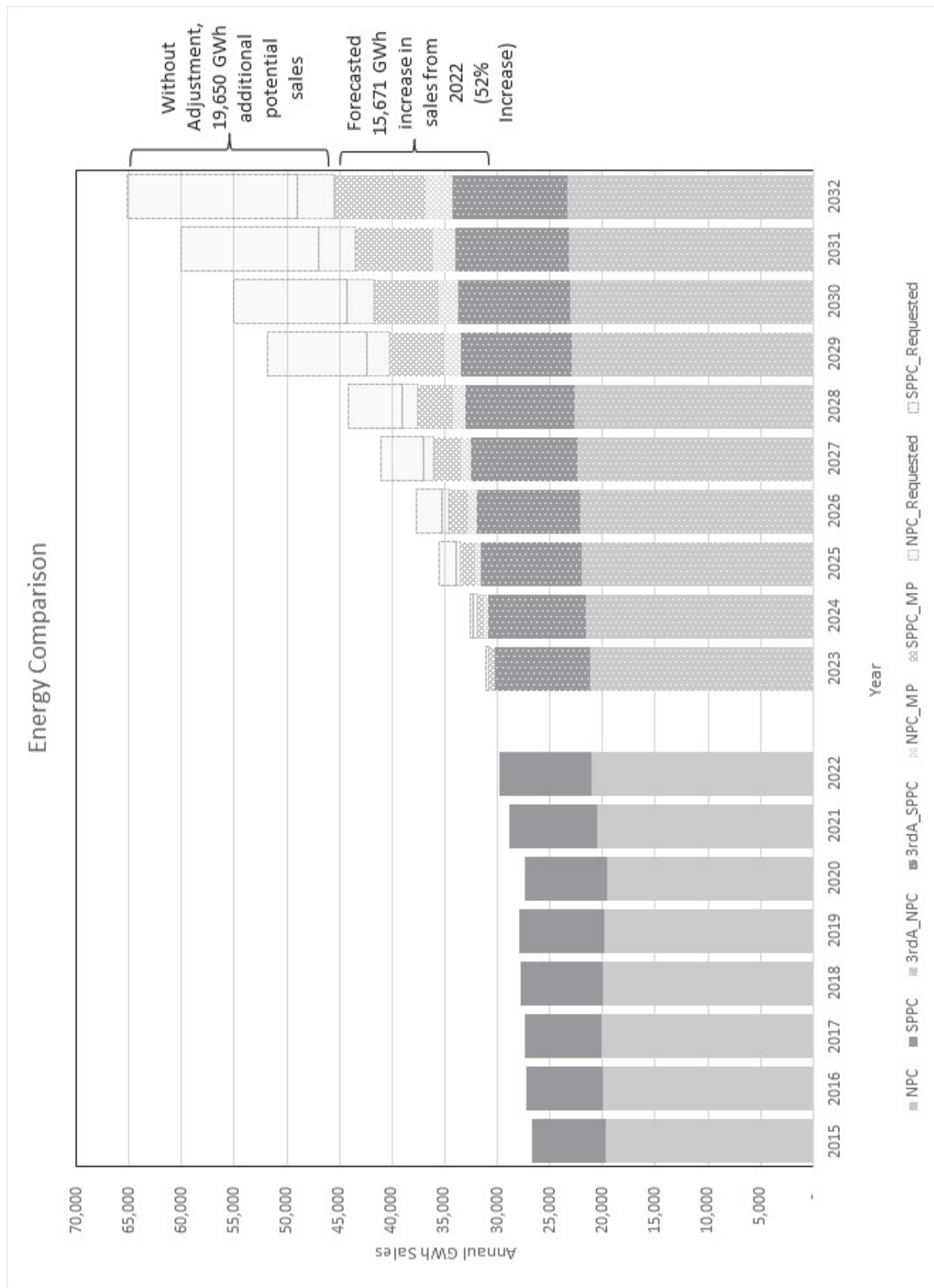


Sensitivity of Adjustments - Peak





Sensitivity of Adjustments - Energy



Project Adjustments



- Customer provided schedule not reasonable to include without modifications, would be challenged in a filing
- 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

SPPCo	177	673	431	64.1%
NVPWR	27	118	93	79.0%
Total	204	790	524	66.3%
Reduction				33.7%

SPPCo	2,890	778	26.9%
NVPWR	616	152	24.6%
Total	3,506	929	26.5%
Reduction			73.5%

DOS Service						DOS Service					
Customer 13	SPPCo	34	138	103	74.7%	Customer 37	NVPWR	7	3	39.0%	
Customer 14	SPPCo	12	14	10	68.0%	Customer 38	NVPWR	7	3	39.0%	
Customer 15	NVPWR	-	15	12	79.0%						
Customer 16	NVPWR	-	115	83	72.0%						
Customer 17	NVPWR	10	4	3	69.8%						

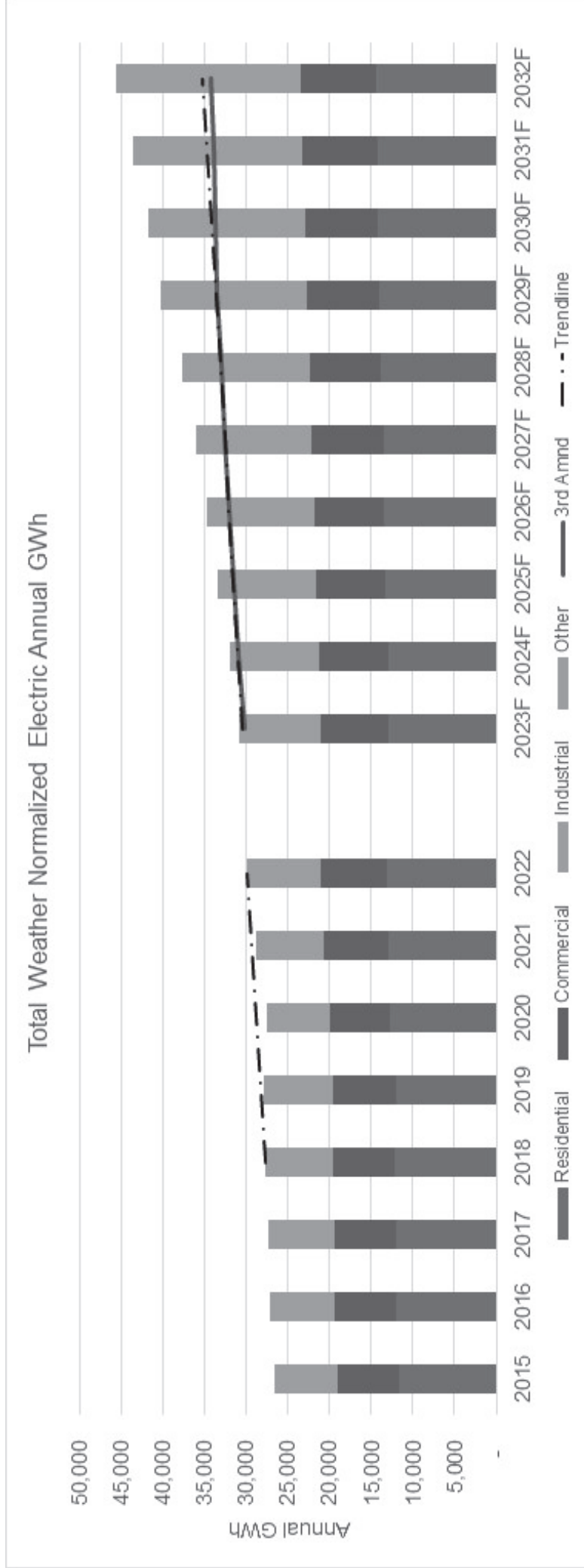
Adjusted Load Estimates



- 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 twenty-year forecast period
- On average for 2032, forecast reduces requested incremental additions by approximately 65 percent
 - 33.7 percent reduction for projects with signed agreements
 - 73.5 percent reduction for projects in study phase



• Industrial growth changes sales composition



Risks to Load Forecast



- Incremental peak and energy considerations highly dependent on several risk factors
 - Customer project is terminated
 - Schedule is delayed
 - Level of projected loads does not materialize
 - Customer chooses Distribution-Only Service
 - All but 3 projects above 10 MW SB547 limit and new loads (i.e. not load for existing sites), enabling customer to immediately choose other service if not already served as bundled customer at current site
 - Lack of import capacity likely limiting option in 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
 - 2,366 MW growth by 2032
 - 15,671 GWh sales by 2032
- Recommend approval of the updated load forecast for use in the fifth amendment to the 2021 Joint Integrated Resource Plan



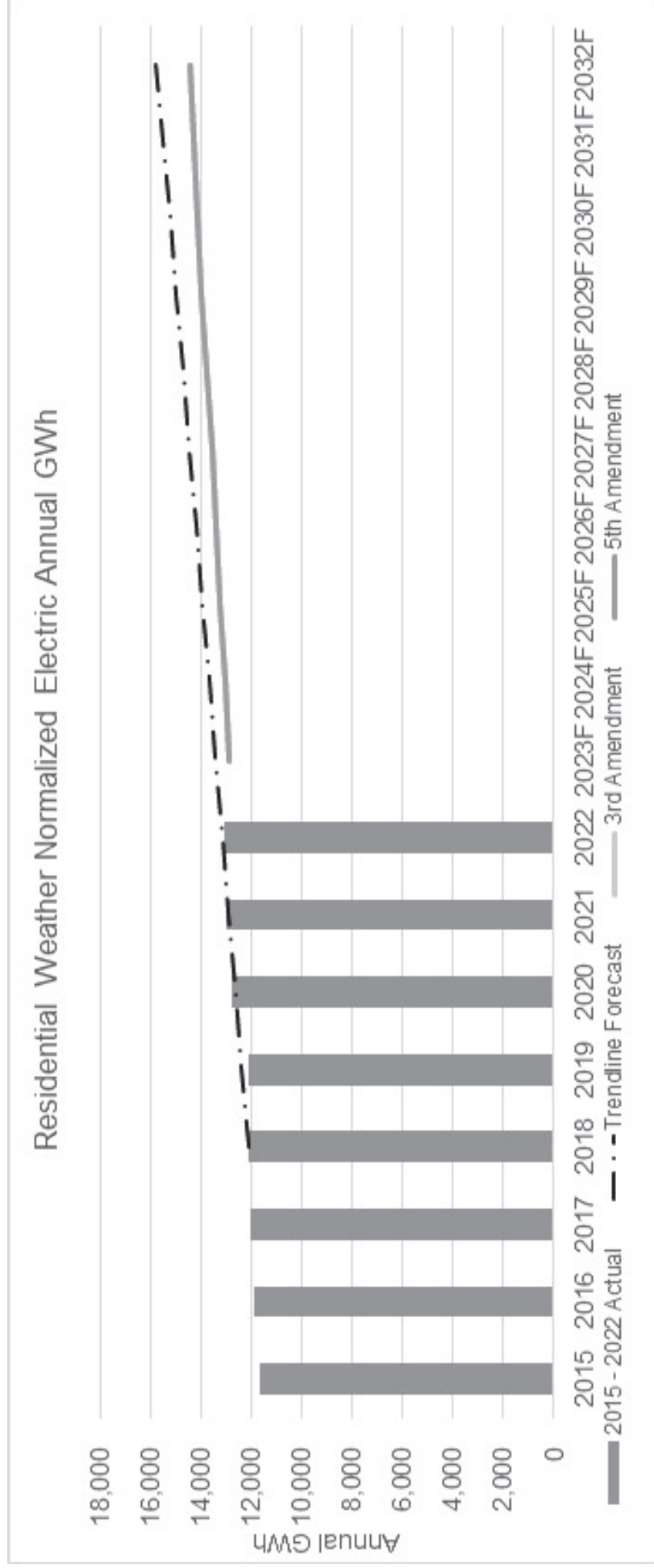
Appendix

Customer Group information

NV Energy – Total Residential



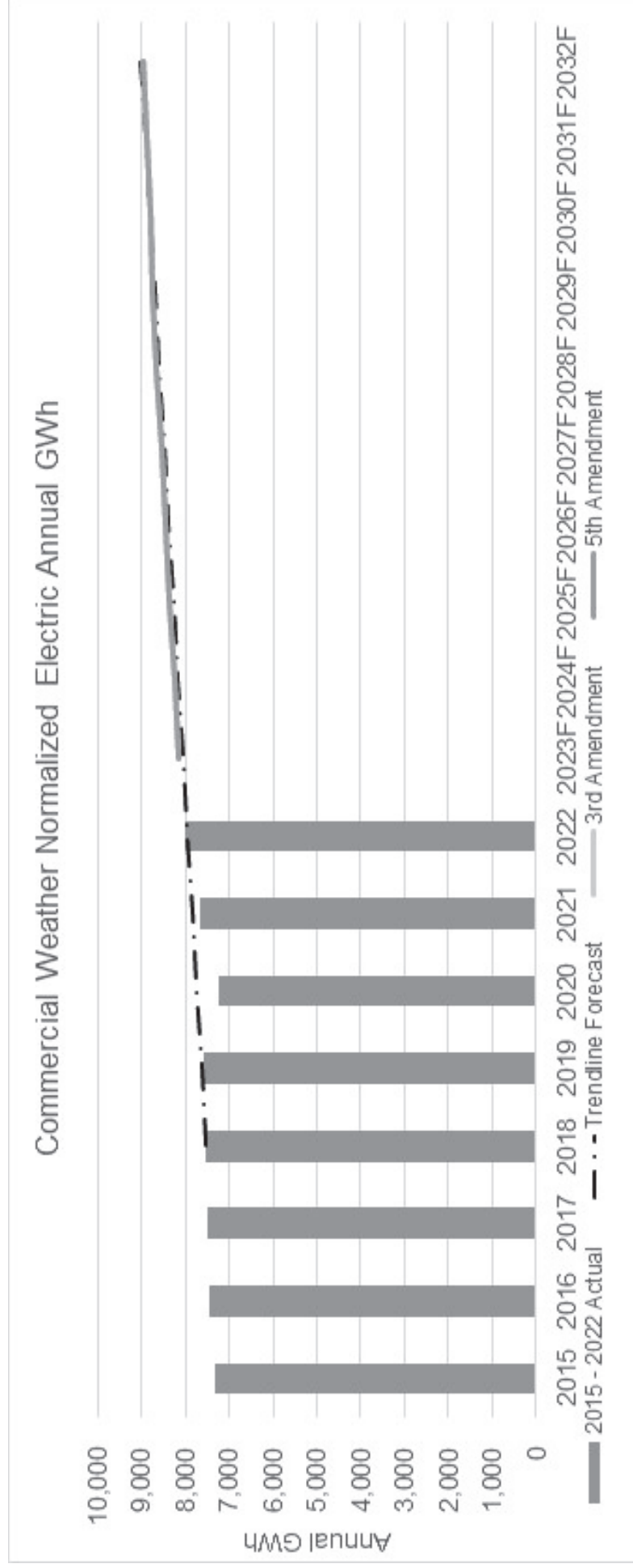
- No change from 3rd amendment for residential



NV Energy – Total Commercial



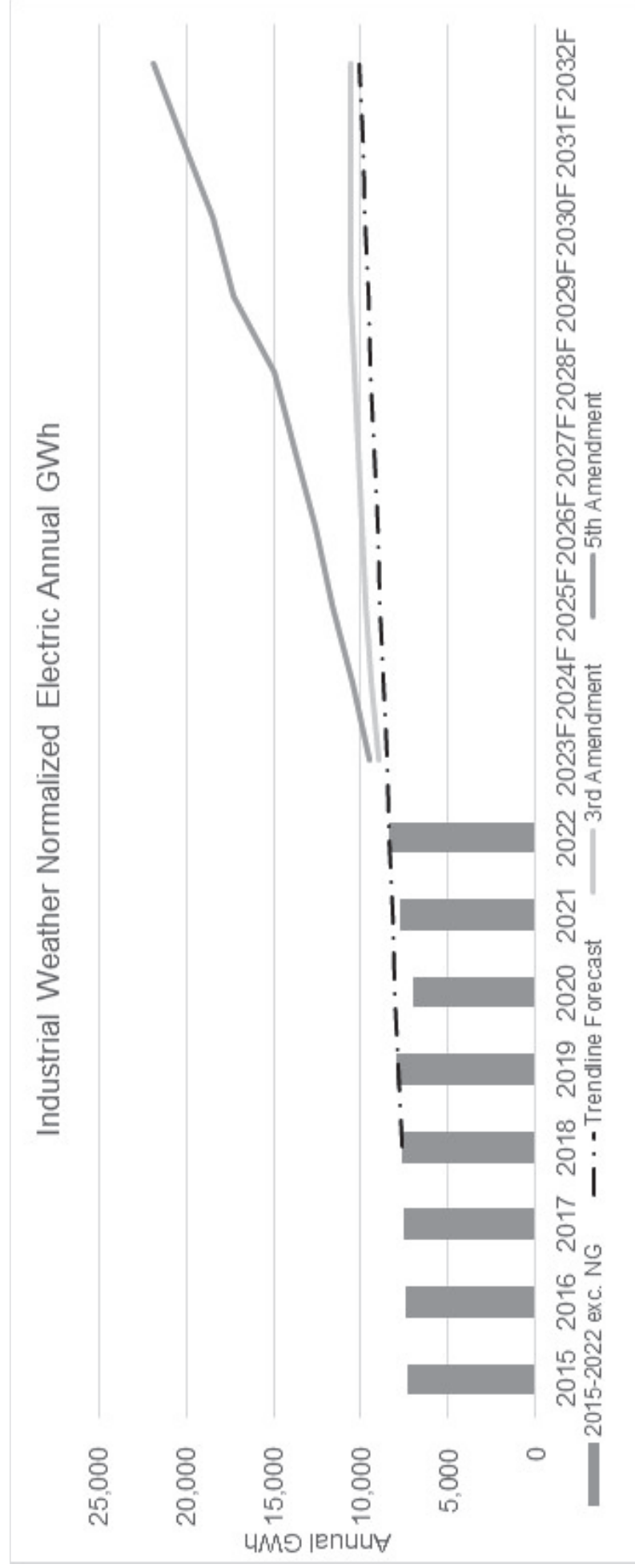
- No change from 3rd amendment for commercial



NV Energy – Total Industrial

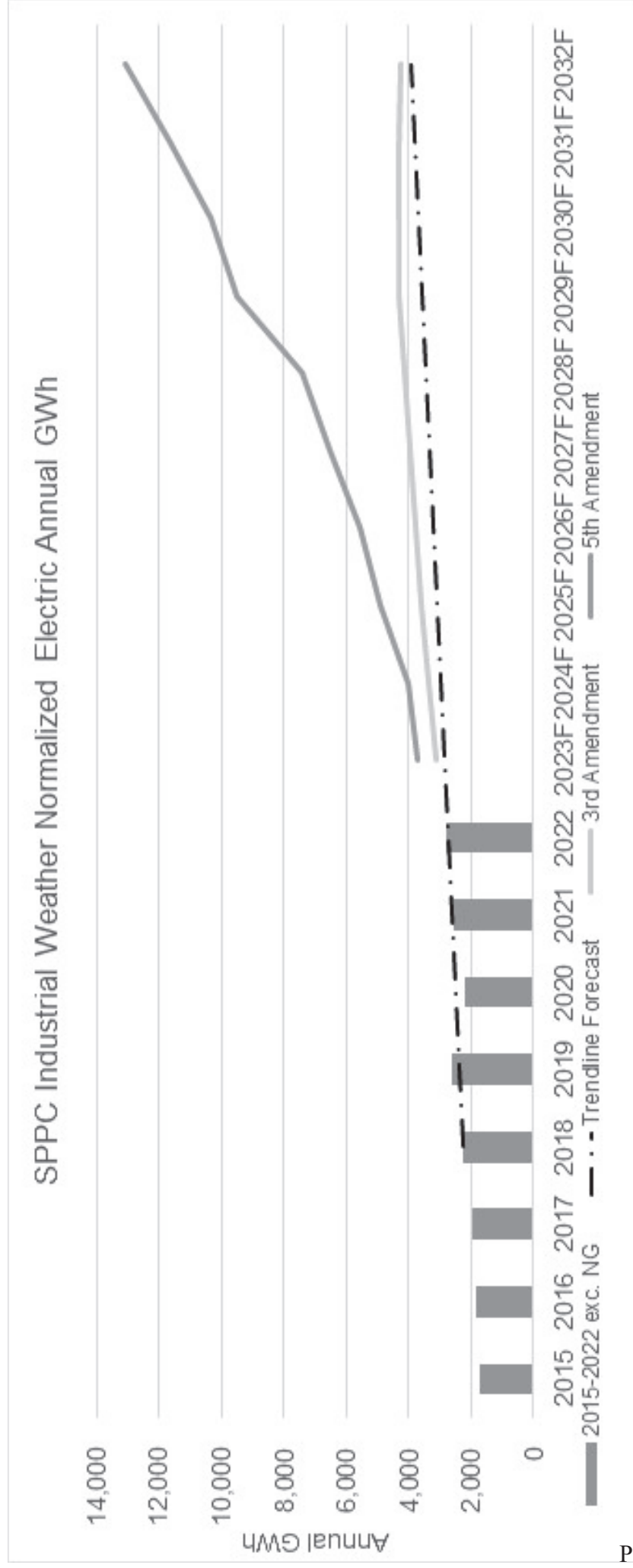


- Major Project Industrial projects drive changes



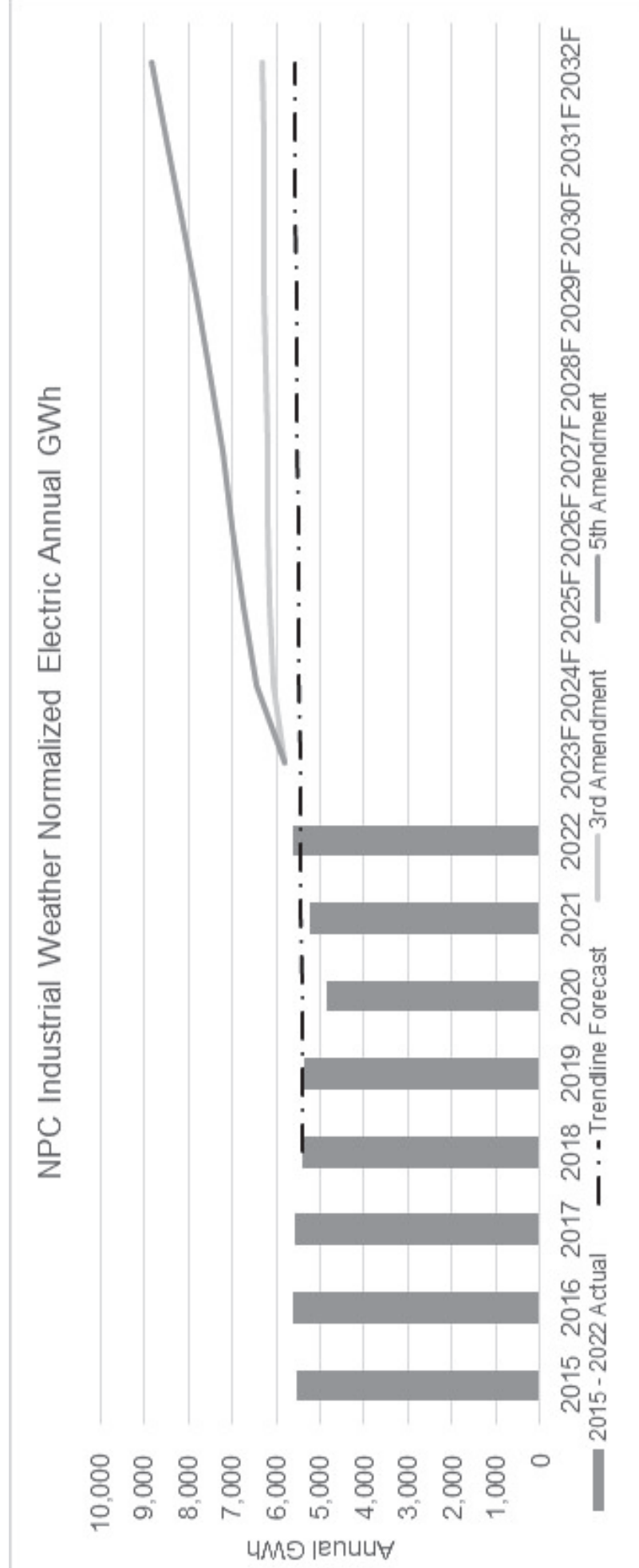


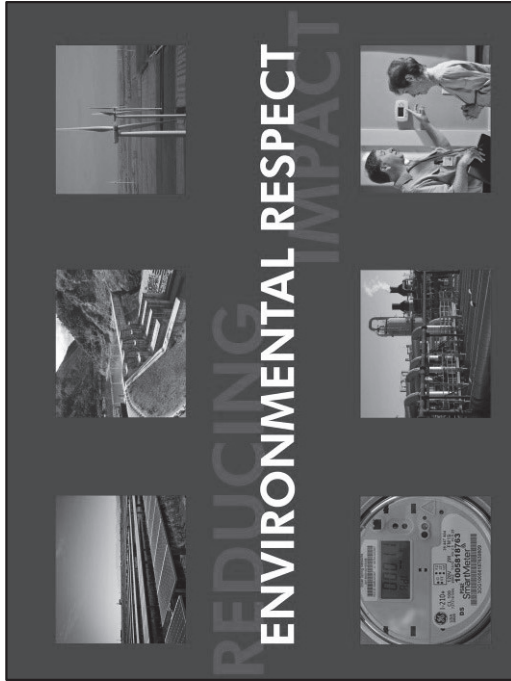
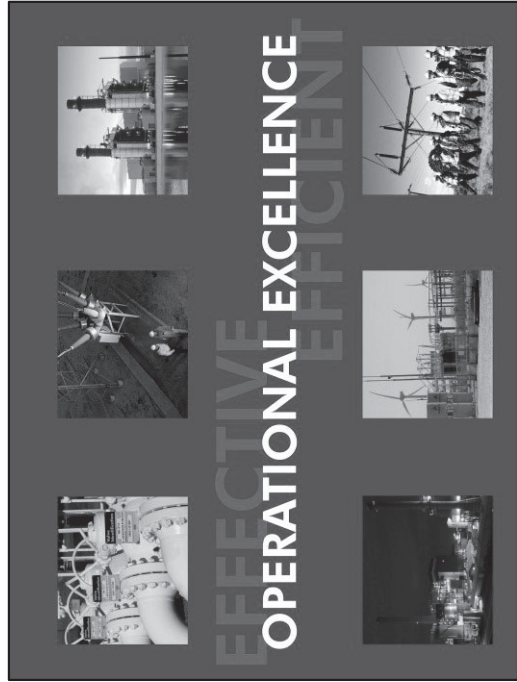
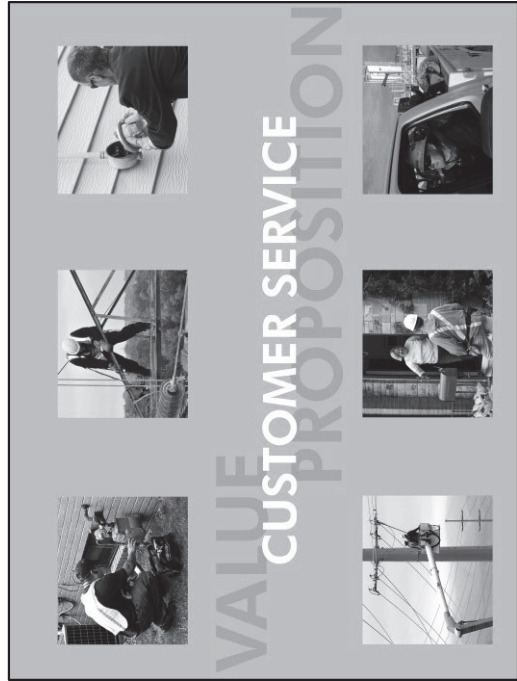
- Sierra Major Project additions drive forecast changes





- NPC Major Project additions still significant growth





Risk Committee

Risk Control Report

February 15, 2023

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Risk Control Report

- Information-only presentation
- Reporting period is for January 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 January 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 A

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 538-Transactions NV Energy North 209-Transactions Total 747-Transactions ¹ Largest Transaction \$732K Index Based Gas Deal	●
	≤\$5.0M	Manager, Market Operations and Trading,		
	≤\$7.5M	Sr. Director, Trading Analytics & Operations		
	≤\$15.0M	Senior 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	≤\$5M	Director, Trading Analytics & Operations		●
	≤\$12.5M	Vice President, Chief Financial Officer		
	≤\$25.0M	Chief Executive Officer		

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

Largest transaction –3-day index based price gas deal (Citadel)
January 28 – January 30, 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	1,671.8	(1,949.7)	(277.8)	●	0.0	(277.8)	●
NV Energy North	Jan 23-Dec 23	50	CEO	527.1	(624.8)	(97.7)	●	0.0	(97.7)	●
NV Energy LDC	Jan 23-Dec 23	10	CEO	134.1	(143.0)	(8.9)	●	0.0	(8.9)	●

Revenues estimated using the following projected BTER rates:

Entity	1/1/2023	4/1/2023	7/1/2023	10/1/2023
NVE-S Residential	\$0.08445	\$0.08415	\$0.10212	\$0.09640
NVE-S Non-residential	\$0.07960	\$0.07960	\$0.10201	\$0.09652
NVE-N	\$0.06704	\$0.07378	\$0.07633	\$0.07140
NVE-N LDC	\$0.61234	\$0.72690	\$0.92240	\$0.86945

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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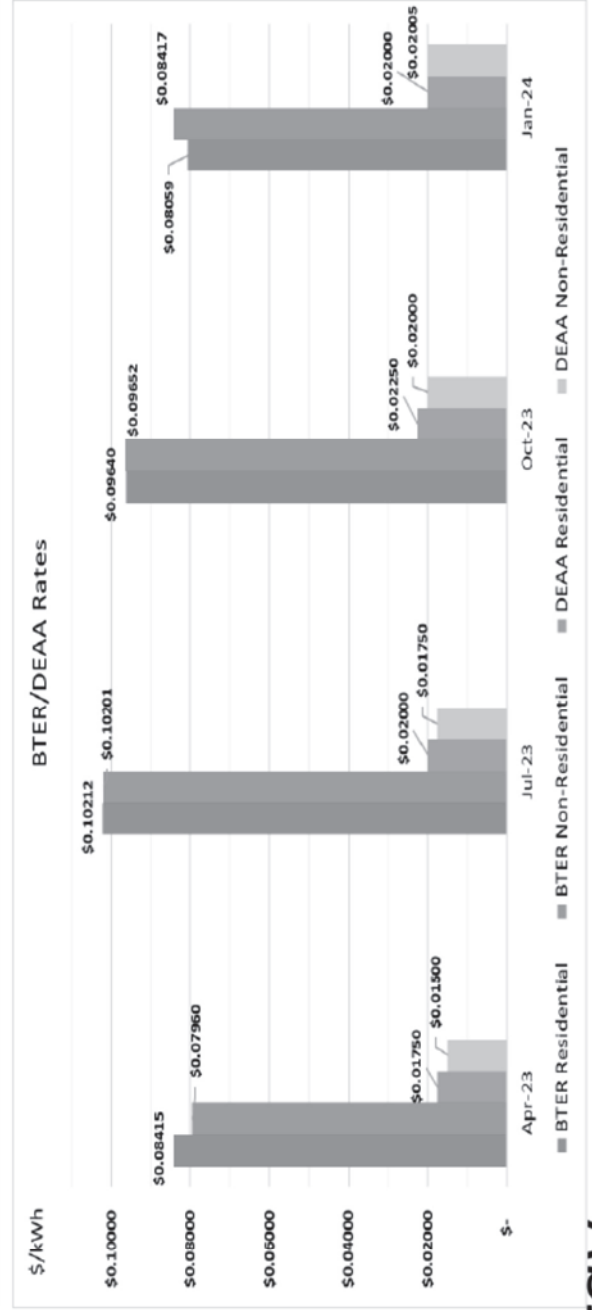
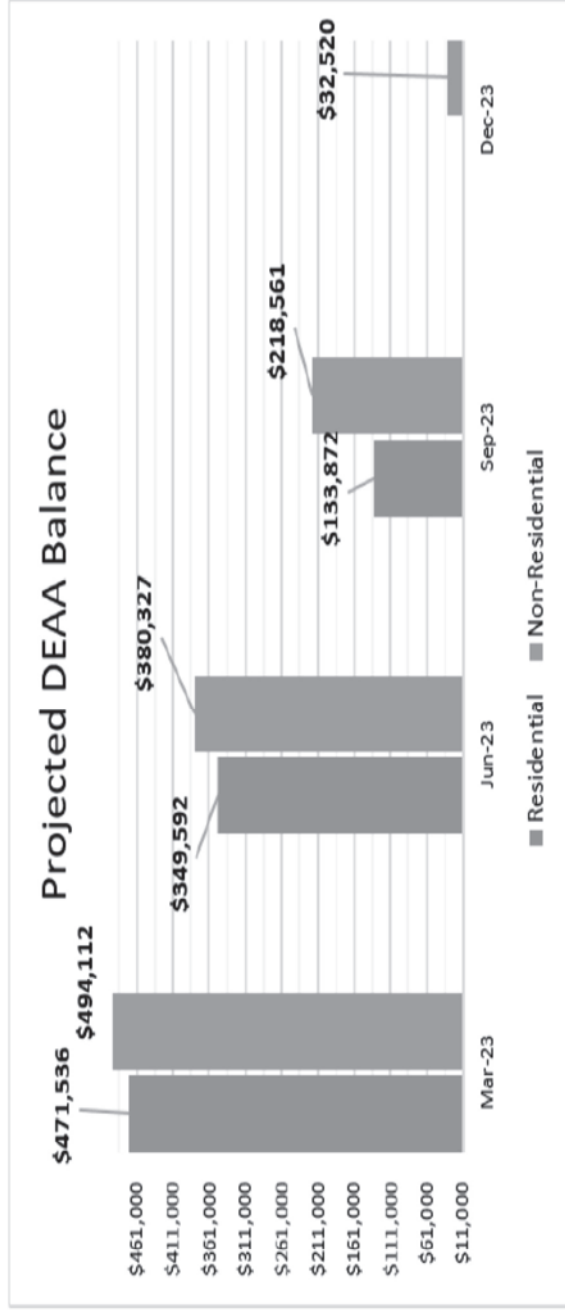
Portfolio Notification Thresholds

Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,671.8	375.8	●
NV Energy North	60	527.1	85	●
NV Energy LDC	20	134.1	169.0	●

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

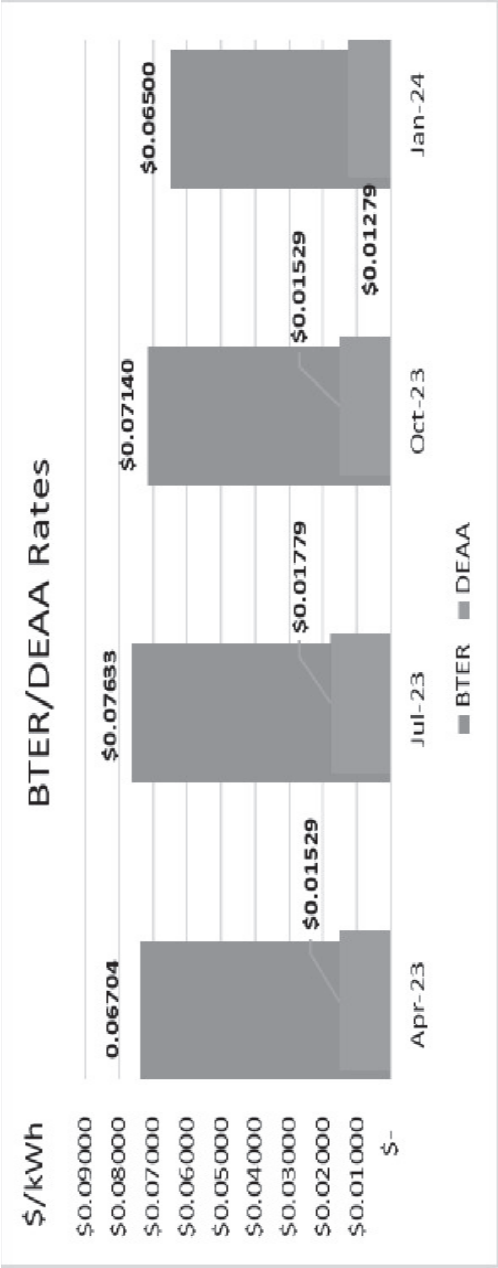
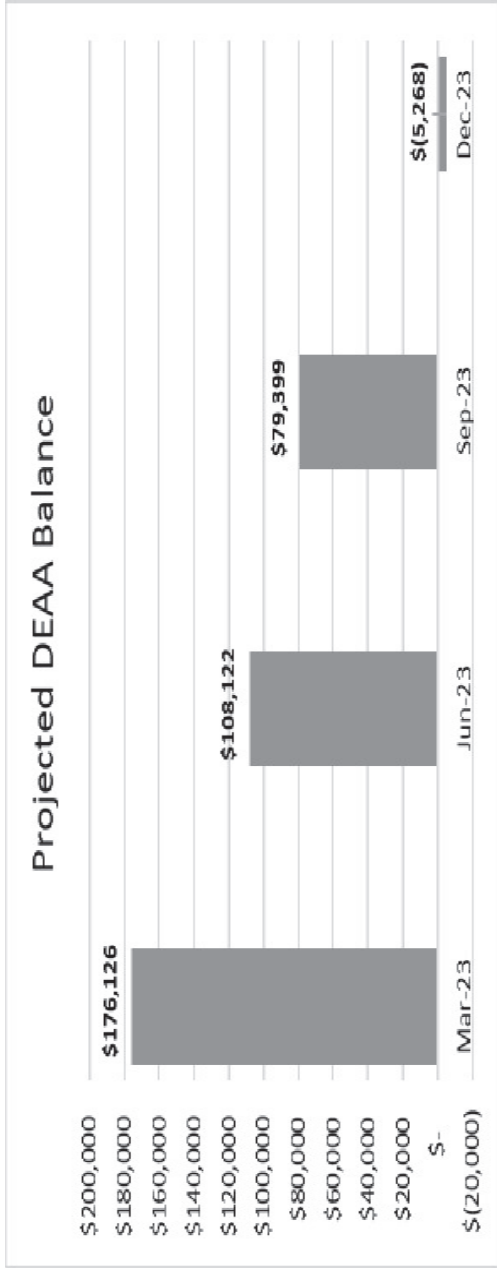
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Negative = over collection
Positive = under collection

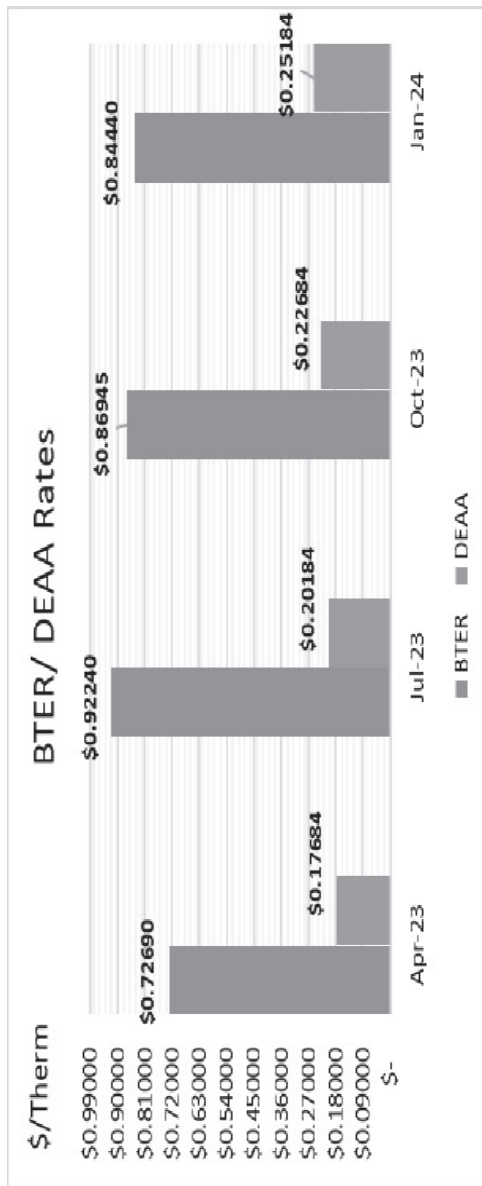
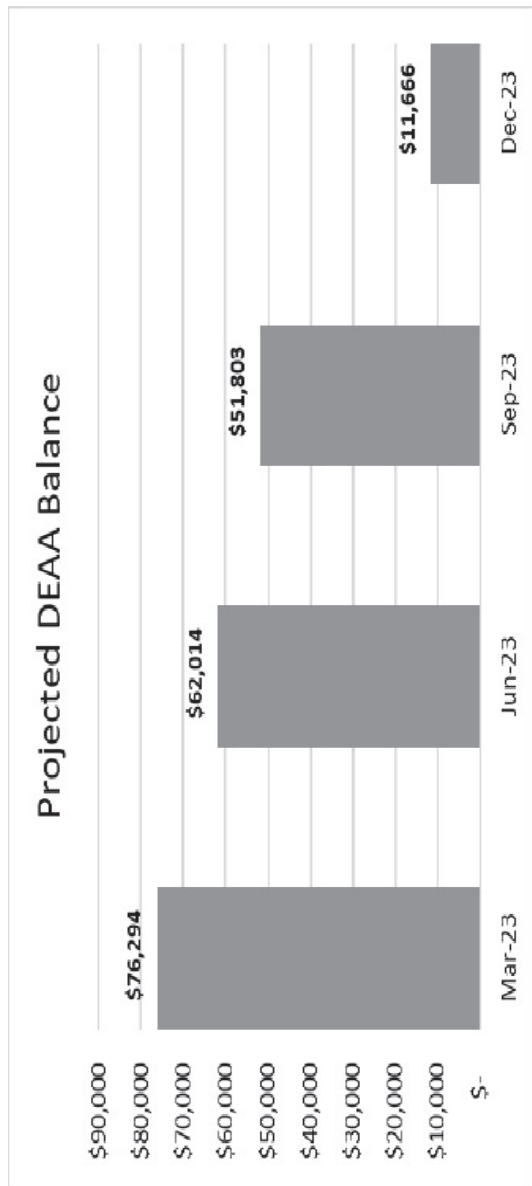
Base Tariff Energy Rates and DEAA Balances – SPPC Electric

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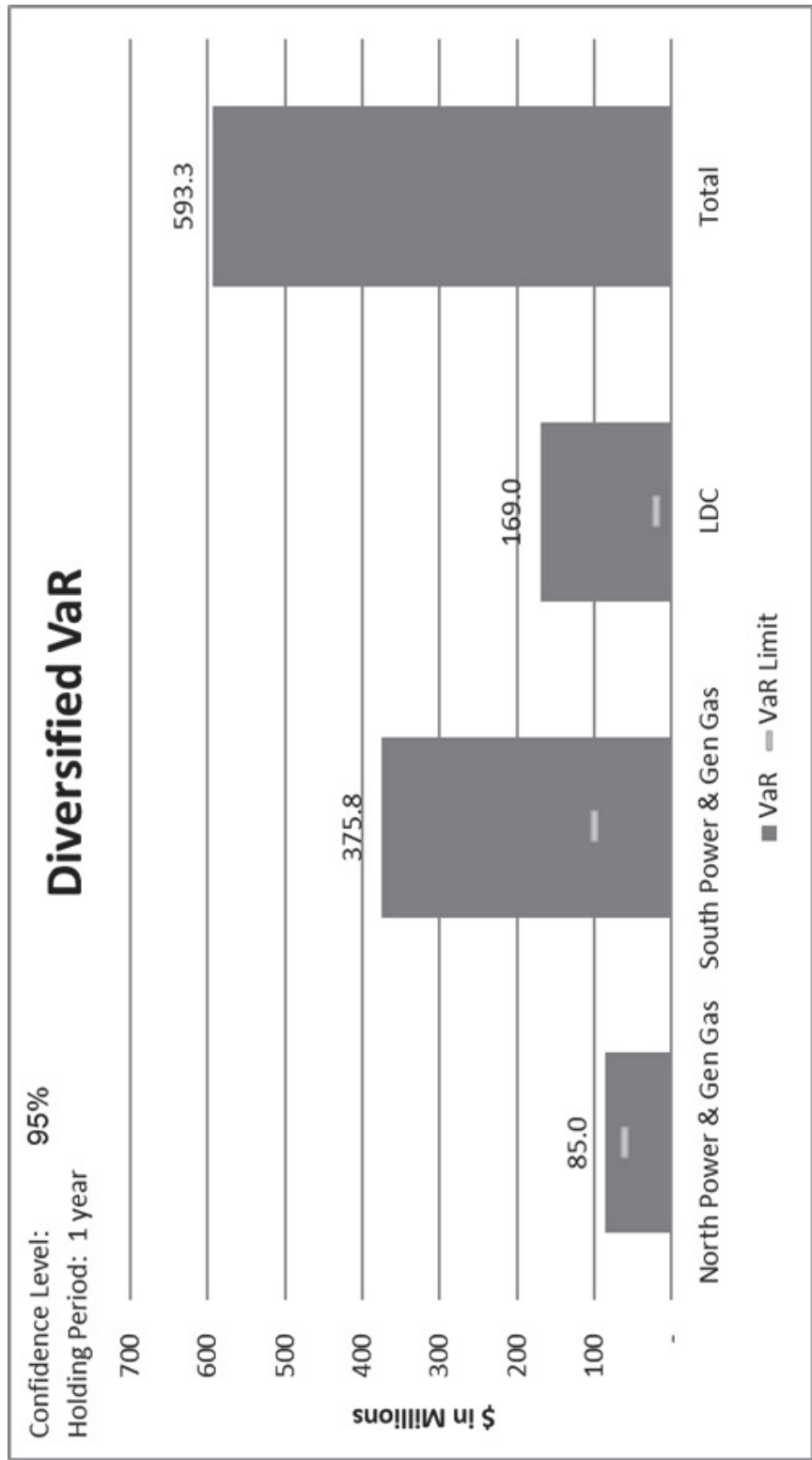


Base Tariff Energy Rates and DEAA Balances – SPPC LDC

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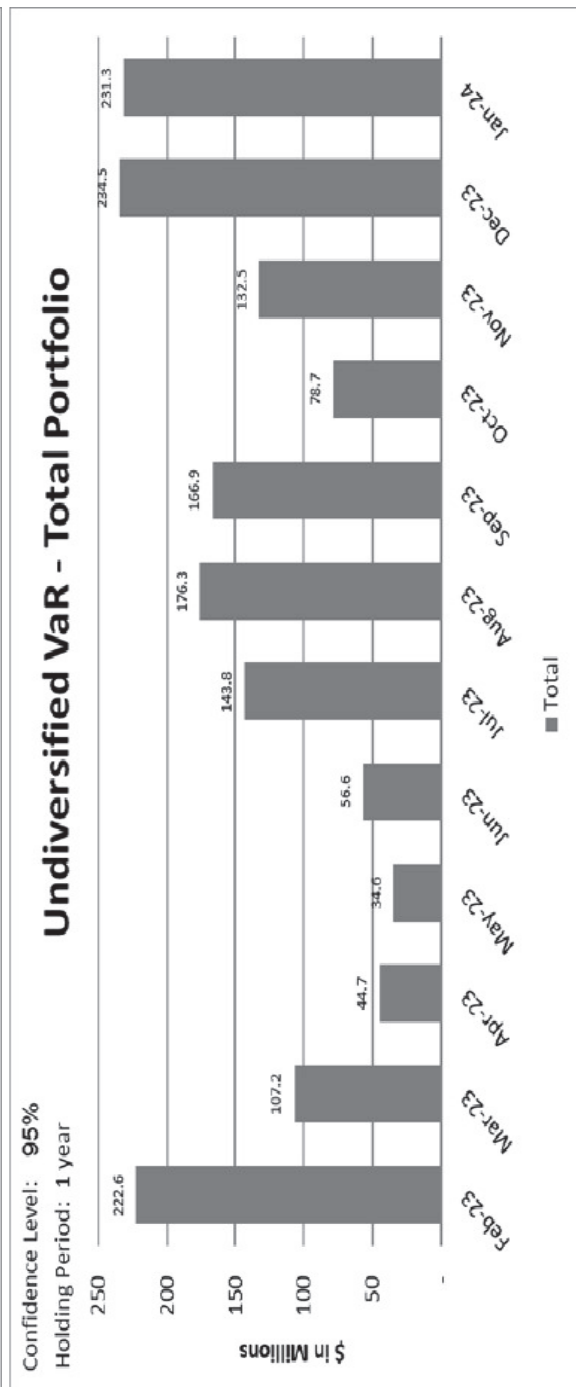
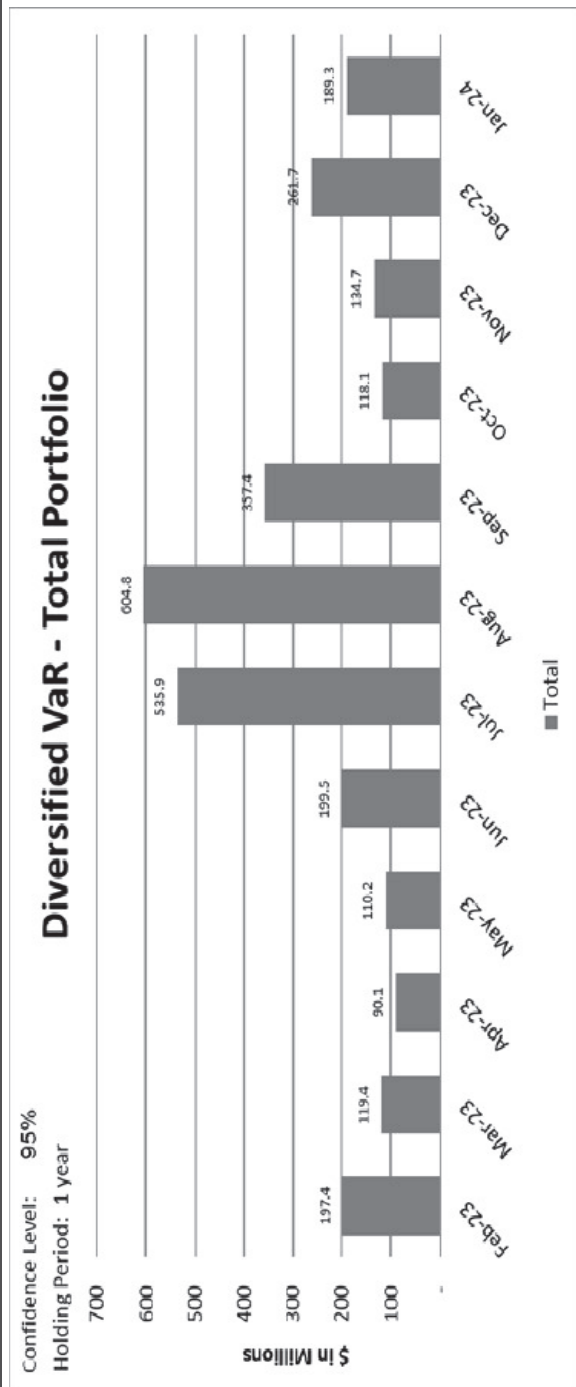
Portfolio Value-at-Risk Charts



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 "A"	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 January	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.

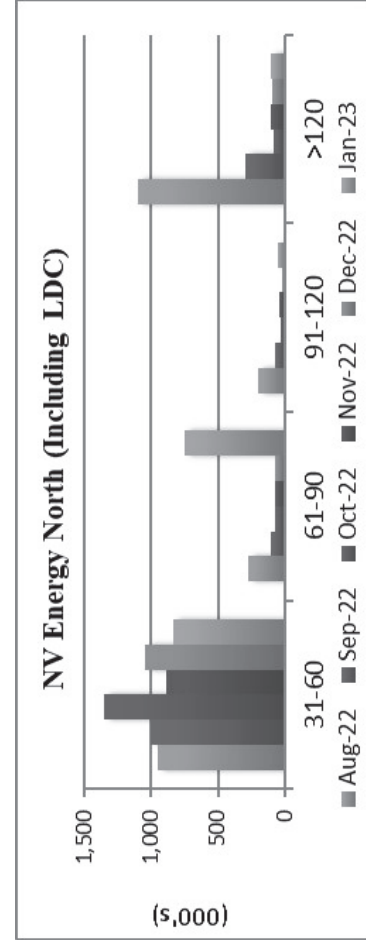
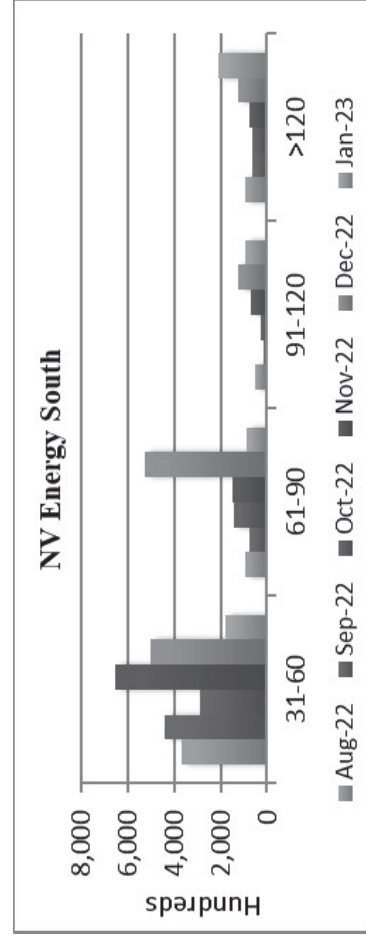
Counterparty Notification Threshold for Large Transactions

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

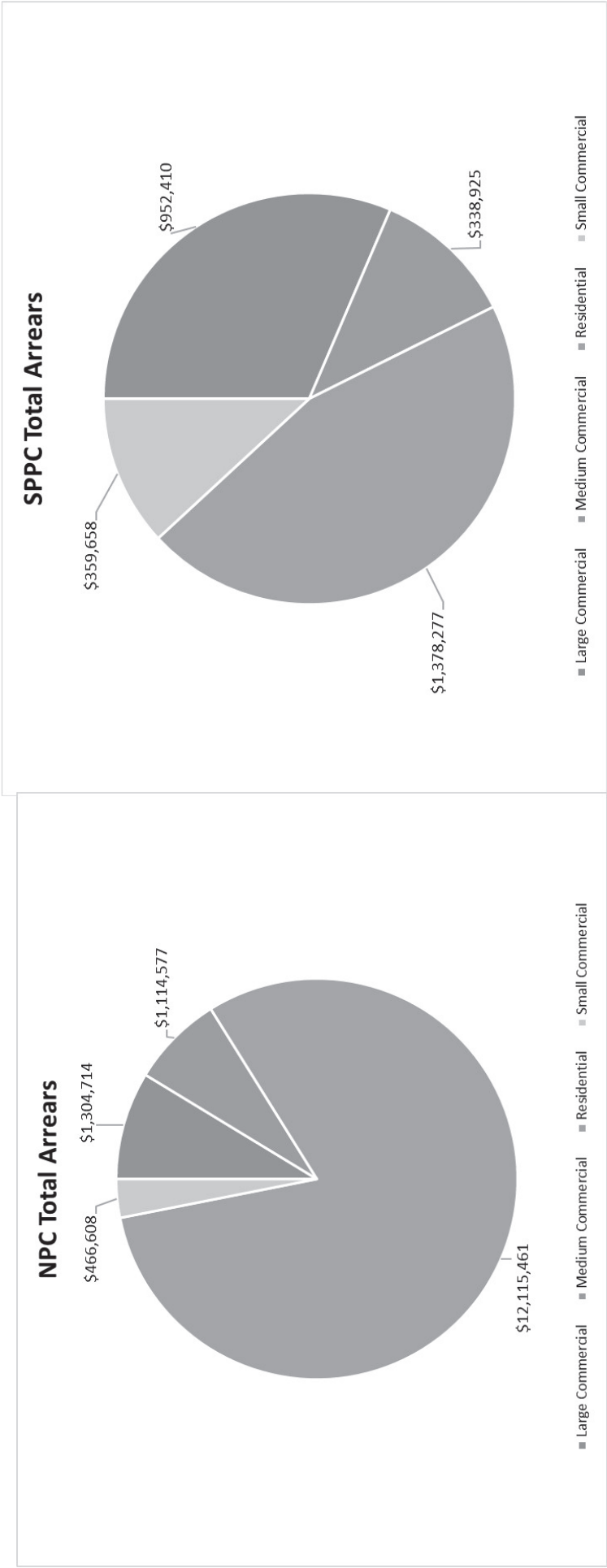
☒ Notification Not Required	☐ Near Notification Threshold	☒ Notification Required
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Medium-Large Major Commercial Customers Arrears Balance

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	22-Aug	617.40	205,272.9	0.301%	354.4
	22-Sep	604.49	219,248.2	0.276%	123.4
	22-Oct	529.95	229,403.8	0.231%	210.5
	22-Nov	949.47	236,540.8	0.401%	420.2
	22-Dec	1,299.28	248,108.7	0.524%	420.2
	23-Jan	571.45	261,578.8	0.218%	281.3
NV Energy North/LDC	22-Aug	2,518.55	53,867.4	4.675%	1593.3
	22-Sep	1,474.20	58,692.7	2.512%	315.2
	22-Oct	1,545.64	54,615.2	2.830%	325.5
	22-Nov	1,108.17	52,492.6	2.111%	216.2
	22-Dec	1,222.45	57,817.9	2.114%	752.2
	23-Jan	1,736.46	69,586.1	2.495%	1028.5



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 1/31//23



Recommendations and Corrective Action

- No corrective action is necessary at this time

MARCH

Risk Committee
Wednesday, March 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 February 15, 2023	Approval	Adrian Cacuci
2	0:25	8:10	8:35	Energy Supply Plan Update	Approval	Sophia Hickly
3	0:15	8:35	8:50	Substation Security Initiatives	Information	Joshua Langdon

**Risk Committee Meeting
Wednesday, March 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
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Marie Steele, Vice President, Integrated Energy Services
Janet Wells, Vice President, Regulatory
Ryan Atkins, Vice President, Resource Optimization
Zeina Randall, Vice President Gas Delivery
Adrian Cacuci, Assistant Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Jesse Murray, Michael Behrens, Matthew Johns,
Jason Hammons, Jimmy Daghlain

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Jenny Venter,
Michael McClellan, Cary Shelton-Patchel, Tim Pollard

Presenters: Sophia Hickly (Item 2), Joshua Langdon (Item 3),

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee February 15, 2023, meeting minutes

Attachments: February 15, 2023, Risk Committee Meeting Minutes

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

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

Voting Results: Motion: Joshua Langdon
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. Also,

recommending no changes to the 2023 and 2024 open capacity positions, as well as maintaining the current no hedge strategy for both the northern and southern Nevada service territories.

Discussion: The Committee discussed the physical gas volumes as presented and the proposal for no changes to the physical gas volumes for the four-season ahead laddering strategy for both NV Energy North and South. The open capacity positions as presented last month are the same as this month. The Seguro contract has been extended through the summer of 2023. The load forecast has been updated to the 5th IRPA forecast. This summer to fill a portion of our open position we have both NCA's and Seguro under contract for the summer. Because the contract with Seguro has been restructured to a tolling agreement, we are pretty confident that they will deliver this summer.

Natural gas procurement for all current seasons are within the tolerance for both companies. The gas prices, since March have come down and the expectation is that the prices will continue to drop through next winter.

Coal inventory currently sits at 46 burns days, at the end of February. The goal for the inventory is 30 days, but there is a possibility that we will see a drop in inventory. Due to Union Pacific railroads the train deliveries have been slow. We are working with some mines on test burns to see if they can handle the higher mercury content that has shown up in the new coal. There is an effort in place to find some new supply. The coal situation is being closely monitored, but the challenge is to find quality coal and have it delivered in a timely manner.

In regard to gas hedging, the big driver appears to be warmer weather in the last few months, which lead to lower consumption that results in higher storage levels as well as lower prices. Lower prices with lower volatility is projected for the next few months.

Committee Action: The Committee approved the recommended no changes to the physical gas volumes for both NV Energy North and South.

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

Committee Action: The Committee approved the recommended changes to the 2023 and 2024 open capacity positions.

Voting Results: Motion: Antoine Tilmon
Second: Joshua Langdon
Motion Approved Unanimously

Committee Action: The Committee approved the recommended changes to maintain the current no hedge strategy and not physically hedge natural gas portfolio for the northern and southern Nevada services territories.

Voting Results: Motion: Joshua Langdon
Second: Janet Wells
Motion Approved Unanimously

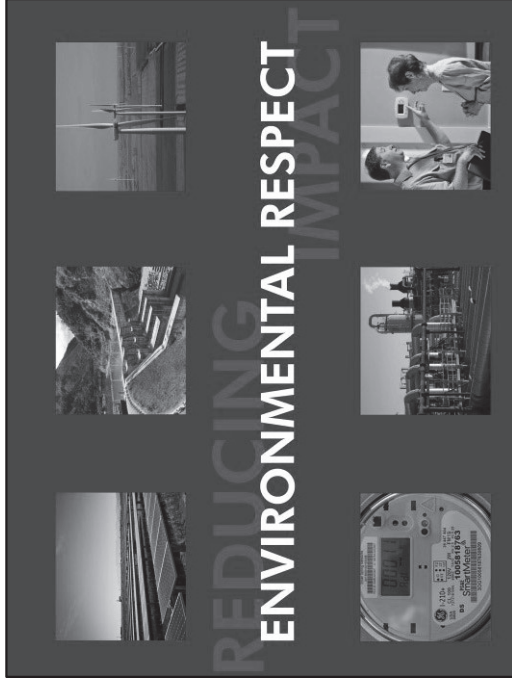
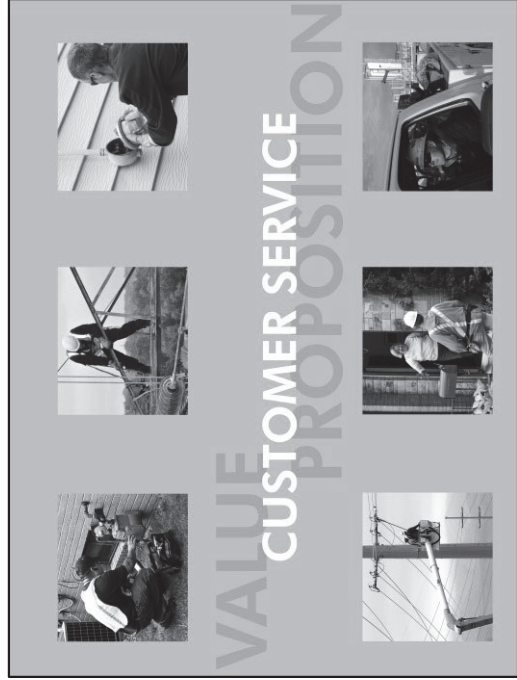
Item 3 Infrastructure Protection

Attachments: Infrastructure Protection - Presentation

Overview: Provide an update on the Companies response to the recent attacks that were seen throughout the industry on substations.

Discussion: There have been physical attacks as well as substation and infrastructure attacks throughout the industry which have impacted customers and damaged equipment. NV Energy does have standard scenarios that have been in place for years where certain assumptions are realized, which include chemical, biological and radiological events and how we would respond. We've also developed a grid resilience plan to implement a substation framework to ensure achievement of uniform goals and standards which include, key equipment transportation plan standard, system restoration standard and emergency isolation protocols as well as others. We have identified certain substations as critical and have put things in place to protect those substations from attacks or at least to minimize the damage to those substations. Also in our assessment of these substations we look at the perpetrators motivation for such attacks, which allow us to look at different angles of these attacks and how they could occur.

Committee Action: Information only



Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

March 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 February 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 third quarter of 2023, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of Feb. 28, 2023.

2023	June	July	August	September
RFP	1305 MW	1505 MW	1380 MW	575 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1579 MW	1779 MW	1654 MW	849 MW

2024	June	July	August	September
RFP	75 MW	75 MW	75 MW	0 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	243 MW	243 MW	243 MW	168 MW

- b) Slide 6 reflects the Unit Characteristics Table updated on February 1, 2023
- c) Slide 6 reflects the addition of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, and the extension of Saguaro and NCA 1 and 2.
- d) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- e) Slide 6 reflects a 16% Planning Reserve Margin ("PRM") and 90 MW OATT reserve.
- f) Slide 6 reflects the removal of Hot Pot and Iron Point, and the delay of Southern Bighorn Solar, Chuckwalla, and Boulder Solar III.
- g) Slide 6 reflects the following assumptions for Valmy 1 and 2:

To conserve coal pile, Valmy 1 is only available for July through September for the remaining years and will retire on 12/31/2025
Valmy 2 on RMR (reliability must run) economic dispatch above minimum load status from 2/1/2022 through 12/31/2025, its retirement date.

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 2024 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 2023 and 2024 (Table on slide 6)
 - The table shows 76 MW open position for July 2023 and 1,416 MW open position for July 2024
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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-23	Jul-23	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,580	5,728	5,947	5,304	5,728	5,825	5,968	5,427
Net Peak Forecast-SPPC	1,760	1,795	1,868	1,373	1,857	1,956	2,037	1,669
Reserves (16%)NPC	893	917	952	849	916	932	955	868
Reserves (16%)SPPC	282	287	299	220	297	313	326	267
Required NVE	8,515	8,727	9,066	7,746	8,798	9,026	9,286	8,231
Available NPC	6,503	6,636	6,639	5,966	5,997	5,979	6,083	5,949
Available SPPC	1,967	2,015	2,113	1,687	1,634	1,631	1,760	1,518
Available NVE	8,471	8,651	8,753	7,653	7,631	7,610	7,843	7,467
Long/(Open) - NPC	30	(-) 9	(-) 260	(-) 187	(-) 647	(-) 778	(-) 840	(-) 346
Long/(Open) - SPPC	(-) 74	(-) 67	(-) 54	94	(-) 520	(-) 638	(-) 603	(-) 418
Long/(Open) - NVE	(-) 44	(-) 76	(-) 313	(-) 93	(-) 1,167	(-) 1,416	(-) 1,443	(-) 764
Load Forecast + Reserves	(52)	(80)	(79)	0	(70)	(101)	(100)	(178)
Saguaro	90	90	90	90	75	75	75	0
Term Purchases	275	400	375	25	(1,172)	(1,390)	(1,418)	(586)
February Open Positions	(357)	(486)	(699)	(208)	(1,167)	(1,416)	(1,443)	(764)
March Open Positions	(44)	(76)	(313)	(93)	(1,167)	(1,416)	(1,443)	(764)

128 of 365



Information contained in the report based on data as of February 28, 2023

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2023 IRPA Load Forecasts approved on February 15, 2022.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of April through October 2023, Nevada Power is within the targeted bandwidth. Sierra (gas) is within the targeted bandwidth.

Nevada Power

Updates to Forecasts and Procurement

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

		Remarks
Load Forecast	2023 5th IRPA Forecast	
Gas Price Forecast (SoCal)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	Change In Prices Since Gas Volumes Were Approved in February 2023 3% 0% (-) 2% (-) 3% Change In Prices From Prior Month 3% 0% (-) 2% (-) 3%
Power Price Forecast (Mead)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	8% 3% 8% 2% 8% 3% 8% 2%
Plant Maintenance / Outages	Updated as of the end of February 2023	

Forecast Results		
Natural Gas Burns	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	Change in Volumes Since Approved in February 2023 1% 5% 4% 7% Change In Volumes From Prior Month 1% 8% 4% 10%

Sierra

Updates to Forecasts and Procurement

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

	Remarks		
Electric Load Forecast	2023 5th IRPA Forecast		
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast		
		Change In Prices Since Gas Volumes Were Approved in February	Change In Prices From Prior Month
Gas Price Forecast (Malin)	Summer 2023	3%	3%
	Winter 2023 - 2024	4%	4%
	Summer 2024	(-) 4%	(-) 4%
	Winter 2024 - 2025	(-) 4%	(-) 4%
Plant Maintenance / Outages	Updated as of the end of February 2023		

Forecast Results

	Approved in February 2023	Change In Volumes From Prior Month
Natural Gas Burns		
	Summer 2023	(-) 6%
	Winter 2023 - 2024	(-) 1%
	Summer 2024	(-) 2%
	Winter 2024 - 2025	0%

Nevada Power Daily Physical Gas Requirements (MMBtu/day)

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Physical

2023

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

6
7 Variance

2024

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

16
17 Variance (Approved - Current)

2025

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

26
27 Variance (Approved - Current)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
243,000	346,000	333,000	407,000	378,000	339,000	328,000	294,000	346,000	335,000	276,000	335,000
Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
243,000	345,500	332,500	407,000	378,000	338,500	328,000	220,000	259,500	83,500	68,500	83,500
100%	100%	100%	100%	100%	100%	100%	75%	75%	25%	25%	25%
272,849	348,334	319,812	386,299	366,814	360,071	338,748	305,681	354,597	342,278	292,505	342,278
(-) 29,849	(-) 2,834	12,688	20,701	11,186	(-) 21,571	(-) 10,748	(-) 11,681	(-) 8,597	(-) 21,198	(-) 16,505	(-) 7,278

331,000	283,000	260,000	268,000	301,000	346,000	434,000	393,000	334,000	304,000	276,000	335,000
Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
248,000	211,500	194,500	133,500	150,000	173,000	217,000	196,500	166,500	151,500	68,500	83,500
75%	75%	75%	50%	50%	50%	50%	50%	50%	50%	25%	25%
346,197	303,305	285,977	284,332	321,157	359,555	442,741	407,418	338,781	325,198	292,505	342,278
(-) 15,197	(-) 20,305	(-) 25,977	(-) 16,332	(-) 20,157	(-) 13,555	(-) 8,741	(-) 14,418	(-) 4,781	(-) 21,198	(-) 16,505	(-) 7,278

331,000	283,000	260,000	268,000	301,000	346,000	434,000	393,000	334,000	304,000	276,000	335,000
Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
80,000	69,000	59,500	133,500	150,000	173,000	217,000	196,500	166,500	151,500	68,500	83,500
25%	25%	25%	50%	50%	50%	50%	50%	50%	50%	25%	25%
355,495	316,206	283,382	284,332	321,157	359,555	442,741	407,418	338,781	325,198	292,505	342,278
(-) 24,495	(-) 33,206	(-) 23,382	(-) 16,332	(-) 20,157	(-) 13,555	(-) 8,741	(-) 14,418	(-) 4,781	(-) 21,198	(-) 16,505	(-) 7,278

The variance within the current season (April through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

Variances outside the acceptable 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

Above volumes represent KERN River Pipeline delivered gas only.

Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

Physical

2023

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

Variance

2024

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

Variance (Approved - Current)

2025

20 Approved (Rounded to thousands)
21 Risk Committee Approval Date
22 Current Procured Volumes
23 Current Target Procurement Level
24 Current Projection (March 2023 Risk Run)

Variance (Approved - Current)

The variance within the current season (April through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	121,000	118,000	121,000	155,000	143,000	128,000	135,000	157,000	181,000	135,000	135,500	75%
2	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
3	120,500	118,000	120,500	155,000	142,500	128,000	135,000	117,000	135,500	100%	75%	75%
4	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	108,134	114,315	118,142	142,782	130,168	123,854	130,333	153,356	181,659	130,333	153,356	181,659
6												
7	12,366	3,685	2,358	12,218	12,332	4,146	4,667	3,644	(-) 659	4,667	3,644	(-) 659
8												
9												
10												
11	175,000	174,000	155,000	126,000	116,000	122,000	146,000	140,000	129,000	124,000	148,000	176,000
12	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
13	130,500	130,000	115,500	63,000	57,500	61,000	72,500	70,000	64,000	62,000	36,500	43,500
14	75%	75%	75%	50%	50%	50%	50%	50%	50%	50%	25%	25%
15	173,053	164,466	145,439	123,351	109,386	116,780	145,198	139,682	127,661	120,252	141,617	176,869
16												
17	1,947	9,534	9,561	2,649	6,614	5,220	802	318	1,339	3,748	6,383	(-) 869
18												
19												
20												
21	175,000	174,000	155,000									
22	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
23	43,000	43,000	37,500									
24	25%	25%	25%									
25	178,961	173,715	148,459									
26												
27	(-) 3,961	285	6,541									

Coal Inventory

Proactive actions taken regarding coal supply

- Second train contracted for 2022-2023 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
- Front loading as many deliveries as possible before summer to ensure supply

Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Feb 2023	123,940	46 days as of February 28, 2023 (Assumes daily burn of 2,700 tons ¹)
Jan 2023	132,898	
Dec 2022	112,675	
Nov 2022	160,361	

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

Market Fundamentals Overview

- ✓ In January and February, below-average U.S. natural gas consumption in the residential and commercial sectors was driven by mild winter weather across large parts of the country, particularly in the Northeast and the Midwest. Based on preliminary data from the National Oceanic and Atmospheric Administration for January and February, the first two months of 2023 combined were among the three warmest on record for that period going back to 1895. In March, Energy Information Administration (EIA) expects natural gas consumption in the residential and commercial sectors to average almost 32 billion cubic feet per day (Bcf/d), which is close to the five-year average, because EIA expects more normal temperatures in March with a close to average number of heating degree days. [EIA, Short-Term Energy Outlook, March 7, 2023].

Market Fundamentals Overview

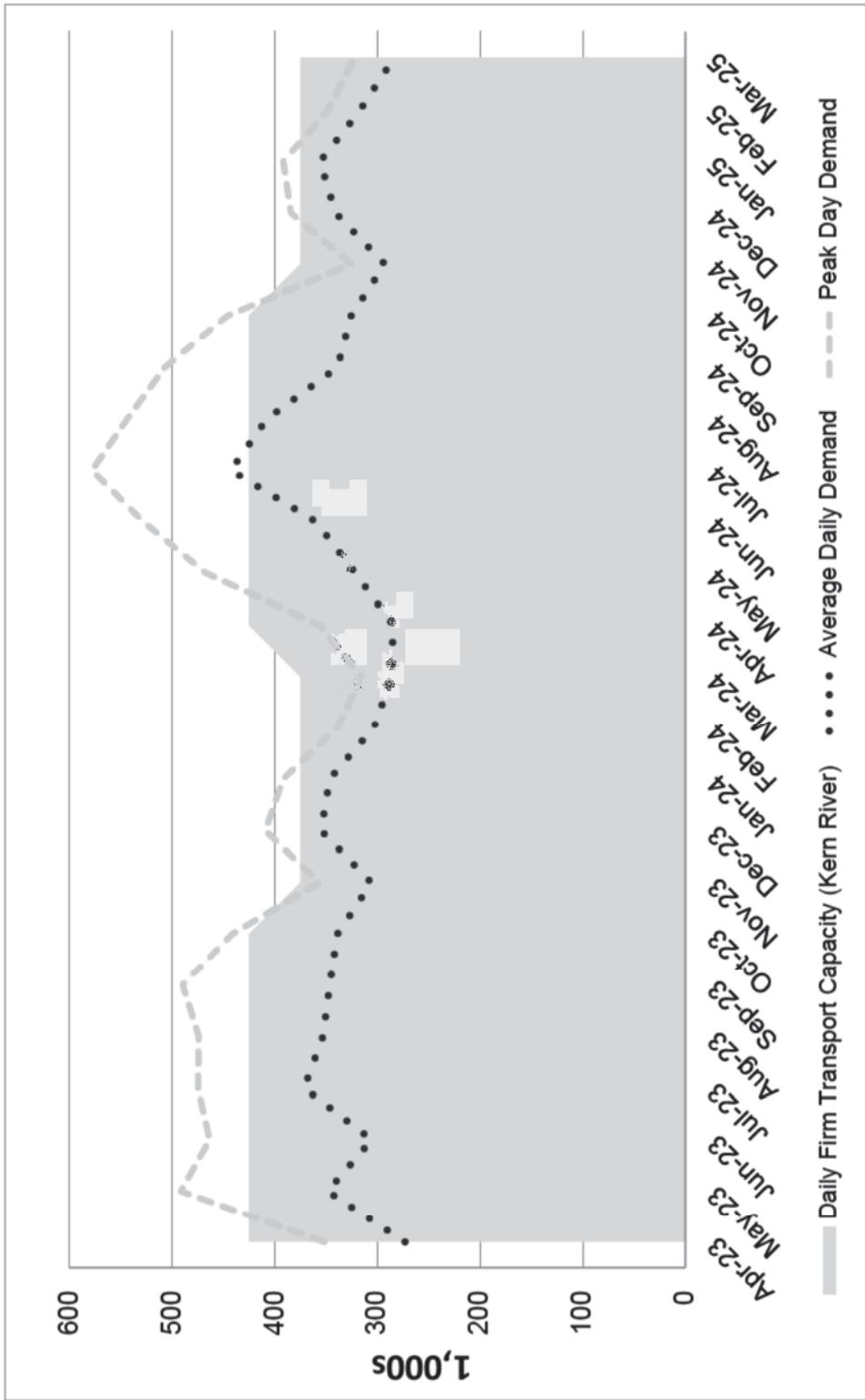
- ✓ As a result of the mild winter and low natural gas consumption in the residential and commercial sectors, EIA in its most recent report forecasts 2.4% or 2 Bcf/d less U.S. natural gas consumption in 2023 than in 2022. Reduced natural gas consumption in January and February slowed withdrawals from natural gas inventories to less than the five-year average and reduced natural gas prices. The spot price of natural gas at the U.S. benchmark Henry Hub averaged \$2.38 per million British thermal units (MMBtu) in February, the lowest monthly average since September 2020 [EIA, Short-Term Energy Outlook, March 7, 2023].
- ✓ EIA anticipates that the U.S. will close the withdrawal season at the end of March with more than 1.9 trillion cubic feet of natural gas in storage or 23% more than the five-year average. The Henry Hub natural gas spot price in the EIA forecast averages about \$3 per MMBtu in 2023, down by more than 50% from last year. Price increases in the forecast result from rising demand from Freeport liquefied natural gas (LNG) reopening, which shut down last June due to a fire, and seasonal increases in natural gas demand in the electric power sector. In addition, EIA expects natural gas production will be relatively flat for the rest of 2023 as producers reduce drilling in response to lower prices [EIA, Short-Term Energy Outlook, March 7, 2023].

Technical Appendix



Nevada Power

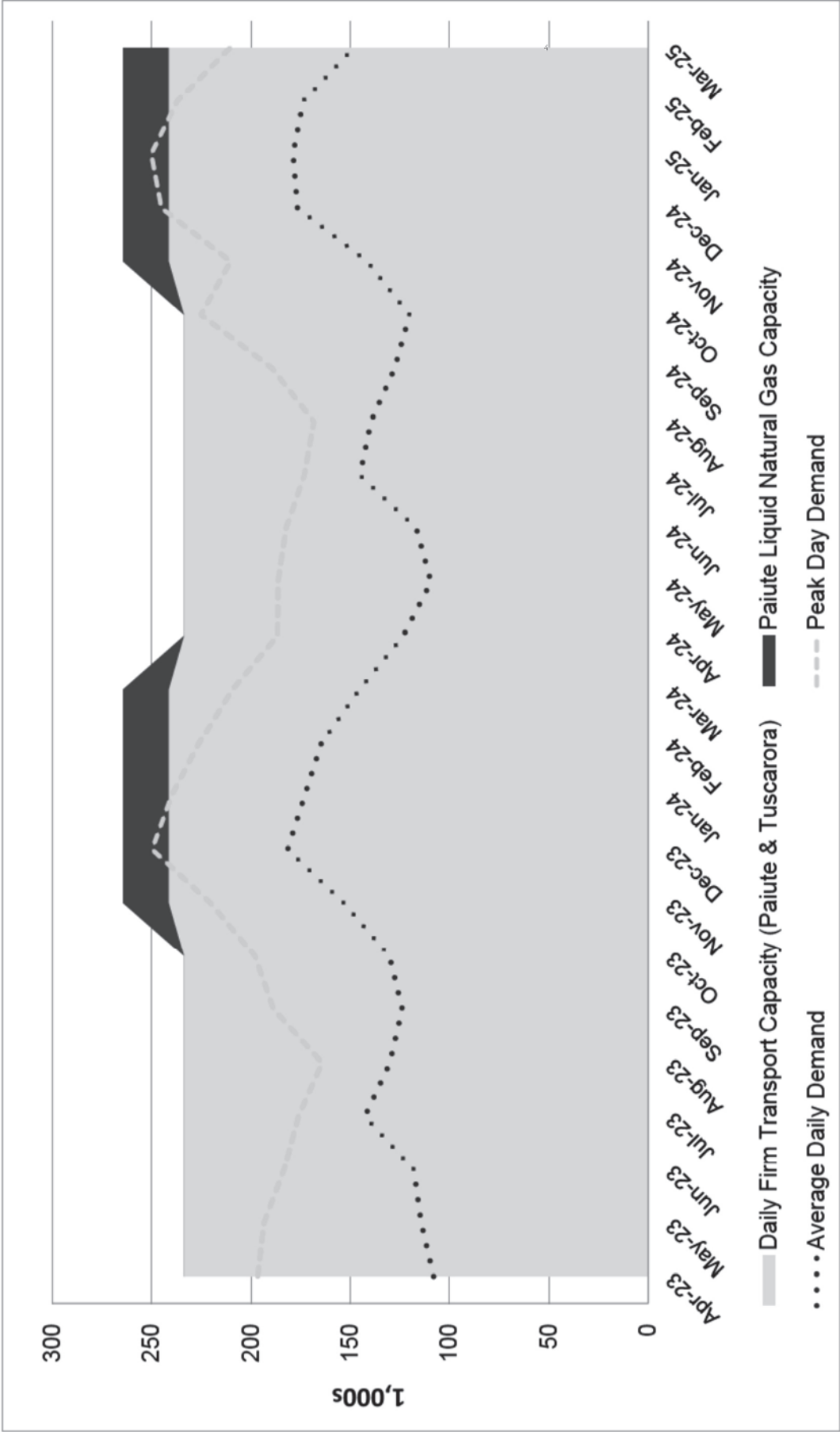
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



Note: Based on normal weather

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

Privileged and Confidential



Note: Based on normal weather

Nevada Power Natural Gas Price Forecasts

SoCal Gas Price Forecast (dollars per MMBtu)

— March-23 Forecast — Approved Feb-23



Delivery Month

Nevada Power Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- March 2023 Forecast - On-Peak
- - Approved (February 2023) - On-Peak
- March 2023 Forecast - Off-Peak
- - Approved (February 2023) - Off-Peak



Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— March-23 Forecast — Approved Feb-23



Delivery Month

Gas Risk Evaluation Matrix (NVE South)

REDACTED PUBLIC VERSION

KEY FORECAST METRICS - NVE SOUTH (NEVADA POWER COMPANY)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	12 Mos.
Load Forecast (MWh):													
ESP [1]	1,453,378	1,881,653	2,475,587	2,945,005	2,775,203	2,225,662	1,622,092	1,342,037	1,494,753	1,490,234	1,326,047	1,415,456	22,447,107
Previous Quarter [2]	1,466,521	1,895,872	2,488,382	2,957,290	2,788,429	2,239,448	1,636,122	1,354,170	1,506,807	1,502,541	1,337,156	1,427,986	22,600,727
Current Outlook [3]	1,451,254	1,878,791	2,469,857	2,936,754	2,767,446	2,219,272	1,615,821	1,334,460	1,485,533	1,511,673	1,345,793	1,436,374	22,453,027
Change from Filled ESP	(2,124)	(2,861)	(5,731)	(8,251)	(7,757)	(6,390)	(6,271)	(7,578)	(9,219)	21,439	19,746	20,918	5,921
Change from Previous Quarter	(15,267)	(17,081)	(18,525)	(20,537)	(20,983)	(20,176)	(20,302)	(19,710)	(21,274)	9,132	8,636	8,387	(147,699)
SoCal Gas Price Forecast (\$/MMBtu):													
ESP [1]	4.41	4.19	4.24	5.17	5.23	5.15	4.63	5.43	6.38	5.79	5.52	4.50	5.05
Previous Quarter [2]	4.96	4.83	5.44	7.41	6.70	7.03	5.39	6.48	7.90	7.79	7.47	5.40	6.40
Current Outlook [3]	3.15	3.01	4.05	5.28	5.29	4.86	3.51	5.45	7.87	7.79	6.94	4.56	5.15
Change from Filled ESP	(1.25)	(1.18)	(0.18)	0.11	0.06	(0.29)	(1.12)	0.02	1.49	2.01	1.41	0.06	0.09
Change from Previous Quarter	(1.81)	(1.82)	(1.39)	(2.12)	(1.40)	(2.17)	(1.88)	(1.04)	(0.03)	0.01	(0.54)	(0.84)	(1.25)
Mead Purch Power Price Fcst (\$/MWh):													
ESP [1]	47.60	48.54	73.17	149.40	156.27	132.18	68.51	61.35	67.95	65.57	63.44	56.67	82.55
Previous Quarter [2]	59.99	57.32	111.59	199.00	218.09	183.21	82.15	74.14	79.04	87.11	78.89	70.97	108.46
Current Outlook [3]	49.58	44.97	86.31	158.27	181.54	141.05	65.73	61.20	90.63	96.56	75.64	53.24	92.06
Change from Filled ESP	1.98	(3.57)	13.14	8.87	25.27	8.87	(2.78)	(0.15)	22.68	30.99	12.20	(3.43)	9.51
Change from Previous Quarter	(10.40)	(12.35)	(25.29)	(40.74)	(36.55)	(42.16)	(16.43)	(12.94)	11.59	9.45	(3.26)	(17.73)	(16.40)
Gas Pipeline Capacity (Dth/Day):[4]													
ESP [1]	424,935	424,935	424,935	424,935	424,935	424,935	424,935	374,925	374,925	374,925	374,925	374,925	404,098
Previous Quarter [2]	424,935	424,935	424,935	424,935	424,935	424,935	424,935	374,925	374,925	374,925	374,925	374,925	404,098
Current Outlook [3]	424,935	424,935	424,935	424,935	424,935	424,935	424,935	374,925	374,925	374,925	374,925	374,925	404,098
Change from Filled ESP	0	0	0	0	0	0	0	0	0	0	0	0	0
Change from Previous Quarter	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Plant Gas Burn (MMBtu):													
ESP [1]	6,233,338	9,367,651	9,171,468	13,037,674	11,271,353	9,678,416	8,558,132	7,567,968	9,059,909	8,511,965	6,446,678	6,140,310	105,044,863
Previous Quarter [2]	6,834,333	10,163,500	8,757,934	12,194,075	10,975,424	9,264,882	8,841,219	7,869,679	9,298,796	8,720,567	6,510,176	6,555,720	105,986,307
Current Outlook [3]	8,185,472	10,798,351	9,596,040	11,975,624	11,371,434	10,802,122	10,501,185	9,170,426	10,992,507	10,732,109	8,795,844	8,865,293	121,786,406
Change from Filled ESP	1,952,133	1,430,700	424,571	(1,062,050)	100,080	1,123,706	1,943,053	1,602,458	1,932,597	2,220,144	2,349,167	2,724,983	16,741,544
Change from Previous Quarter	1,351,139	634,851	838,105	(218,451)	396,010	1,537,240	1,659,966	1,300,747	1,693,711	2,011,542	2,285,668	2,309,573	15,800,099
Base Tariff Energy Rate - Residential (\$/kWh):													
ESP [5]													
Previous Quarter [6]													
Current Outlook [7]													
Change from Filled ESP													
Change from Previous Quarter													

[4] Kern River transportation contracts (excluding 134,000 Dth/Day backhaul capacity)

[5] Joint ESP filed 9/2/2022 (Docket No. 22-09002)

[6] December 2022 forecasts

[7] March 2023 forecasts

Gas Risk Evaluation Matrix (NVE North)

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KEY FORECAST METRICS -NVE NORTH (SIERRA PACIFIC POWER COMPANY)

Load Forecast (MWh):	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	12 Mos.
ESP [1]	751,904	810,267	841,051	999,264	967,091	798,668	783,565	808,835	883,167	880,289	784,201	839,934	10,148,235
Previous Quarter [2]	758,806	817,925	848,304	1,006,352	974,981	806,518	790,645	815,621	890,046	887,310	790,604	847,167	10,234,280
Current Outlook [3]	828,039	887,714	920,862	1,081,954	1,053,772	880,640	861,267	883,235	956,827	957,929	858,057	919,952	11,090,247
Change from Filled ESP	76,135	77,447	79,811	82,690	86,681	81,971	77,701	74,400	73,660	77,640	73,857	80,017	942,011
Change from Previous Quarter	69,233	69,789	72,558	75,603	78,790	74,121	70,622	67,614	66,781	70,618	67,454	72,785	855,967
Malin Gas Price Forecast (\$/MMBtu):													
ESP [1]	4.22	4.00	4.03	4.30	4.36	4.39	4.39	5.25	5.92	5.22	5.02	4.26	4.61
Previous Quarter [2]	4.72	4.55	4.73	5.28	5.61	5.10	4.90	5.87	6.81	7.03	6.62	5.41	5.55
Current Outlook [3]	3.12	2.83	3.12	3.39	3.64	3.28	3.29	5.00	6.98	7.09	6.72	4.67	4.43
Change from Filled ESP	(1.10)	(1.17)	(0.91)	(0.90)	(0.72)	(1.11)	(1.11)	(0.25)	1.06	1.88	1.71	0.40	(0.18)
Change from Previous Quarter	(1.59)	(1.72)	(1.60)	(1.89)	(1.97)	(1.82)	(1.61)	(0.87)	0.17	0.07	0.11	(0.75)	(1.12)
N. Nev. Purch Power Price Fcst (\$/MWh):													
ESP [1]	44.24	42.10	40.61	86.49	94.25	78.02	60.70	66.02	79.09	71.01	64.77	51.57	64.91
Previous Quarter [2]	73.99	56.32	61.99	135.62	180.45	148.43	90.36	98.09	115.23	112.81	101.90	81.38	104.71
Current Outlook [3]	75.06	50.78	62.99	118.89	166.95	125.12	73.25	82.33	121.09	123.53	99.96	63.08	96.92
Change from Filled ESP	30.82	8.68	22.38	32.40	72.70	47.10	12.54	16.31	42.00	52.52	35.19	11.51	32.01
Change from Previous Quarter	1.07	(5.54)	1.00	(16.73)	(13.50)	(23.31)	(17.11)	(15.76)	5.85	10.71	(1.94)	(18.30)	(7.80)
Gas Pipeline Capacity (Dth/Day):[4]													
ESP [1]	234,627	234,627	234,627	234,627	234,627	234,627	234,627	265,279	265,279	265,279	265,279	265,279	247,399
Previous Quarter [2]	234,627	234,627	234,627	234,627	234,627	234,627	234,627	265,279	265,279	265,279	265,279	265,279	247,399
Current Outlook [3]	234,627	234,627	234,627	234,627	234,627	234,627	234,627	265,279	265,279	265,279	265,279	265,279	247,399
Change from Filled ESP	0	0	0	0	0	0	0	0	0	0	0	0	0
Change from Previous Quarter	0	0	0	0	0	0	0	0	0	0	0	0	0
LDC Consumption Forecast (MMBtu):													
ESP [1]	1,305,621	844,967	554,990	478,355	481,515	596,929	1,246,793	2,025,827	3,096,956	2,999,367	2,717,339	2,276,523	18,625,182
Previous Quarter [2]	1,305,621	844,967	554,990	478,355	481,515	596,929	1,246,793	2,025,827	3,096,956	2,999,367	2,717,339	2,276,523	18,625,182
Current Outlook [3]	1,305,621	844,967	554,990	478,355	481,515	596,929	1,246,793	2,025,827	3,096,956	2,999,367	2,717,339	2,276,523	18,625,182
Change from Filled ESP	0	0	0	0	0	0	0	0	0	0	0	0	0
Change from Previous Quarter	0	0	0	0	0	0	0	0	0	0	0	0	0
Power Plant Gas Burn (MMBtu):													
ESP [1]	2,262,930	2,832,591	2,692,101	3,489,435	3,183,919	2,709,118	2,672,923	2,273,644	2,227,816	2,213,214	2,255,947	2,270,741	31,084,377
Previous Quarter [2]	2,326,091	2,728,809	2,865,380	3,871,202	3,251,516	2,974,086	2,779,534	2,543,514	2,425,319	2,278,631	2,237,722	1,758,223	32,040,028
Current Outlook [3]	1,938,412	2,698,812	2,989,285	3,947,878	3,553,698	3,118,700	2,793,526	2,574,864	2,534,475	2,365,291	2,052,167	2,232,085	32,799,193
Change from Filled ESP	(324,517)	(133,779)	297,184	458,444	369,779	409,582	120,603	301,220	306,659	152,077	(203,780)	(38,656)	1,714,816
Change from Previous Quarter	(387,679)	(29,997)	123,905	76,677	302,181	144,614	13,993	31,350	109,156	86,660	(185,556)	473,862	759,165

[1] Joint ESP filed 9/2/2022 (Docket No. 22-09002)

[2] December 2022 Risk Run

[3] March 2023 Risk Run

[4] Combined Palute and Tuscara transportation contracts

Gas Risk Evaluation Matrix (NVE North)

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KEY FORECAST METRICS
NVE NORTH (SIERRA PACIFIC POWER COMPANY)

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	12 Mos.
Base Tariff Energy Rate (\$/kWh):													
ESP [5]													
Previous Quarter [6]													
Current Outlook [7]													
Change from Filled ESP													
Change from Previous Quarter													

[5] Joint ESP filed 9/2/2022 (Docket No. 22-09002)

[6] December 2022 forecasts

[7] March 2023 forecasts

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Risk Committee Update

Infrastructure Protection

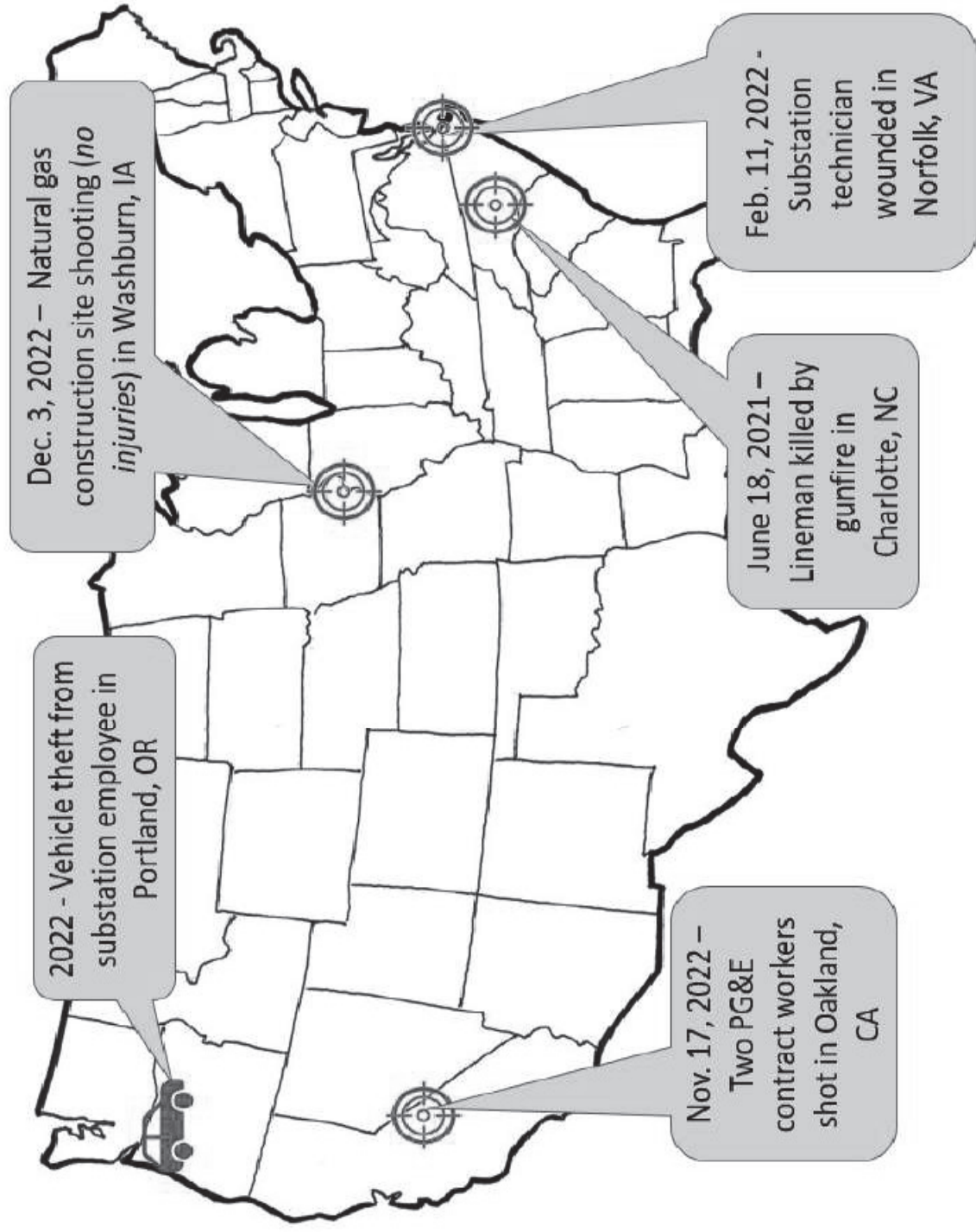
Improving resiliency and protection of Critical Infrastructure

March 15, 2023

Violence Against Field Employee Threat



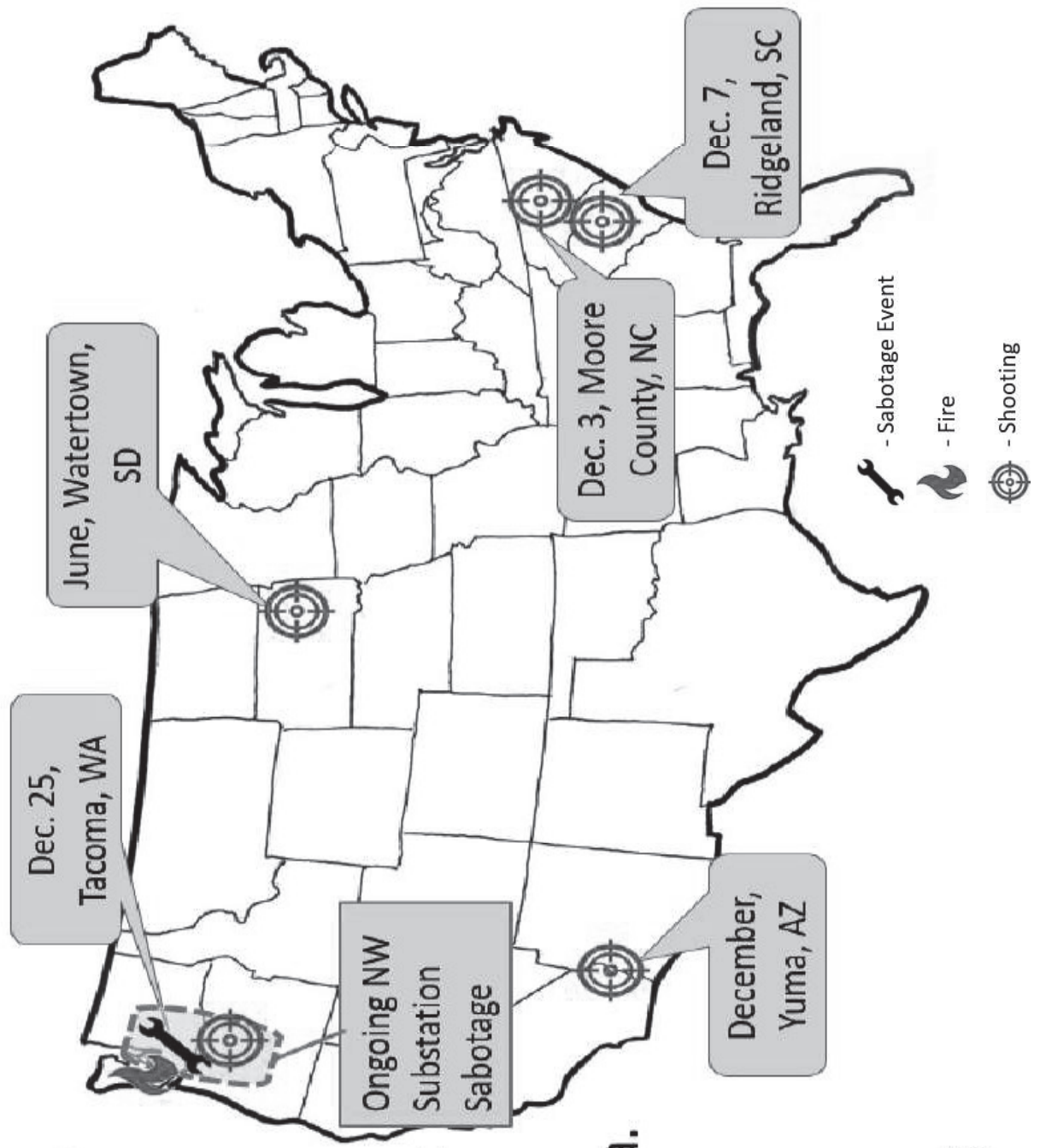
- Threat to field employees remains high in the energy sector, as a persistent level of violence has been observed across the country
- Certain BHE-served communities, such as Portland and Minneapolis, are likely at elevated risk due to dramatic post-pandemic violent crime increases



2022 Substation & Infrastructure Sabotage



1. The last three months of 2022 have seen an elevated number of substation shooting reports across the U.S.
2. There is a two significant shooting clusters in Pacific Northwest and North and South Carolina.
3. As well as shootings, there have been clustered sabotage incidents in the Northwest U.S. not using firearms.





Christmas Substation Incidents – Tacoma, WA

Dec. 25 - Tacoma, WA: Two electrical utilities reported physical attacks at a total of four substation locations before dawn on Christmas morning

- About 15,000 people lost power, according to the Pierce County Sheriff's Department
- All four incidents occurred within a 9.5-mile radius
- At least one site had major damage when De-Energized Tap Changers (DETC also known as No-Load Taps) locks were cut and DETC manipulated under load resulting in significant damage



DETC with upgraded lock to hinder bolt cutters (E-ISAC)

Substation Events

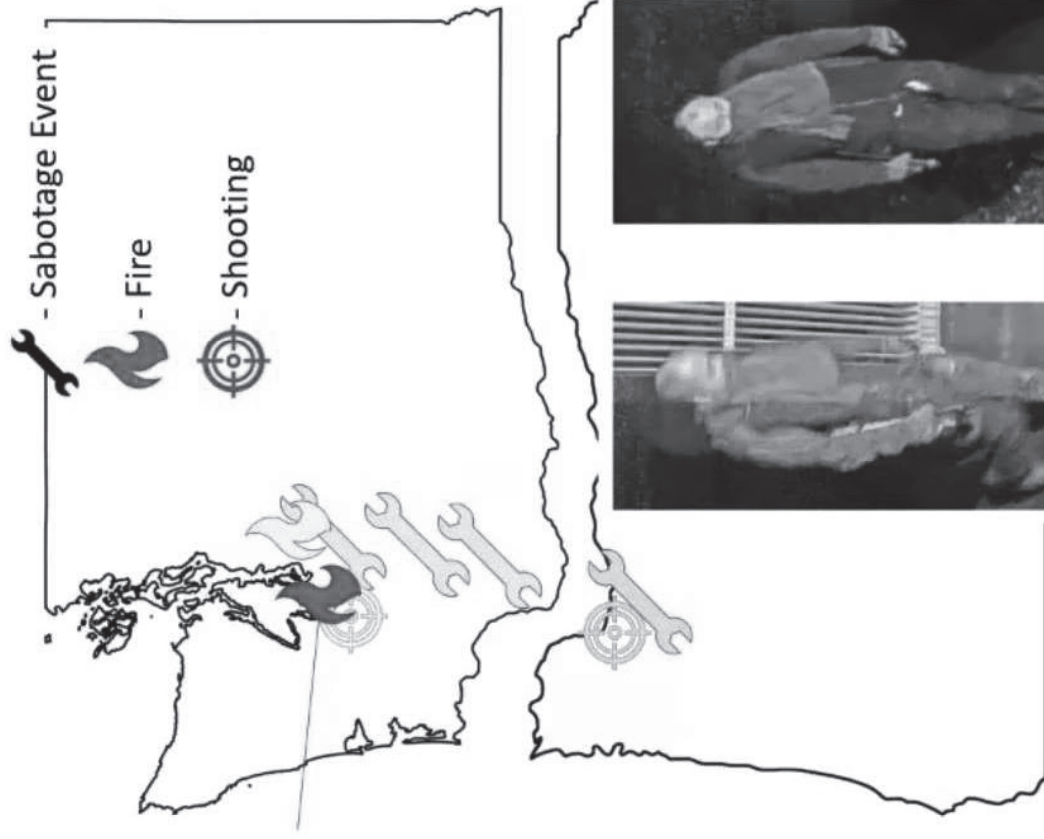


Christmas Substation Sabotage Cluster

E-ISAC and internal BHE data

Dec. 31 - Puyallup, WA: Two men arrested by the FBI for the four incidents on Christmas in the Tacoma, WA area

- Charged with Conspiracy to Damage Energy Facilities (18 USC 1366) and Possession of Unregistered Firearms (26 USC 5861(d))
- Stated motive was to cut power to a business to rob it (similar tactic previously observed in an unrelated Florida cases)



FOR IMMEDIATE RELEASE

Tuesday, January 3, 2023

Two charged with attacks on four Pierce County power substations

Attacks over the Christmas holiday caused \$3 million in damage and cut power to thousands

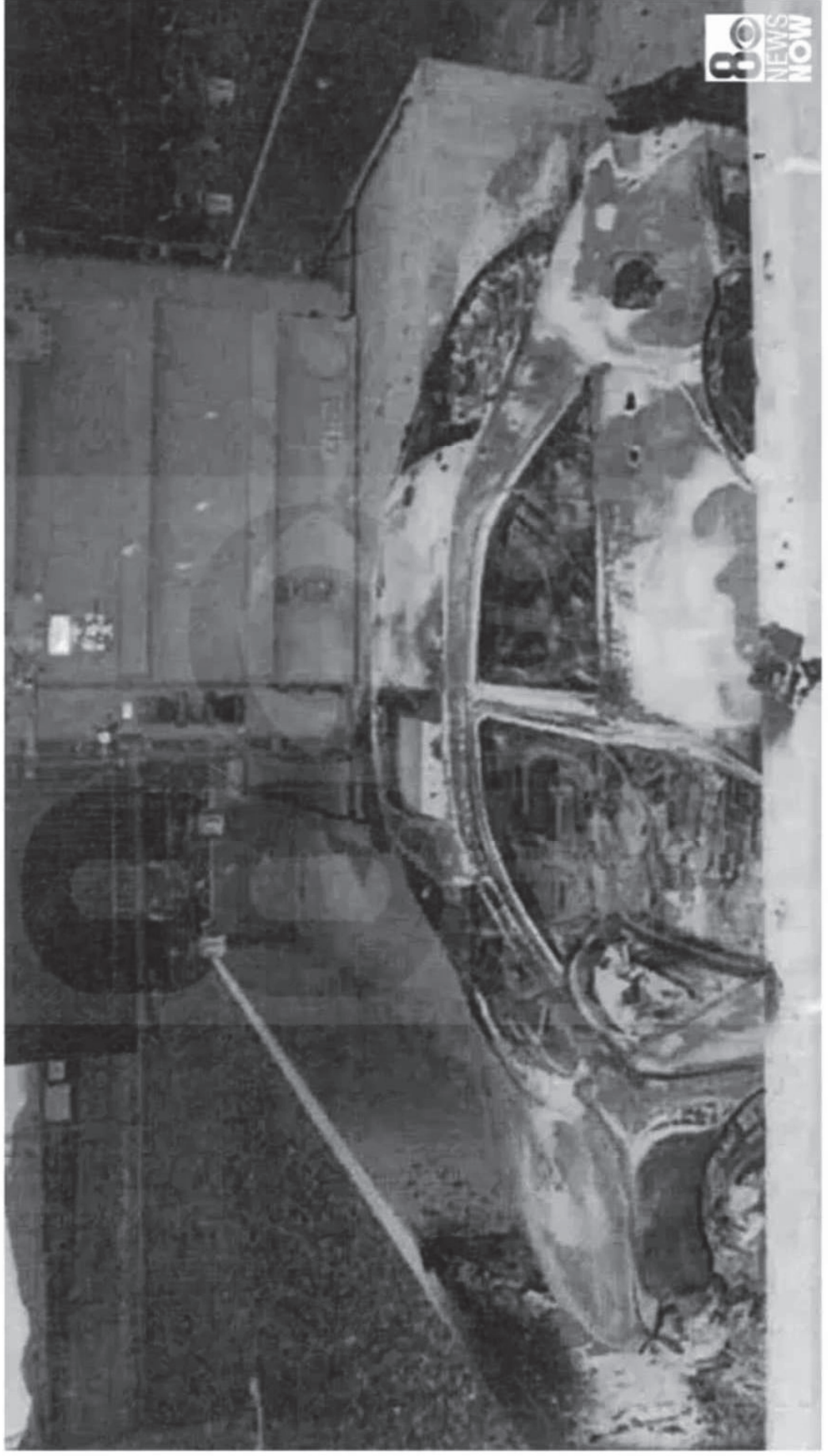
Tacoma – Two Puyallup, Washington, men will appear in U.S. District Court in Tacoma today charged with conspiracy to damage energy facilities and possession of an unregistered firearm, announced U.S. Attorney Nick Brown. Matthew Greenwood, 32, and Jeremy Crahan, 40, were arrested Saturday, December 31, 2022, following a fast-moving investigation by the FBI. Prosecutors will ask that both men remain detained at the Federal Detention Center at SeaTac pending future hearings.



Substation Events

Substation Sabotage, Las Vegas – Car, Arson, Etc.

4 January 2022, E-ISAC 15735





Grid Resilience

- NV Energy has developed a grid resilience plan to implement a sustainable framework to ensure achievement of uniform goals and standards.
 - Target Scenario Standard
 - Key Equipment Storage Facility Standard
 - Key Equipment Transportation Plan Standard
 - System Restoration Standard
 - Chemical Biological Radiological or Pandemic Event
 - Electromagnetic Pulse Event / Geomagnetic Disturbance
 - Emergency Isolation Protocols
 - Transmission Control Systems
 - Physical and Cyber Substation Classification Consequences Scoring Evaluation (Mission 3 Effort)

Background



- NV Energy currently has 462 T&D substation facilities (220 for Nevada Power and 242 for Sierra Pacific Power)
 - The original Mission 3 assessment identified 17 substations which met the consequence assessment criteria for severe or significant (Category A or B). After revising and updating the mission 3 assessment to evaluate physical security and attack considerations the in-scope substations have increased from 17 to 25. 3 Gas regulating stations has also been added and will be in scope.
 - The 25 substations classified as Mission 3 A and B, include all NERC CIP-014 and CIP medium substations, as well as high-profile substations serving Las Vegas Strip customers and critical defense facilities.
- NV Energy's initial primary focus is four CIP-014 substations (Phase 1). Phase 2 will expand to the remaining Mission 3 A and B sites.

Background – NERC CIP



- CIP-005 – A Critical Infrastructure Protection standard of the North American Electric Reliability Corporation (NERC) having the designated purpose to manage electronic access to Bulk Electric System Cyber Systems by specifying a controlled Electronic Security Perimeter in support of protecting Bulk Electric System Cyber Systems against compromise that could lead to mis-operation or instability in the Bulk Electric System.
- CIP-014 – A Critical Infrastructure Protection standard of the North American Electric Reliability Corporation having the designated purpose to identify and protect Transmission stations and Transmission substations, and their associated primary control centers, that if rendered inoperable or damaged as a result of a physical attack could result in widespread instability, uncontrolled separation, or cascading within an interconnection.
 - TPL-001 R8 – Transmission Planning Steady State and Stability Performance Planning



1. Substation Operations – Physical and Cyber Substation Classification

Consequences Scoring Evaluation (Mission 3.5 Effort) - Complete a risk assessment review of our substations and identify substations that serve high profile or critical loads and identify (1) if that facility has a concrete block wall and hardened gate; (2) the electronic surveillance equipment at the substation and needed improvements and (3) whether the substation equipment warrants ballistic shielding. Items to consider

1. NERC Classification: CIP Ranking / Criticality to the bulk electric system
2. Generation Interconnection (MW Supply)
3. Potential Health and Safety Impact – Hospital, Emergency Response, Etc.
4. Substation size (MW load & customer impact)
5. Key Customer (MAE / TQS)
6. Public Opinion (Las Vegas Strip Customers, Large Public Venues, Critical Defense, etc.)

2. Security - Complete an assessment of existing electronic monitoring equipment to make sure it is fully functional and meets current standards.

1. Evaluate expanding surveillance and deterrent strategies

3. Asset Management –

1. Confirm we have an appropriate level of in-stock replacement critical equipment (transformers, bushings, etc.)
2. Confirm we have appropriate mobile substations that would position us for a quick recovery (24 hours or less) in the event we experienced a similar situation. This should take into account a situation where we have multiple sites hit in a coordinated attack scenario.

Preliminary Assessment



NV Energy has 25 substation identified as severe or significant impacts. There are a total of 26 severe transformers at these sites and a perimeter of approx. 50,000 linear feet.

- Of the 25 substation 4 are CIP-014 sites with completed or in progress physical perimeter and electronic security upgrades. (12'+ CMU perimeter walls)
 - 0 of the 26 Severe Transformers have ballistic shields. Est. 30M to add 4 sided shields
- 2 of the 25 substations have no electronic surveillance
- 12 of the 25 substation have Chain Link perimeter fence
 - \$42M to add 10'+ concrete Masonry perimeter walls
 - \$8M to add a 10'+ secondary mesh fence
- 0 of the 25 substation have level 10 perimeters fences
 - \$350M to add full level 10 Ballistic perimeters
- \$12M to add Siemens Transformer ballistic wrap
 - Transformer cooling and bushing exposure are risks

Phase 1: 4 CIP-014 Substations



- **Phase 1: 4 CIP-014 Substations (Total est. \$70m)**

- NV Energy is recommending at least a 12- to 14-foot-high concrete masonry unit walls (taller wall height will be based on line-of-sight assessment) with crash-resistant gates meeting the ASTM F2656 standard.
 - 3 of the 4 CIP-014 substation are complete and have concrete masonry unit walls which are grout filled. The final CIP-014 site is on schedule to be completed in Q3 2023. Total cost is \$30M
- NV Energy is recommending 30' high ballistic curtains around the CIP-14 substation transformers. NV Energy will install the Level 8 Southern States “Ballisti-Wall”.
 - 12 Transformers in scope requiring 3,550 linear feet of ballistic shielding.
 - The total project cost is \$31.7M. Estimated completion Q4 2023. (PO Issued 12/22/2022)
- NV Energy is recommending an electronic security system which will include; Full surveillance and lighting coverage, internal intrusion and external IR spotting systems, intercom and gunshot detection.
 - 2 of the 4 CIP-014 substations are on schedule to be completed in Q1 2023. The third site is will be complete in Q2 2024 and the remaining site will be completed in Q3 2024. (estimated total cost \$8m)

Critical Substation – CIP14



- [REDACTED] (No Longer a High Impact Site)

- Physical Security Perimeter and Electronic Security complete

- [REDACTED]
 - Physical Security Perimeter complete
 - Electronic Security In Progress (Q4 2024)

- [REDACTED]
 - Physical Security Perimeter complete
 - Electronic Security In Progress (Q1 2023)

- [REDACTED]
 - Physical Security Perimeter complete
 - Electronic Security In Progress (Q1 2023)

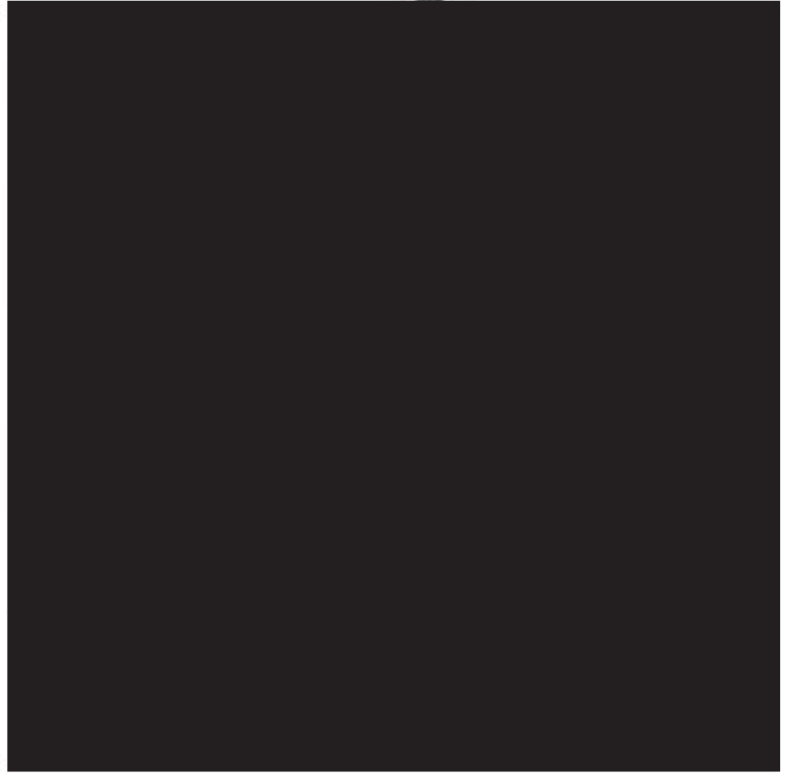
- [REDACTED]
 - Physical Security Perimeter In Progress (Q3 2023)
 - Electronic Security In Progress (Q4 2024)

Line of Sight Example



- A 68-foot-high south perimeter wall would be required to mitigate the ballistics line of site risk at [REDACTED]. Local Transformer ballistics shields are recommended.

REDACTED PUBLIC VERSION



Phase 2: 21 Critical Substations & 3 Gas Regulating Stations

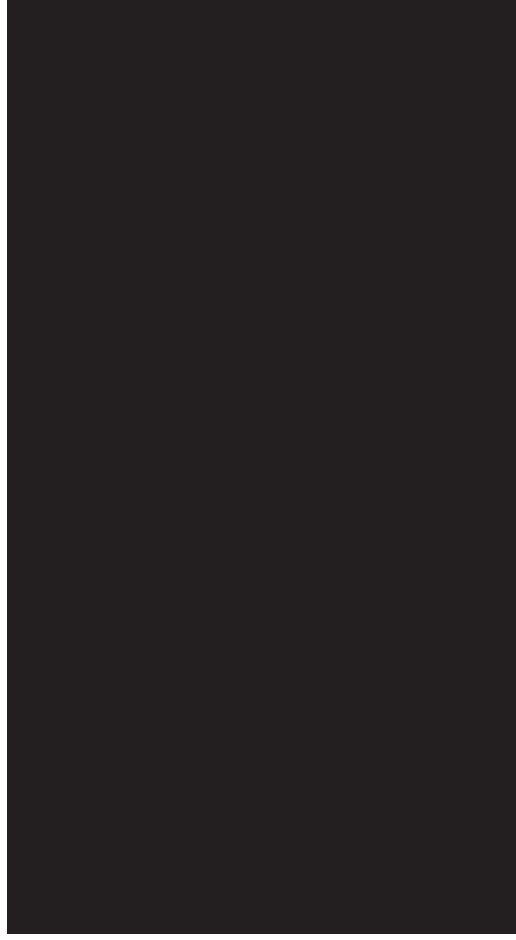


- NV Energy is recommending at least a 12- to 14-foot-high concrete masonry unit walls with crash-resistant gates.
 - Nearly half of the phase 2 substations already have concrete masonry unit walls however they do not currently meet the 12- to 14-foot-high standard. Substations with chain link perimeter fence will be prioritized. The total estimated cost for all 21 substations is \$63M. This included nearly 10 miles of total perimeter security. The anticipated prioritized tiered schedule is to complete the work over 5 years. Complete by Q1 2028
- NV Energy is recommending an electronic security system which will include full surveillance and lighting coverage, and internal intrusion spotting.
 - Schedule to mirror the perimeter wall project schedule. Estimated cost per site is \$500K or a total estimate of \$10.5M.
- NV Energy will evaluate utilizing 30' high ballistic curtains where significant line of sight risks are identified. Autotransformers will be the primary focus for protection.
- NV Energy currently has 10 mobile substation to achieve timely restoration and is finalizing recommendations for additional mobile substations, spare transformers and other critical equipment. Total estimate \$20M
- NV Energy will also evaluate key equipment storage facilities (3) for needed physical and electronic security enhancements

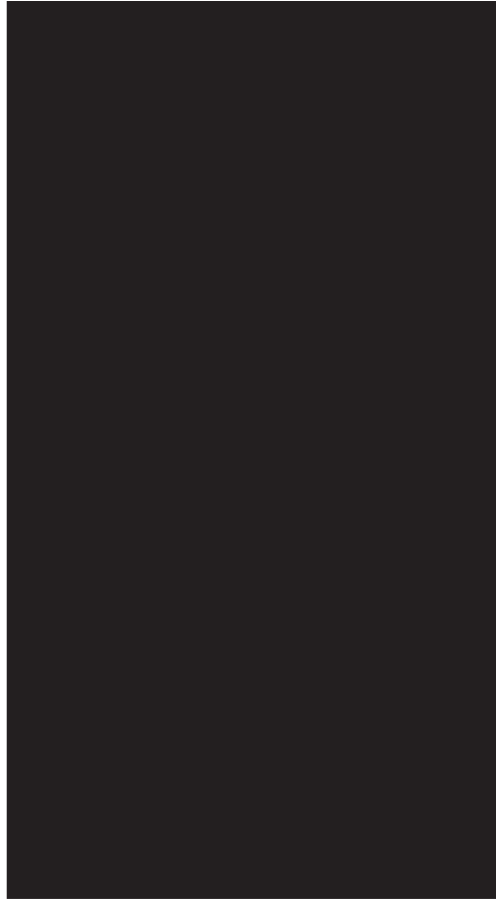
Examples



Minimum Standard is
Expanded Metal (Since 2021)



>25% of NVE Substations
have Concrete Masonry Walls



CIP-014: CCTV Cameras, Spotter RF, PA System,
Intercom, Lights and Microwave System



Ballistic Shields installed at one Substation



Standards

Standards



UL 752 Level 10 required for all ballistic protection. Layered defense <10 will be acceptable.

Rating	Ammunition	Weight: (grams)	Weight (grams)	min fps	max fps	Number of shots
Level 1	9mm Full Metal Copper Jacket with Lead Core	124	8.0	1175	1293	3
Level 2	.357 Magnum Jacketed Lead Soft Point	158	10.2	1250	1375	3
Level 3	.44 Magnum Lead Semi-Wadcuttler Gas Checked	240	15.6	1350	1485	3
Level 4	.30 Caliber Rifle Lead Core Soft Point (.30-06 Caliber)	180	11.7	2540	2794	1
Level 5	7.62mm Rifle Lead Core Full Metal Copper Jacket Military Ball (.308 Caliber)	150	9.7	2750	3025	1
Level 6	9mm Full Metal Copper Jacket with Lead Core	124	8.0	1400	1540	5
Level 7	5.56mm Rifle Full Metal Copper Jacket with Lead Core (.223 Caliber)	55	3.56	3080	3383	5
Level 8	7.62mm Rifle Lead Core Full Metal Copper Jacket Military Ball (.308 Caliber)	150	9.7	2750	3025	5
Level 9	.30-06 caliber rifle, steel core, lead point filler, FMJ (APM2)	166	10.8	2715	2987	1
Level 10	.50 caliber rifle, lead core FMCJ Military Ball (M2)	709.5	45.9	2810	3091	1
Shotgun	12-Gauge Rifled Lead Slug	1 oz.	28.3	1585	1744	3
	12-Gauge 00 Buckshot (12 pellets)	1.5oz	42	1200	1320	3

- Perimeter fence and gate requirements :

- ASTM F2781-15 Perimeter Penetration Time >10 Mins.
- Dual-layer fencing/walls: two perimeters with a gap between
- Fence/wall material retrofits to apply cut and climb resistant protection
- Crash-resistant gates and access points meeting the ASTM F2656 standard with an M/P2 rating (M=standard truck, P2=penetration allowed is 1-7 meters)
- Updating fencing standards at all sites, regardless of criticality to disallow chain link for all new deployments, rebuilds, and retrofits. NV Energy recently adopted this practice in 2021.

Enhanced Substation Physical Security Engineering Solutions



- Technical team discussed multiple engineering solutions to identify products that can be utilized for enhancing physical security at substations.
- Discussions are ongoing to verify supplier claims on L10 ballistic protection. BHE technical team will engage in regular meetings to review any new product offerings and finalize available options. The team will also provide any required guidance on engineering specifications (eg: wind loading, foundation requirements, etc.)

Enhanced Physical Security Technology ⁴	Level 10 Ballistic Protection	Equipment Protection Inside Substation		Substation Perimeter Protection ³	
		Ballistic curtain surrounding equipment		L10 Ballistic Protection	L8 or below ²
Siemens Energy Technology-Transformer Wrap	✓	✓		X	X
Waltonen Engineering (technology developed by Idaho National Laboratory)	✓	✓		X	X
Concrete Masonry Wall 12-inch thick with sand filled cores	✓	X		✓	✓
Solid Concrete Wall 8-inches-thick	✓ ¹	X		✓	✓
Permacast-PermaWall 2.0 Precast Concrete Wall	✓	X		✓	✓
Faddis Concrete Products Precast Wall	✓	X		✓	✓
HESCO Protective Barriers	✓ ¹	X		✓	✓
Armorcore Ballistic Panels	X	✓		X	✓
Standard Concrete Masonry Wall (10-inch)	X	X		X	✓
Olympus Concrete Precast Wall	X	X		X	✓
Avigco Security Products - Amiguard	X	X		X	✓
Southern States Ballistic Wall	X	✓		X	✓

Note 1: Level 10 rating requires confirmation

Note 2: Individually does not meet L10 compliance however can be part of a suite of solutions (eg: stacking) to reach L10 compliance

Note 3: All options expected to be at least 14 feet tall

Note 4: Combination of enhanced security options may be utilized to meet BHE mission 3.5 standard requirements

APPENDIX

Siemens Energy Technology-Transformer Wrap



Product Description

- Steel alloy ballistic panels applied to the transformer tank or foundation support system immediately adjacent to the transformer
- Oil-filled bushings are replaced with hardened resin-based bushings

Material Properties	Siemens Energy Technology-Transformer Wrap
Cut/Climb Resistant	✓
Ballistic Protection Level	10
Lead Time	6 Months
Unit Cost	\$1M +/- 25% per XFMR

Pros

- Excellent retrofit option for existing transformers
- Fast and uncomplicated permanent installation
- Easy access to ancillaries
- Reduces acoustic emissions

Cons

- Does not provide substation perimeter protection
- Does not provide crash barrier

Armorcore Ballistic Panels



Product Description

- Ballistic panels attached to a wood or steel support frame

Material Properties	Armorcore Ballistic Panels
Cut/Climb Resistant	✓
Ballistic Protection Level	8
Lead Time	TBD
Unit Cost	TBD

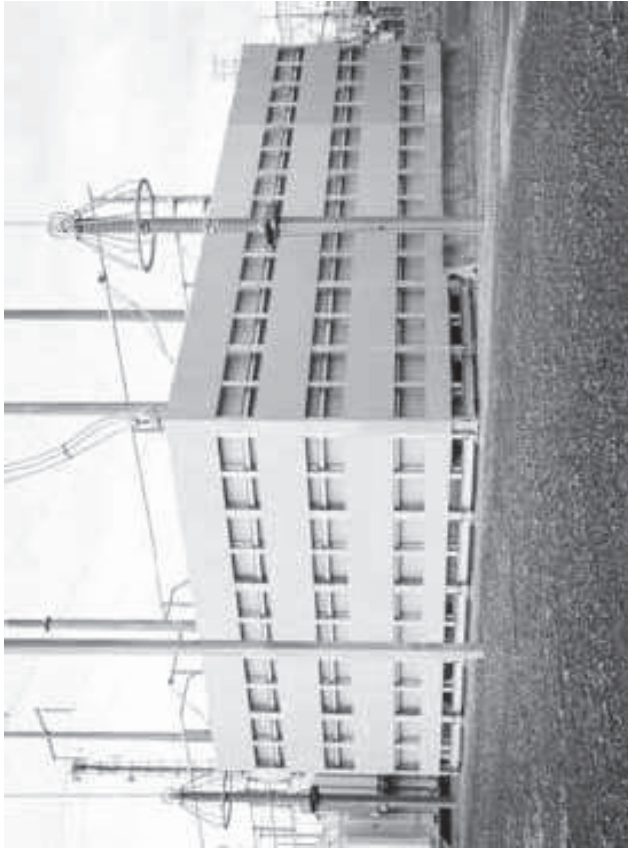
Pros

- Versatile installation options

Cons

- Only protects against vehicle penetration at the gate into the substation

Southern States Ballisti-Wall



Product Description

- Ballistic panels inserted between pilasters to create the wall

Material Properties	Southern States Ballisti Wall
Cut/Climb Resistant	✓
Ballistic Protection Level	8
Lead Time	TBD
Unit Cost	\$10,000/LF

Pros

- Can be fit to the site-specific layout requirements
- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer
- Fast installation
- Panel layout allows for air flow

Cons

- Potential restriction to air flow

Waltonen Protective Barriers *(technology developed by Idaho National Laboratory)*



Product Description

- Self-standing ballistic panel wall segments

Material Properties	Waltonen Protective Barriers
Cut/Climb Resistant	✓
Ballistic Protection Level	10
Lead Time	TBD
Unit Cost	TBD

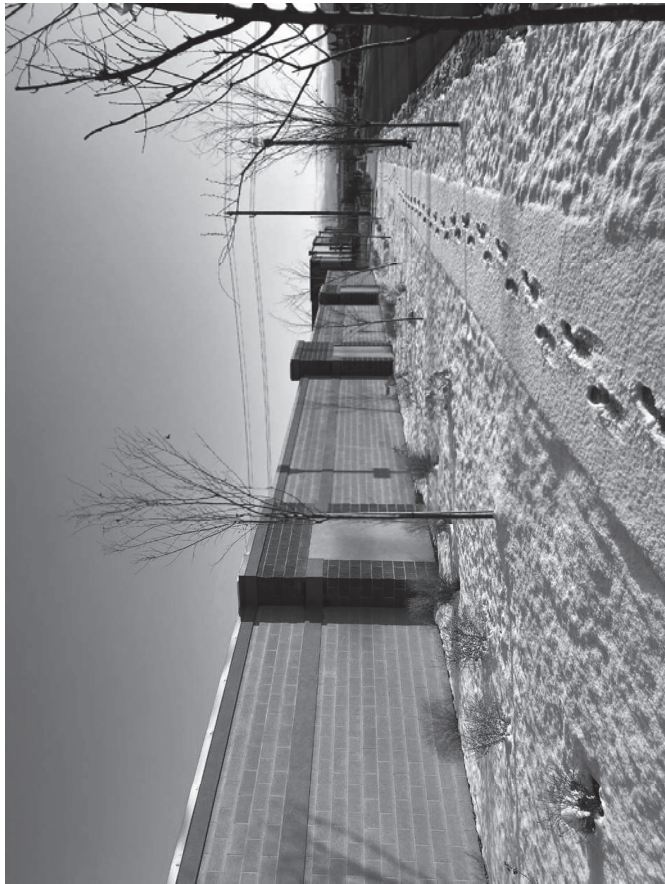
Pros

- Can be fit to the site-specific layout requirements
- Fast installation and does not need customized design for transformer
- Allows air flow for transformer cooling
- Repairable
- No footings are required

Cons

- Supplier has never installed the unit at a utility facility

Concrete Masonry Wall (12" thick, fully grouted)



Product Description

- 12" thick CMU wall fully grouted

Material Properties	12" CMU Wall
Cut/Climb Resistant	✓
Ballistic Protection Level	10
Lead Time	TBD
Unit Cost	\$800/LF

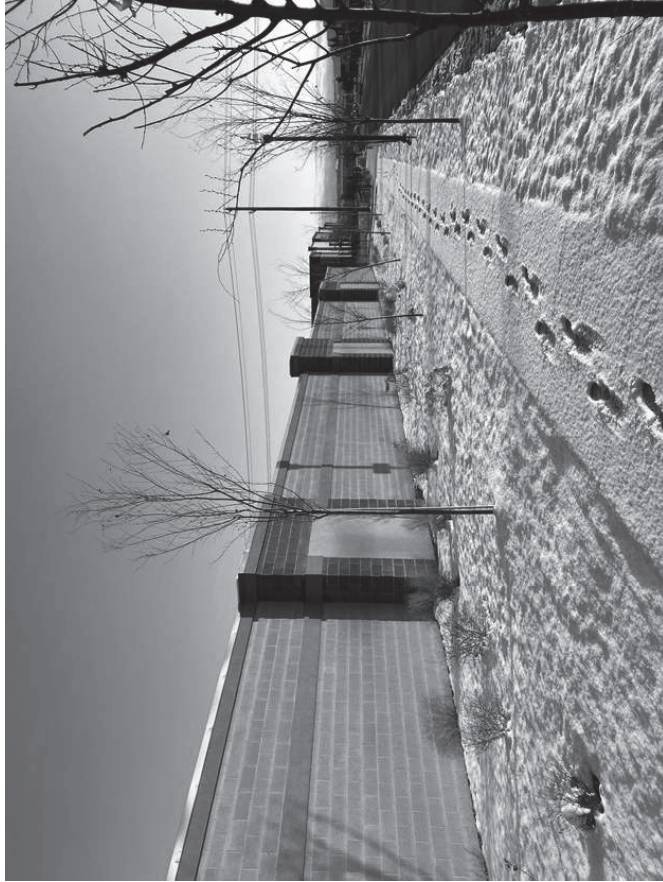
Pros

- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer
- Can be decorative

Cons

- Long installation time
- Possible height limitations

Concrete Masonry Wall (10" thick partially grouted)



Product Description

- Cast-in-place concrete wall 14' tall

Material Properties	10" CMU Wall
Cut/Climb Resistant	✓
Ballistic Protection Level	Min
Lead Time	TBD
Unit Cost	\$600/LF

Pros

- Can be fit to the site-specific layout requirements
- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer

Cons

- Long installation time
- Possible height limitations

Solid Concrete Wall (8" thick)



Product Description

- Cast-in-place concrete wall 14' tall with pilasters

Material Properties	8" Cast-in-place Wall
Cut/Climb Resistant	✓
Ballistic Protection Level	10
Lead Time	TBD
Unit Cost	\$1,400/LF

Note: * Ballistics rating not officially verified

Pros

- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer
- Can be decorative

Cons

- Long installation time
- Possible height limitations

Permacast-PermaWall 2.0



Product Description

- 14’ tall precast concrete panel wall

Material Properties	Permacast-PermaWall 2.0
Cut/Climb Resistant	✓
Ballistic Protection Level	10
Lead Time	TBD
Unit Cost	TBD

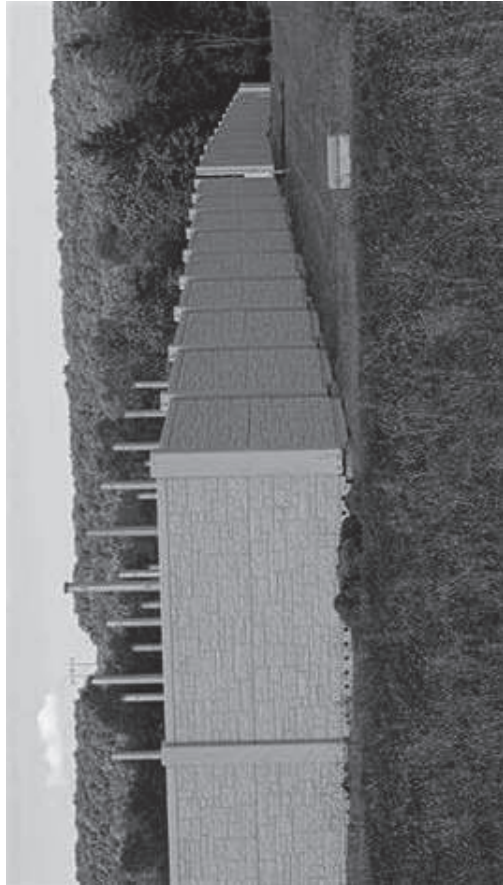
Pros

- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer

Cons

- Long installation time
- Potential height limitations

Faddis Concrete Products Precast Wall



Product Description

- 14' tall precast concrete panel wall

Material Properties	Faddis Concrete Products Precast Wall
Cut/Climb Resistant	✓
Ballistic Protection Level	10
Lead Time	TBD
Unit Cost	TBD

Pros

- Can be fit to the site-specific layout requirements
- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer

Cons

- Long installation time
- Potential height limitations

Olympus Concrete Precast Wall



Product Description

- 14' tall precast wall

Material Properties	Olympus Concrete Precast Wall
Cut/Climb Resistant	√*
Ballistic Protection Level	min
Lead Time	TBD
Unit Cost	\$1,400/LF

Note: *Decorative panels provide some handhold

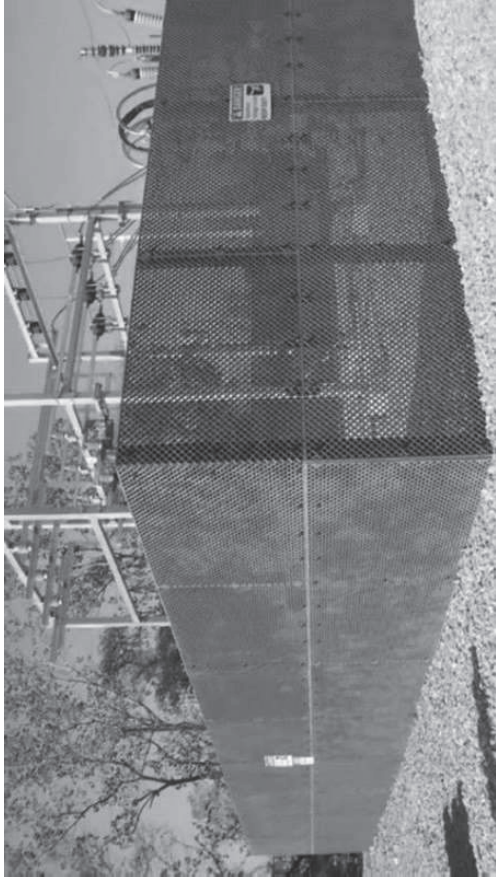
Pros

- Can be fit to the site-specific layout requirements
- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer

Cons

- Long installation time
- Potential height limitations

Amico Security Products Amiguard



Product Description

- 14' tall metal mesh fence

Material Properties	Amico Security Products Amiguard
Cut/Climb Resistant	✓
Ballistic Protection Level	Min
Lead Time	TBD
Unit Cost	TBD

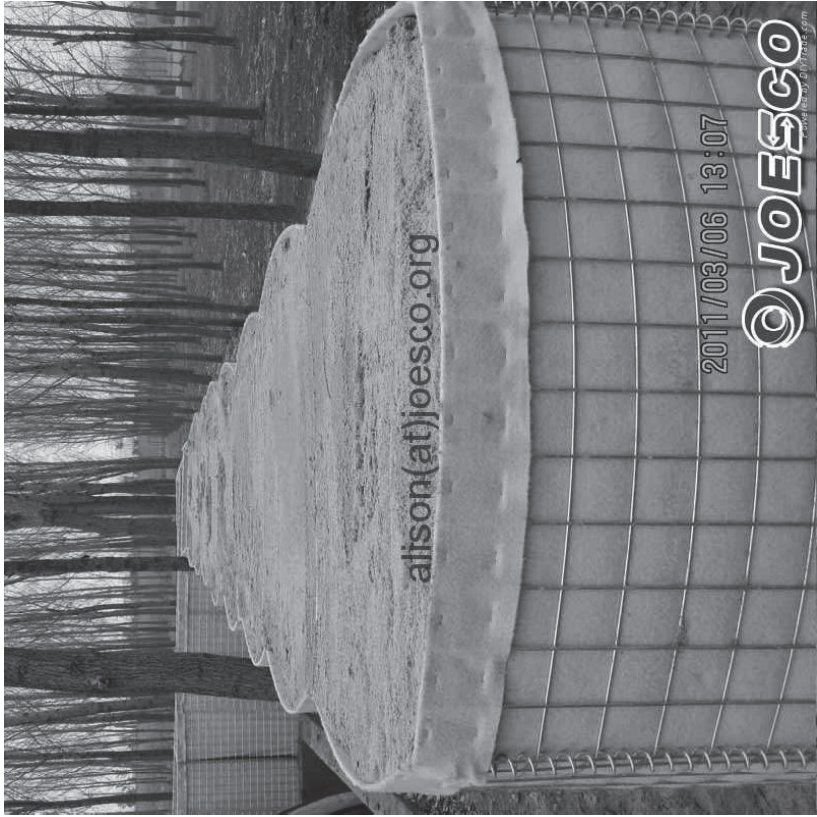
Pros

- Can be fit to the site-specific layout requirements
- Can be used at the substation perimeter or the transformer

Cons

- Can be easily cut depending on fabrication and assembly details

Hesco Protective Barriers



Product Description

- Reinforced mesh bag with sand infill

Material Properties	Hesco Protective Barriers
Cut/Climb Resistant	X
Ballistic Protection Level	10*
Lead Time	90 days
Unit Cost	\$108 / linear ft

Note: *Rating depends on fill material, crushed rock required for level 10 protection

Pros

- Can be fit to the site-specific layout requirements
- Provides blast protection and spill containment
- Provides acoustic dampening
- Can be used at the substation perimeter or the transformer

Cons

- Not a permanent solution
- Height and space limitations
- Clearance issues

Tymetal Gate



Product Description

- Security Gate

Material Properties	Armorcore Ballistic Panels
Cut/Climb Resistant	✓
Ballistic Protection Level	X*
Lead Time	TBD
Unit Cost	TBD

Note: * Ballistics panels can be added to the gate

Pros

- Versatile installation options
- Provides K3 rated gates to MEC

Cons

- Requires ballistic panels to be added to achieve a ballistics rating

Drop Arm Crash Barrier



Product Description

- Drop arm vehicle gate

Material Properties	ASTM F2656 M50-P2 Crash Barrier
Cut/Climb Resistant	X
Ballistic Protection Level	X
Lead Time	TBD
Unit Cost	\$41k/each

Pros

- Allows for lighter primary gate

Cons

- Only protects against vehicle penetration at the gate into the substation







EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT

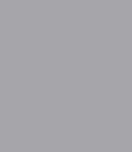
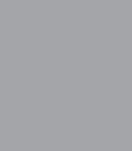
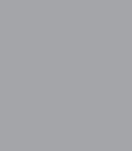








OWNERSHIP

Risk Committee

Risk Control Report

Risk Control Report

- Information-only presentation
- Reporting period is for February 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 February 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 AA

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	Manager Contract Management (Amendments/Settling disputes only)	Actuals	Status
NV Energy	≤\$5.0M	Manager, Market Operations and Trading,	NV Energy South 595-Transactions NV Energy North 191-Transactions Total 786-Transactions ¹ Largest Transaction \$26M Index Based Gas Deal	●
	≤\$5.0M	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	Manager Contract Management (Amendments/Settling disputes only)	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-year index-based price gas deal (BPEC) November1, 2023 – October 31, 2024)

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	1,694.9	(1,946.7)	(251.8)	●	26.0	●
NV Energy North	Jan 23-Dec 23	50	CEO	495.5	(617.4)	(122.0)	●	(24.3)	●
NV Energy LDC	Jan 23-Dec 23	10	CEO	135.7	(146.4)	(10.7)	●	(1.8)	●

Revenues estimated using the following projected BTER rates:

Entity	1/1/2023	4/1/2023	7/1/2023	10/1/2023
NVE-S Residential	\$0.08445	\$0.08415	\$0.10147	\$0.09679
NVE-S Non-residential	\$0.07960	\$0.07960	\$0.10107	\$0.09634
NVE-N	\$0.06704	\$0.07341	\$0.07474	\$0.06934
NVE-N LDC	\$0.61234	\$0.72690	\$0.91752	\$0.86327

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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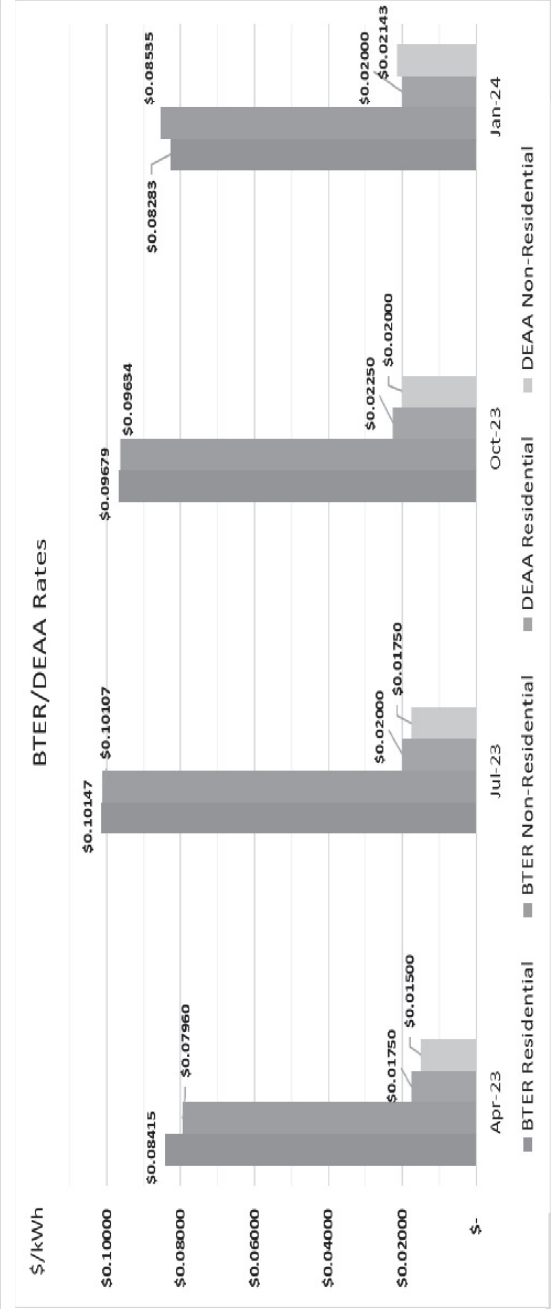
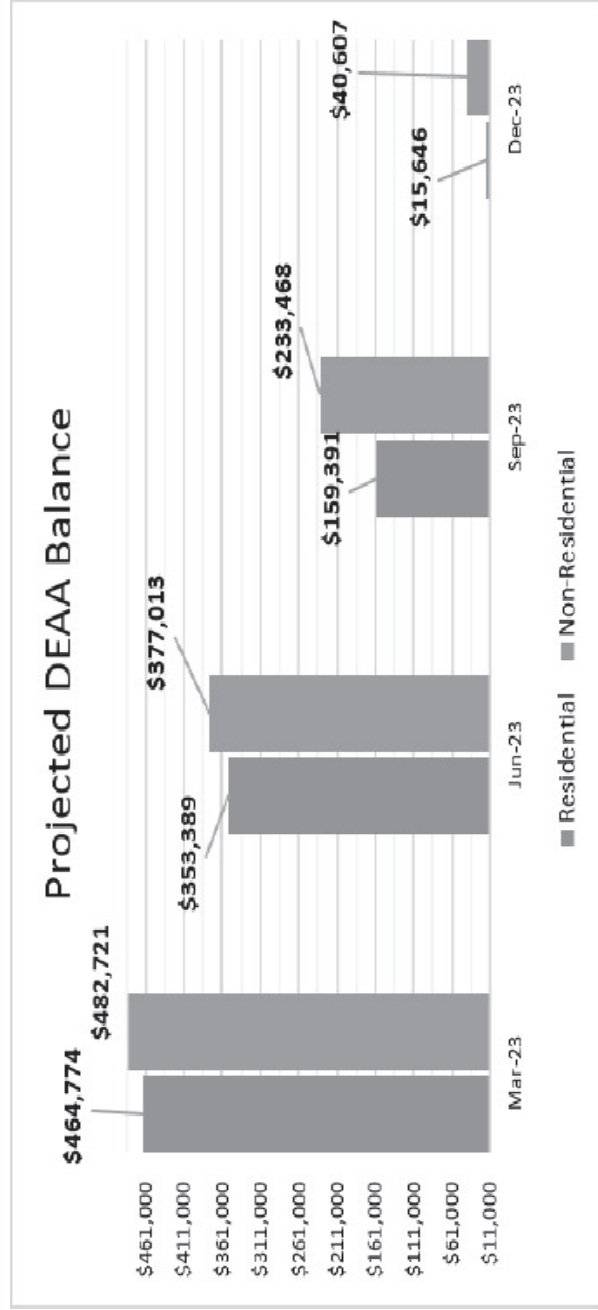
Portfolio Notification Thresholds

Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,694.9	305.3	●
NV Energy North	60	495.5	81.1	●
NV Energy LDC	20	135.7	88.4	●

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

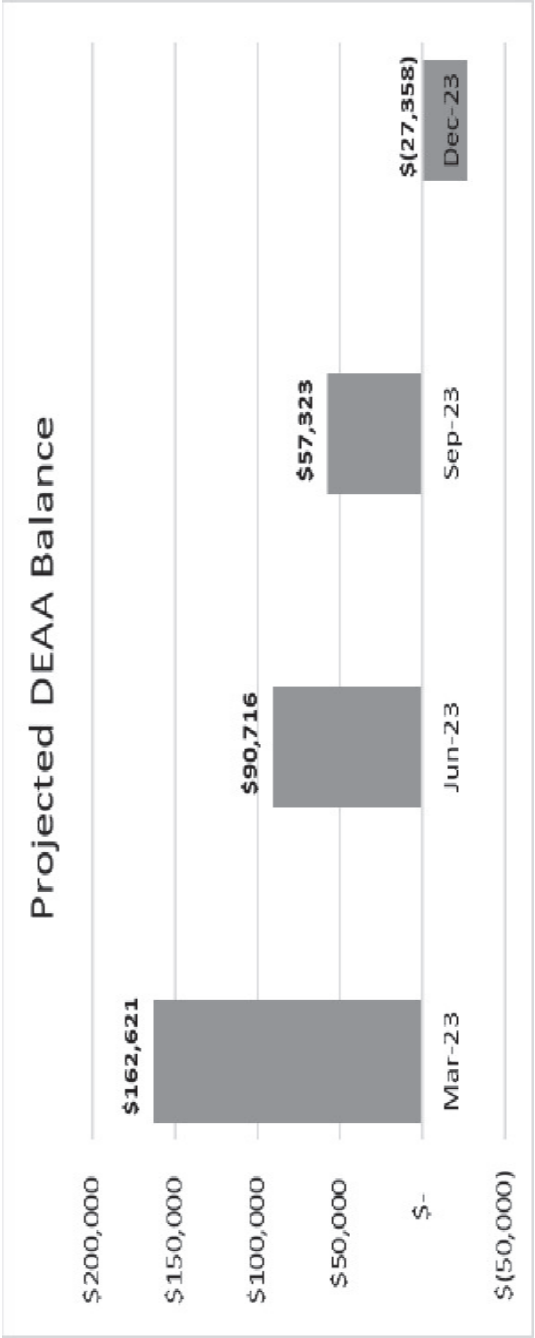
Privileged and Confidential



Negative = over collection
Positive = under collection

Base Tariff Energy Rates and DEAA Balances – SPPC Electric

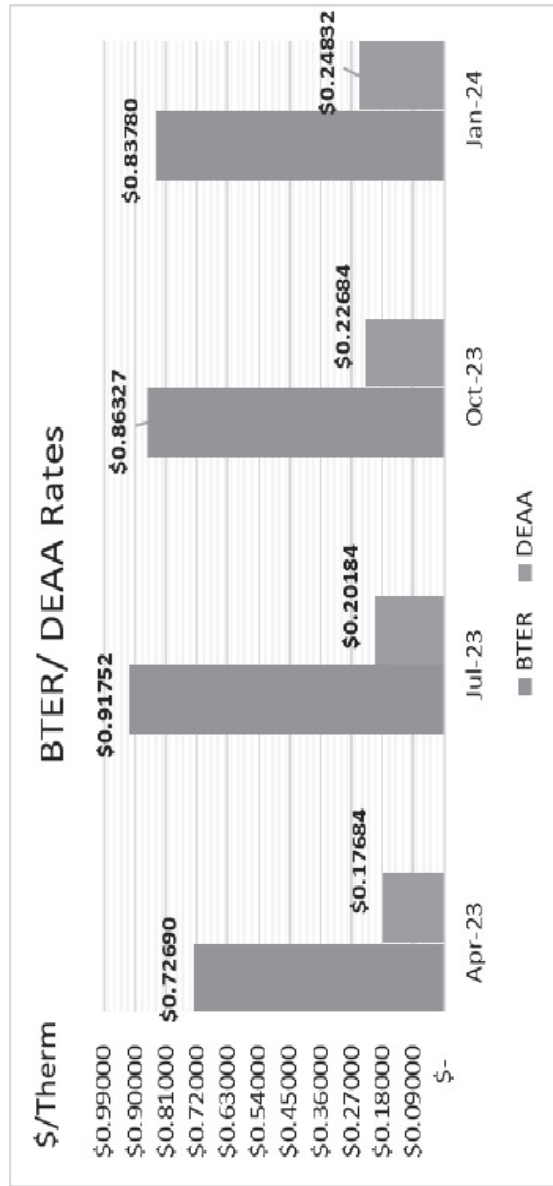
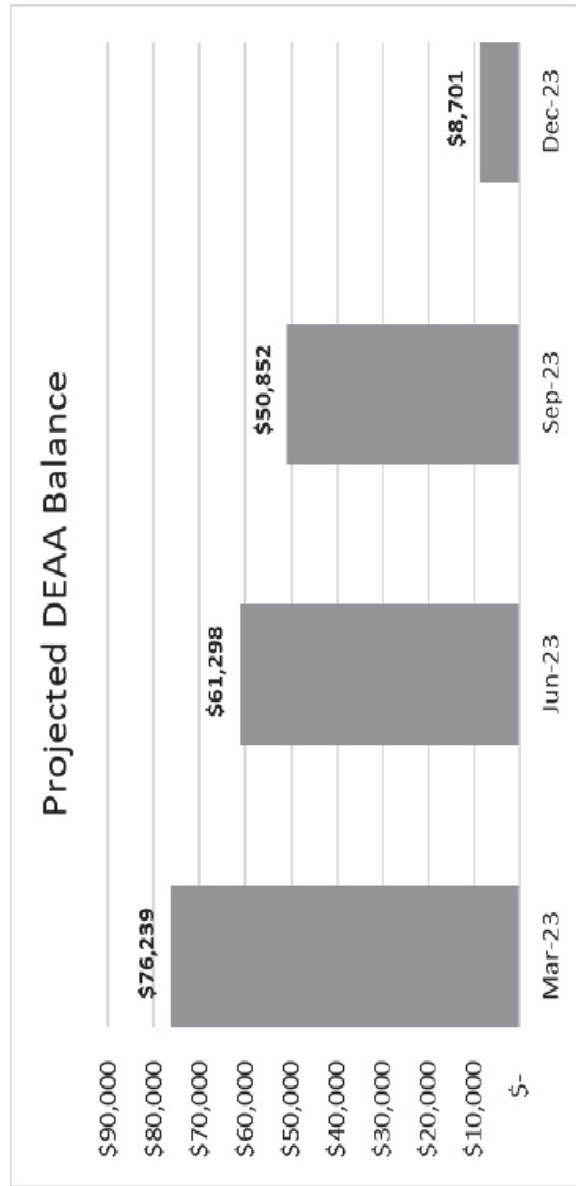
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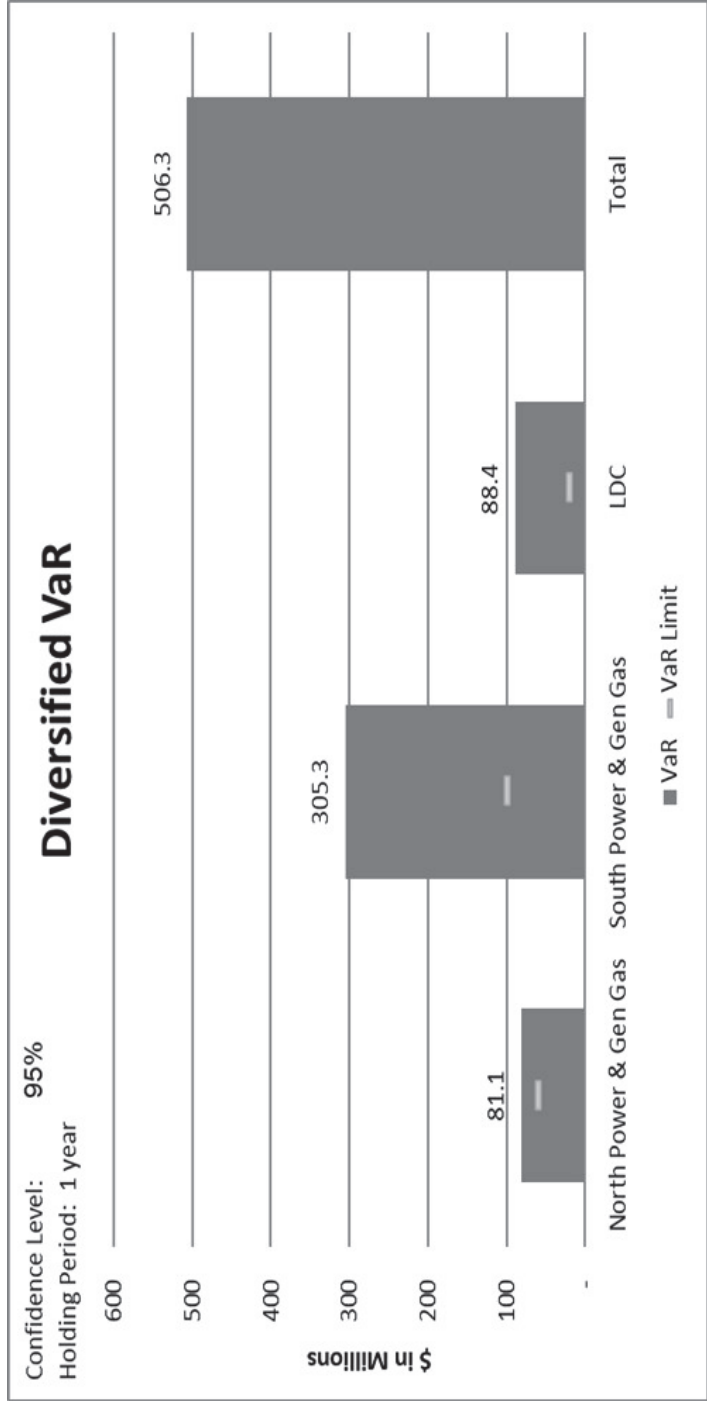
Negative = over collection
Positive = under collection

Base Tariff Energy Rates and DEAA Balances – SPPC LDC

Privileged and Confidential



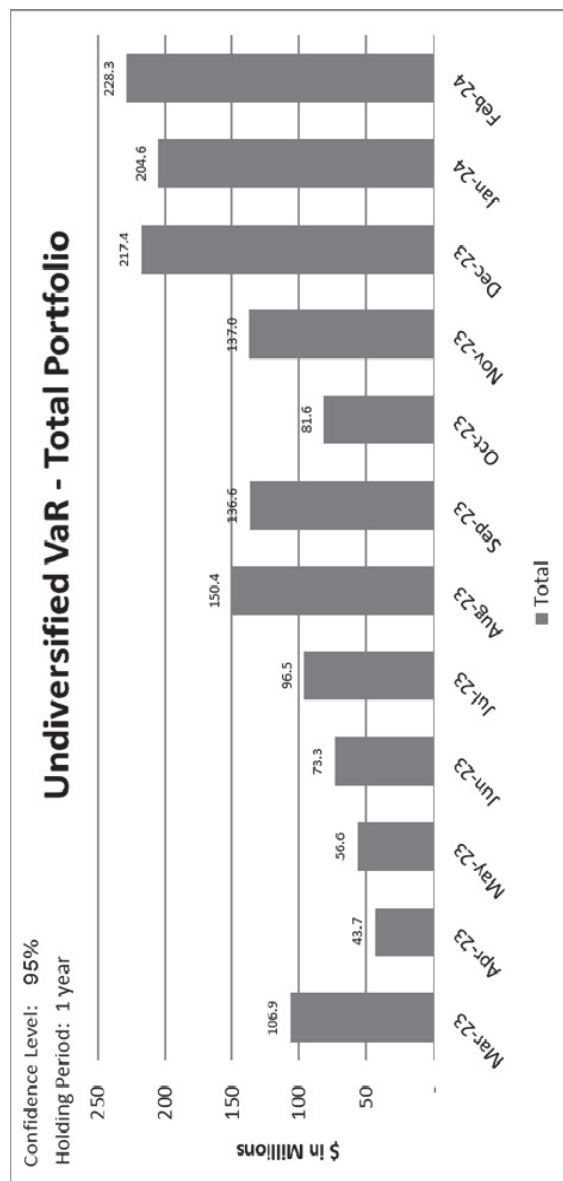
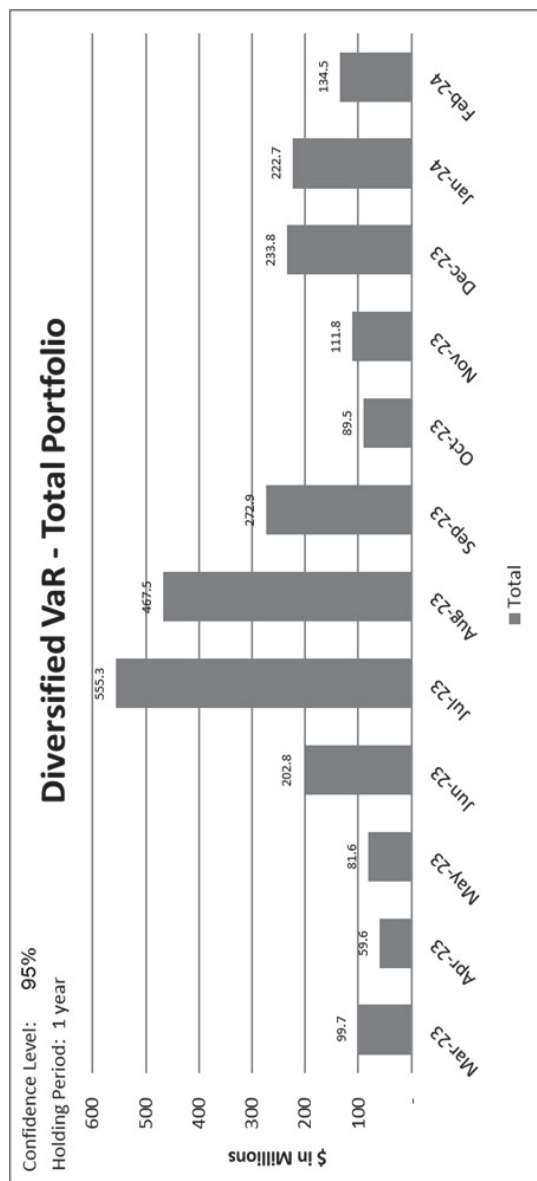
Portfolio Value-at-Risk Charts



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 February "AA"	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 February	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.

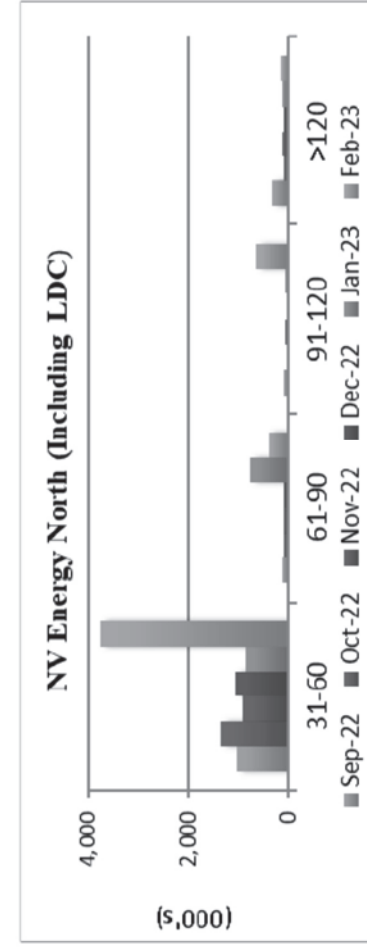
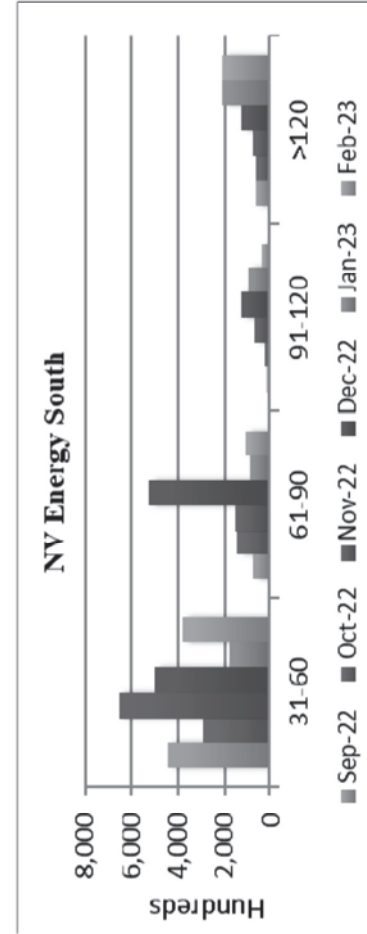
Counterparty Notification Threshold for Large Transactions

Company	Actuals	Notification Threshold		Status
NV Energy	Eight 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	

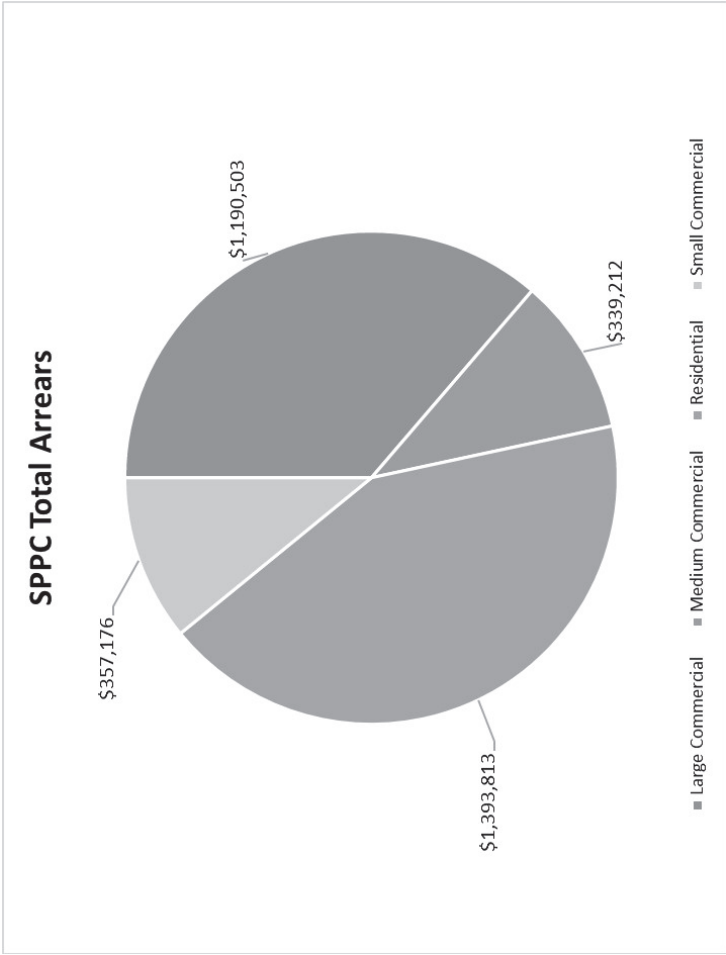
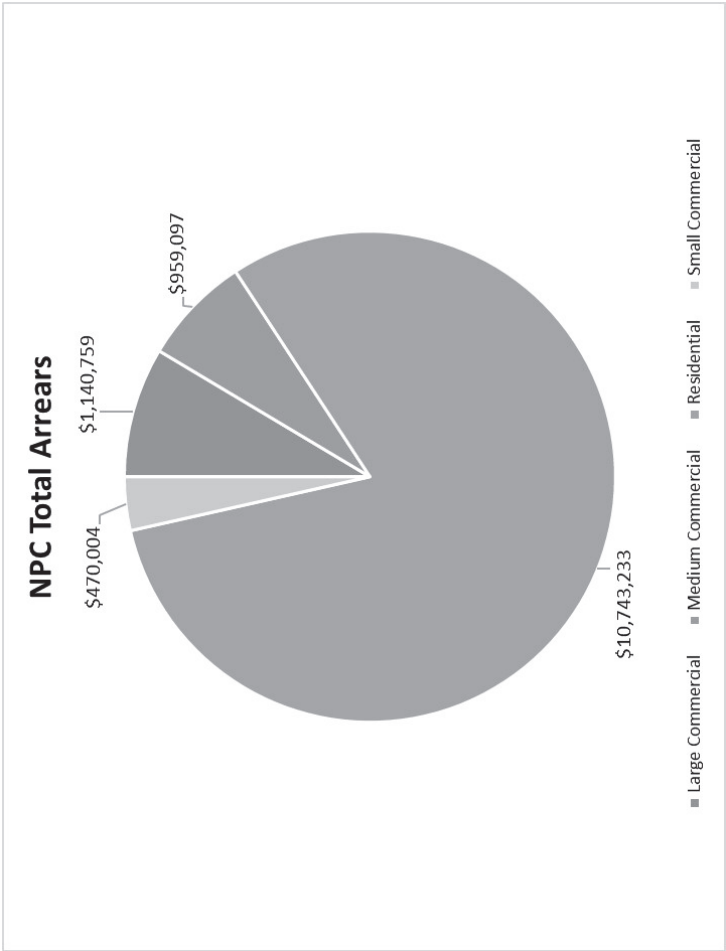
●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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Medium-Large Major Commercial Customers Arrears Balance

Company	Month	Arrears Balance (\$K)	Total Monthly Current Receivables for the Past 12 Months (\$K)	Percent in Arrears	Largest Arrears Balance of a Single Customer (\$K)
NVE-S	Aug-22	604.5	219,248.2	0.276%	123.4
	Sep-22	529.9	229,403.8	0.231%	210.5
	Oct-22	949.5	236,540.8	0.401%	420.2
	Nov-22	1299.3	248,108.7	0.524%	420.2
	Dec-22	571.4	261,578.8	0.218%	281.3
	Feb-23	738.4	272,408.8	0.271%	219.0
NVE-N	Aug-22	1474.2	58,692.7	2.512%	315.2
	Sep-22	1545.6	54,615.2	2.830%	325.5
	Oct-22	1108.2	52,492.6	2.111%	216.2
	Nov-22	1222.5	57,817.9	2.114%	752.2
	Dec-22	1736.5	69,586.1	2.495%	1028.5
	Feb-23	4907.7	66,672.6	7.361%	3011.8



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 2/28/23



Recommendations and Corrective Action

- No corrective action is necessary at this time

APRIL

Risk Committee
Wednesday, April 19, 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 March 15, 2023	Approval	Adrian Cacuci
2	0:25	8:10	8:35	Energy Supply Plan Update	Approval	Sophia Hickly
3	0:10	8:35	8:45	Risk Management and Control Policy Changes	Approval	Richard Kirkendoll
4	0:15	8:45	9:00	Risk Control Report	Information	Richard Kirkendoll

**Risk Committee Meeting
Wednesday, April 19, 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
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Jesse Murray, Vice President, Electric Delivery
Matthew Johns, Vice President, Environmental Services & Land Management
Jason Hammons, Vice President, Generation
Jimmy Daghljan, Vice President, Renewables
Marie Steele, Vice President, Integrated Energy Services
Ryan Atkins, Vice President, Resource Optimization
Zeina Randall, Vice President Gas Delivery
Adrian Cacuci, Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Michael Behrens, Janet Wells

(Attendance constitutes a quorum)

Others Present: Michael Greene, Brenda Compton, Jenny Venter,
Michael McClellan, Cary Shelton-Patchel, Tim Pollard, Kimberly Hopps,
Ryan Tardy

Presenters: Sophia Hickly (Item 2), Richard Kirkendoll (Items 3/4)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee March 15, 2023, meeting minutes

Attachments: March 15, 2023, Risk Committee Meeting Minutes

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

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

Voting Results: Motion: Brandon Barkhuff
Second: Jesse Murray
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. Also, recommending changes to the 2023 and 2024 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and were informed of additional term purchases for 2023 and that Silver Hawk peakers will be operational in 2024 as well as the Liberty Sea project, which should be operational the 4th quarter of 2023. The open capacity has been reduced to zero for June, July, and September with 63 MW's remaining for open capacity position for August 2023. We are looking to close the open position with an RFP just for August 2023 which may be done with one counterparty. A question was posed regarding the uncertainty of September and whether we would want to go on a longer position between the two entities, and the response was that Resource Optimization would have internal discussions and then meet with other concerned parties (i.e., Staff) to determine if over procuring for September is the prudent thing to do for reliability purposes. Over procurement may be necessary due to the lower winter snowfall and snow pack in the hydro regions.

Natural gas procurement for all current seasons (May-October) are within the tolerance for both companies. The gas prices have dropped for the coming summer, but continue to climb for the next three seasons and the power prices continue to climb in both the North and South.

Coal inventory currently sits at 24 burn days, at the end of March. The goal for the inventory is 30 days or 78,000 tons. We are working with a new company to set up rail agreement, we are also working with a coal broker, someone that can find different supply that exist in the market and pair them up with end users. This has led us to match up with a mine in Montana that has coal and after bringing in some coal to test it may lead to us contracting for a full load for out plants. We currently have coal deliveries forecasted to be here with the next few days. We are always striving to have 5 to 6 trains of coal a month delivered, which would mean 60K or 70K tons.

Committee Action: The Committee approved the recommended no changes to the physical gas volumes for both NV Energy North and South.

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

Committee Action: The Committee approved the recommended changes to the 2023 and 2024 open capacity positions.

Voting Results: Motion: Jesse Murray
Second: Antoine Tilmon
Motion Approved Unanimously

Item 3 Risk Management and Control Policy Changes

Attachments: Risk Management and Control Policy - Presentation

Overview: Seeking approval to change voting members titles in the policy.

Discussion: We currently have two voting members titles that were change and would like those titles to reflected in the Risk Management and Control policy. The changes are:
Senior Vice President, Chief Financial Officer and Treasurer to Vice President, Chief Financial Officer and Assistant Treasurer to Treasurer. These changes will not impact the number of voting members on the Committee as it will remain at 14.

Committee Action: The Committee approved the recommended title changes to the Risk Management and Control policy.

Voting Results: Motion: Jesse Murray
Second: Matt John
Motion Approved Unanimously

Item 4 Risk Control Report

Attachments: Risk Control Report - Presentation

Overview: Review of credit and market risk thresholds for the month of March 2023.

Discussion: The Committee was informed that no counterparty exceeded its credit limit during the month of March and although it was reported previously through emails regarding a customer with a large arrears balance, it should be noted that the customer has signed a contract with the Company on payment arrangements to bring their balance up to date and as of today the balance has decreased. The cumulative mark-to-base figures were below notification thresholds as well. No forward power sales were transacted on, but the Company continues to transact forward purchases

Committee Action: Information only





EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT

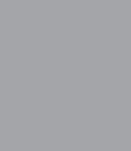








OWNERSHIP





Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

April 19, 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 February 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 third quarter of 2023, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of April 14, 2023.

2023	June	July	August	September
RFP	1355 MW	1605 MW	1630 MW	675 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1629 MW	1879 MW	1904 MW	949 MW

2024	June	July	August	September
RFP	75 MW	75 MW	75 MW	0 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	243 MW	243 MW	243 MW	168 MW

- b) Slide 6 reflects the Unit Characteristics Table updated on February 1, 2023
- c) Slide 6 reflects the inclusion of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, Silverhawk peaking units and the extension of Saguaro and NCA 1 and 2.
- d) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- e) Slide 6 reflects a 16% Planning Reserve Margin (“PRM”) and 90 MW OATT reserve.
- f) Slide 6 reflects the removal of Hot Pot and Iron Point, and the delay of Southern Bighorn Solar, Chuckwalla, and Boulder Solar III.
- g) Slide 6 reflects the following assumptions for Valmy 1 and 2:

To conserve coal pile, Valmy 1 is only available for July through September for the remaining years and will retire on 12/31/2025, except that it will be must run for voltage support during Valmy 2 and Newmont coal plant maintenance outages

Valmy 2 on RMR (reliability must run) economic dispatch above minimum load status from 2/1/2022 through 12/31/2025, its retirement date.

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 Winter 2024-2025 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 2023 and 2024 (Table on slide 6)
 - The table shows 0 MW open position for July 2023 and 936 MW open position for July 2024
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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-23	Jul-23	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,580	5,728	5,947	5,304	5,728	5,825	5,968	5,427
Net Peak Forecast-SPPC	1,760	1,795	1,868	1,373	1,857	1,956	2,037	1,669
Reserves (16%)NPC	893	917	952	849	916	932	955	868
Reserves (16%)SPPC	282	287	299	220	297	313	326	267
Required NVE	8,515	8,727	9,066	7,746	8,798	9,026	9,286	8,231
Available NPC	6,541	6,711	6,827	6,041	5,997	6,399	6,503	6,369
Available SPPC	1,980	2,040	2,176	1,712	1,694	1,691	1,820	1,578
Available NVE	8,521	8,751	9,003	7,753	7,691	8,090	8,323	7,947
Long/(Open) - NPC	68	66	(-) 72	(-) 112	(-) 647	(-) 358	(-) 420	74
Long/(Open) - SPPC	(-) 62	(-) 42	9	119	(-) 460	(-) 578	(-) 543	(-) 358
Long/(Open) - NVE	6	24	(-) 63	7	(-) 1,107	(-) 936	(-) 963	(-) 284
Term Purchases	50	100	250	100	60	60	60	60
March Open Positions	(44)	(76)	(313)	(93)	0	210	210	210
April Open Positions	6	24	(63)	7	0	210	210	210
March Open Positions					(1,167)	(1,416)	(1,443)	(764)
April Open Positions					(1,107)	(936)	(963)	(284)
Liberty Project C								
Silverhawk CT 3								
Silverhawk CT 4								
March Open Positions								
April Open Positions								

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Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2023 IRPA Load Forecasts approved on February 15, 2023.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of May through October 2023, Nevada Power is within the targeted bandwidth. Sierra (gas) is within the targeted bandwidth.

Nevada Power

Updates to Forecasts and Procurement

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

		Remarks
Load Forecast	2023 5th IRPA Forecast	
Gas Price Forecast (SoCal)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	Change In Prices Since Gas Volumes Were Approved in February 2023 (-) 4% 7% 2% 15% Change In Prices From Prior Month (-) 8% 7% 4% 18%
Power Price Forecast (Mead)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	12% 15% 17% 15% 3% 12% 9% 13%
Plant Maintenance / Outages	Updated as of the end of March 2023	

Forecast Results		
Natural Gas Burns	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	Change in Volumes Since Approved in February 2023 (-) 2% 5% 6% 5% Change In Volumes From Prior Month (-) 1% 1% 2% (-) 1%

Sierra

Updates to Forecasts and Procurement

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

	Remarks		
Electric Load Forecast	2023 5th IRPA Forecast		
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast		
Gas Price Forecast (Malin)		Change In Prices Since Gas Volumes Were Approved in February	Change In Prices From Prior Month
	Summer 2023	(-) 2%	(-) 5%
	Winter 2023 - 2024	10%	6%
	Summer 2024	(-) 0%	3%
	Winter 2024 - 2025	8%	13%
Plant Maintenance / Outages	Updated as of the end of March 2023		

Forecast Results			
Natural Gas Burns		Approved in February 2023	Change In Volumes From Prior Month
	Summer 2023	(-) 7%	(-) 14%
	Winter 2023 - 2024	(-) 2%	3%
	Summer 2024	(-) 2%	0%
	Winter 2024 - 2025	1%	2%

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 (April 2023 Risk Run)
6
7 Variance

2024

11 Approved (Rounded to thousands)
12 Risk Committee Approval Date
13 Current Procured Volumes
14 Current Target Procurement Level
15 Current Projection (April 2023 Risk Run)
16
17 Variance (Approved - Current)

2025

21 Approved (Rounded to thousands)
22 Risk Committee Approval Date
23 Current Procured Volumes
24 Current Target Procurement Level
25 Current Projection (April 2023 Risk Run)
26
27 Variance (Approved - Current)

The variance within the current season (May through October 2023) is derived by subtracting current projection from procured volumes.
The variance beyond the current season is derived by subtracting current projection from approved volumes.
Variances outside the acceptable 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.
Above volumes represent KERN River Pipeline delivered gas only.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1					346,000	333,000	407,000	378,000	339,000	328,000	294,000	346,000
2					Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
3					345,500	332,500	407,000	378,000	338,500	328,000	220,000	259,500
4					100%	100%	100%	100%	100%	100%	75%	75%
5					349,027	312,209	384,300	362,520	352,747	329,784	304,379	354,623
6					(-) 3,527	20,291	22,700	15,480	(-) 14,247	(-) 1,784	(-) 10,379	(-) 8,623
7												
8												
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Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

2023		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1	Approved (Rounded to thousands)												
2	Risk Committee Approval Date												
3	Current Procured Volumes												
4	Current Target Procurement Level												
5	Current Projection (April 2023 Risk Run)												
6													
7	Variance												
8													
9	2024												
10													
11	Approved (Rounded to thousands)												
12	Risk Committee Approval Date												
13	Current Procured Volumes												
14	Current Target Procurement Level												
15	Current Projection (April 2023 Risk Run)												
16													
17	Variance (Approved - Current)												
18													
19	2025												
20													
21	Approved (Rounded to thousands)												
22	Risk Committee Approval Date												
23	Current Procured Volumes												
24	Current Target Procurement Level												
25	Current Projection (April 2023 Risk Run)												
26													
27	Variance (Approved - Current)												

The variance within the current season (May through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

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
- Front loading as many deliveries as possible before summer to ensure supply

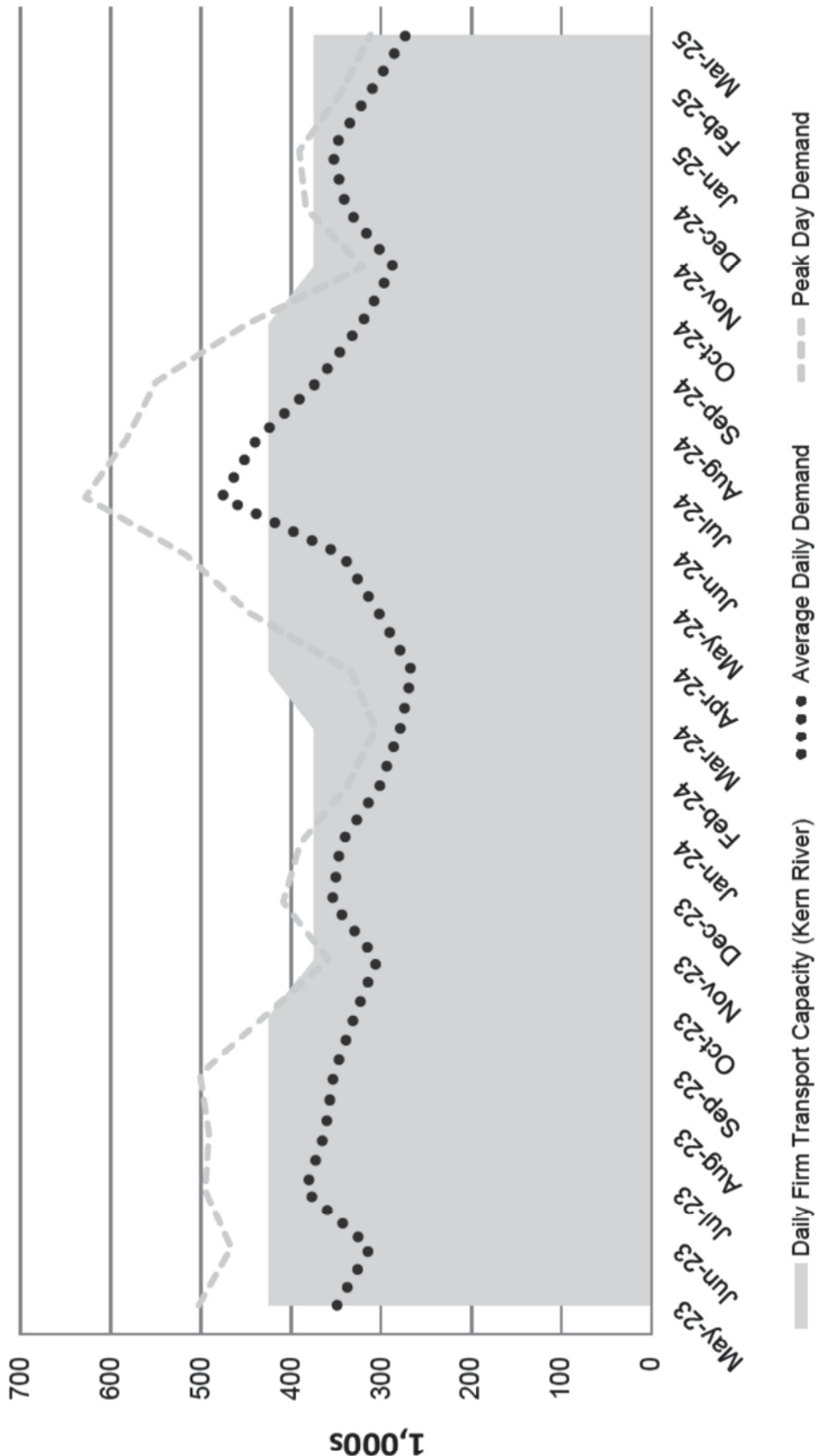
Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Mar 2023	72,232	24 days as of March 31, 2023 (Assumes daily burn of 3,000 tons ⁽¹⁾)
Feb 2023	123,940	
Jan 2023	132,898	
Dec 2022	112,675	

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

Technical Appendix

Nevada Power

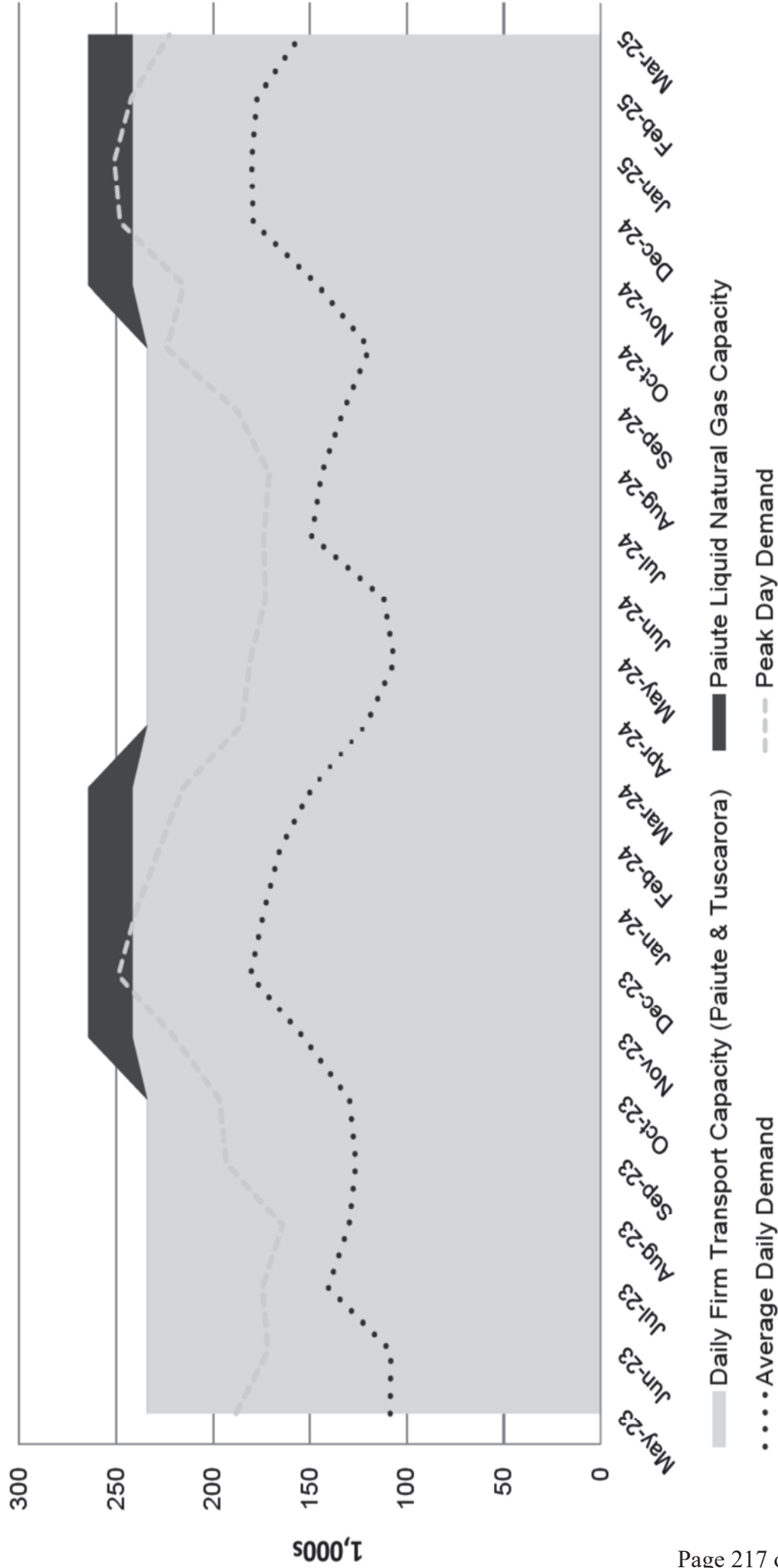
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



Note: Based on normal weather

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

Privileged and Confidential



Note: Based on normal weather

Nevada Power Natural Gas Price Forecasts

SoCal Gas Price Forecast (dollars per MMBtu)

— April-23 Forecast — Approved Feb-23



Delivery Month

Nevada Power Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- April 2023 Forecast - On-Peak
- - Approved (February 2023) - On-Peak
- April 2023 Forecast - Off-Peak
- - Approved (February 2023) - Off-Peak



Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— April-23 Forecast — Approved Feb-23



Delivery Month

Sierra Power Price Forecasts

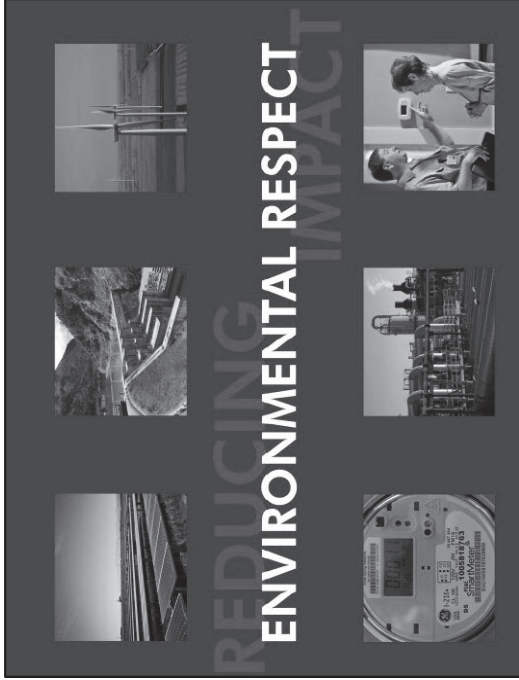
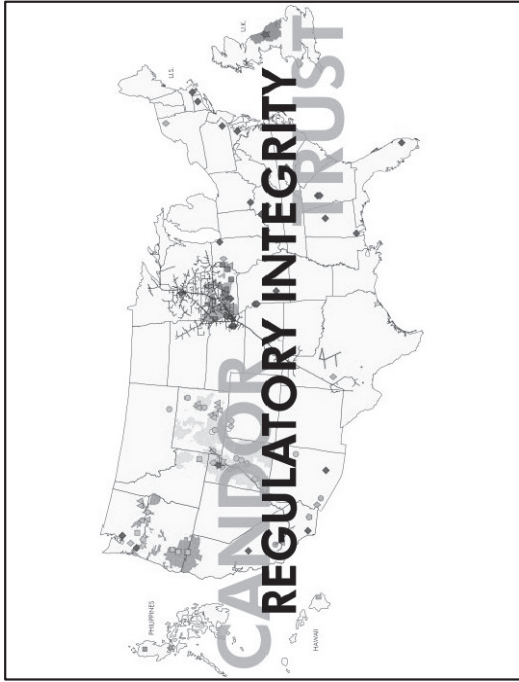
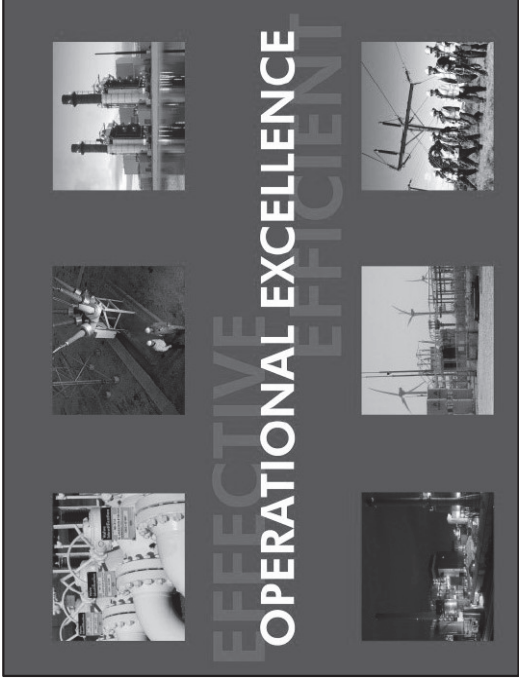
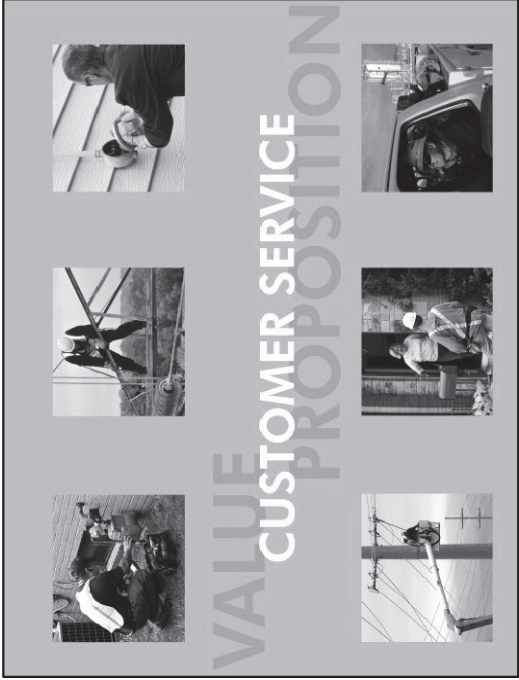
REDACTED PUBLIC VERSION

Northern Nevada Power Price Forecast (dollars per MWh)

— April 2023 Forecast - On-Peak — April 2023 Forecast - Off-Peak
- - Approved (February 2023) - On-Peak - - Approved (February 2023) - Off-Peak



Delivery Month



Risk Committee

Risk Management and Control Policy Update

April 19, 2023

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Overview

1. Seeking approval of changes to the existing **Risk Management and Control Policy**. Current version was approved on December 14, 2022.
2. Recommending changes to voting members titles.

Risk Management and Control Policy Updates

- Change the voting members titles as follows:
 - Senior Vice President, Chief Financial Officer & Treasurer
 - Changed to Vice President, Chief Financial Officer
 - Assistant Treasurer
 - Changed to Treasurer
- The title changes do not impact the number of voting members on the Committee, which currently sits at 14.

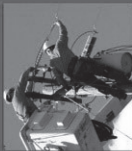
Recommendation

- Approve recommended changes to the **Risk Management and Control Policy** as presented.





EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT

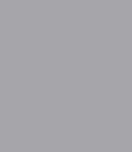
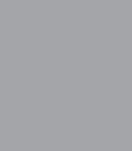
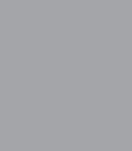








OWNERSHIP

Risk Committee

Risk Control Report

Risk Control Report

- Information-only presentation
- Reporting period is for March 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 March 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 A-

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 677-Transactions NV Energy North 324-Transactions Total 1,001-Transactions ¹ Largest Transaction \$14M Index Based Gas Deal	●
	≤\$5.0M	Manager, Market Operations and 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 –7-month index-based price gas deal
(Conoco) April 1, 2024 – October 31, 2024)



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	1,760.0	(1,960.1)	●	(251.8)	51.7	●
NV Energy North	Jan 23-Dec 23	50	CEO	493.0	(619.6)	●	(122.0)	(4.7)	●
NV Energy LDC	Jan 23-Dec 23	10	CEO	142.8	(150.8)	●	(10.7)	2.6	●

Revenues estimated using the following projected BTER rates:

Entity	4/1/2023	7/1/2023	10/1/2023	1/1/2024
NVE-S Residential	\$0.08415	\$0.10232	\$0.09755	\$0.08418
NVE-S Non-residential	\$0.07960	\$0.10250	\$0.09781	\$0.08718
NVE-N	\$0.07341	\$0.07456	\$0.06929	\$0.06198
NVE-N LDC	\$0.72690	\$0.90186	\$0.85160	\$0.82632

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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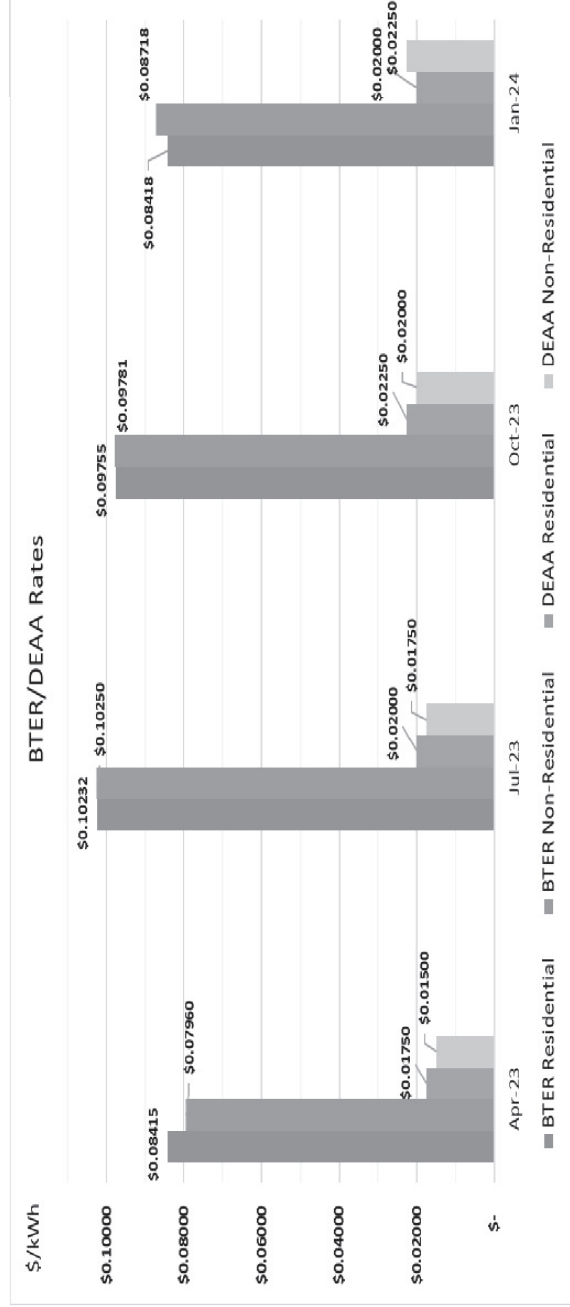
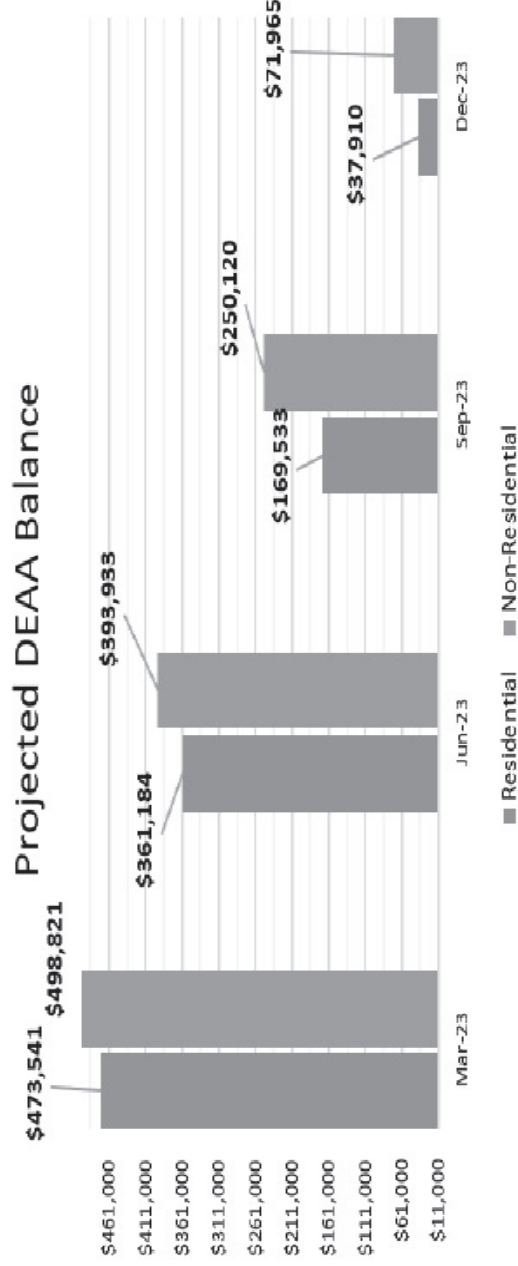
Portfolio Notification Thresholds

Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,760.0	212.0	●
NV Energy North	60	493.0	65.6	●
NV Energy LDC	20	142.8	59.6	●

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

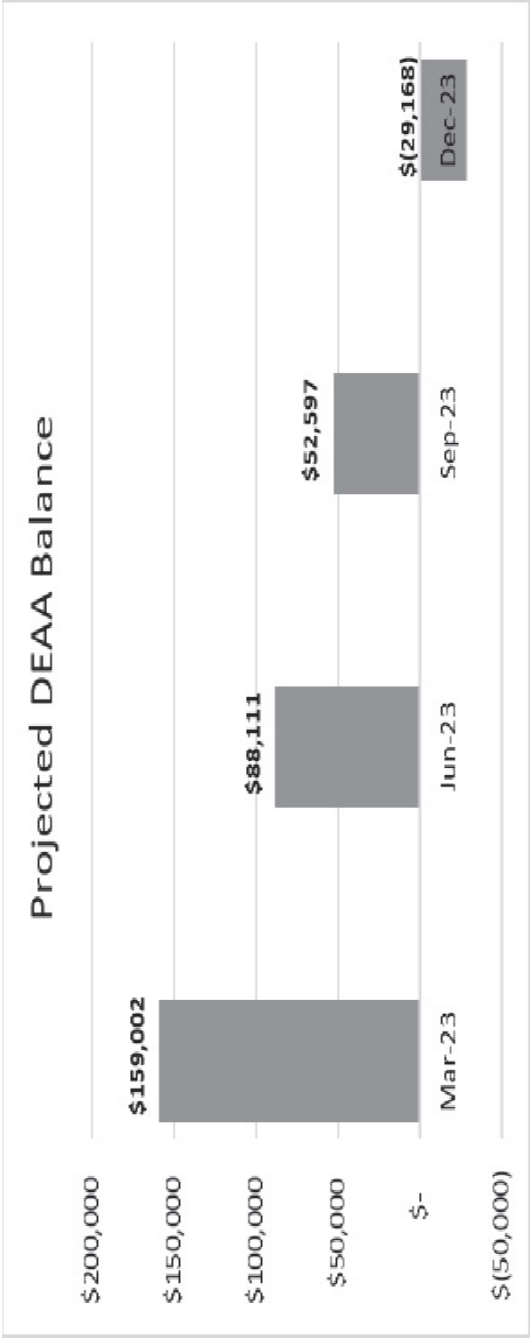
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Negative = over collection
Positive = under collection

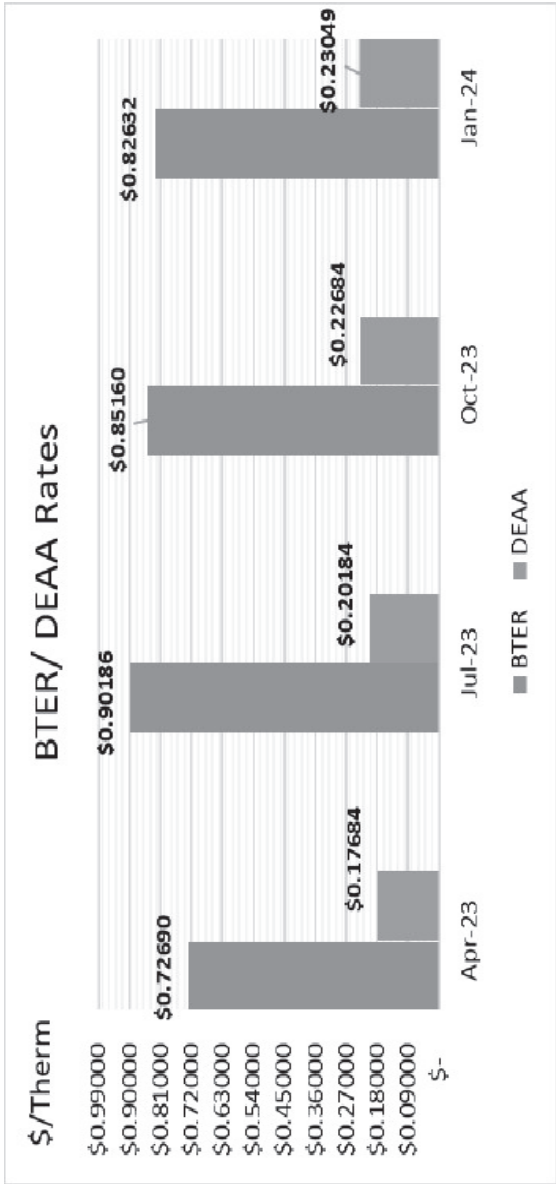
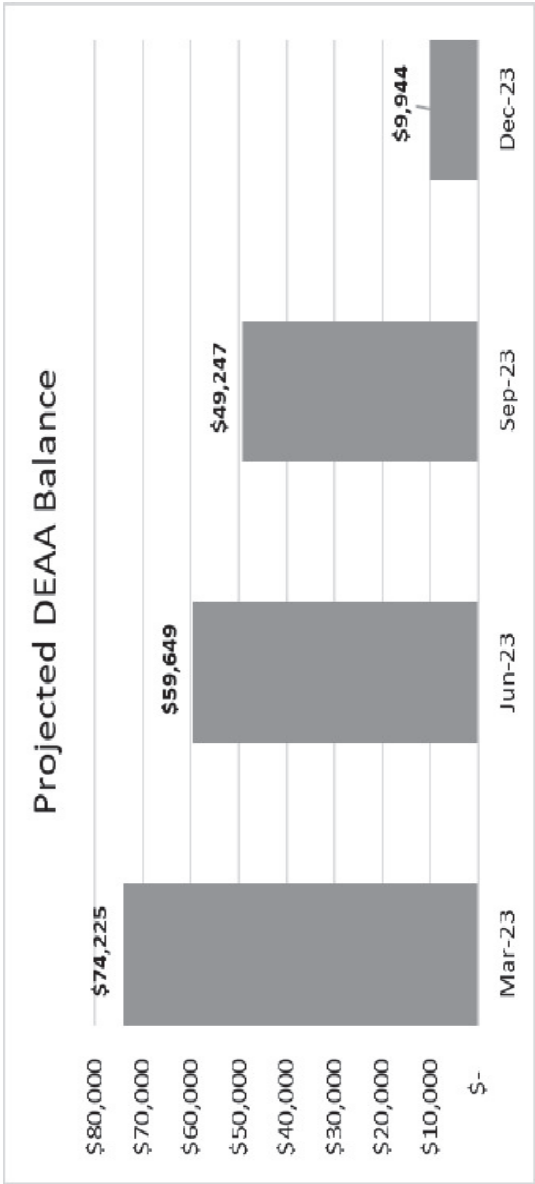
Base Tariff Energy Rates and DEAA Balances – SPPC Electric

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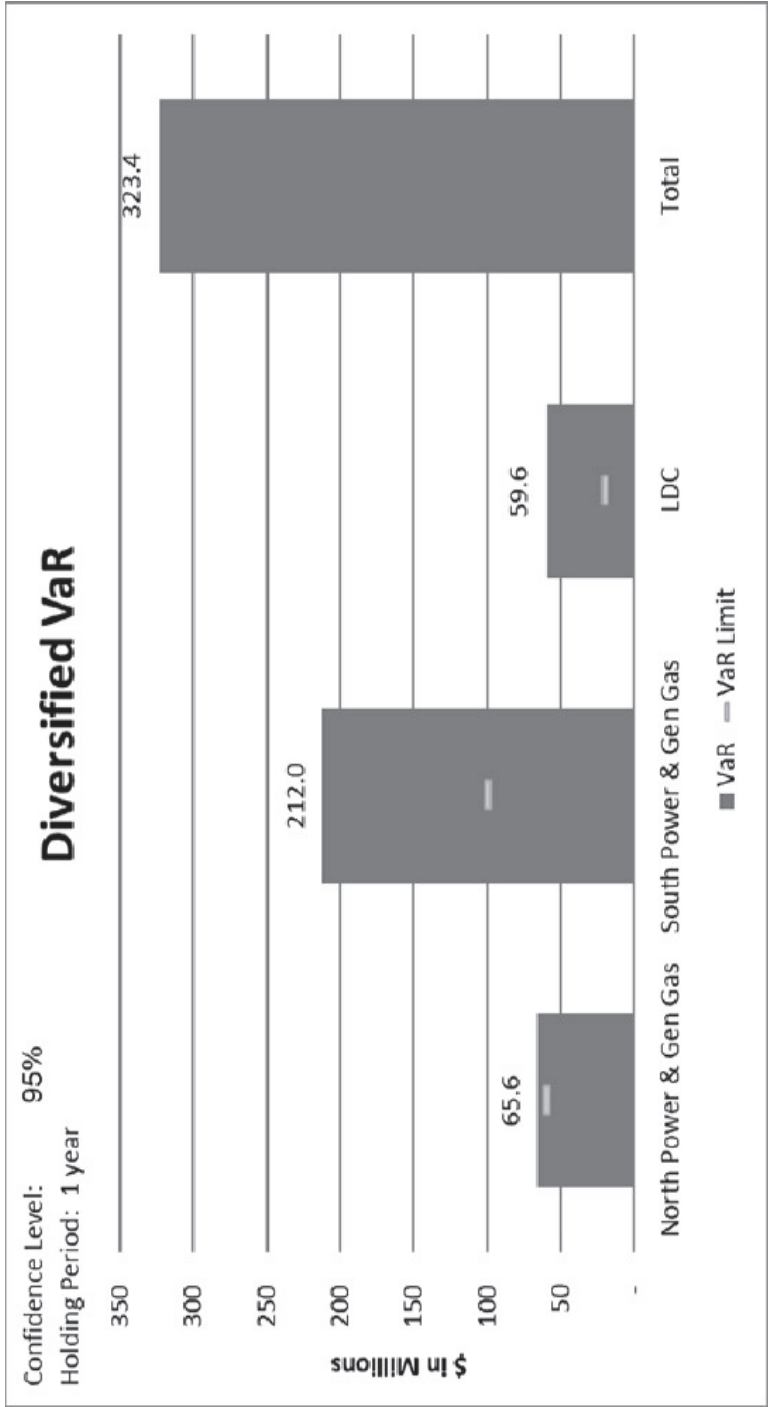


Base Tariff Energy Rates and DEAA Balances – SPPC LDC

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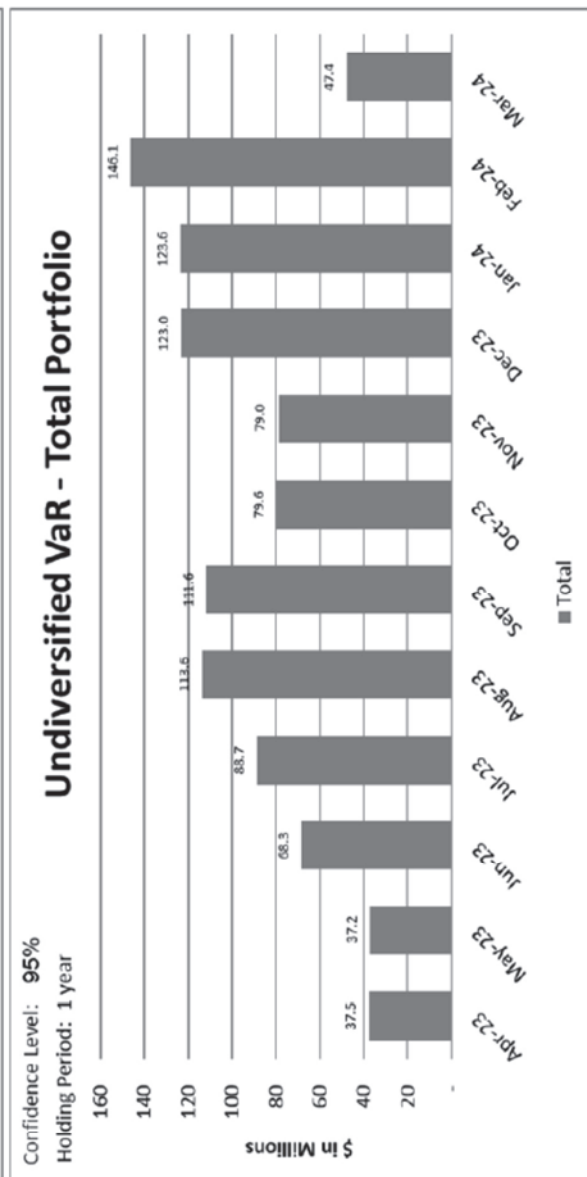
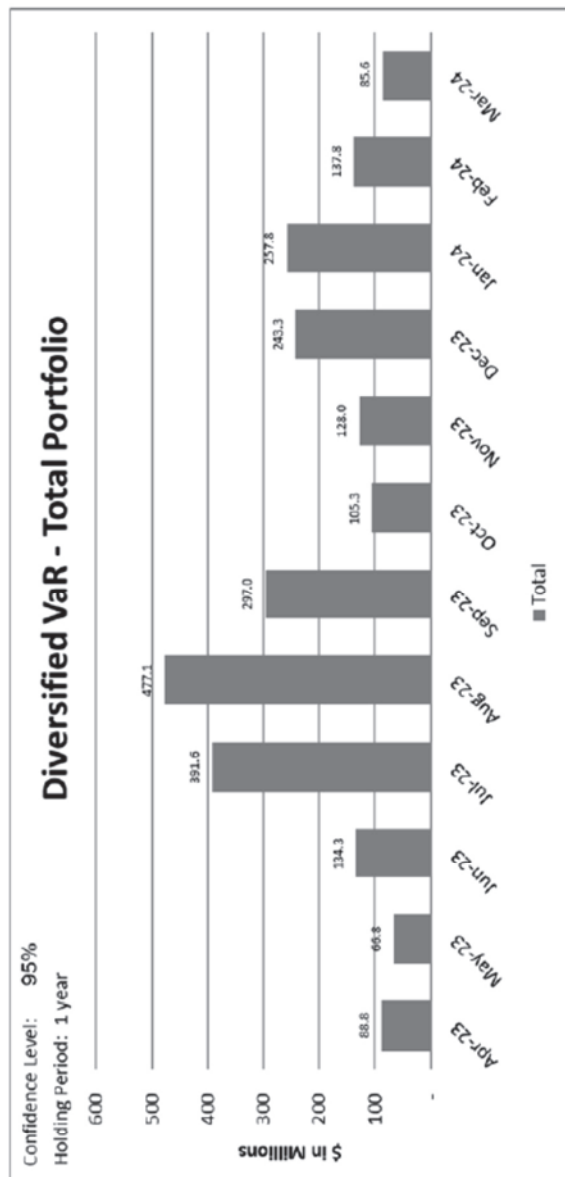
Portfolio Value-at-Risk Charts



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 March "A-"	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 March	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.

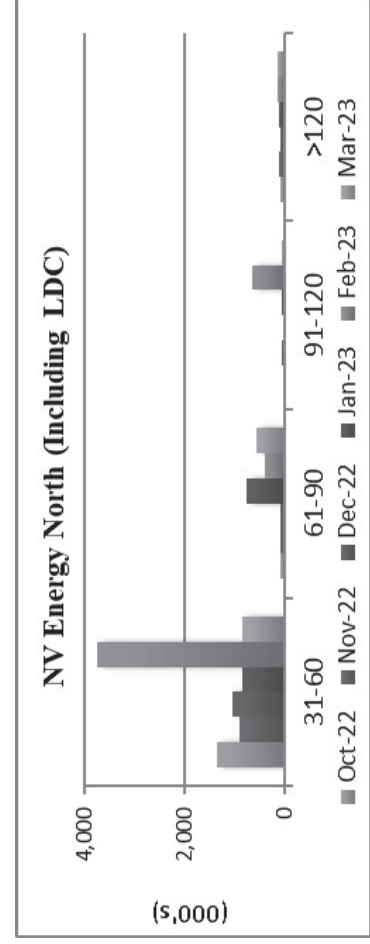
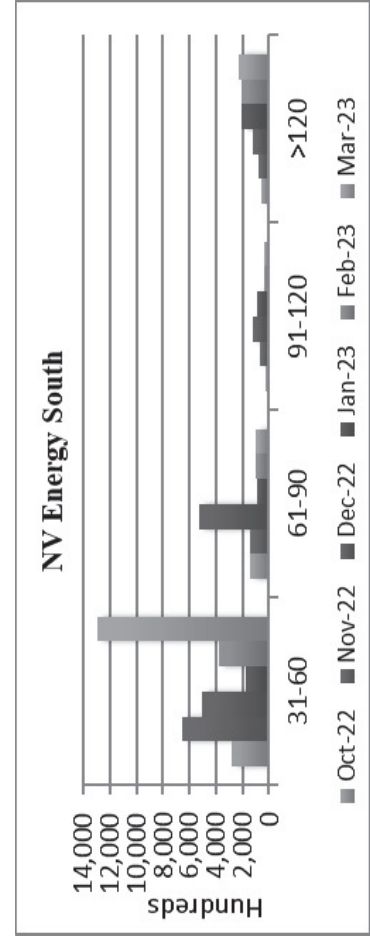
Counterparty Notification Threshold for Large Transactions

Company	Actuals	Notification Threshold		Status
NV Energy	Two 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	

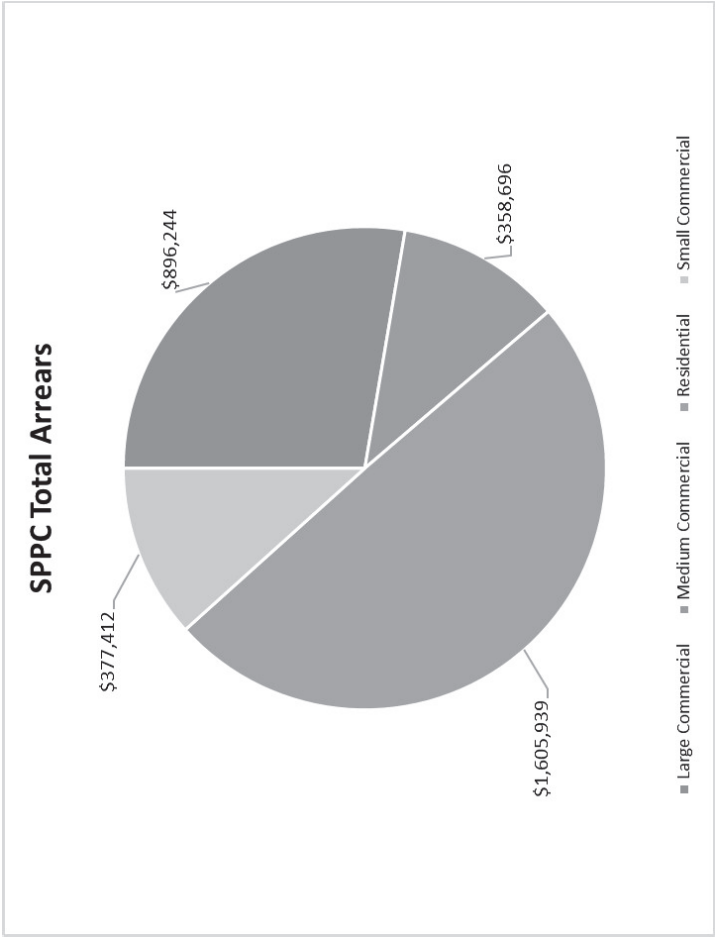
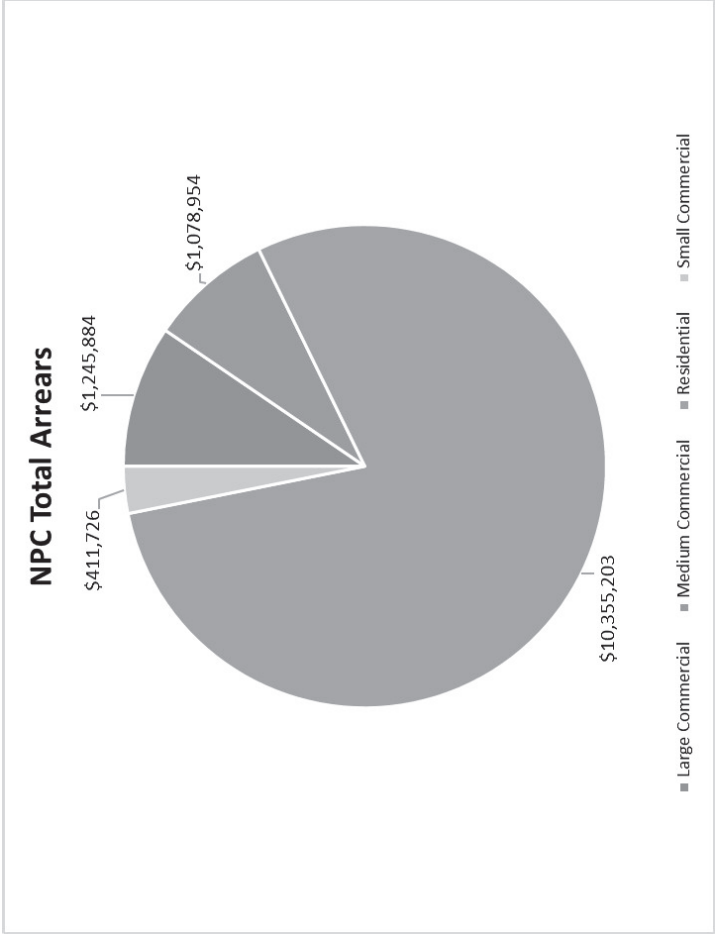
●	Notification Not Required	●	Near Notification Threshold	●	Notification Required
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Medium-Large Major Commercial Customers Arrears Balance

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	22-Sep	529.95	229,403.8	0.231%	210.5
	22-Oct	949.47	236,540.8	0.401%	420.2
	22-Nov	1,299.28	248,108.7	0.524%	420.2
	22-Dec	571.45	261,578.8	0.218%	281.3
	23-Feb	738.39	272,408.8	0.271%	219.0
NV Energy North/LDC	23-Mar	1,649.91	280,906.3	0.587%	1168.5
	22-Oct	1,545.64	54,615.2	2.830%	325.5
	22-Nov	1,108.17	52,492.6	2.111%	216.2
	22-Dec	1,222.45	57,817.9	2.114%	752.2
	23-Jan	1,736.46	69,586.1	2.495%	1028.5
	23-Feb	4,907.73	66,672.6	7.361%	3011.8
	23-Mar	1,584.44	68,225.1	2.322%	417.8



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 3/31/23



Recommendations and Corrective Action

- No corrective action is necessary at this time

MAY

Risk Committee
Wednesday, May 17, 2023
9:00 a.m. - 10:00 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	9:00	9:10	Introduction and approval of Risk Committee Meeting Minutes for April 19, 2023	Approval	Adrian Cacuci
2	0:25	9:10	9:35	Energy Supply Plan Update	Approval	Sophia Hickly

**Risk Committee Meeting
Wednesday, May 17, 2023
9:00 a.m. – 10:00 a.m.**

Voting Members in Attendance:

Michael Behrens, Vice President, Chief Financial Officer
Antoine Tilmon, Vice President, Customer Operations
Jesse Murray, Vice President, Electric Delivery
Matthew Johns, Vice President, Environmental Services & Land Management
Jason Hammons, Vice President, Generation
Marie Steele, Vice President, Integrated Energy Services
Ryan Atkins, Vice President, Resource Optimization
Adrian Cacuci, Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Brandon Barkhuff, Joshua Langdon, Michael Johns, Zeina Randall, Jimmy Daghlain

(Attendance constitutes a quorum)

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

Presenters: Sophia Hickly (Item 2)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee April 19, 2023, meeting minutes

Attachments: April 19, 2023, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from the April 19, 2023

Discussion: The Committee reviewed and discussed the meeting minutes for April 19, 2023

Voting Results: Motion: Jason Hammons
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. Also, recommending changes to the 2023 and 2024 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and were informed of additional term purchase of 50 MW's for August 2023 and the load forecast was changed back to the 3rd IRP A-load forecast, which was approved in May 2022. The in-service date of Clark Peaker and Sun Peak has been updated. Also, the Hoover capacity forecast has been updated and Valmy I is capable to generate at 42.5 MW's at a minimum as opposed to 90 MW's, which will help for the goal conservation. With the changes presented the new open positions are 49 MW's for June 2023 and 32 MW's for September 2023. The 2024 open positions have been reduced from July through September. Gas prices (Malin) continue to drop for both North and South for this coming summer and for the next three seasons. It should be noted that we are outside of the tolerance for July and August due to the additional term purchases. In regard to coal, we currently have 16 burns days left. A question was posed regarding the delivery of coal, and it was noted that one of the mines we are working with are able to front load much of our deliveries and are scheduled to get the first delivery from a new mine by end of month. The inventory is trending in the right direction which will give us a good cushion should we need to run the units in the July, August, or September to manage any heat event. So, at this point there is no real concern in using the units during the summer.

Committee Action: The Committee approved the recommended no changes to the physical gas volumes for both NV Energy North and South.

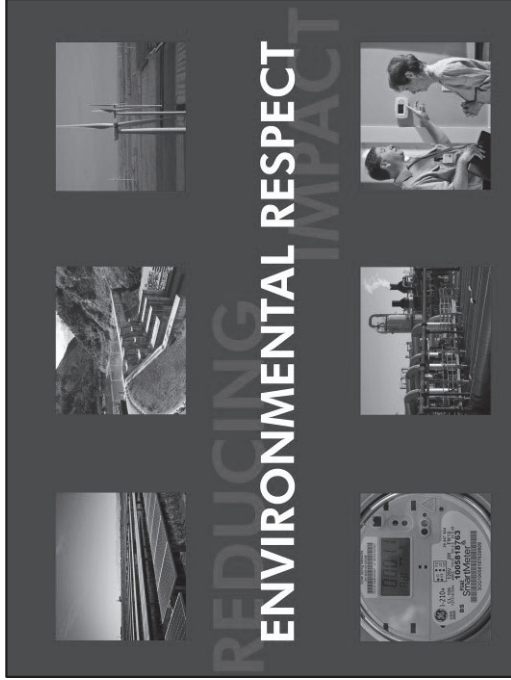
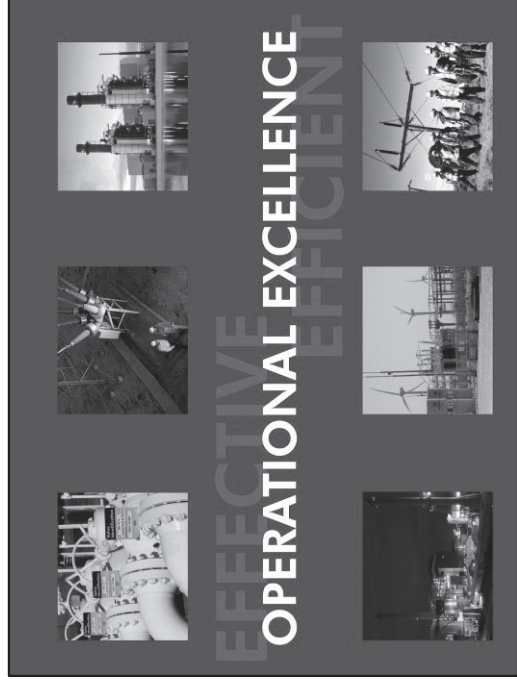
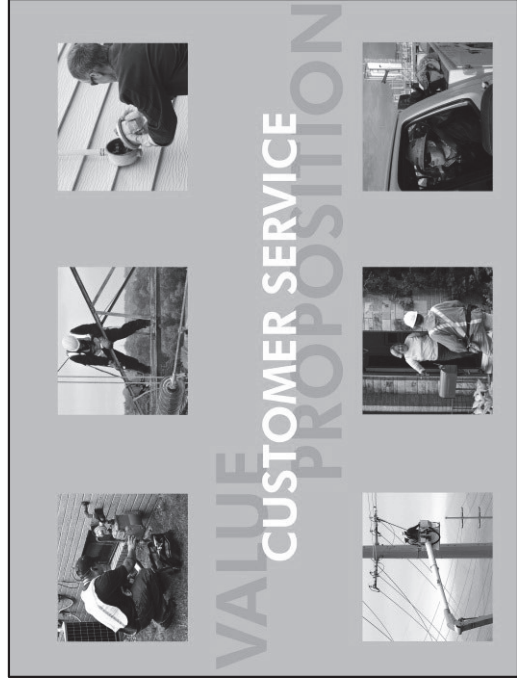
Voting Results: Motion: Antoine Tilmon
Second: Marie Steele
Motion Approved Unanimously

Committee Action: The Committee approved the recommended changes to the 2023 and 2024 open capacity positions.

Voting Results: Motion: Jesse Murray
Second: Jason Hammons
Motion Approved Unanimously

Additional Comments:

Response to a question from last month as to our comfortability on where the Company is at on procuring more resources in comparison to what we seen last September with the extreme heat. The Resource Optimization group did some research and determined that if they were to procure resources now the cost would be around \$15M whereas if they waited later to buy additional supply for the short term over a three day event the cost would be about \$7M. Also, the West is in a better shape in regard to resources this year from last year. The recommendation would be that it is not required for the Company to procure above what our open positions currently shows.



Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

May 17, 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 February 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 third quarter of 2023, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of April 30, 2023.

2023	June	July	August	September
RFP	1355 MW	1605 MW	1680 MW	675 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1629 MW	1879 MW	1954 MW	949 MW

2024	June	July	August	September
RFP	75 MW	75 MW	75 MW	0 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	243 MW	243 MW	243 MW	168 MW

- b) Slide 6 reflects the Unit Characteristics Table updated on February 1, 2023
- c) Slide 6 reflects the inclusion of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, Silverhawk peaking units and the extension of Saguaro and NCA 1 and 2.
- d) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.
- e) Slide 6 reflects a 16% Planning Reserve Margin (“PRM”) and 90 MW OATT reserve.
- f) Slide 6 reflects the removal of Hot Pot and Iron Point, and the delay of Southern Bighorn Solar, Chuckwalla, and Boulder Solar III.
- g) Slide 6 reflects updated in-service dates of upgrades on Clark Peak and Sunpeaks.
- h) Slide 6 reflects Hoover capacity update.
- i) Slide 6 reflects the 3rd IRPA Load Forecast approved in May 2022.
- j) Slide 6 reflects the following assumptions for Valmy 1 and 2:
- To conserve coal pile, Valmy 1 is only available for July through September for the remaining years and will retire on 12/31/2025, except that it will be must run for voltage support during Valmy 2 and Newmont coal plant maintenance outages
- Valmy 2 on RMR (reliability must run) economic dispatch above minimum load status from 2/1/2022 through 12/31/2025, its retirement date.
- Valmy 1 minimum is lowered to 42.5 MW and Valmy 2 minimum is lowered to 55 MW for coal conservation.

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 Winter 2024-2025 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 2023 and 2024 (Table on slide 6)

- The table shows 49 MW open position for June 2023 and 32MW for September 2023.
- The table shows 835 MW open position for July 2024

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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-23	Jul-23	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,612	5,759	5,978	5,304	5,734	5,832	5,976	5,330
Net Peak Forecast-SPPC	1,684	1,696	1,768	1,373	1,790	1,863	1,943	1,612
Reserves (16%)NPC	898	921	957	849	917	933	956	853
Reserves (16%)SPPC	269	271	283	220	286	298	311	258
Required NVE	8,463	8,647	8,987	7,746	8,727	8,926	9,186	8,053
Available NPC	6,434	6,624	6,804	6,001	5,925	6,371	6,479	6,325
Available SPPC	1,980	2,040	2,188	1,712	1,694	1,691	1,820	1,578
Available NVE	8,414	8,664	8,992	7,713	7,619	8,062	8,298	7,902
Long/(Open) - NPC	(-) 76	(-) 56	(-) 131	(-) 152	(-) 726	(-) 394	(-) 454	141
Long/(Open) - SPPC	27	73	137	119	(-) 382	(-) 470	(-) 434	(-) 292
Long/(Open) - NVE	(-) 49	17	6	(-) 32	(-) 1,108	(-) 864	(-) 888	(-) 150

3rd IRPA Load Forecast	52	80	79	0
Hoover Capacity Update	(46)	(26)	(19)	(39)
Sunpeak Upgrades	(21)	(21)	(21)	0
Clark Peaker Upgrades	(40)	(40)	(20)	0
Term Purchases			50	
April Open Positions	6	24	(63)	7
May Open Positions	(49)	17	6	(32)

3rd IRPA Load Forecast	70	101	100	178
Hoover Capacity Update	(71)	(28)	(24)	(44)
April Open Positions	(1,107)	(936)	(963)	(284)
May Open Positions	(1,108)	(864)	(888)	(150)

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Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2022 3rd IRPA Load Forecasts approved on May 18, 2022. It included the stipulated load forecasts filed in September 2022, Docket 22-09006.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of June through October 2023, Nevada Power is outside the targeted bandwidth for August. Sierra (gas) is outside the targeted bandwidth for July.

Nevada Power

Updates to Forecasts and Procurement

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

Remarks			
2023 3rd IRPA Forecast			
Load Forecast		Change In Prices Since Gas Volumes Were Approved in February 2023	Change In Prices From Prior Month
Gas Price Forecast (SoCal)	Summer 2023	(-) 12%	(-) 8%
	Winter 2023 - 2024	(-) 11%	(-) 16%
	Summer 2024	(-) 2%	(-) 4%
	Winter 2024 - 2025	3%	(-) 10%
Power Price Forecast (Mead)	Summer 2023	7%	(-) 4%
	Winter 2023 - 2024	2%	(-) 12%
	Summer 2024	7%	(-) 9%
	Winter 2024 - 2025	8%	(-) 6%
Plant Maintenance / Outages	Updated as of the end of April 2023		

Forecast Results

Natural Gas Burns	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	Change in Volumes Since Approved in February 2023 (-) 5% (-) 1% 4% (-) 4%	Change In Volumes From Prior Month (-) 20% (-) 4% 0% (-) 11%
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Sierra

Updates to Forecasts and Procurement

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

	Remarks		
Electric Load Forecast	2023 3rd IRPA Forecast		
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast		
Gas Price Forecast (Malin)		Change In Prices Since Gas Volumes Were Approved in February 2023	Change In Prices From Prior Month
	Summer 2023	(-) 9%	(-) 7%
	Winter 2023 - 2024	(-) 11%	(-) 19%
	Summer 2024	(-) 2%	(-) 2%
	Winter 2024 - 2025	(-) 3%	(-) 10%
Plant Maintenance / Outages	Updated as of the end of April 2023		

Forecast Results

	Change in Volumes Since Approved in February 2023	Change In Volumes From Prior Month
Natural Gas Burns	(-) 10%	(-) 29%
	(-) 3%	2%
	(-) 5%	(-) 3%
	(-) 2%	(-) 1%

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Nevada Power Daily Physical Gas Requirements (MMBtu/day)

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2023												
1 Approved (Rounded to thousands)						333,000	407,000	378,000	339,000	328,000	294,000	346,000
2 Risk Committee Approval Date						Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
3 Current Procured Volumes						332,500	407,000	378,000	338,500	328,000	220,000	259,500
4 Current Target Procurement Level						100%	100%	100%	100%	100%	75%	75%
5 Current Projection (April 2023 Risk Run)						313,573	391,400	345,224	337,116	315,149	291,068	336,685
6												
7 Variance						18,927	15,600	32,776	1,384	12,851	2,932	9,315
8												
2024												
10												
11 Approved (Rounded to thousands)						346,000	434,000	393,000	334,000	304,000	276,000	335,000
12 Risk Committee Approval Date						Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
13 Current Procured Volumes						173,000	217,000	196,500	166,500	151,500	68,500	83,500
14 Current Target Procurement Level						50%	50%	50%	50%	50%	25%	25%
15 Current Projection (April 2023 Risk Run)						337,324	469,570	432,006	377,817	313,767	273,020	324,907
16												
17 Variance (Approved - Current)						8,676	(-) 35,570	(-) 39,006	(-) 43,817	(-) 9,767	2,980	10,093
18												
2025												
20												
21 Approved (Rounded to thousands)						331,000	283,000	260,000				
22 Risk Committee Approval Date						Feb 2023	Feb 2023	Feb 2023				
23 Current Procured Volumes						80,000	69,000	59,500				
24 Current Target Procurement Level						25%	25%	25%				
25 Current Projection (April 2023 Risk Run)						311,393	273,898	237,151				
26												
27 Variance (Approved - Current)						19,607	9,102	22,849				

The variance within the current season (June through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

Variances outside the acceptable 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

Above volumes represent KERN River Pipeline delivered gas only.



Information contained in the report based on data as of April 30, 2023

Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
2023													
1 Approved (Rounded to thousands)						121,000	155,000	143,000	128,000	135,000	157,000	181,000	1
2 Risk Committee Approval Date						Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	2
3 Current Procured Volumes						120,500	155,000	142,500	128,000	135,000	117,000	135,500	3
4 Current Target Procurement Level						100%	100%	100%	100%	100%	75%	75%	4
5 Current Projection (April 2023 Risk Run)						106,525	132,705	128,728	120,940	128,133	153,371	182,623	5
6													6
7 Variance						13,975	22,295	13,772	7,060	6,867	3,629	(-) 1,623	7
8													8
2024													9
10													10
11 Approved (Rounded to thousands)						122,000	146,000	140,000	129,000	124,000	148,000	176,000	11
12 Risk Committee Approval Date						Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	12
13 Current Procured Volumes						61,000	72,500	70,000	64,000	62,000	36,500	43,500	13
14 Current Target Procurement Level						50%	50%	50%	50%	50%	25%	25%	14
15 Current Projection (April 2023 Risk Run)						106,617	150,276	144,536	132,268	108,591	143,028	176,816	15
16													16
17 Variance (Approved - Current)						15,383	(-) 4,276	(-) 4,536	(-) 3,268	15,409	4,972	(-) 816	17
18													18
2025													19
20													20
21 Approved (Rounded to thousands)													21
22 Risk Committee Approval Date						Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	22
23 Current Procured Volumes						43,000	43,000	37,500					23
24 Current Target Procurement Level						25%	25%	25%					24
25 Current Projection (April 2023 Risk Run)						173,382	170,565	146,341					25
26													26
27 Variance (Approved - Current)						1,618	3,435	8,659					27

The variance within the current season (June through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

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
- Front loading as many deliveries as possible before summer to ensure supply

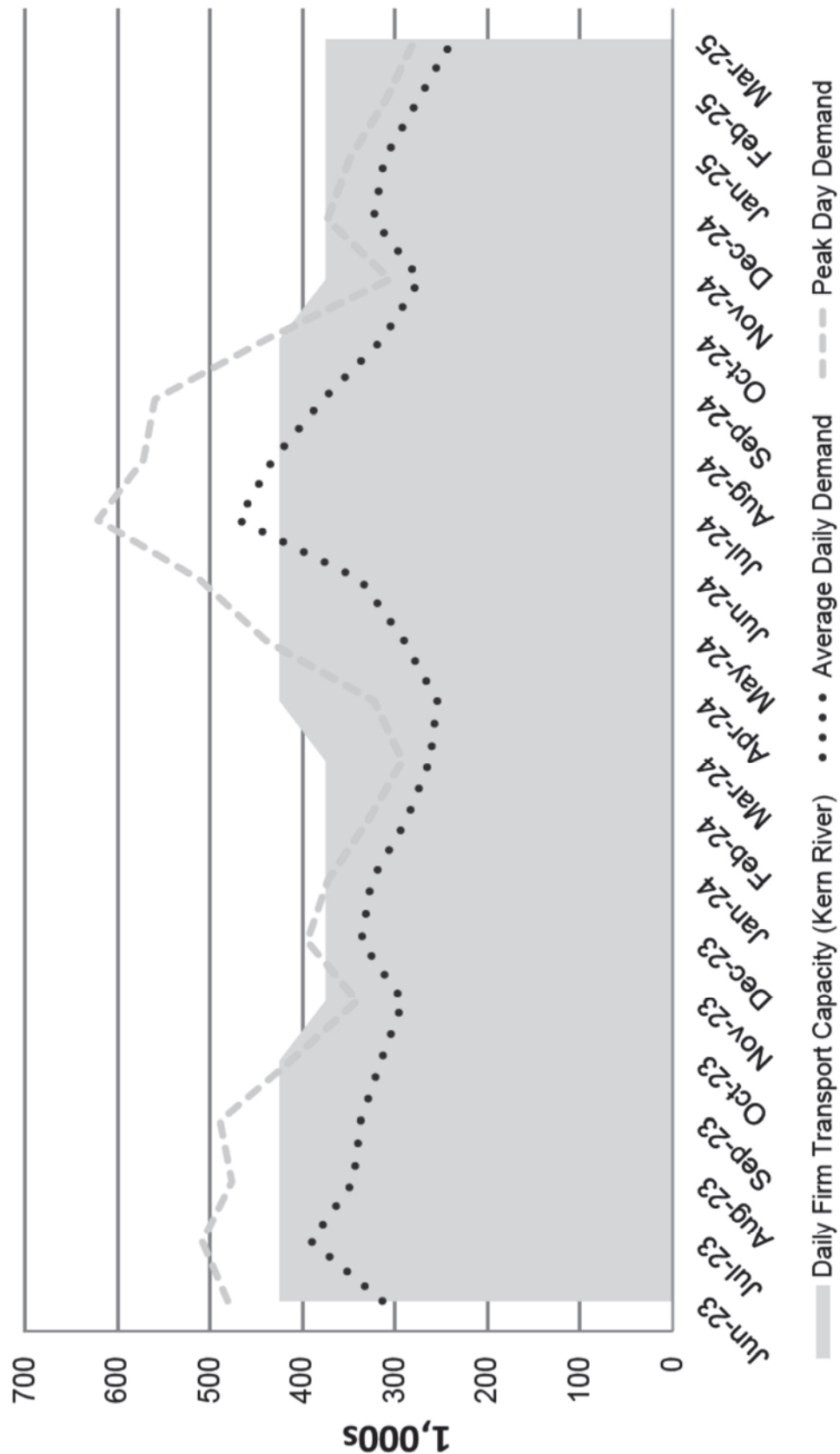
Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Apr 2023	47,294	16 days as of April 30, 2023 (Assumes daily burn of 3,000 tons ⁽¹⁾)
Mar 2023	72,232	
Feb 2023	123,940	
Jan 2023	132,898	

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

Technical Appendix

Nevada Power

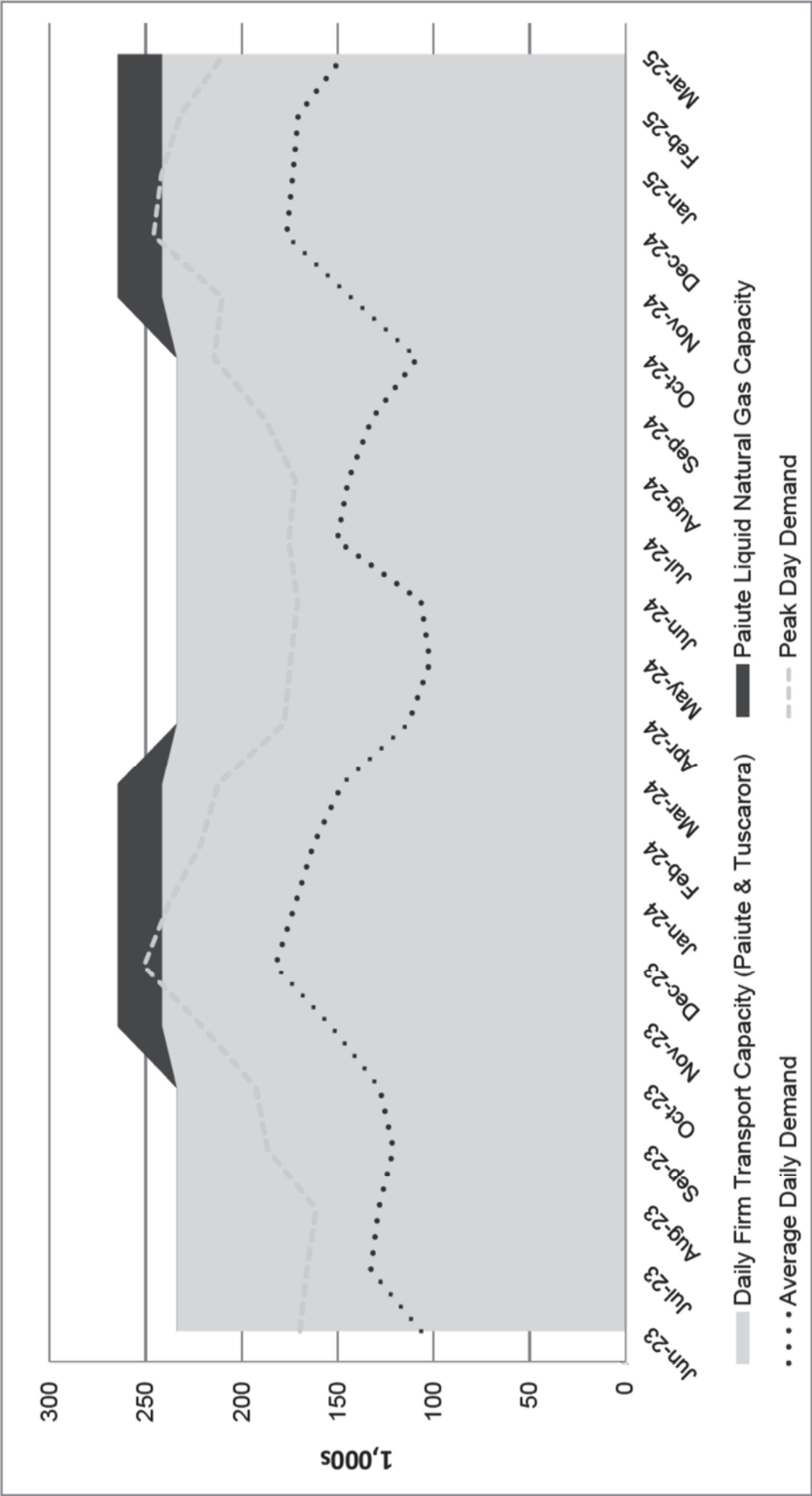
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



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)

— May-23 Forecast — Approved Feb-23



Delivery Month

Nevada Power Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- May 2023 Forecast - On-Peak
- - Approved (February 2023) - On-Peak
- May 2023 Forecast - Off-Peak
- - Approved (February 2023) - Off-Peak



Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— May-23 Forecast — Approved Feb-23



Delivery Month

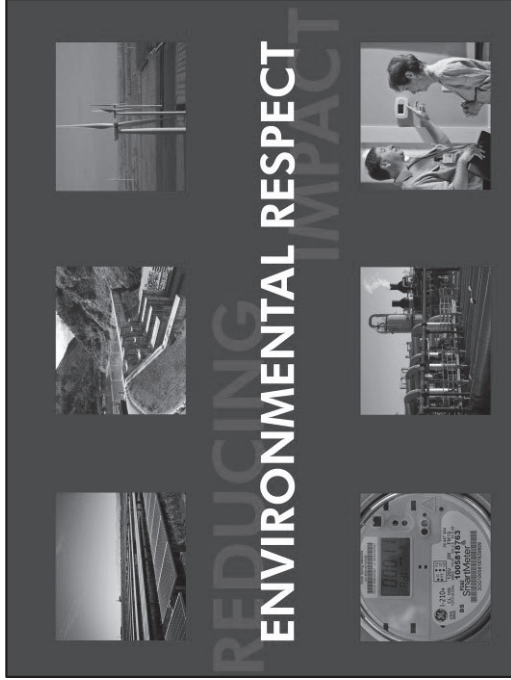
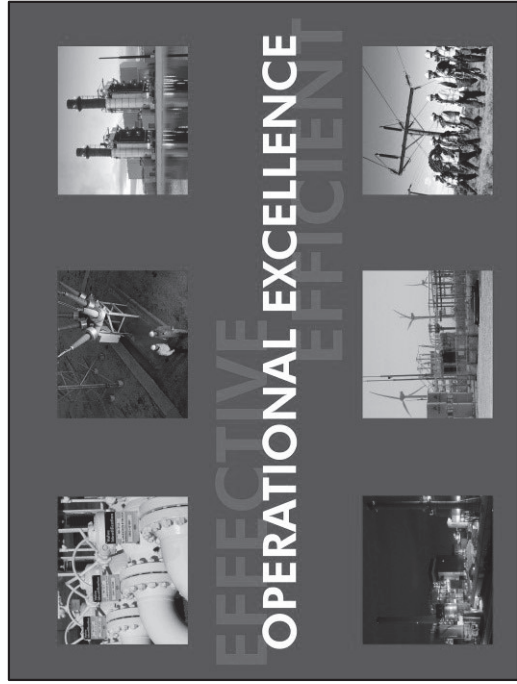
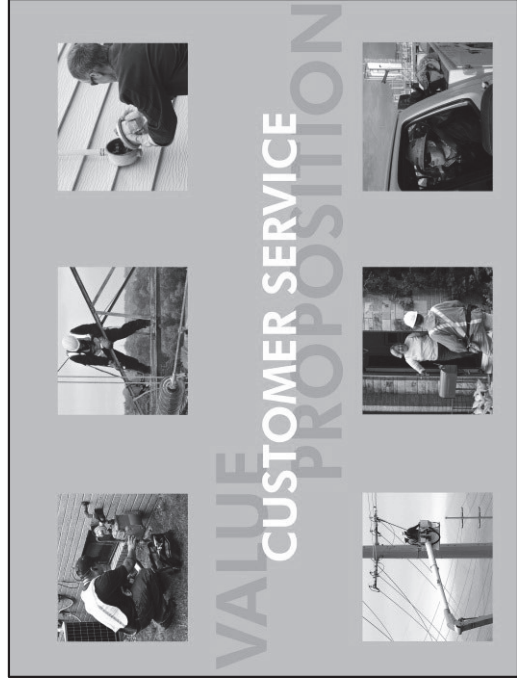
Sierra Power Price Forecasts

Northern Nevada Power Price Forecast (dollars per MWh)

- May 2023 Forecast - On-Peak
- - Approved (February 2023) - On-Peak
- May 2023 Forecast - Off-Peak
- - Approved (February 2023) - Off-Peak



Delivery Month



Risk Committee

Risk Control Report

May 17, 2023

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Risk Control Report

- Information-only presentation
- Reporting period is for April 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 April 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 A+

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 693-Transactions NV Energy North 255-Transactions Total 948-Transactions ¹ Largest Transaction \$433K Fixed Price Gas Deal	●
	≤\$5.0M	Manager, Market Operations and 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 –4-day fixed price gas deal (Suncor) April 7, 2023 – April 10, 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	1,796.2	(1,958.1)	(161.9)	●	(200.1)	38.2	●
NV Energy North	Jan 23- Dec 23	50	CEO	479.2	(618.2)	(139.0)	●	(126.7)	(12.3)	●
NV Energy LDC	Jan 23- Dec 23	10	CEO	139.3	(152.3)	(12.9)	●	(8.0)	(4.9)	●

Revenues estimated using the following projected BTER rates:

Entity	4/1/2023	7/1/2023	10/1/2023	1/1/2024
NVE-S Residential	\$0.08415	\$0.10232	\$0.09800	\$0.08740
NVE-S Non-residential	\$0.07960	\$0.10251	\$0.09647	\$0.08797
NVE-N	\$0.07341	\$0.07456	\$0.06873	\$0.06240
NVE-N LDC	\$0.72690	\$0.90186	\$0.84058	\$0.81393

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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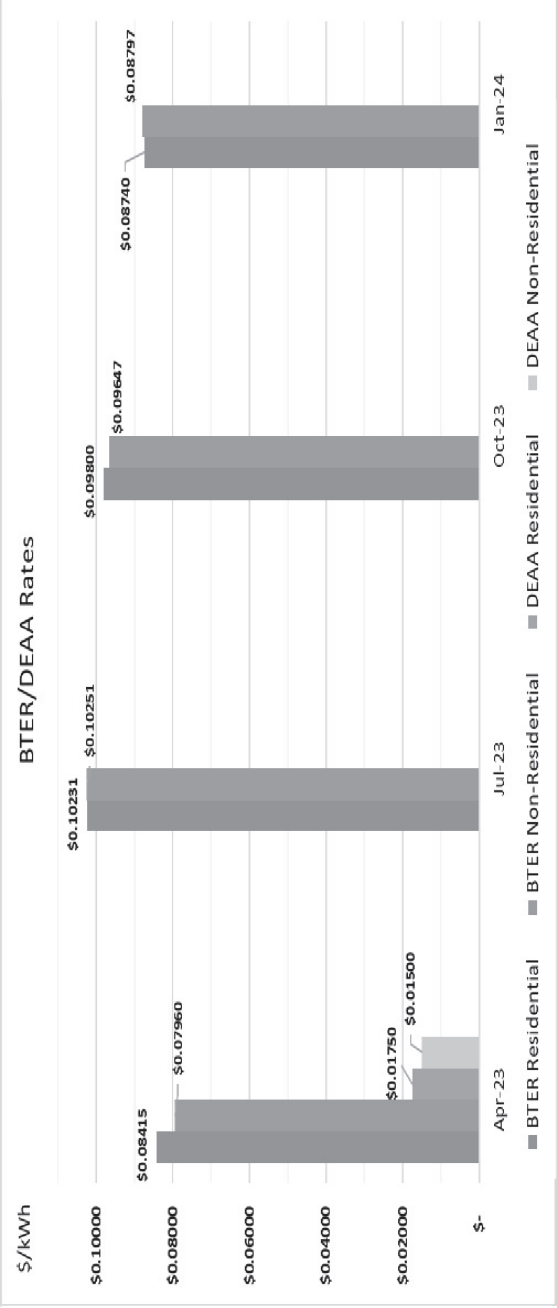
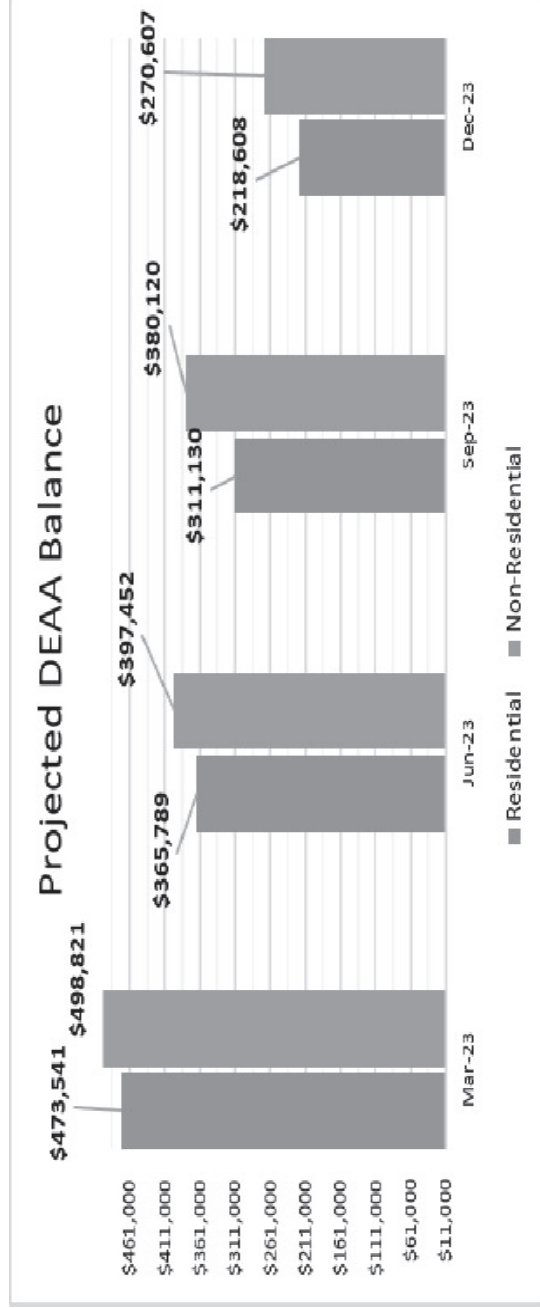
Portfolio Notification Thresholds

Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,796.2	207.0	
NV Energy North	60	479.2	66.5	
NV Energy LDC	20	139.3	93.0	

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

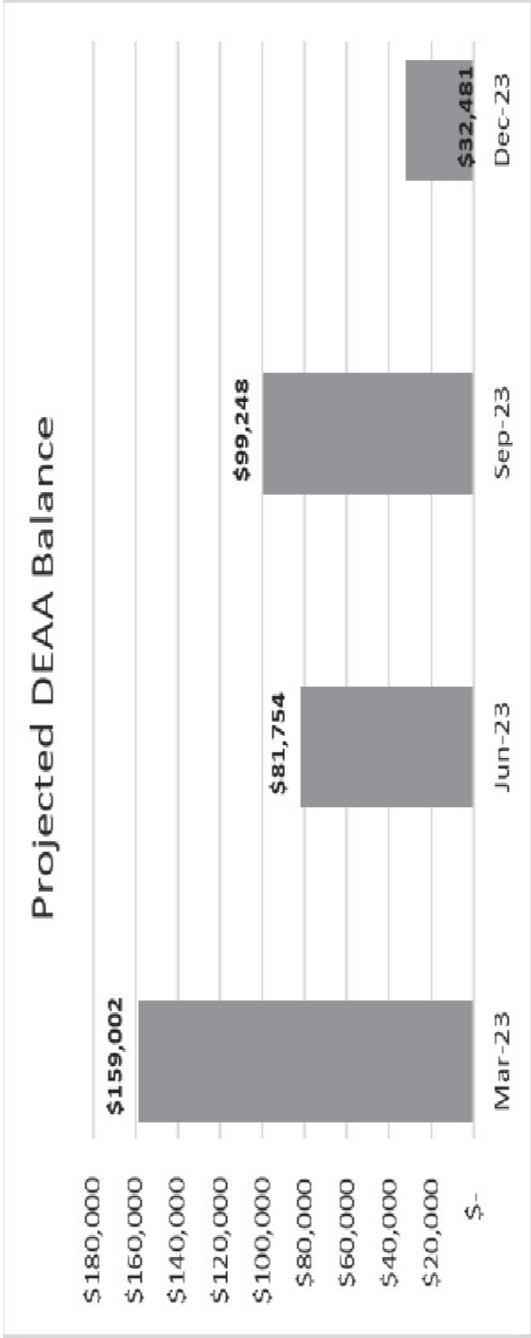
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Negative = over collection
Positive = under collection

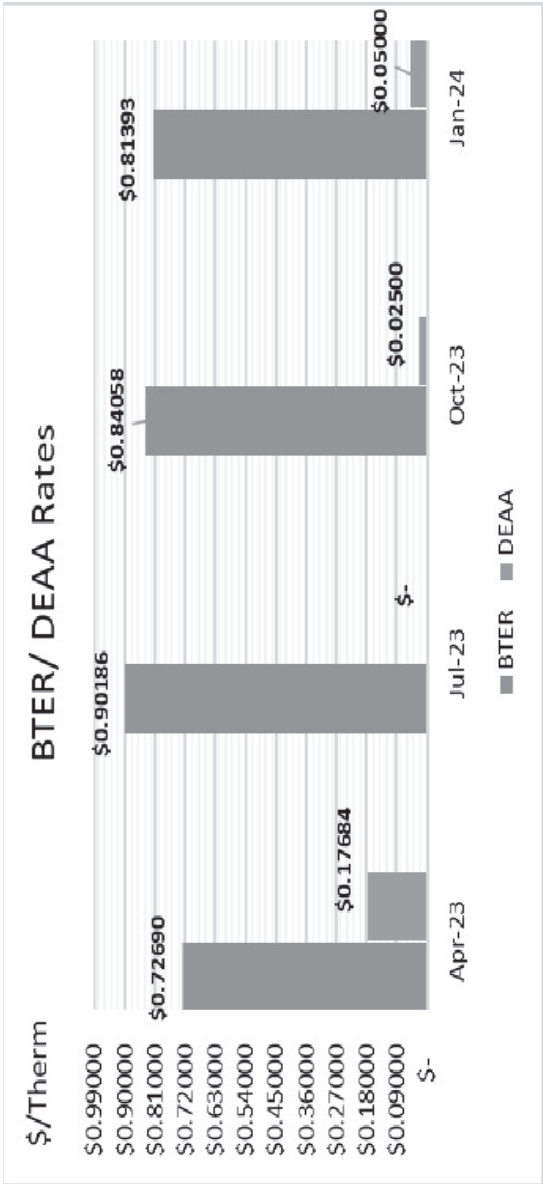
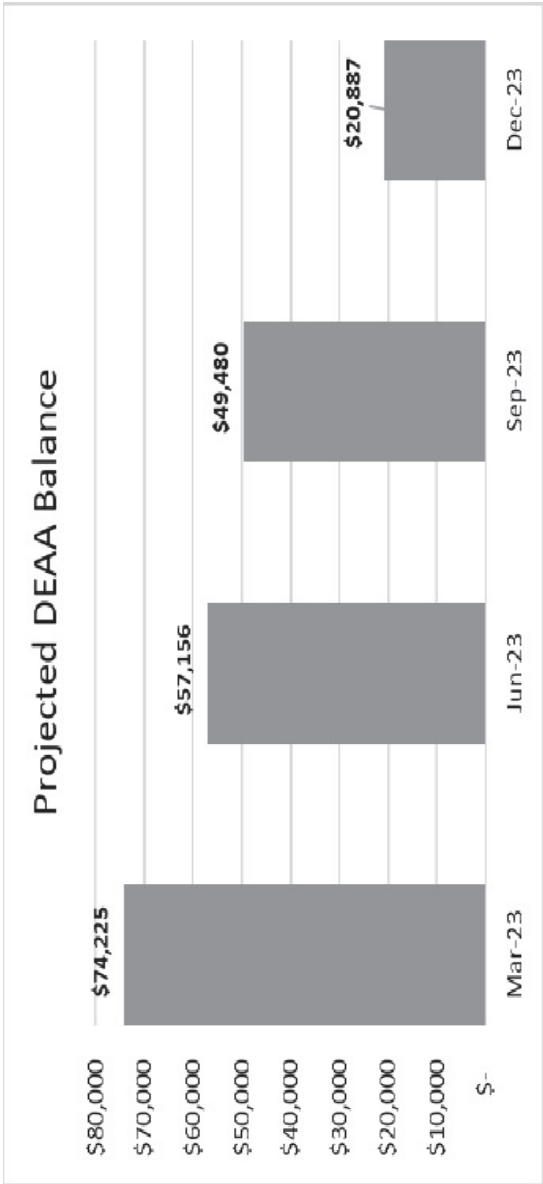
Base Tariff Energy Rates and DEAA Balances – SPPC Electric

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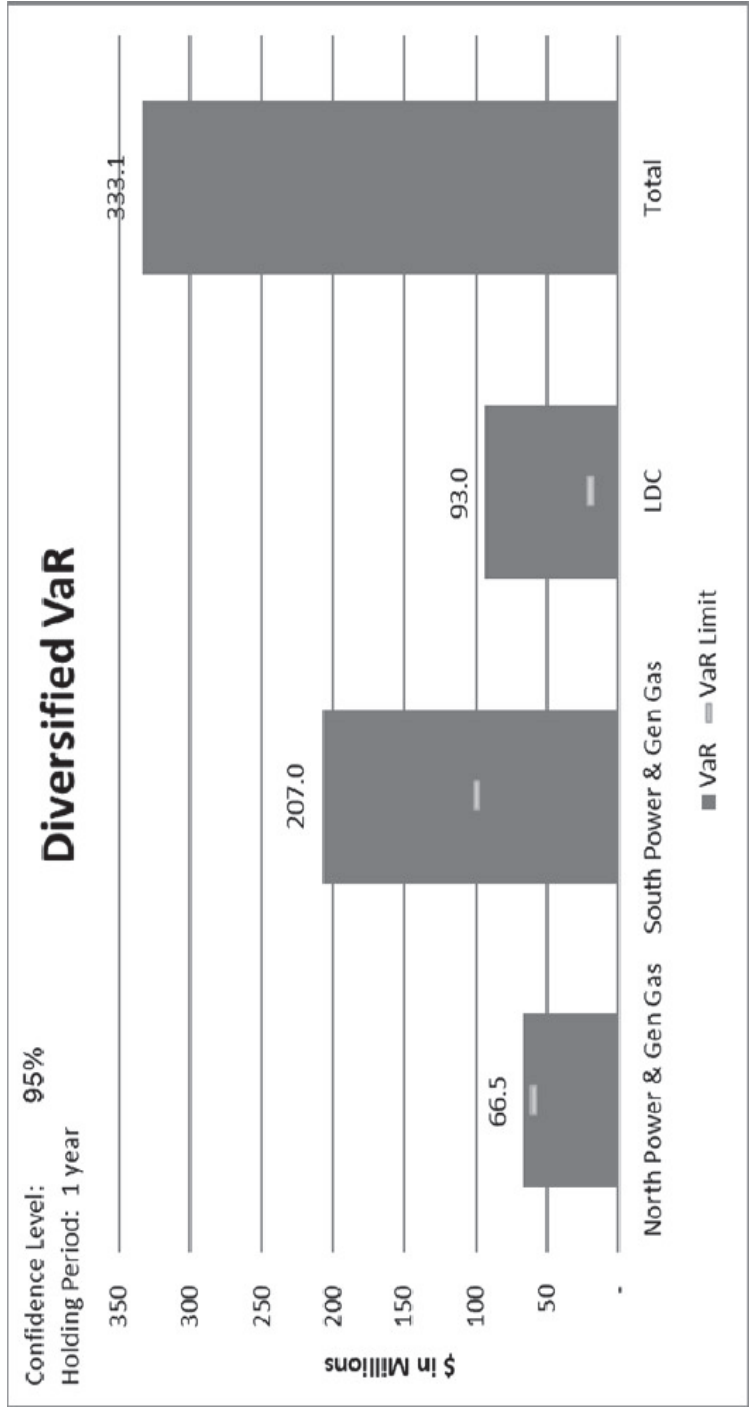


Base Tariff Energy Rates and DEAA Balances – SPPC LDC

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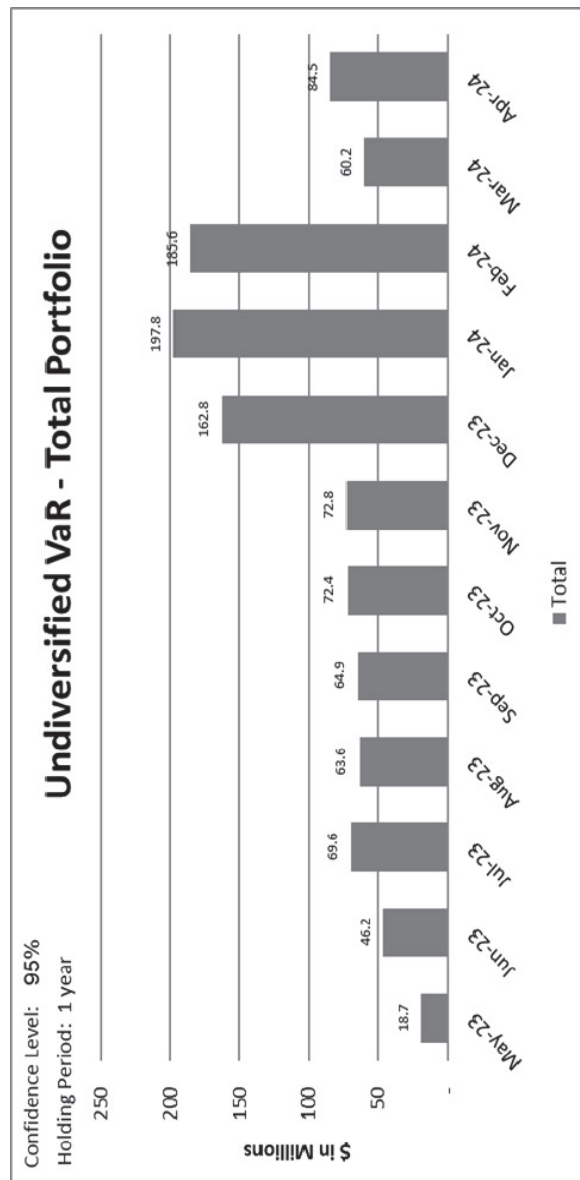
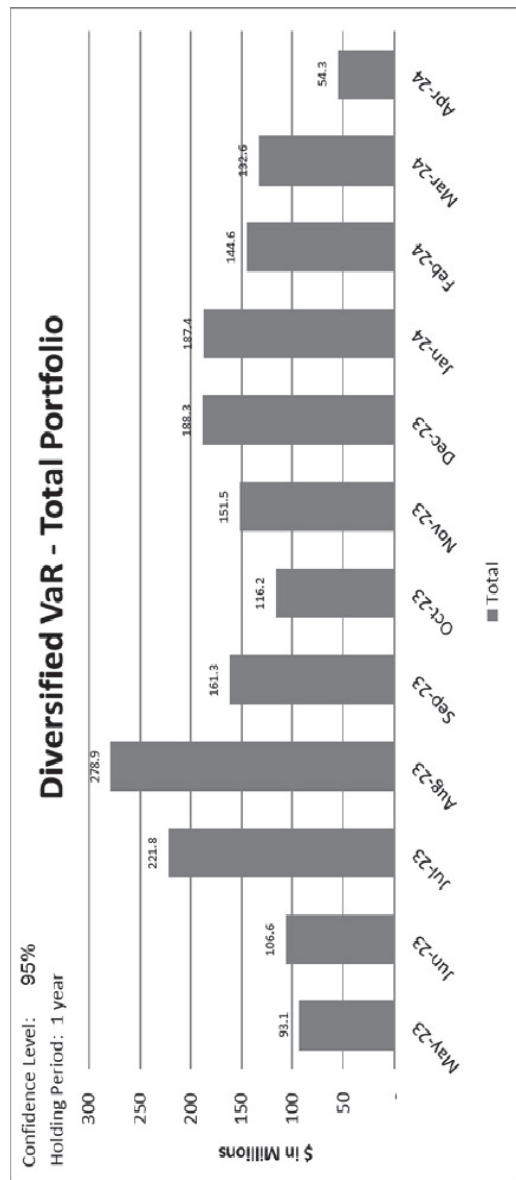
Portfolio Value-at-Risk Charts



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 April "A+"	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 April	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.

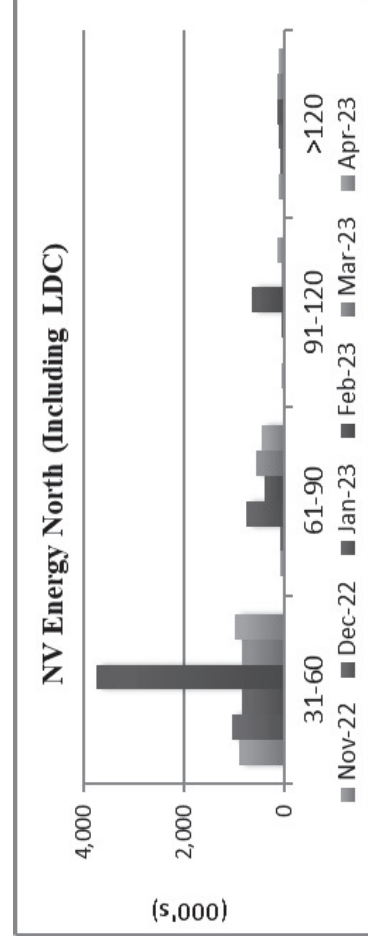
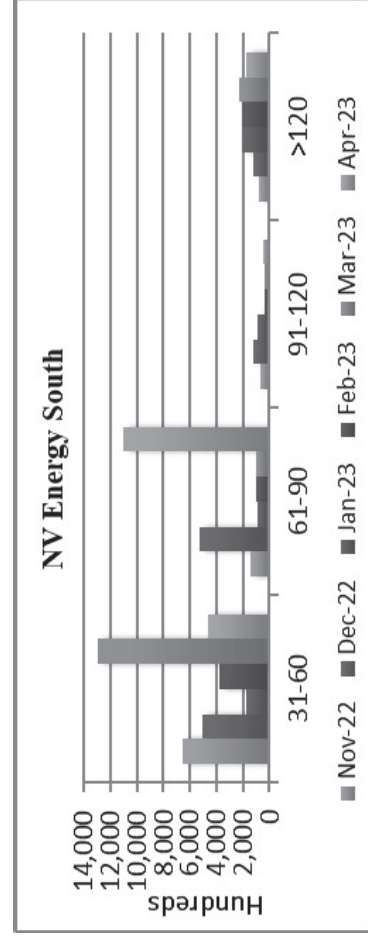
Counterparty Notification Threshold for Large Transactions

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

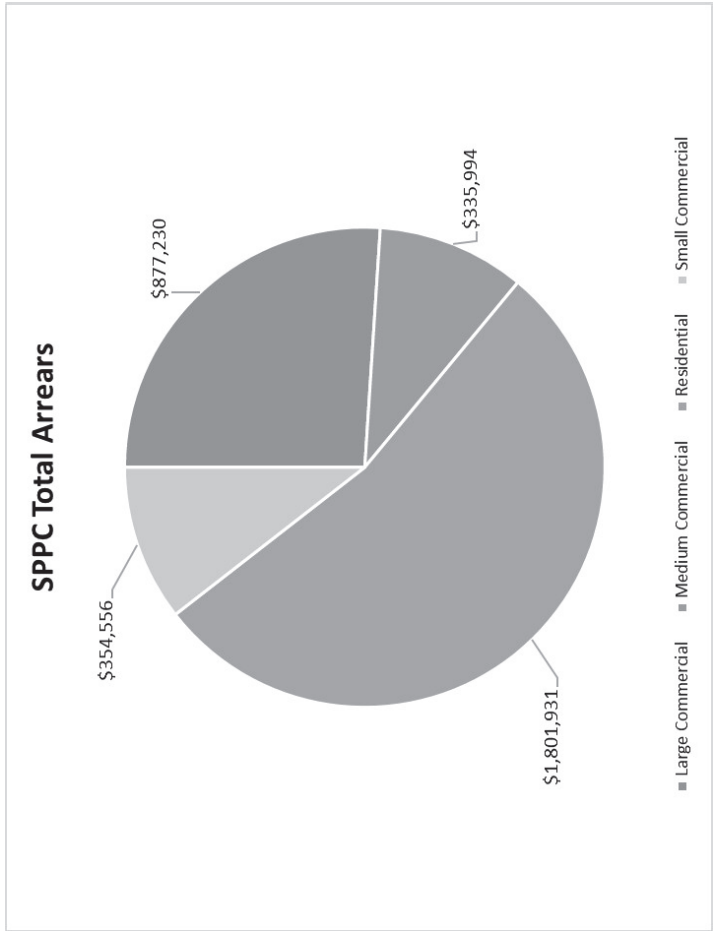
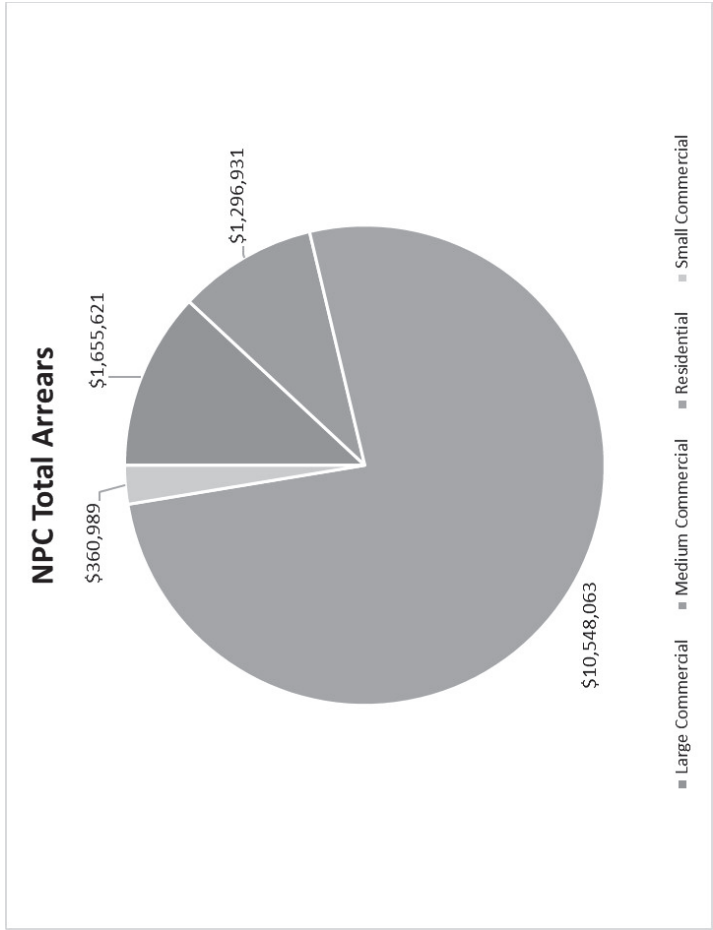
☒	Notification Not Required	☐	Near Notification Threshold	☒	Notification Required
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Medium-Large Major Commercial Customers Arrears Balance

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	22-Oct	949.47	236,540.8	0.401%	420.2
	22-Nov	1,299.28	248,108.7	0.524%	420.2
	22-Dec	571.45	261,578.8	0.218%	281.3
	23-Feb	738.39	272,408.8	0.271%	219.0
	23-Mar	1,649.91	280,906.3	0.587%	1168.5
	23-Apr	1,788.91	287,966.5	0.621%	1115.0
NV Energy North/LDC	22-Nov	1,108.17	52,492.6	2.111%	216.2
	22-Dec	1,222.45	57,817.9	2.114%	752.2
	23-Jan	1,736.46	69,586.1	2.495%	1028.5
	23-Feb	4,907.73	66,672.6	7.361%	3011.8
	23-Mar	1,584.44	68,225.1	2.322%	417.8
	23-Apr	1,674.63	66,134.6	2.532%	417.0



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 4/28/23



Recommendations and Corrective Action

- No corrective action is necessary at this time

JUNE

Risk Committee
Wednesday, June 21, 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 May 17, 2023	Approval	Adrian Cacuci
2	0:25	8:10	8:35	Energy Supply Plan Update	Approval	Sophia Hickly
3	0:20	8:35	8:55	Risk Control Report Summary (May 2023)	Information	Richard Kirkendoll

**Risk Committee Meeting
Wednesday, June 21, 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
Antoine Tilmon, Vice President, Customer Operations
Joshua Langdon, Vice President, Transmission
Matthew Johns, Vice President, Environmental Services & Land Management
Jason Hammons, Vice President, Generation
Janet Wells, Vice President, Regulatory
Ryan Atkins, Vice President, Resource Optimization
Adrian Cacuci, Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Michael Behrens, Marie Steele, Zeina Randall, Jesse Murray, Jimmy Daghlion

(Attendance constitutes a quorum)

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

Presenters: Sophia Hickly (Item 2), Richard Kirkendoll (Items 3)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee May 17, 2023, meeting minutes

Attachments: May 17, 2023, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from the May 17, 2023

Discussion: The Committee reviewed and discussed the meeting minutes for May 17, 2023

Voting Results: Motion: Antoine Tilmon
Second: Josh Langdon
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. Also, recommending changes to the 2023 and 2024 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and were informed of additional purchase of 50 MW's for June and September of 2023 to fully close the 2023 open positions. There is a must run on Valmy I from October 2023 to March 2024 which lowered our gas burn protection, this is reliant ability restriction. For the north, our 2023 open positions were closed, and 2024 open positions are up to 933 MW's, also an additional term purchase of 175 MW's from June 2023 through August 2024 was acquired. Gas prices at SoCal and Malin show no significant changes in prices for the summer and following three seasons for the South. For the North there is a variance on the gas burn from October through January 2024 due to must run on Valmy I. The question was posed as to Valmy II being in a must run as well, and the response was that Valmy II is in must run for economic status until the unit is retired. Another question was posed as to any alternatives considering the coal situation and the response was that running Valmy is considered the alternative at this time, but if we were forced to find something we would look at the coal mines and put together a PPA to purchase their output.

Coal inventory shows that as of May 31st we have 32 burn days left. In regard to the gas hedging workshop, received some strong deliveries from BNSF and Union Pacific which have our inventory close to 150,000. We are looking to build upon this inventory to support the reliability needs in the future. There has been record production in gas along with mild condition and demand. Spot gas for the NYMEX and west is pretty low as well as the forward curve pricing.

A question was posed as to whether or not the gas burn numbers were in relation to the additional units coming on line and the response was that it is included in the modeling input. Also a few renewable projects are dedicated to some large customer loads.

Committee Action: The Committee approved the recommended no changes to the physical gas volumes for both NV Energy North and South.

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

Committee Action: The Committee approved the recommended changes to the 2023 and 2024 open capacity positions.

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

Committee Action: The Committee approved the recommendation to maintain the current no hedge strategy and not physically hedge natural gas portfolio for the norther and southern Nevada service territories.

Voting Results: Motion: Jason Hammons
Second: Ryan Atkins
Motion Approved Unanimously

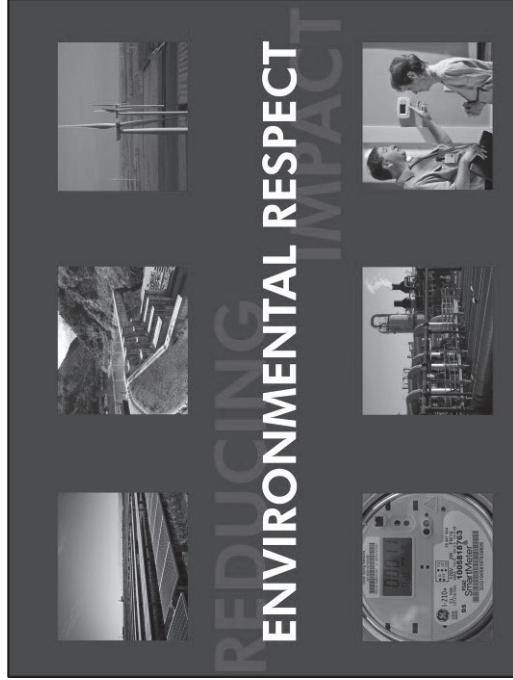
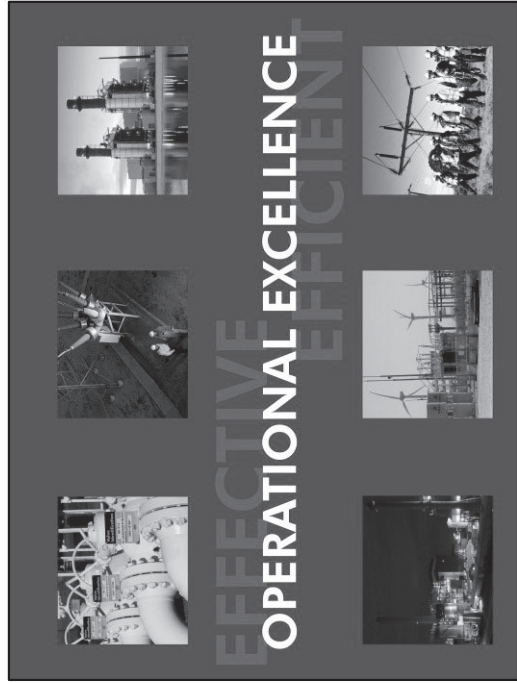
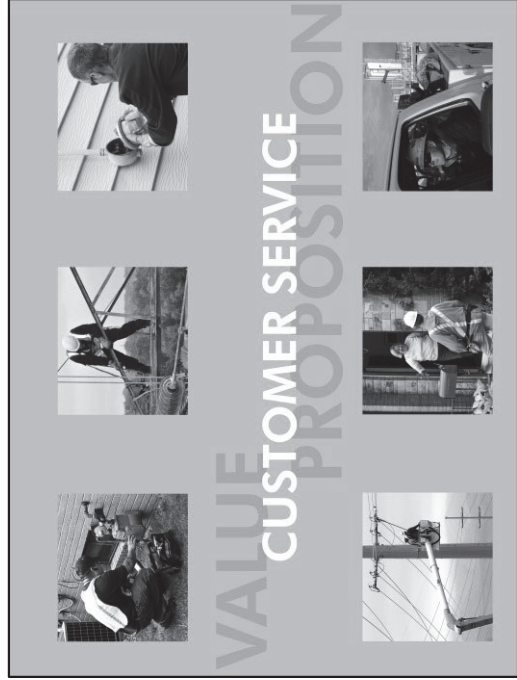
Item 3 Risk Control Report

Attachments: Risk Control Report - Presentation

Overview: Review of credit and market risk thresholds for the month of May 2023.

Discussion: The Committee was informed that no counterparty exceeded its credit limit during the month of May. The cumulative mark-to-base figures were below the notification thresholds, and the Value-at-Risk was above the notification threshold. No forward power sales were transacted on, but the Company continues to transact forward purchases

Committee Action: Information only



Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

June 21, 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 February 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 third quarter of 2023, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of April 30, 2023.

2023	June	July	August	September
RFP	1355 MW	1605 MW	1680 MW	675 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1629 MW	1879 MW	1954 MW	949 MW

2024	June	July	August	September
RFP	75 MW	75 MW	75 MW	0 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	243 MW	243 MW	243 MW	168 MW

- b) Slide 6 reflects the Unit Characteristics Table (starts cost based) updated on May 19, 2023

- c) Slide 6 reflects the inclusion of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, Silverhawk peaking units and the extension of Saguaro and NCA 1 and 2.

- d) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.

- e) Slide 6 reflects a 16% Planning Reserve Margin ("PRM") and 90 MW OATT reserve.

- f) Slide 6 reflects the removal of Hot Pot and Iron Point, and the delay of Southern Bighorn Solar, Chuckwalla, and Boulder Solar III.

- g) Slide 6 reflects updated in-service dates of upgrades on Clark Peakers and Sunpeaks.

- h) Slide 6 reflects Hoover capacity update.

- i) Slide 6 reflects the following assumptions for Valmy 1 and 2:

To conserve coal pile, Valmy 1 is only available for July through September for the remaining years and will retire on 12/31/2025, except that it will be must run for voltage support during Valmy 2 and Newmont coal plant maintenance outages
 Valmy 2 on RMR (reliability must run) economic dispatch above minimum load status from 2/1/2022 through 12/31/2025, its retirement date.
 Valmy 1 minimum is lowered to 42.5 MW and Valmy 2 minimum is lowered to 55 MW for coal conservation.

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 Winter 2024-2025 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 2023 and 2024 (Table on slide 6)

- The table shows 0 MW open position for all summer months in 2023.
- The table shows 689 MW open position for July 2024

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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Jun-23	Jul-23	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,612	5,759	5,978	5,304	5,734	5,832	5,976	5,330
Net Peak Forecast-SPPC	1,684	1,696	1,768	1,373	1,790	1,863	1,943	1,612
Reserves (16%)NPC	898	921	957	849	917	933	956	853
Reserves (16%)SPPC	269	271	283	220	286	298	311	258
Required NVE	8,463	8,647	8,987	7,746	8,727	8,926	9,186	8,053
Available NPC	6,471	6,624	6,804	6,039	6,057	6,502	6,610	6,325
Available SPPC	1,992	2,040	2,188	1,725	1,738	1,735	1,864	1,578
Available NVE	8,464	8,664	8,992	7,763	7,794	8,237	8,473	7,902
Long/(Open) - NPC	(-) 39	(-) 56	(-) 131	(-) 114	(-) 594	(-) 263	(-) 322	141
Long/(Open) - SPPC	39	73	137	132	(-) 339	(-) 426	(-) 390	(-) 292
Long/(Open) - NVE	1	17	6	18	(-) 933	(-) 689	(-) 713	(-) 150
Term Purchases	50	0	0	50	175	175	175	0
May Open Positions	(49)	17	6	(32)	(1,108)	(864)	(888)	(150)
June Open Positions	1	17	6	18	(933)	(689)	(713)	(150)

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2022 3rd IRPA Load Forecasts approved on May 18, 2022. It included the stipulated load forecasts filed in September 2022, Docket 22-09006.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of July through October 2023, Nevada Power is outside the targeted bandwidth for August and October. Sierra (gas) is within the targeted bandwidths.

Nevada Power

Updates to Forecasts and Procurement

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

Remarks			
Load Forecast	2023 3rd IRPA Forecast		
		Change In Prices Since Gas Volumes Were Approved in February 2023	Change In Prices From Prior Month
Gas Price Forecast (SoCal)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	(-) 11% (-) 13% (-) 2% (-) 2%	3% (-) 3% 0% (-) 5%
Power Price Forecast (Mead)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	2% (-) 3% 11% 2%	(-) 4% (-) 3% 0% (-) 3%
Plant Maintenance / Outages	Updated as of the end of May 2023		

Forecast Results		Change in Volumes Since Approved in February 2023	Change In Volumes From Prior Month
Natural Gas Burns	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	(-) 5% (-) 7% 4% (-) 8%	0% (-) 5% 0% (-) 4%

Sierra

Updates to Forecasts and Procurement

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

	Remarks	
Electric Load Forecast	2023 3rd IRPA Forecast	
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast	
Gas Price Forecast (Main)		Change In Prices Since Gas Volumes Were Approved in February
	Summer 2023	(-) 12%
	Winter 2023 - 2024	(-) 10%
	Summer 2024	(-) 5%
	Winter 2024 - 2025	(-) 7%
Plant Maintenance / Outages	Updated as of the end of May 2023	
		Change In Prices From Prior Month
		(-) 4%
		1%
		(-) 3%
		(-) 4%

Forecast Results

	Approved in February 2023	Change In Volumes From Prior Month
Natural Gas Burns	(-) 1%	9%
	2%	7%
	0%	5%
	(-) 1%	1%
	Summer 2023	
	Winter 2023 - 2024	
	Summer 2024	
	Winter 2024 - 2025	



The variance within the current season (July through October 2023) is derived by subtracting current projection from procured volumes
The variance beyond the current season is derived by subtracting current projection from approved volumes
Variances outside the acceptable 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
Above volumes represent KERN River Pipeline delivered gas only.

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 (May 2023 Risk Run)
6

7 Variance
8

2024

10 Approved (Rounded to thousands)
11 Risk Committee Approval Date
12 Current Procured Volumes
13 Current Target Procurement Level
14 Current Projection (May 2023 Risk Run)
15
16

17 Variance (Approved - Current)
18

2025

20 Approved (Rounded to thousands)
21 Risk Committee Approval Date
22 Current Procured Volumes
23 Current Target Procurement Level
24 Current Projection (May 2023 Risk Run)
25
26

27 Variance (Approved - Current)

The variance within the current season (July through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
1							155,000	143,000	128,000	135,000	157,000	181,000
2							Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
3							155,000	142,500	128,000	135,000	117,000	135,500
4							100%	100%	100%	100%	75%	75%
5							142,775	140,176	127,992	143,521	158,204	184,242
6												
7							12,225	2,324	8	(-) 8,521	(-) 1,204	(-) 3,242
8												
9												
10												
11							146,000	140,000	129,000	124,000	148,000	176,000
12							Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
13							72,500	70,000	64,000	62,000	36,500	43,500
14							50%	50%	50%	50%	25%	25%
15							154,553	149,631	137,398	121,278	149,839	184,106
16												
17							(-) 8,553	(-) 9,631	(-) 8,398	2,722	(-) 1,839	(-) 8,106
18												
19												
20												
21												
22												
23												
24												
25												
26												
27												

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
- Front loading as many deliveries as possible before summer to ensure supply

Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
May 2023	97,261	32 days as of May 31, 2023 (Assumes daily burn of 3,000 tons ⁽¹⁾)
Apr 2023	47,294	
Mar 2023	72,232	
Feb 2023	123,940	

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

Natural Gas

- ✓ EIA estimates U.S. dry natural gas production set a monthly record in April of 104 billion cubic feet per day (Bcf/d), up from 102 Bcf/d in March. The production record occurred despite natural gas prices that averaged below \$2.50 per million British thermal units (MMBtu) at the U.S. benchmark Henry Hub in March and April, about \$4.00/MMBtu less than the 2022 annual average.
- ✓ Production growth has been concentrated in two regions: the Haynesville region in northeastern Texas and northwestern Louisiana, and the Permian Basin in western Texas and southeastern New Mexico. Growth in the Haynesville region reflects the lagged effects of high natural gas prices in 2022 that increased drilling activity in the region. Growth in natural gas production in the Permian, because of which is mostly associated natural gas, has been driven by relatively high oil prices and increased oil production.
- ✓ EIA forecast dry natural gas production will remain close to record levels through much of the rest of the forecast period, averaging around 103 Bcf/d during the second half of 2023 and 2024. The flat production reflects reduced natural gas-directed drilling in response to the drop in natural gas prices this year being offset by increasing associated natural gas production in the Permian Basin.

Natural Gas

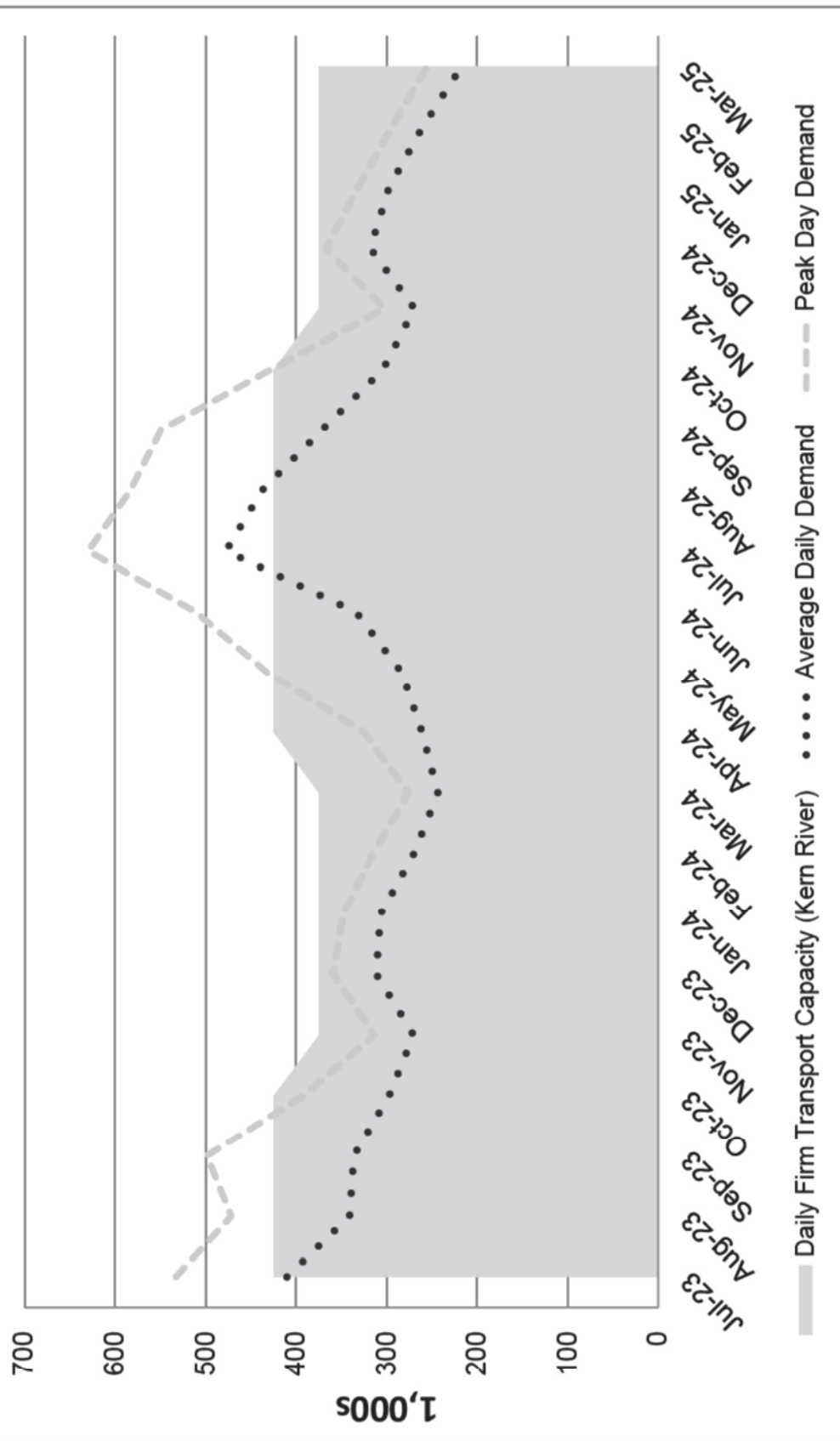
- ✓ EIA in its June outlook forecasts the U.S. benchmark Henry Hub natural gas spot price to rise in the summer months, averaging just over \$2.60/MMBtu in 3Q23, up from an average of \$2.15/MMBtu in May. Rising natural gas use in the electric power sector and flattening production growth – which together contribute to storage injections that are less than the five-year average (2018–2022) in the coming months are the primary drivers. The Henry Hub spot price averages around \$3.40/MMBtu in 2024 in the June forecast, nearly 30% higher than in 2023.
- ✓ Although EIA forecasts an increase in natural gas prices for the summer months due to inventories narrowing the surplus to the five-year average, it is expected high inventory levels will keep prices well below last year's prices, which averaged almost \$8.00/MMBtu in 3Q22. Natural gas storage inventories were 15% above the five-year average at the end of May compared with a deficit of 14% below the 2017–2021 average at the end of May 2022.

Technical Appendix



Nevada Power

Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)

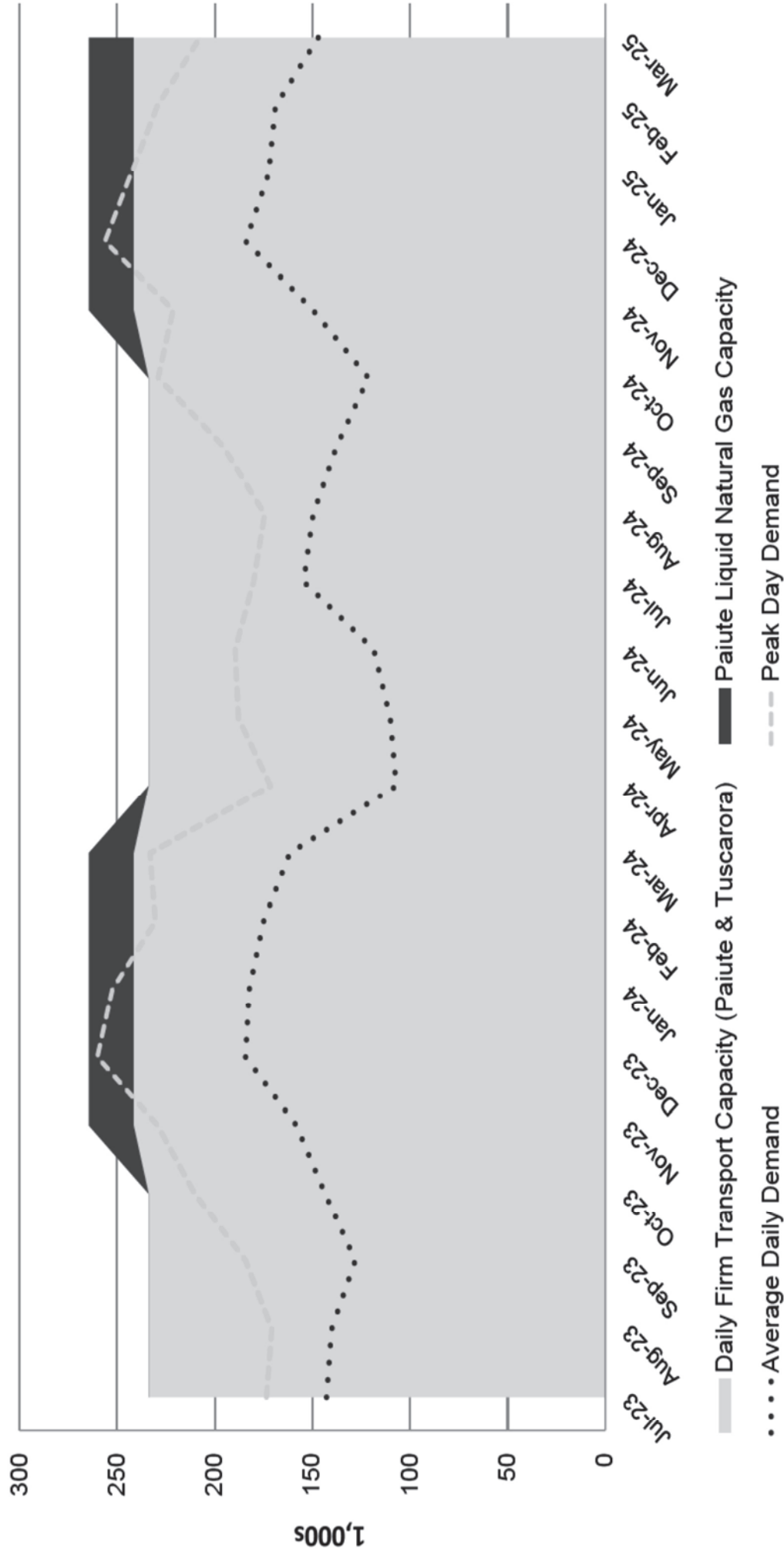


Note: Based on normal weather



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)

— June-23 Forecast — Approved Feb-23



Delivery Month

Nevada Power and Sierra Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- June 2023 Forecast - On-Peak
- - Approved (February 2023) - On-Peak
- June 2023 Forecast - Off-Peak
- - Approved (February 2023) - Off-Peak



Delivery Month

Sierra

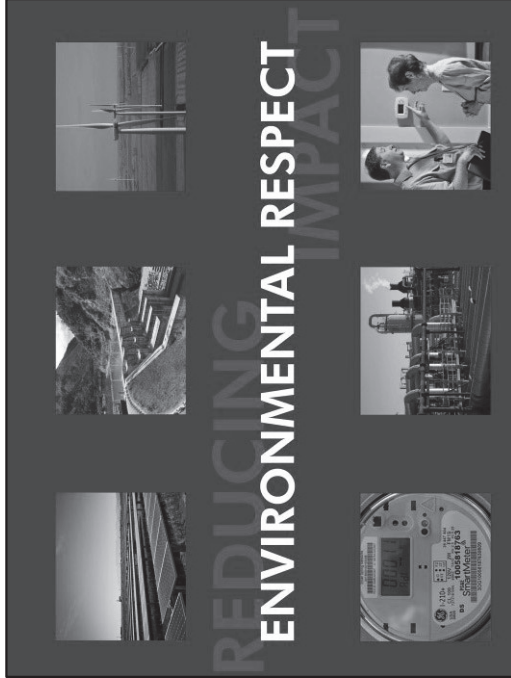
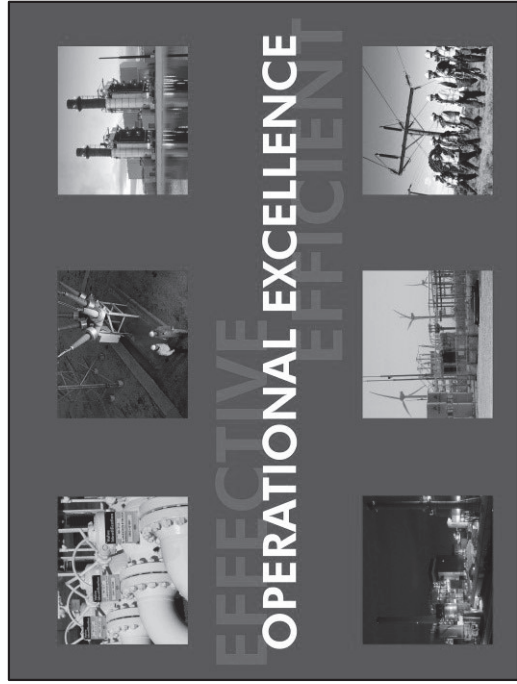
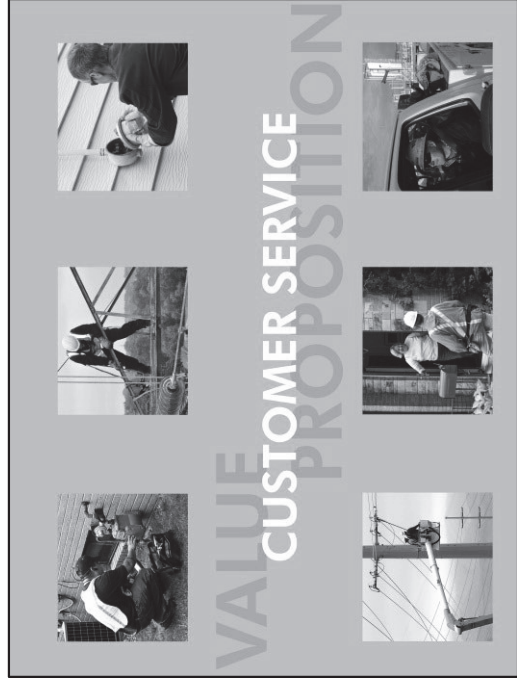
Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— June-23 Forecast — Approved Feb-23



Delivery Month



Risk Committee

Risk Control Report

June 21, 2023

Privileged and Confidential

Risk Control Report

- Information-only presentation
- Reporting period is for May 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 May 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	Manager Contract Management (Amendments/Settling disputes only) Manager, Market Operations and Trading, Director, Trading Analytics & Operations Senior Vice President, Renewable & Origination Vice President, Chief Financial Officer Chief Executive Officer Chief Executive Officer, Berkshire Hathaway Energy Company	Actuals	Status
NV Energy	≤\$5.0M		NV Energy South 612-Transactions NV Energy North 139 -Transactions Total 751-Transactions ¹ Largest Transaction \$114K power deal	
	≤\$5.0M			
	≤\$7.5M			
	≤\$15.0M			
	≤\$25.0M			
	≤\$50.0M			
	Unlimited			

Commitment Threshold

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

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

Largest transaction –2-day power deal (Pwx) May 17, 2023 – May 18, 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	1,808.9	(1,961.0)	(152.1)	●	(161.9)	9.9	●
NV Energy North	Jan 23-Dec 23	50	478.3	(619.3)	(141.0)	●	(139.0)	(2.0)	●
NV Energy LDC	Jan 23-Dec 23	10	138.8	(152.8)	(13.9)	●	(12.9)	(1.0)	●

Revenues estimated using the following projected BTER rates:

Entity	4/1/2023	7/1/2023	10/1/2023	1/1/2024
NVE-S Residential	\$0.08415	\$0.10232	\$0.09800	\$0.08815
NVE-S Non-residential	\$0.07960	\$0.10251	\$0.09788	\$0.08987
NVE-N	\$0.07341	\$0.07456	\$0.06875	\$0.06239
NVE-N LDC	\$0.72690	\$0.90186	\$0.83794	\$0.81092

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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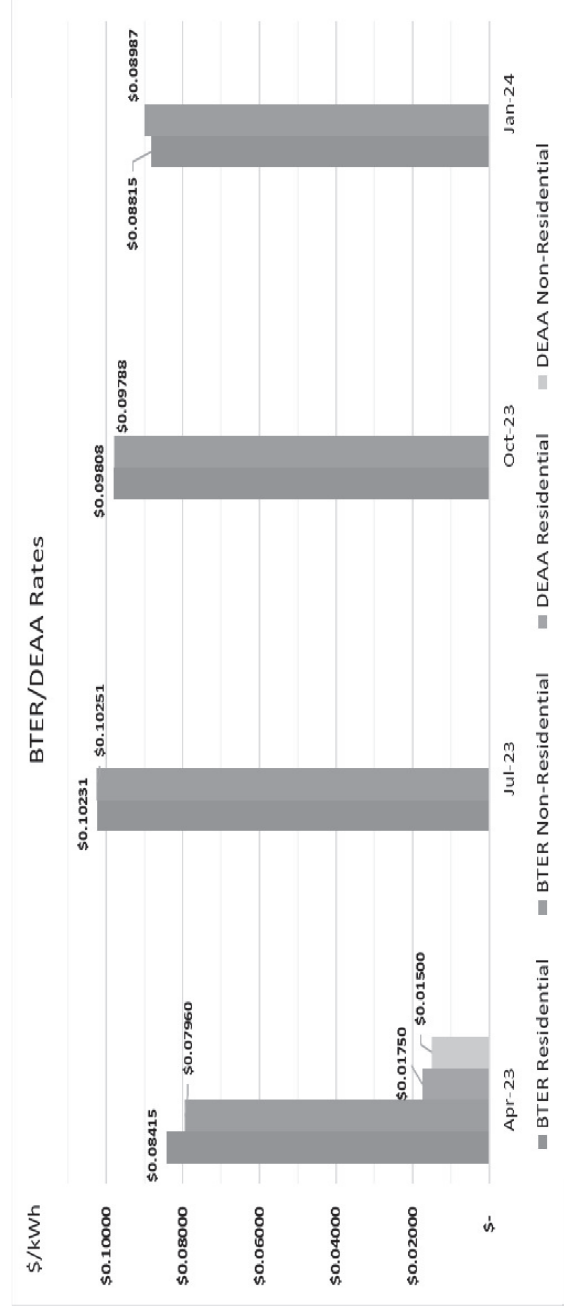
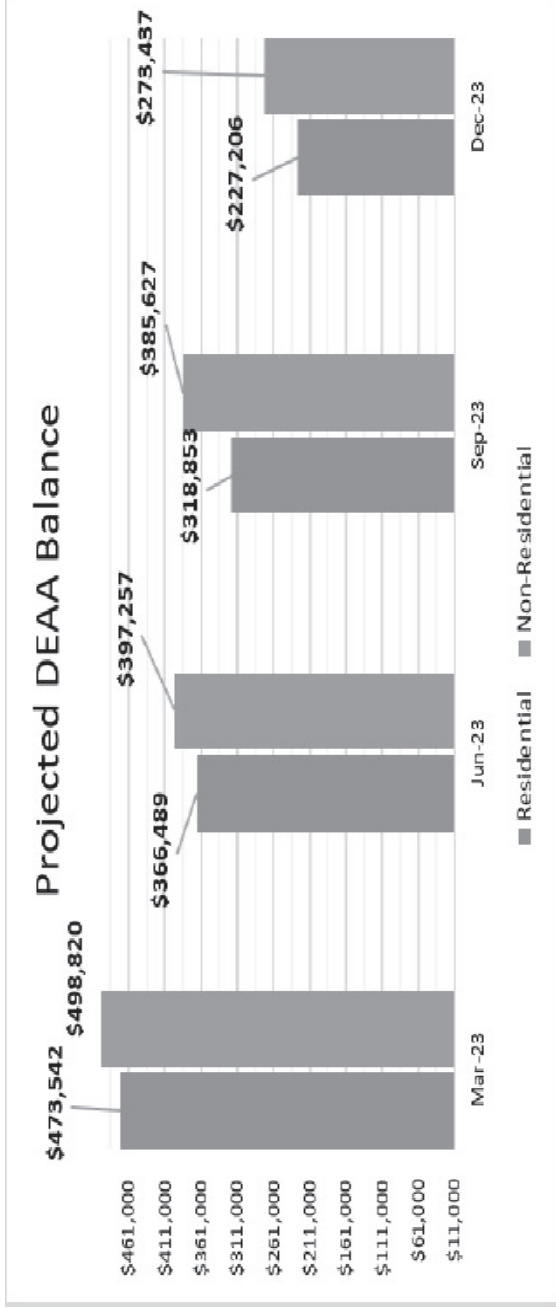
Portfolio Notification Thresholds

Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,808.9	242.3	
NV Energy North	60	478.3	57.9	
NV Energy LDC	20	138.8	94.8	

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

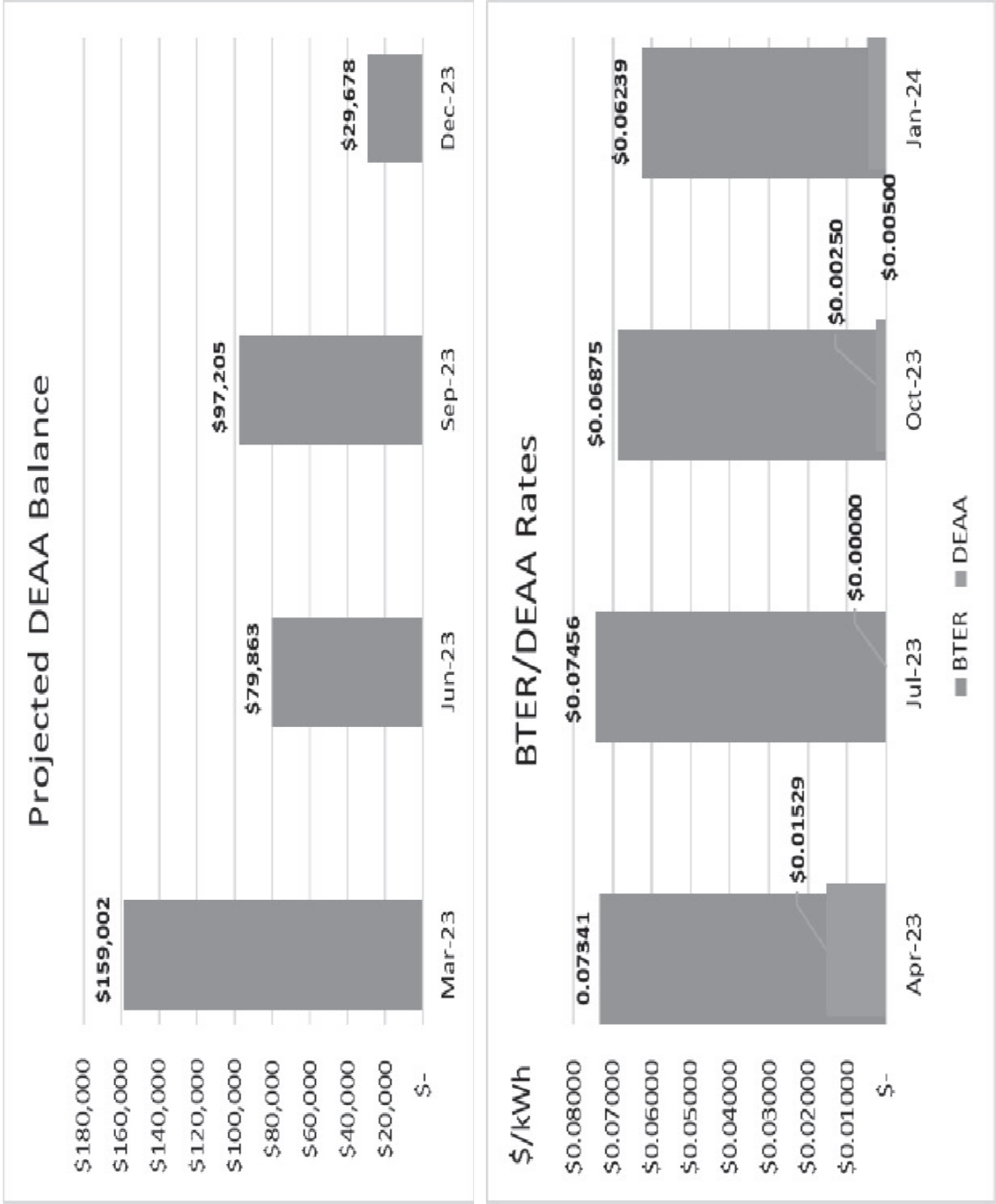
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Negative = over collection
Positive = under collection

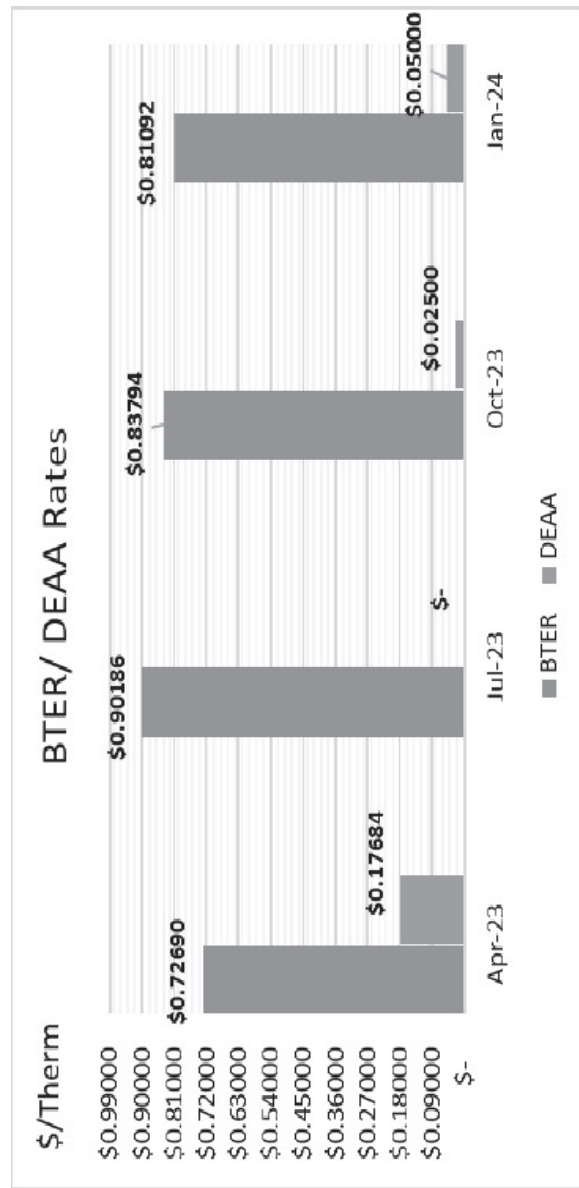
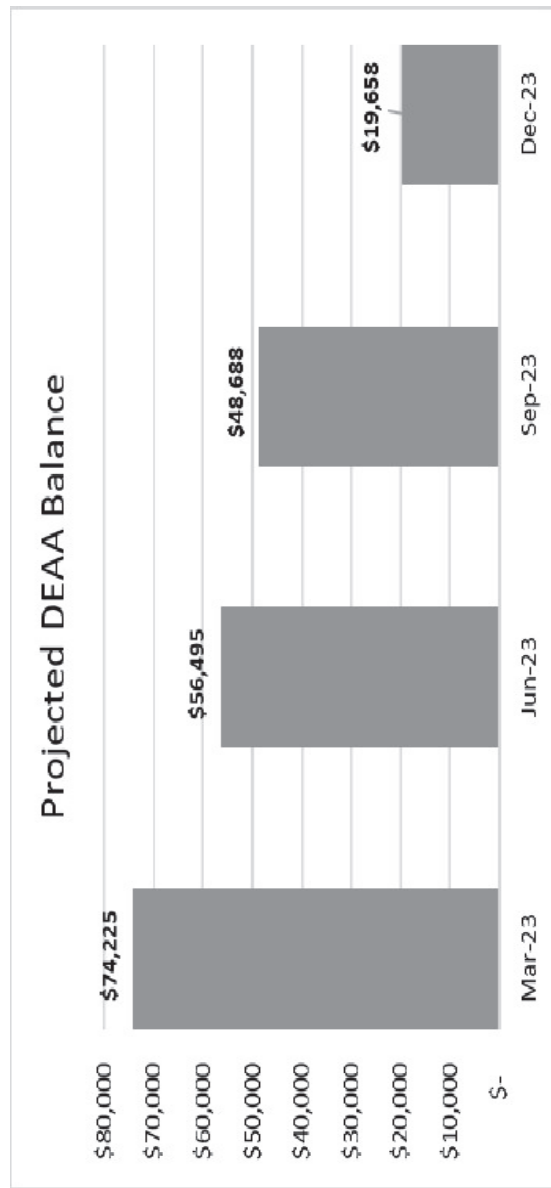
Base Tariff Energy Rates and DEAA Balances – SPPC Electric

Privileged and Confidential

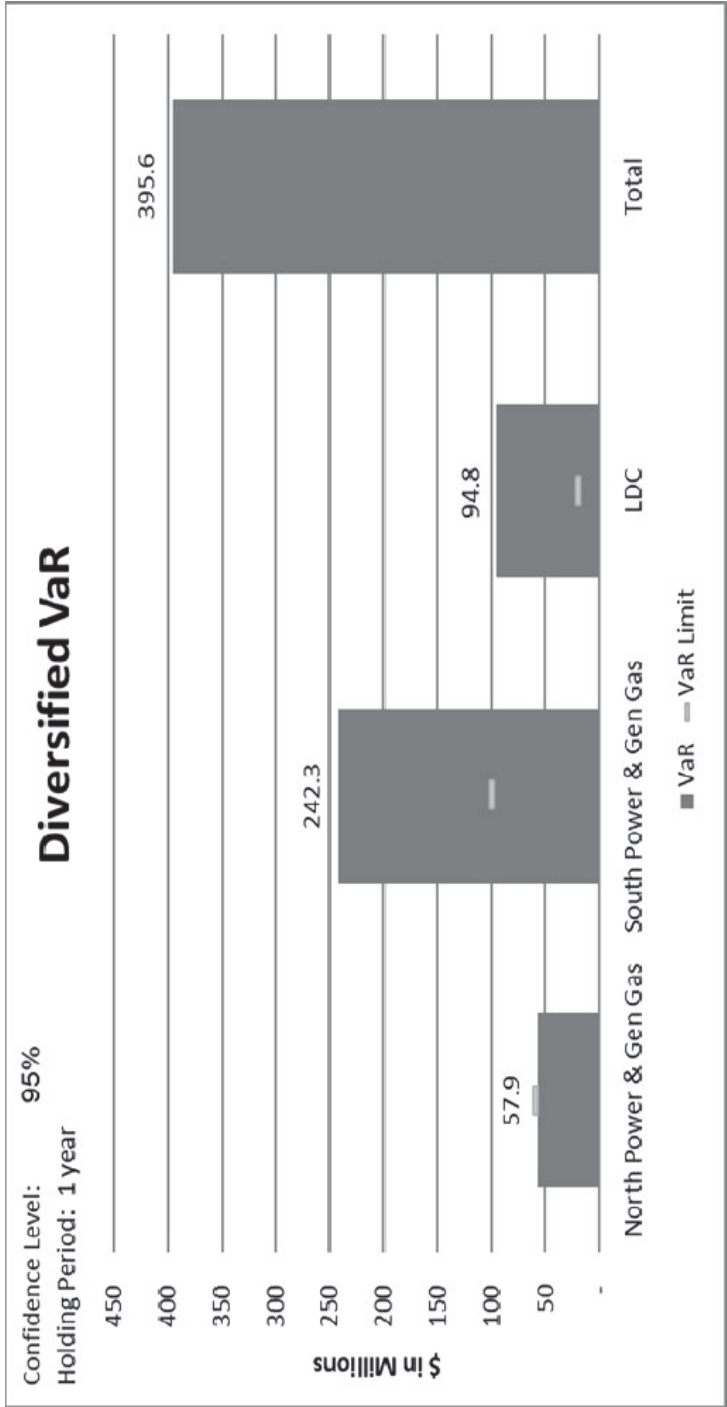


Base Tariff Energy Rates and DEAA Balances – SPPC LDC

Privileged and Confidential



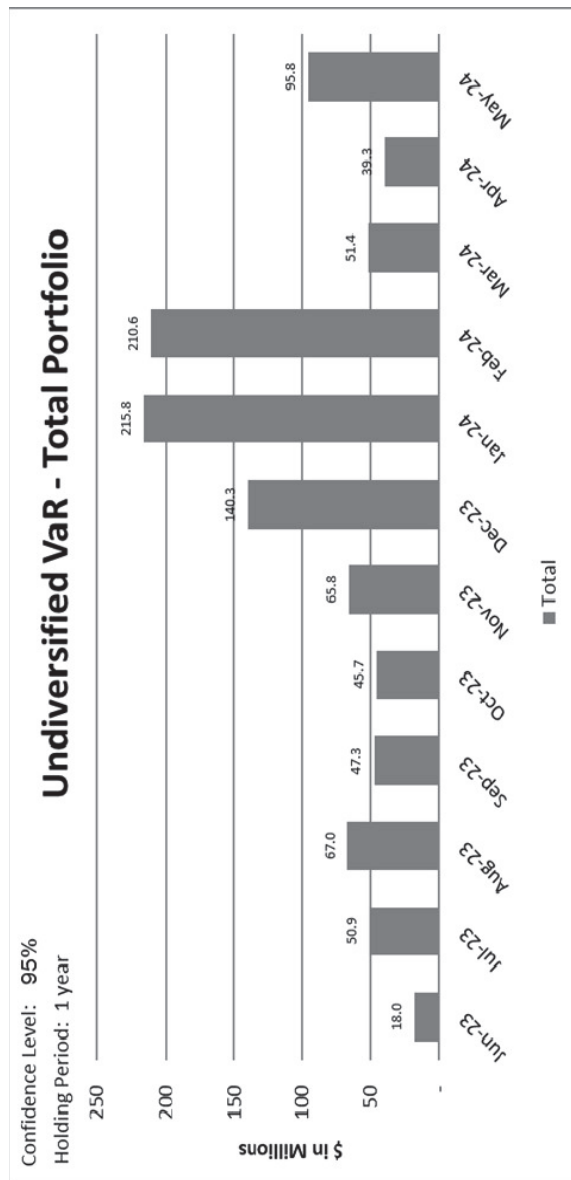
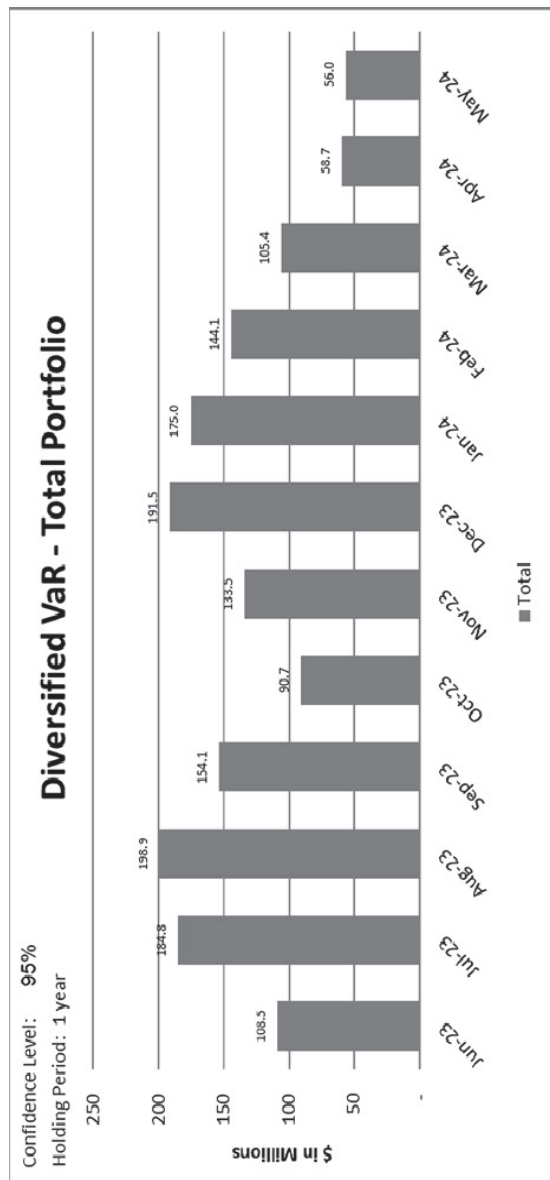
Portfolio Value-at-Risk Charts



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 May "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 May	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

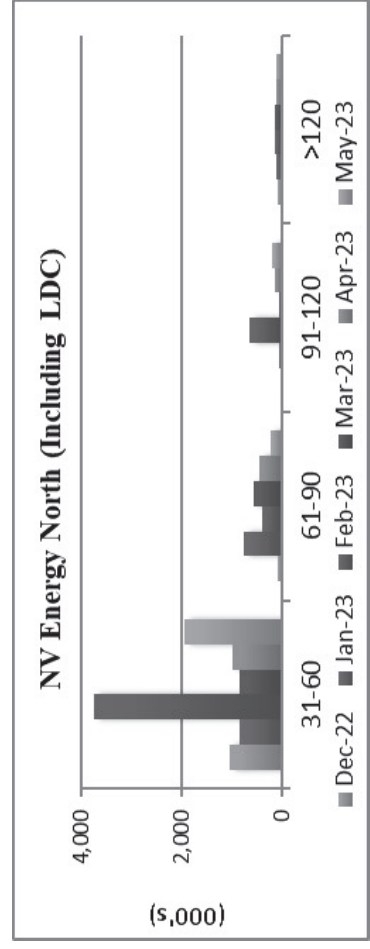
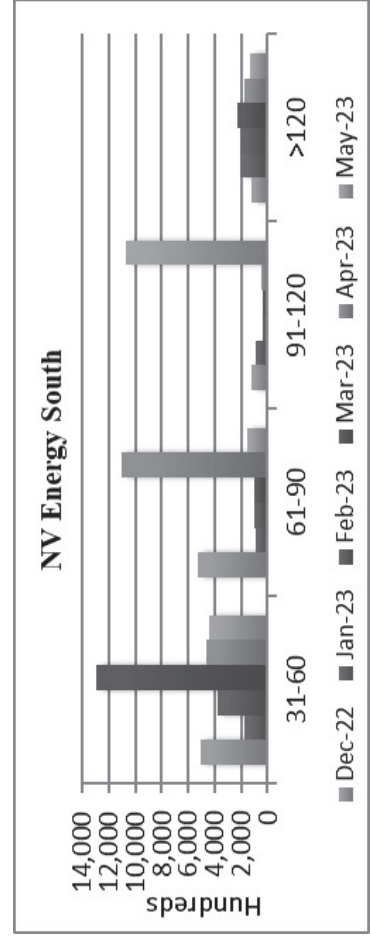
☒ Notification Not Required

☒ Near Notification Threshold

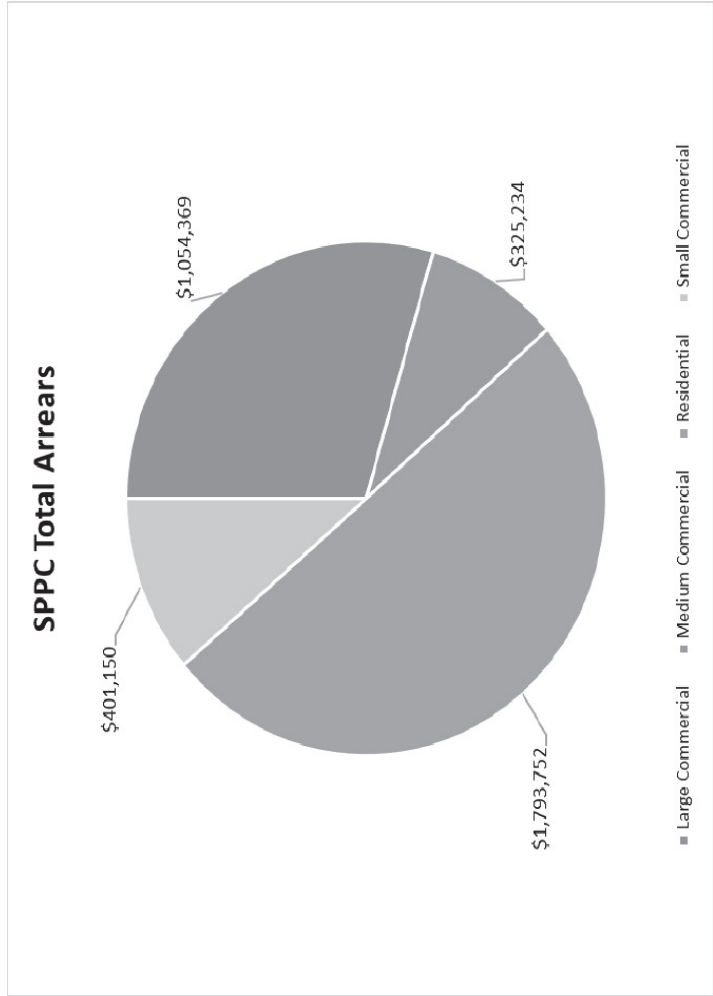
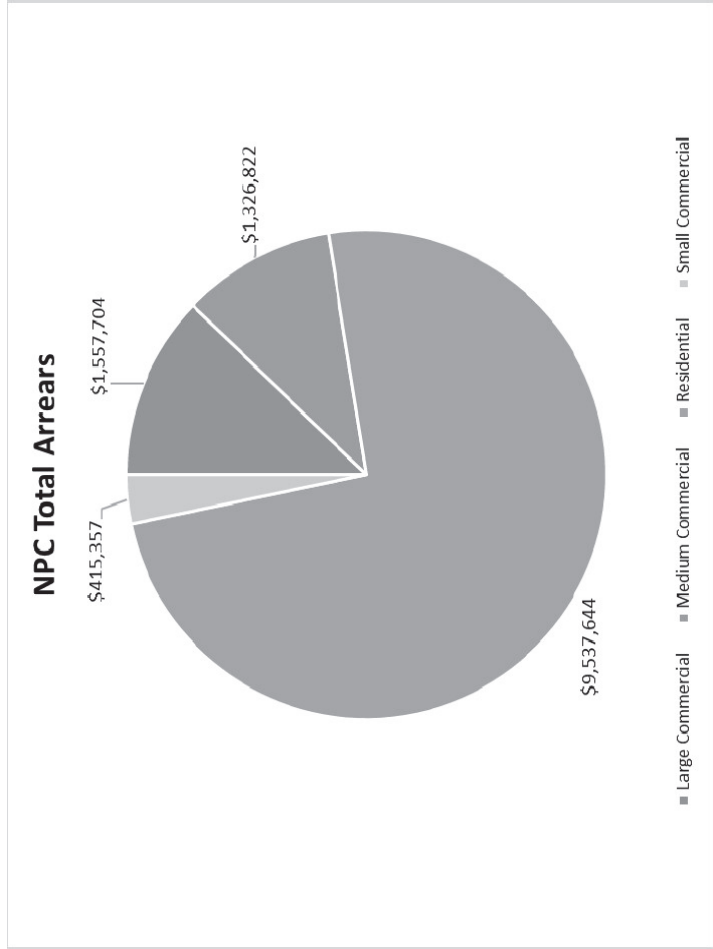
☒ Notification Required

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	22-Nov	1,299.28	248,108.7	0.524%	420.2
	22-Dec	571.45	261,578.8	0.218%	281.3
	23-Feb	738.39	272,408.8	0.271%	219.0
	23-Mar	1,649.91	280,906.3	0.587%	1168.5
	23-Apr	1,788.91	287,966.5	0.621%	1115.0
	23-May	1,805.77	288,659.6	0.626%	1078.8
NV Energy North/LDC	22-Dec	1,222.45	57,817.9	2.114%	752.2
	23-Jan	1,736.46	69,586.1	2.495%	1028.5
	23-Feb	4,907.73	66,672.6	7.361%	3011.8
	23-Mar	1,584.44	68,225.1	2.322%	417.8
	23-Apr	1,674.63	66,134.6	2.532%	417.0
	23-May	2,452.78	73,763.2	3.325%	583.9



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 5/31/23



Recommendations and Corrective Action

- No corrective action is necessary at this time

JULY

Risk Committee
Wednesday, July 19, 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 June 21, 2023	Approval	Adrian Cacuci
2	0:25	8:10	8:35	Energy Supply Plan Update	Approval	Sophia Hickly
3	0:15	8:35	8:50	Risk Control Report Summary (June 2023)	Information	Richard Kirkendoll

**Risk Committee Meeting
Wednesday, July 19, 2023
9:00 a.m. – 10:00 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
Antoine Tilmon, Vice President, Customer Operations
Jason Hammons, Vice President, Generation
Janet Wells, Vice President, Regulatory
Jimmy Daghlain, Vice President, Renewables
Marie Steele, Vice President, Integrated Energy Services
Ryan Atkins, Vice President, Resource Optimization
Adrian Cacuci, Treasurer
Kimberly Williams, Director, Resource Planning & Analysis

Members not in attendance: Matthew Johns, Joshua Langdon, Zeina Randall, Jesse Murray

(Attendance constitutes a quorum)

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

Presenters: Sophia Hickly (Item 2), Richard Kirkendoll (Item 3)

Recorder: Richard Kirkendoll, Risk Control

Item 1 Risk Committee June 21, 2023, meeting minutes

Attachments: June 21, 2023, Risk Committee Meeting Minutes

Overview: Review the Risk Committee meeting minutes from the June 21, 2023

Discussion: The Committee reviewed and discussed the meeting minutes for June 21, 2023

Voting Results: Motion: Michael Behrens
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. Also, recommending changes to the 2023 and 2024 open capacity positions.

Discussion: The Committee discussed the physical gas volumes as presented and were informed that both Valmy units were restricted to minimum capacity, unless for emergency to preserve coal, which is currently in process. In regard to the open position for 2023, there are no open positions for the remaining two months and for 2024 we have up to 933Mw's as open position, it was also noted that the load forecast will not change until we file next year's IRP. We currently have 60 burn days of coal inventory. A question was posed as to our ability to purchase coal from additional mines or are we limited. The response was that we have received more trains from a new mine, but another source was having issues at the station which has delayed delivery of those trains. We are currently looking to other customers that could deliver quality coal, but unfortunately there has not been any luck. An RFP will be submitted to see if there are any bidders that could deliver coal to us. It was also noted that we do have enough coal to get us through September.

Committee Action: The Committee approved the recommended no changes to the physical gas volumes for both NV Energy North and South.

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

Committee Action: The Committee approved the recommended no changes to the 2023 and 2024 open capacity positions.

Voting Results: Motion: Janet Wells
Second: Michael Behrens
Motion Approved Unanimously

Item 3 Risk Control Report

Attachments: Risk Control Report - Presentation

Overview: Review of credit and market risk thresholds for the month of June 2023.

Discussion: The Committee was informed that no counterparty exceeded its credit limit during the month of June. The cumulative mark-to-base figures were below the notification thresholds, and the Value-at-Risk was above the notification threshold. No forward power sales were transacted on, but the Company continues to transact forward purchases. It was pointed out that all of the entities were currently under collecting and were not projected to over collect until November 24 and October 25 for NPC, residential and non-residential respectively, April 24 for SPPC, and March 2024 for LDC.

The Committee was also updated on [REDACTED] arrears balance, which had a balance of [REDACTED] but through discussions held between our company and [REDACTED] that balance is scheduled to be paid in full by Friday, July 21st.

Committee Action: Information only

Additional Item of Note:

There was an item sent out via email for a Committee vote on July 5, 2023. Resource Optimization was requesting that the Company join the shippers on the Gas Transmission Northwest (GTN) in proposing a pre-filing settlement counter-offer. With the proposed counter-offer, Sierra's annual cost on GTN will be reduced from [REDACTED].

Committee Action: Approved unanimously





EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT

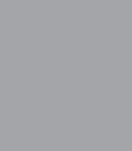
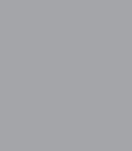
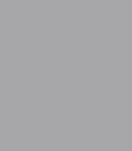








OWNERSHIP

Risk Committee

Monthly Energy Supply Plan Update/Resource Planning and Analysis

July 19, 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 February 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 third quarter of 2023, with the recommendation for new target volumes to be presented to the Risk Committee

Recommendations

2. Recommend no changes to the 2023 and 2024 open capacity positions as shown on slide 6.

- a) Slide 6 reflects all firm market power purchases transacted as of June 30, 2023.

2023	June	July	August	September
RFP	1405 MW	1605 MW	1680 MW	725 MW
Powerex	274 MW	274 MW	274 MW	274 MW
Total	1679 MW	1879 MW	1954 MW	999 MW

2024	June	July	August	September
RFP	250 MW	250 MW	250 MW	0 MW
Powerex	168 MW	168 MW	168 MW	168 MW
Total	418 MW	418 MW	418 MW	168 MW

- b) Slide 6 reflects the Unit Characteristics Table (starts cost based) updated on May 19, 2023

- c) Slide 6 reflects the inclusion of Chukar 1, North Valley Geo, Brunswick diesel, Reid Gardner BESS, Silverhawk peaking units and the extension of Saguaro (summer 2023) and NCA 1 (summer 2023 and 2024) and 2 (summer 2023).

- d) Slide 6 reflects Tracy 3 outage in September due to environmental restrictions.

- e) Slide 6 reflects a 16% Planning Reserve Margin (“PRM”) and 90 MW OATT reserve.

- f) Slide 6 reflects the removal of Hot Pot, Iron Point, Southern Bighorn Solar, and Chuckwalla, and the delay of Boulder Solar III.

- g) Slide 6 reflects updated in-service dates of upgrades on Clark Peakers and Sunpeaks.

- h) Slide 6 reflects Hoover capacity update.

- i) Slide 6 reflects the following assumptions for Valmy 1 and 2:

- Valmy 1 is only available for July and August through 12/31/2025, except that it will be must run for voltage support during Valmy 2 and Newmont coal plant maintenance outages.
- Valmy 2 on RMR (reliability must run) status through 12/31/2025.
- Valmy 1 minimum is lowered to 42.5 MW and Valmy 2 minimum is lowered to 45 MW for coal conservation.
- Valmy units are both restricted to minimum capacity except for emergency, due to coal conservation.

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 Winter 2024-2025 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 2023 and 2024 (Table on slide 6)

- The table shows 0 MW open position for August and September 2023.
- The table shows up to 933 MW open position for summer 2024

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

2023-2024 Load and Resource Table Summary

NV Energy

(Normal weather forecasted monthly hourly peak)

	Aug-23	Sep-23	Jun-24	Jul-24	Aug-24	Sep-24
Net Peak Forecast-NPC	5,978	5,304	5,734	5,832	5,976	5,330
Net Peak Forecast-SPPC	1,768	1,373	1,790	1,863	1,943	1,612
Reserves (16%)NPC	957	849	917	933	956	853
Reserves (16%)SPPC	283	220	286	298	311	258
Required NVE	8,987	7,746	8,727	8,926	9,186	8,053
Available NPC	6,804	6,039	6,057	6,502	6,610	6,325
Available SPPC	2,188	1,725	1,738	1,735	1,864	1,578
Available NVE	8,992	7,763	7,794	8,237	8,473	7,902
Long/(Open) - NPC	(131)	(114)	(594)	(263)	(322)	141
Long/(Open) - SPPC	137	132	(339)	(426)	(390)	(292)
Long/(Open) - NVE	6	18	(933)	(689)	(713)	(150)

Topics/Issues

5. Load Forecasts

- The load forecasts for Nevada Power and Sierra (electric) are both based on the 2022 3rd IRPA Load Forecasts approved on May 18, 2022. It included the stipulated load forecasts filed in September 2022, Docket 22-09006.
- Sierra (gas) is updated to the 2023-2024 ESP Load Forecast

6. Natural Gas Procurement

- For the gas season of August through October 2023, both Nevada Power and Sierra (gas) are within the targeted bandwidths.

Nevada Power

Updates to Forecasts and Procurement

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

Remarks			
2023 3rd IRPA Forecast			
Load Forecast		Change In Prices Since Gas Volumes Were Approved in February 2023	Change In Prices From Prior Month
Gas Price Forecast (SoCal)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	(-) 9% (-) 11% (-) 2% (-) 6%	(-) 4% 3% (-) 0% (-) 4%
Power Price Forecast (Mead)	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	4% (-) 1% 12% (-) 3%	(-) 2% 2% 0% (-) 5%
Plant Maintenance / Outages	Updated as of the end of June 2023		

Forecast Results		Change in Volumes Since Approved in February 2023	Change In Volumes From Prior Month
Natural Gas Burns	Summer 2023 Winter 2023 - 2024 Summer 2024 Winter 2024 - 2025	(-) 4% 0% 9% (-) 3%	3% 7% 5% 3%

Sierra

Updates to Forecasts and Procurement

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

	Remarks		
Electric Load Forecast	2023 3rd IRPA Forecast		
Gas Forecast (Sendout)	2023-2024 Energy Supply Plan Load Forecast		
Gas Price Forecast (Malin)		Change In Prices Since Gas Volumes Were Approved in February 2023	Change In Prices From Prior Month
	Summer 2023	(-) 7%	5%
	Winter 2023 - 2024	(-) 7%	4%
	Summer 2024	(-) 5%	0%
	Winter 2024 - 2025	(-) 10%	(-) 3%
Plant Maintenance / Outages	Updated as of the end of June 2023		

Forecast Results		
	Change in Volumes Since Approved in February 2023	Change In Volumes From Prior Month
Natural Gas Burns	(-) 2%	(-) 3%
	3%	2%
	(-) 5%	(-) 4%
	0%	0%
	Summer 2023	
	Winter 2023 - 2024	
	Summer 2024	
	Winter 2024 - 2025	

Nevada Power Daily Physical Gas Requirements (MMBtu/day)

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Physical

2023

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

2024

10 Approved (Rounded to thousands)
11 Risk Committee Approval Date
12 Current Procured Volumes
13 Current Target Procurement Level
14 Current Projection (July 2023 Risk Run)
15
16 Variance (Approved - Current)
17
18

2025

20 Approved (Rounded to thousands)
21 Risk Committee Approval Date
22 Current Procured Volumes
23 Current Target Procurement Level
24 Current Projection (July 2023 Risk Run)
25
26 Variance (Approved - Current)
27

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
331,000	283,000	260,000	268,000	301,000	346,000	434,000	393,000	334,000	304,000	276,000	335,000
Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
248,000	211,500	194,500	133,500	150,000	173,000	217,000	196,500	166,500	151,500	68,500	83,500
75%	75%	75%	50%	50%	50%	50%	50%	50%	50%	25%	25%
335,356	289,619	258,963	312,285	295,227	343,810	501,862	457,200	379,167	306,685	270,150	325,854
(-) 4,356	(-) 6,619	1,037	(-) 44,285	5,773	2,190	(-) 67,862	(-) 64,200	(-) 45,167	(-) 2,685	5,850	9,146

The variance within the current season (August through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

Variances outside the acceptable 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

Above volumes represent KERN River Pipeline delivered gas only.

Daily Physical Gas Requirements

(MMBtu/day – includes electric and gas)

Physical

2023

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

2024

10 Approved (Rounded to thousands)
 11 Risk Committee Approval Date
 12 Current Procured Volumes
 13 Current Target Procurement Level
 14 Current Projection (July 2023 Risk Run)
 15
 16 Variance (Approved - Current)
 17
 18

2025

19 Approved (Rounded to thousands)
 20 Risk Committee Approval Date
 21 Current Procured Volumes
 22 Current Target Procurement Level
 23 Current Projection (July 2023 Risk Run)
 24
 25 Variance (Approved - Current)
 26
 27

The variance within the current season (August through October 2023) is derived by subtracting current projection from procured volumes

The variance beyond the current season is derived by subtracting current projection from approved volumes

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

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
175,000	174,000	155,000	126,000	116,000	122,000	146,000	140,000	129,000	135,000	157,000	181,000
Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
130,500	130,000	115,500	63,000	57,500	61,000	72,500	70,000	64,000	62,000	36,500	43,500
75%	75%	75%	50%	50%	50%	50%	50%	50%	50%	25%	25%
185,822	177,753	163,947	74,530	108,578	117,194	154,314	149,009	136,185	119,138	150,282	185,605
(-) 10,822	(-) 3,753	(-) 8,947	51,470	7,422	4,806	(-) 8,314	(-) 9,009	(-) 7,185	4,862	(-) 2,282	(-) 9,605
174,000	174,000	151,000									
Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023	Feb 2023
43,000	43,000	37,500									
25%	25%	25%									
171,711	169,069	143,128									
2,289	4,931	7,872									

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
- Front loading as many deliveries as possible before summer to ensure supply

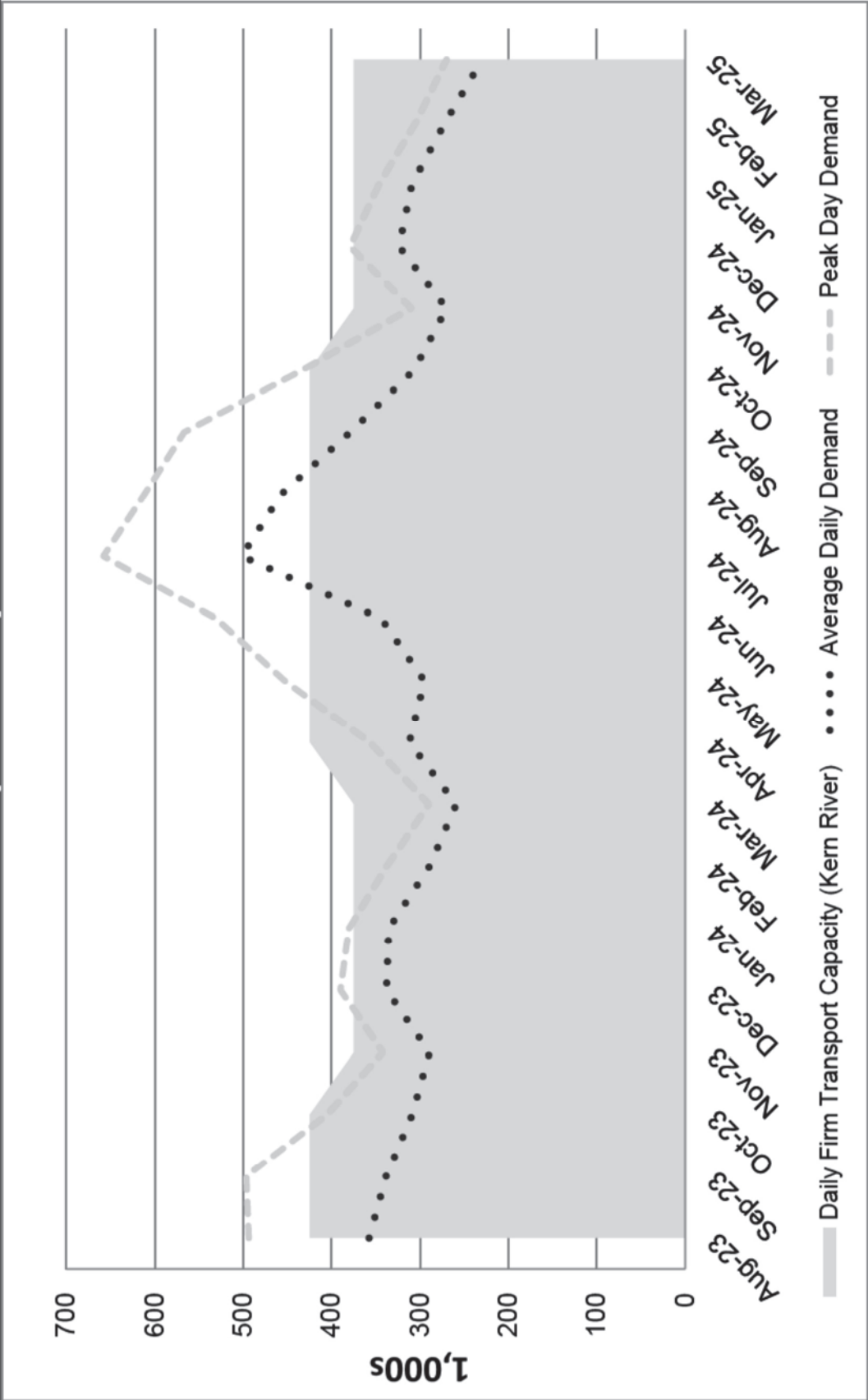
Month	End of Month Inventory Level (Tons), Including Trains in Transit	Estimated Burn Days
Valmy (Sierra Pacific Power Company Share Only)		
Jun 2023	179,924	60 days as of June 30, 2023 (Assumes daily burn of 3,000 tons(1))
May 2023	97,261	
Apr 2023	47,294	
Mar 2023	72,232	

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

Technical Appendix

Nevada Power

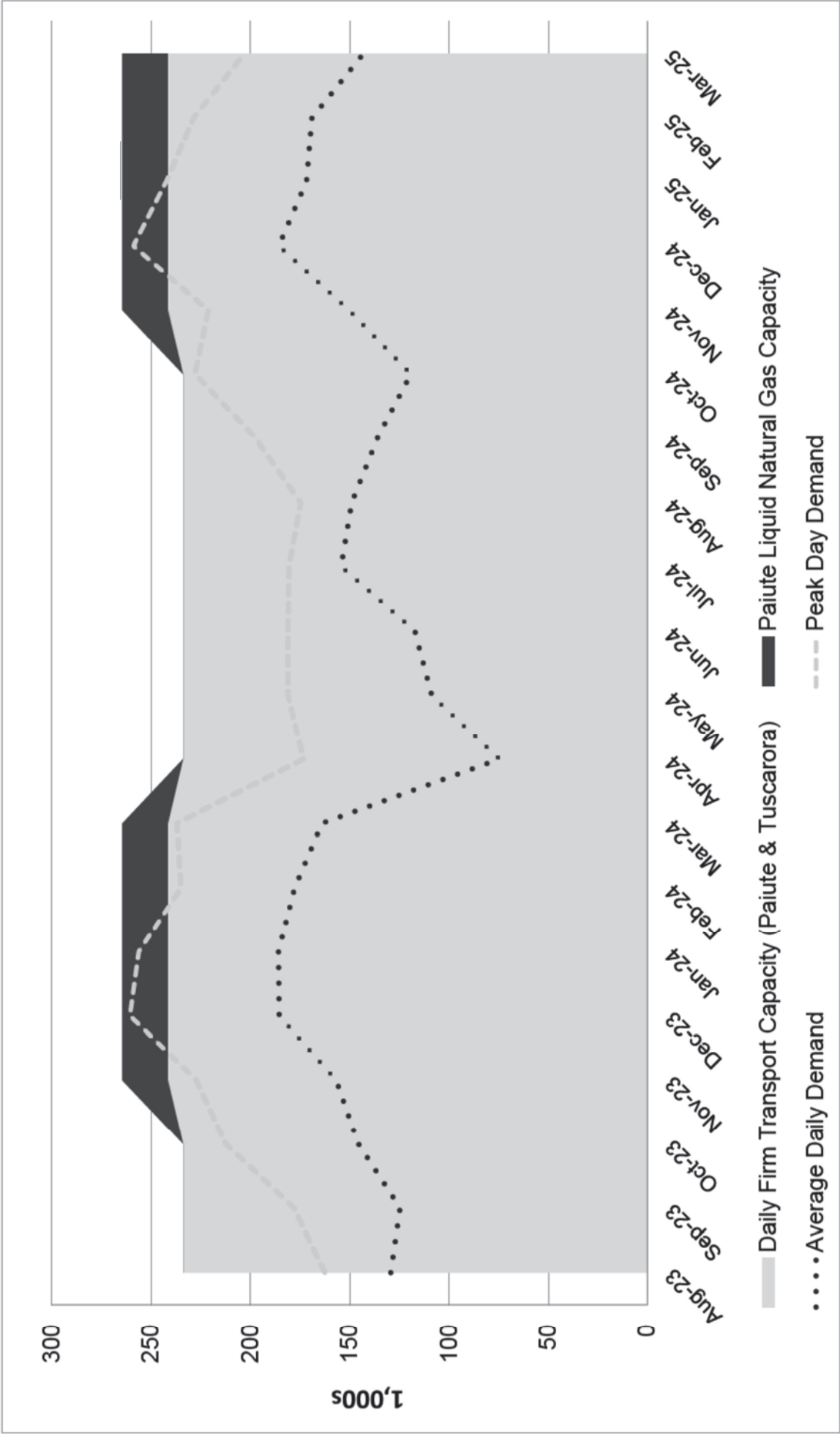
Gas Demand Versus contracted Kern River Transport Capacity (MMBtu)



Note: Based on normal weather

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

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Nevada Power Natural Gas Price Forecasts

SoCal Gas Price Forecast (dollars per MMBtu)

— July-23 Forecast — Approved Feb-23



Delivery Month

Nevada Power Power Price Forecasts

Mead Power Price Forecast (dollars per MWh)

- July 2023 Forecast - On-Peak
- - Approved (February 2023) - On-Peak
- July 2023 Forecast - Off-Peak
- - Approved (February 2023) - Off-Peak



Delivery Month

Sierra

Natural Gas Price Forecasts

Malin Gas Price Forecast (dollars per MMBtu)

— July-23 Forecast - - Approved Feb-23



Delivery Month

Sierra Power Price Forecasts

Northern Nevada Power Price Forecast (dollars per MWh)

- July 2023 Forecast - On-Peak
- July 2023 Forecast - Off-Peak
- Approved (February 2023) - On-Peak
- Approved (February 2023) - Off-Peak



Delivery Month





EMPLOYEE COMMITMENT









CUSTOMER SERVICE









OPERATIONAL EXCELLENCE







REGULATORY INTEGRITY





ENVIRONMENTAL RESPECT





BERKSHIRE
FINANCIAL STRENGTH
OWNERSHIP

Risk Committee

Risk Control Report

Risk Control Report

- Information-only presentation
- Reporting period is for June 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 June 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	Manager Contract Management (Amendments/Settling disputes only)	Actuals	Status
NV Energy	≤\$5.0M	Manager, Market Operations and Trading,	NV Energy South 1,590-Transactions NV Energy North 126-Transactions Total 1,716-Transactions ¹ Largest transaction \$826K Power Deal	●
	≤\$5.0M	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) June 1, 2023 – June 2, 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	1,803.5	(1,931.3)	(127.8)	●	(152.1)	24.2	●
NV Energy North	Jan 23-Dec 23	50	487.0	(612.3)	(125.3)	●	(141.0)	15.7	●
NV Energy LDC	Jan 23-Dec 23	10	141.4	(153.8)	(12.4)	●	(13.9)	1.5	●

Revenues estimated using the following projected BTER rates:

Entity	7/1/2023	10/1/2023	1/1/2024	4/1/2024
NVE-S Residential	\$0.08415	\$0.10232	\$0.09800	\$0.08815
NVE-S Non-residential	\$0.07960	\$0.10251	\$0.09788	\$0.08987
NVE-N	\$0.07456	\$0.06909	\$0.06320	\$0.05576
NVE-N LDC	\$0.90186	\$0.83721	\$0.81198	\$0.66158

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

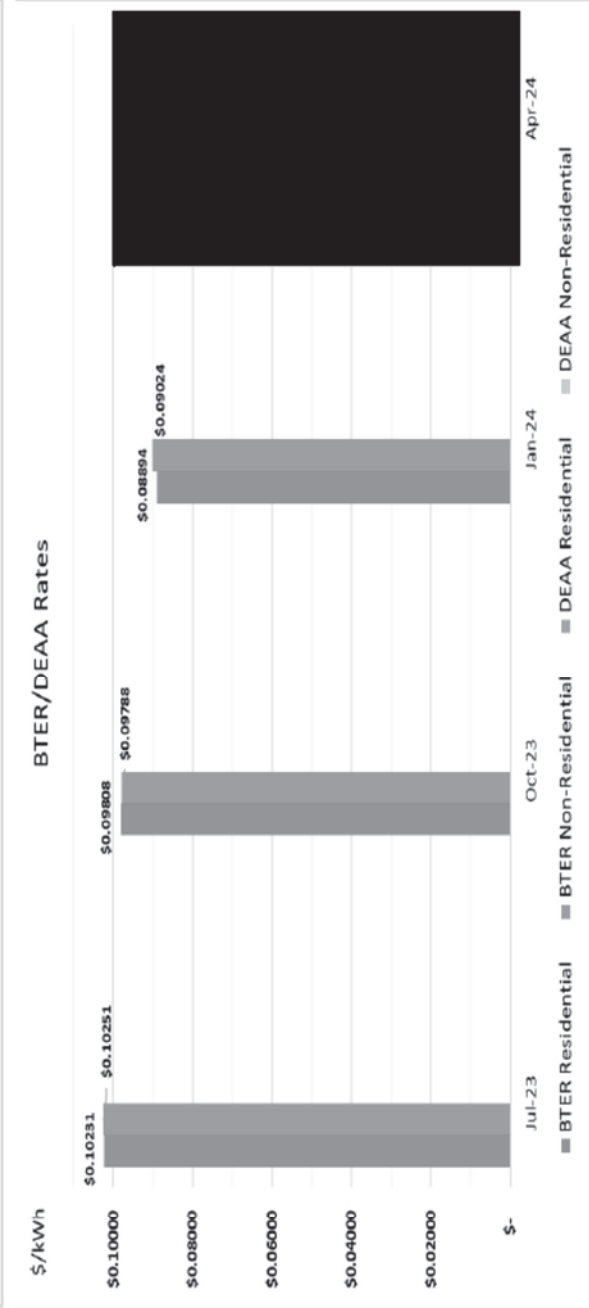
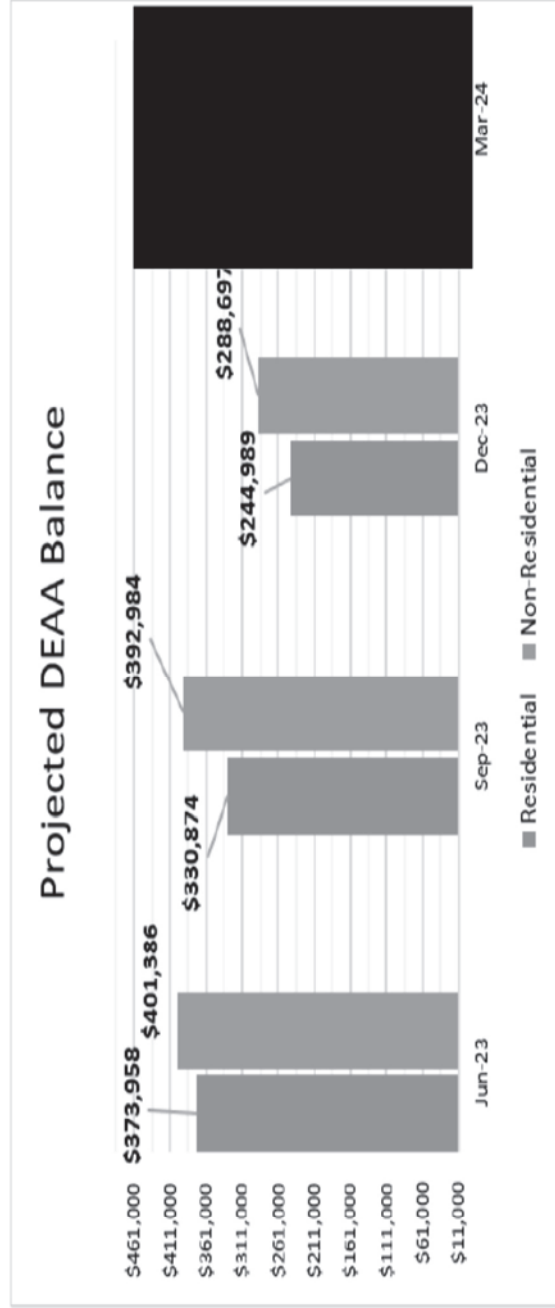
Company	VaR Notification Threshold (\$m)	Est. BTER costs for the Test Period (\$m)	Next 12 months VAR (\$m)	Status
NV Energy South	100	1,803.5	163.1	
NV Energy North	60	487.0	58.9	
NV Energy LDC	20	141.4	69.1	

	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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REDACTED PUBLIC VERSION

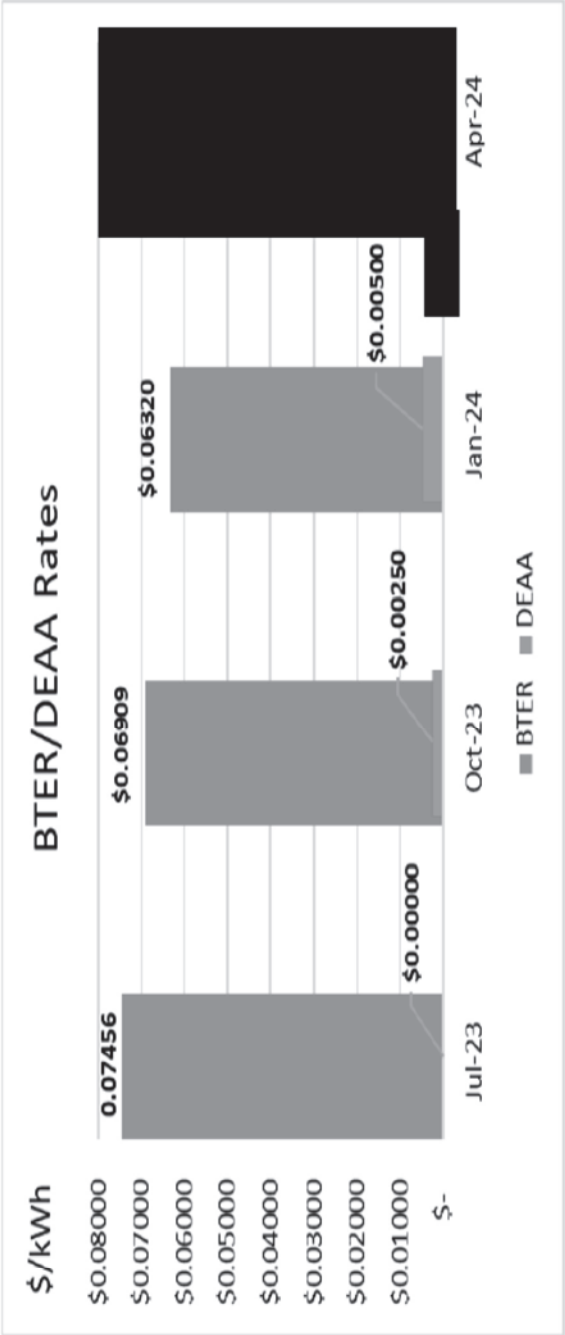
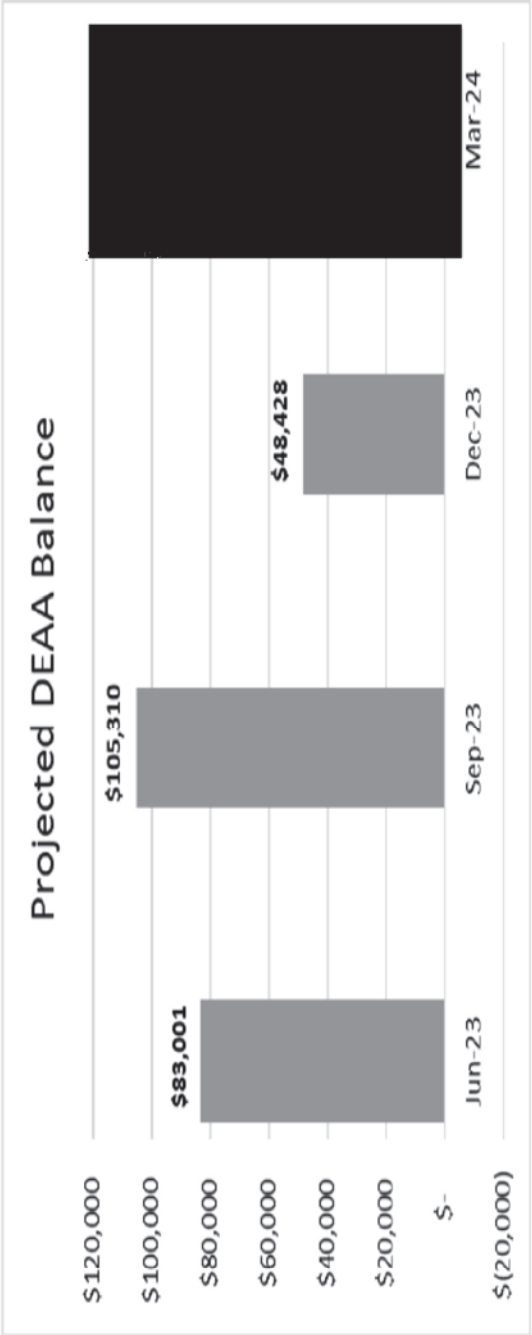


Negative = over collection
Positive = under collection

Base Tariff Energy Rates and DEAA Balances – SPPC Electric

Privileged and Confidential

REDACTED PUBLIC VERSION

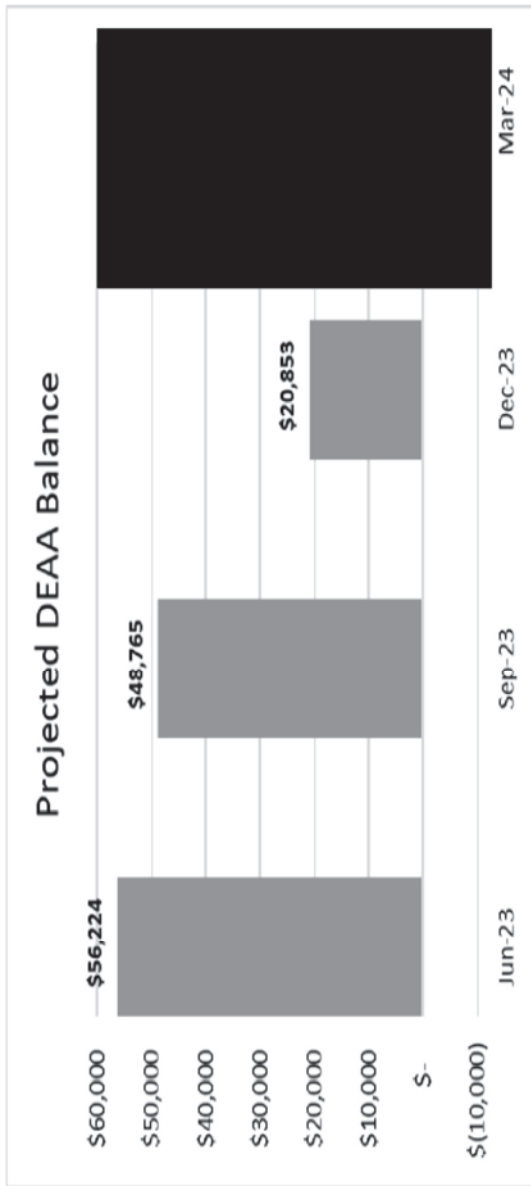


Negative = over collection
Positive = under collection

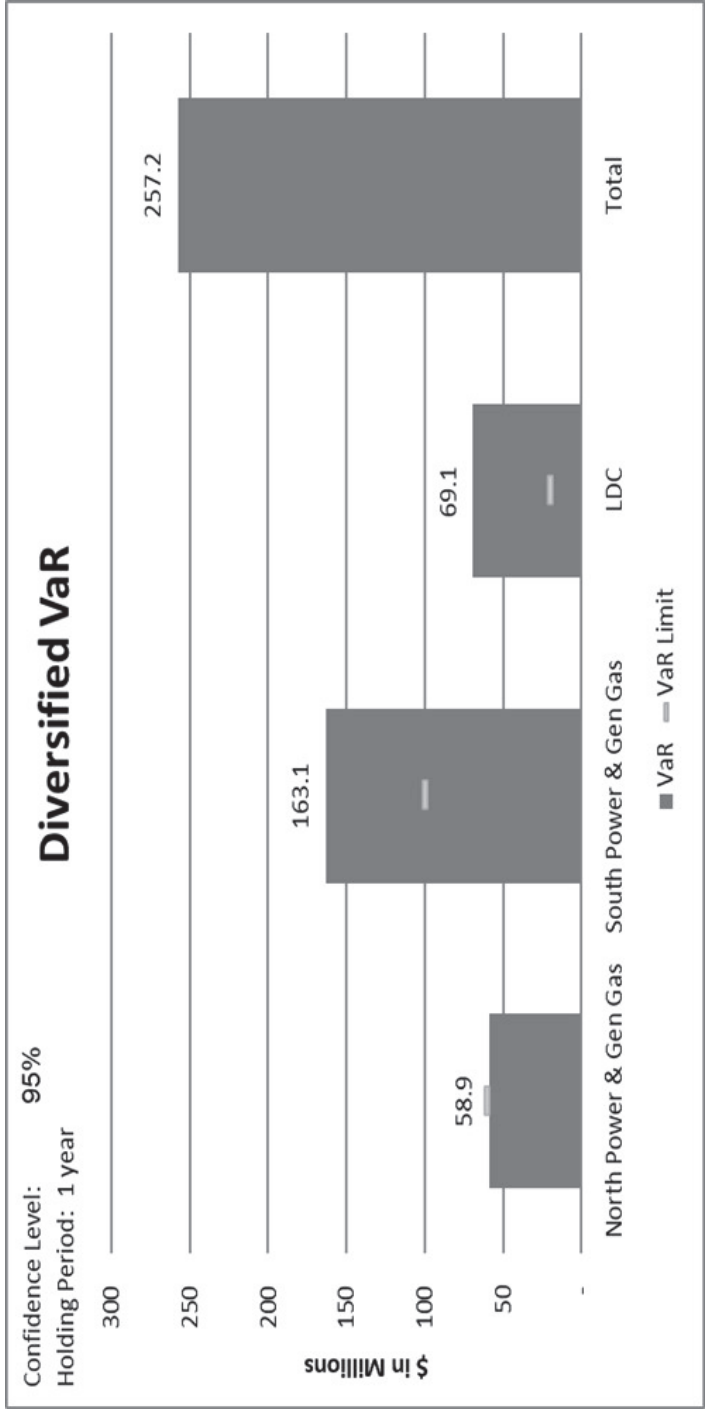
Base Tariff Energy Rates and DEAA Balances – SPPC LDC

Privileged and Confidential

REDACTED PUBLIC VERSION



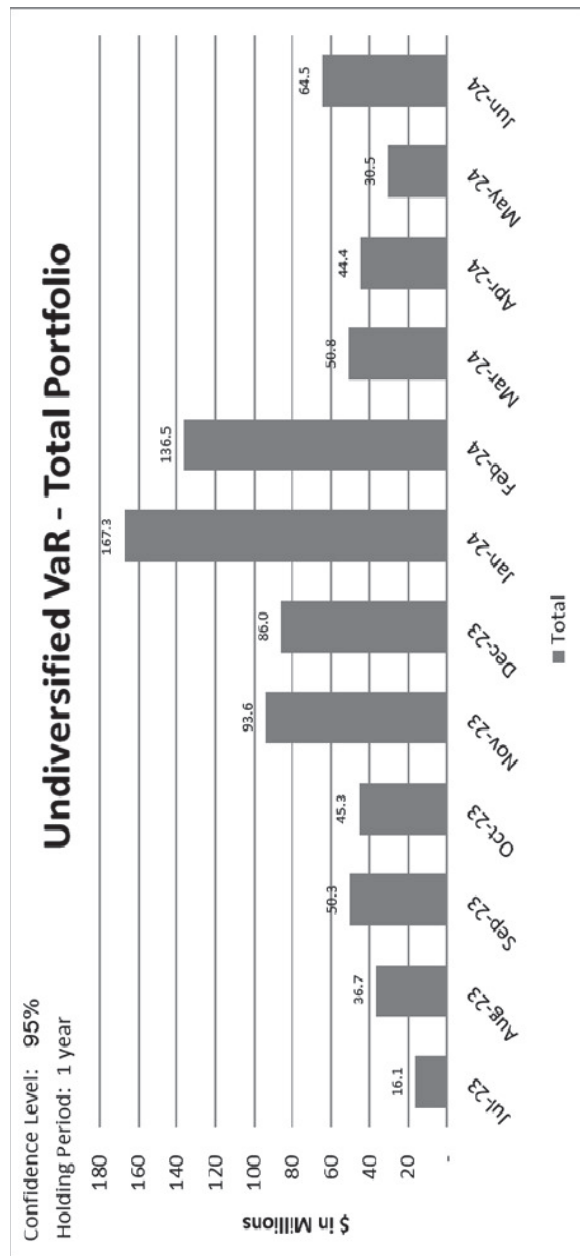
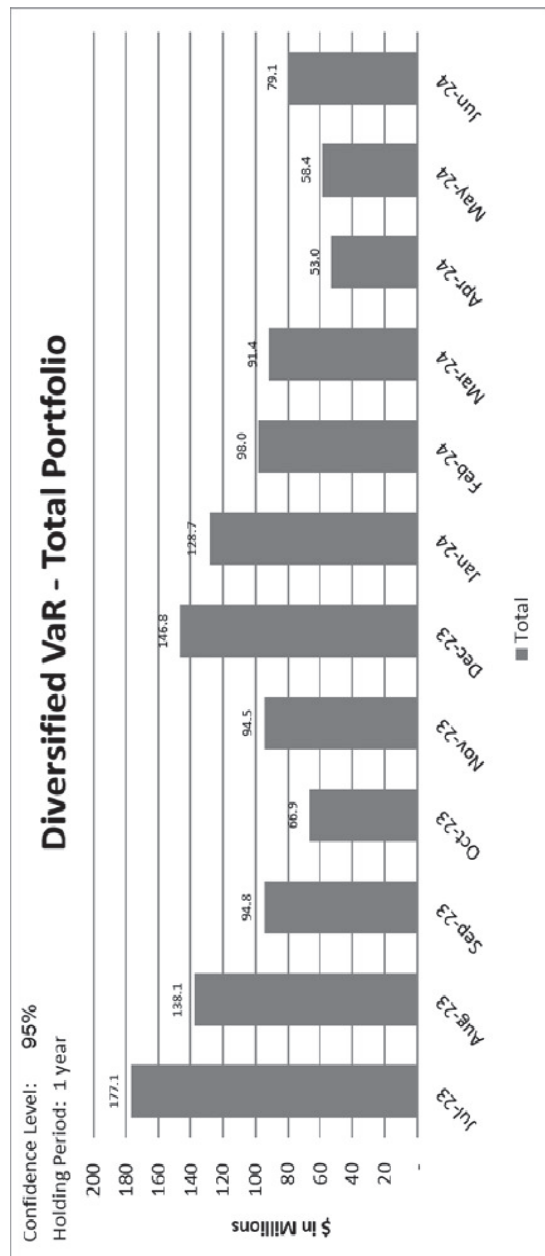
Portfolio Value-at-Risk Charts



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 \$10.0M	●

Portfolio Weighted Average Credit Rating*

Company	Actuals	Notification Threshold	Status
NV Energy	The weighted average rating for the month of June "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 June	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

☐

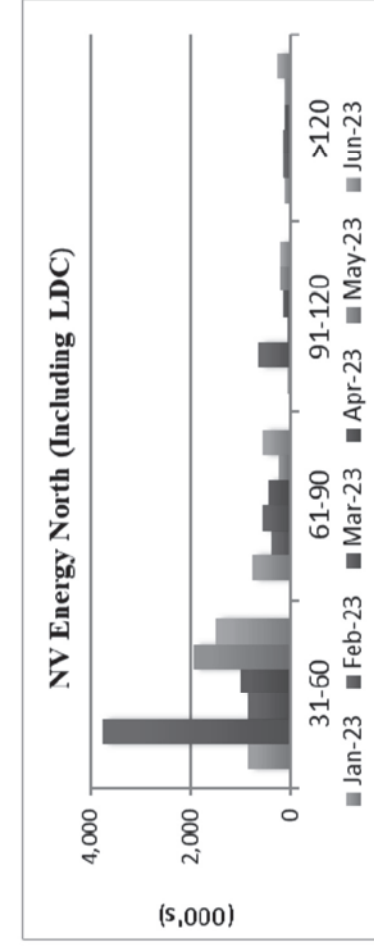
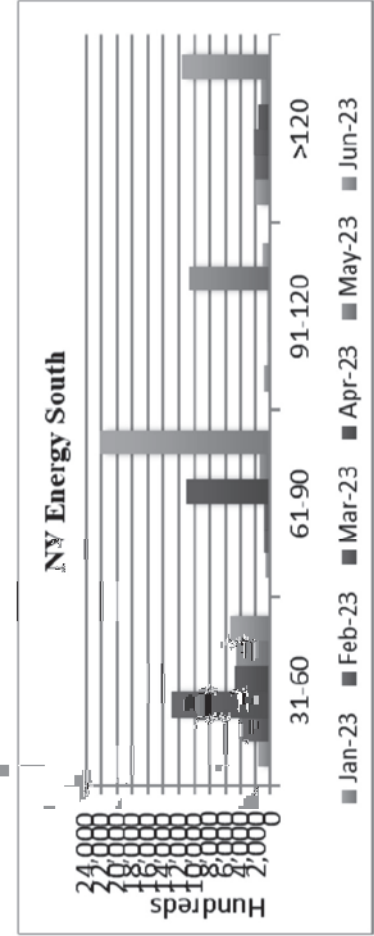
Near Notification Threshold

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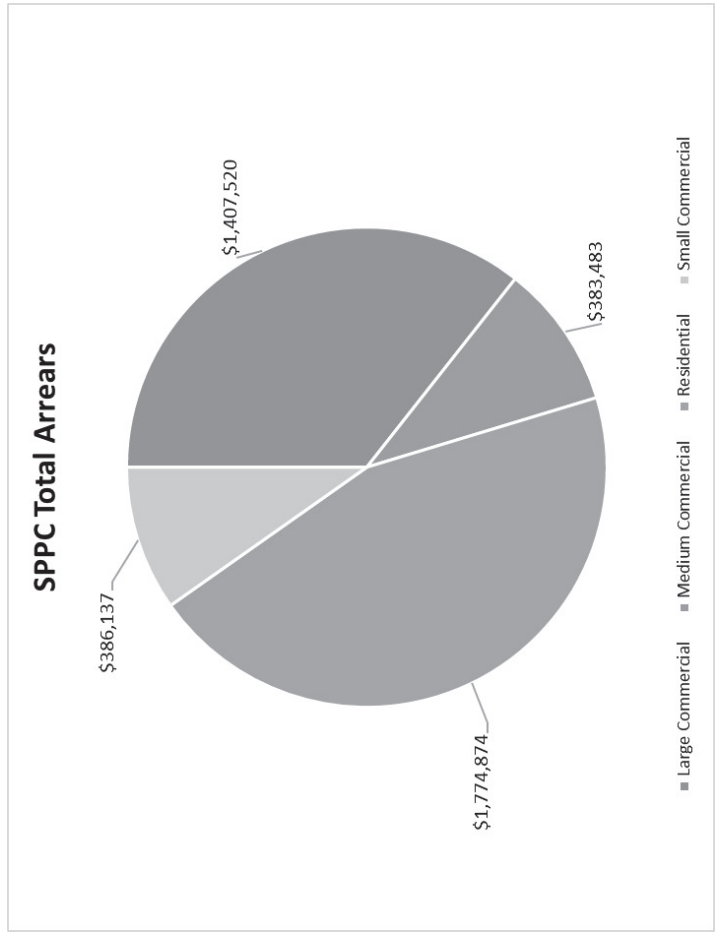
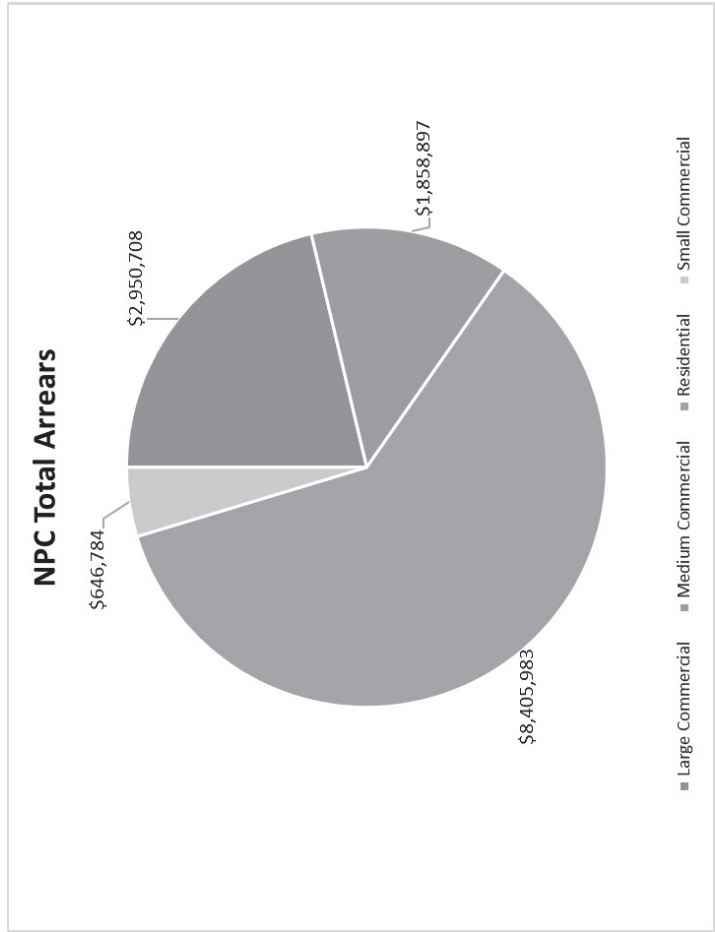
Notification Required

Medium-Large Major Commercial Customers Arrears Balance

Company	Month	Arrears Balance (\$K)	Total Monthly Current Receivables for the Past 12 Months (\$K)	Percent in Arrears	Largest Arrears Balance of a Single Customer (\$K)
NVE-S	Nov-22	571.4	261,578.8	0.218%	281.3
	Dec-22	738.4	272,408.8	0.271%	219.0
	Feb-23	1649.9	280,906.3	0.587%	1168.5
	Mar-23	1788.9	287,966.5	0.621%	1115.0
	Apr-23	1805.8	288,659.6	0.626%	1078.8
	Jun-23	4040.1	293,350.8	1.377%	1375.3
NVE-N	Nov-22	1736.5	69,586.1	2.495%	1028.5
	Dec-22	4907.7	66,672.6	7.361%	3011.8
	Feb-23	1584.4	68,225.1	2.322%	417.8
	Mar-23	1674.6	66,134.6	2.532%	417.0
	Apr-23	2452.8	73,763.2	3.325%	583.9
	Jun-23	2509.2	82,652.8	3.036%	621.6



Medium-Large Major Commercial and Residential Arrears Balance



Data from Banner – Run date 6/30/23



Recommendations and Corrective Action

- No corrective action is necessary at this time