LAMPAC Spring Conference
Maui, Hawaii
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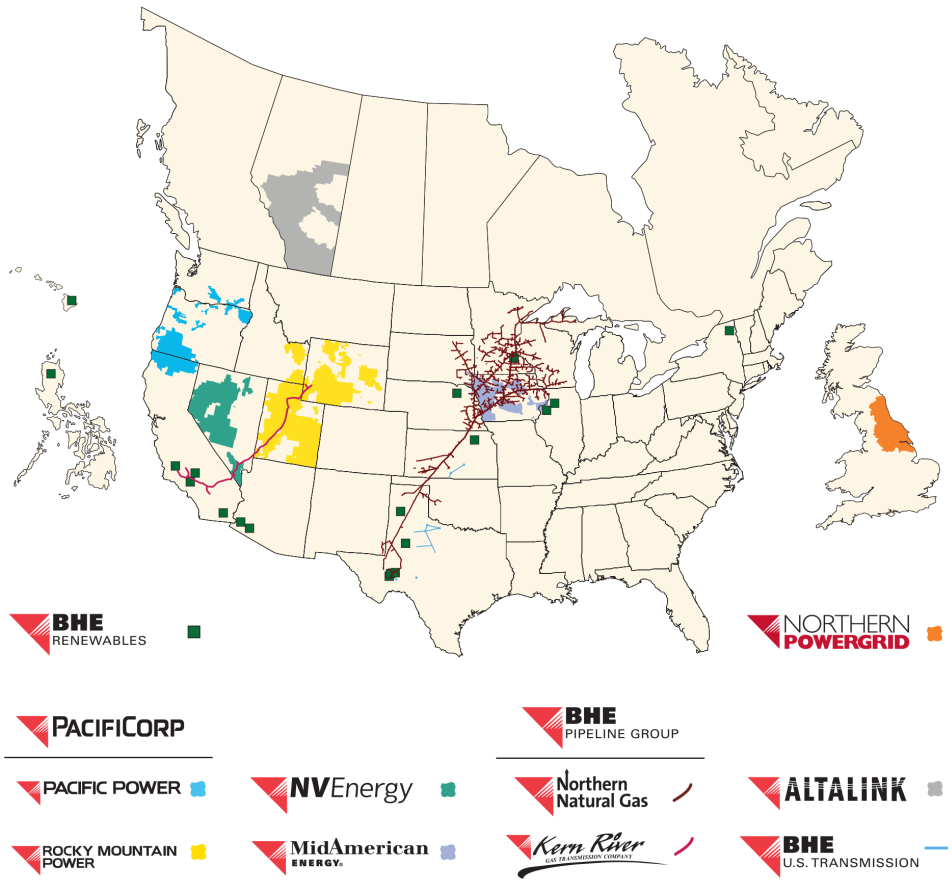
BERKSHIRE HATHAWAY ENERGY

Berkshire Hathaway Energy



- 11.6 million customers worldwide
- Top-rated service provider within the industry

- 22,700 employees worldwide
- Exceptional safety and work environment

- 39% energy generation renewable or noncarbon

- Customer rates below national average

- $91 billion of total assets
- 33,500 miles of electricity transmission lines
- 16,400 miles of natural gas pipeline
- 30,000 MW owned generation

Factors affecting renewable energy today

- Lower costs for renewable energy
- Customers want renewable energy
- State and city renewable energy policies
- Federal tax credits (PTC/ITC) still in place
- Is mandate-driven push market to customer-driven pull market overtaking government policy as real driver?

MidAmerican Energy Company
Wind Generation

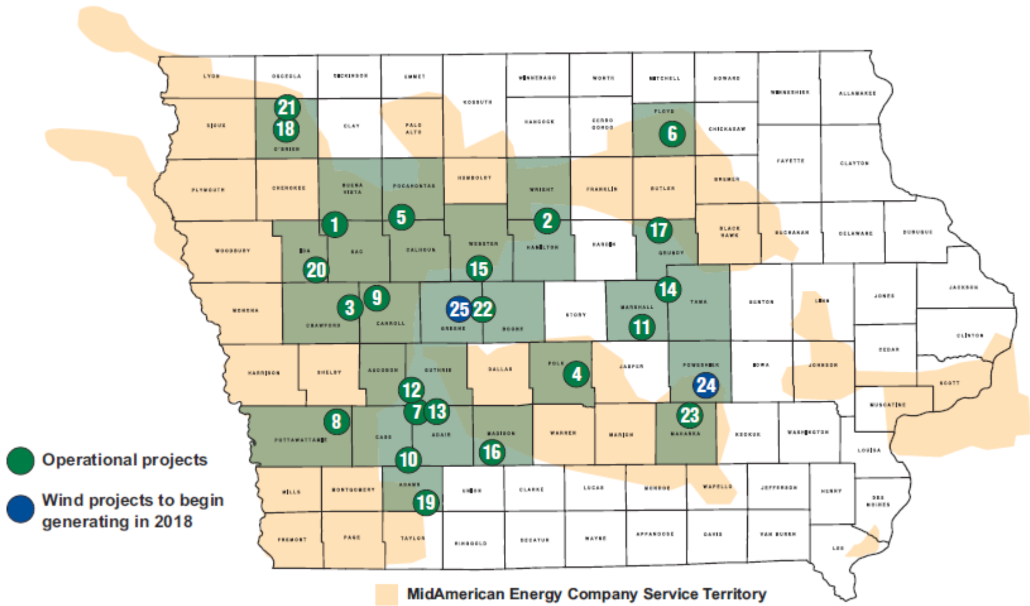
- > 4,400 MW of wind generation; electric prices are ninth-lowest in the U.S. – approximately 32% below the national average

Year	Cumulative MW Installed	Cumulative Investment ($000)	Residential Price Per kWh
2004	160.5	$ 165	$ 0.086
2005	360.5	$ 389	$ 0.087
2006	459.5	$ 568	$ 0.086
2007	673.0	$ 938	$ 0.086
2008	1,284.3	$ 2,253	$ 0.085
2009	1,284.3	$ 2,253	$ 0.084
2010	1,284.3	$ 2,253	$ 0.084
2011	1,877.7	$ 3,224	$ 0.084
2012	2,284.6	$ 3,884	$ 0.086
2013	2,329.2	$ 3,949	$ 0.088
2014	2,840.6	$ 4,757	$ 0.091
2015	3,448.6	$ 5,744	$ 0.094
2016	4,048.2	$ 6,676	Wind XI project will be built without the need to increase customer rates
2017	4,388.2	$ 7,680	
2018	5,103.0	$ 9,123	
2019	6,053.9	$ 10,944	
2020	6,053.9	$ 11,417	

Source: Edison Electric Institute's Typical Bills and Average Rates Report (Summer), for 12 months ending June 30

Wind Projects Owned by MidAmerican Energy Company

WIND PROJECTS OWNED BY MIDAMERICAN ENERGY COMPANY



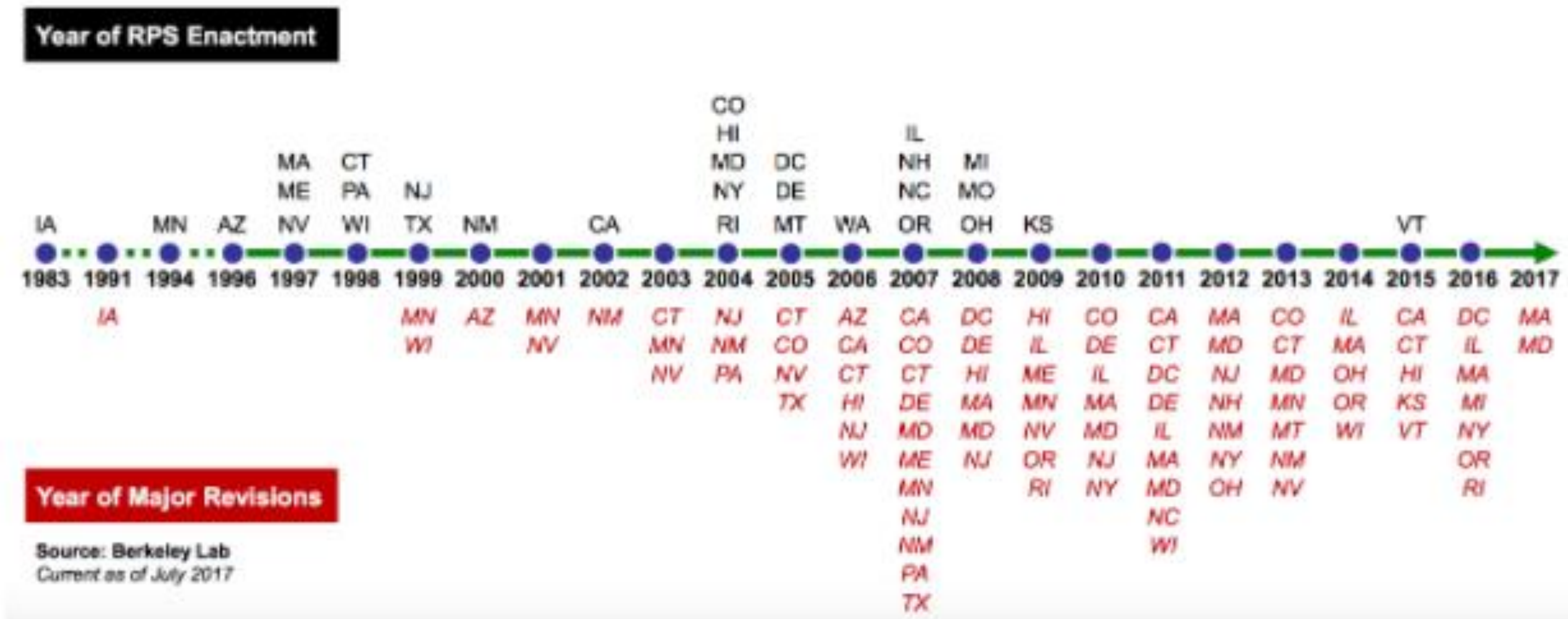
1. **Intrepid Project (175.5 MW)**
   Buena Vista and Sac counties
2. **Century Project (200 MW)**
   Wright and Hamilton counties
3. **Victory Project (99 MW)**
   Crawford and Carroll counties
4. **Iowa State Fair Wind Turbine (0.5 MW)**
   Polk County
5. **Pomeroy Project (286.4 MW)**
   Pocahontas and Calhoun counties
6. **Charles City Project (75 MW)**
   Floyd County
7. **Adair Project (174.8 MW)**
   Adair and Cass counties
8. **Walnut Project (153 MW)**
   Pottawattamie County
9. **Carroll Project (150 MW)**
   Carroll County
10. **Rolling Hills Project (443.9 MW)**
    Adair, Adams and Cass counties
11. **Laurel Project (119.6 MW)**
    Marshall County
12. **Eclipse Project (200.1 MW)**
    Audubon and Guthrie counties
13. **Morning Light Project (101.2 MW)**
    Adair County
14. **Vienna Project (150.2 MW)**
    Marshall and Tama counties
15. **Lundgren Project (251 MW)**
    Webster County
16. **Macksburg Project (119.6 MW)**
    Madison County
17. **Wellsburg Project (140.8 MW)**
    Grundy County
18. **Highland Project (502 MW)**
    O'Brien County
19. **Adams Project (154.3 MW)**
    Adams County
20. **Ida Grove Project (301 MW)**
    Ida County – Wind X
21. **O'Brien Project (250.3 MW)**
    O'Brien County – Wind X
22. **Beaver Creek Project (170 MW)**
    Boone and Greene counties – Wind XI
23. **Prairie Project (168 MW)**
    Mahaska County – Wind XI
24. **North English Project (200 MW)**
    Poweshiek County – Wind XI
25. **Beaver Creek II Project (170 MW)**
    Greene County – Wind XI

MidAmerican ENERGY
OBSESSIVELY, RELENTLESSLY *AT YOUR SERVICE.*

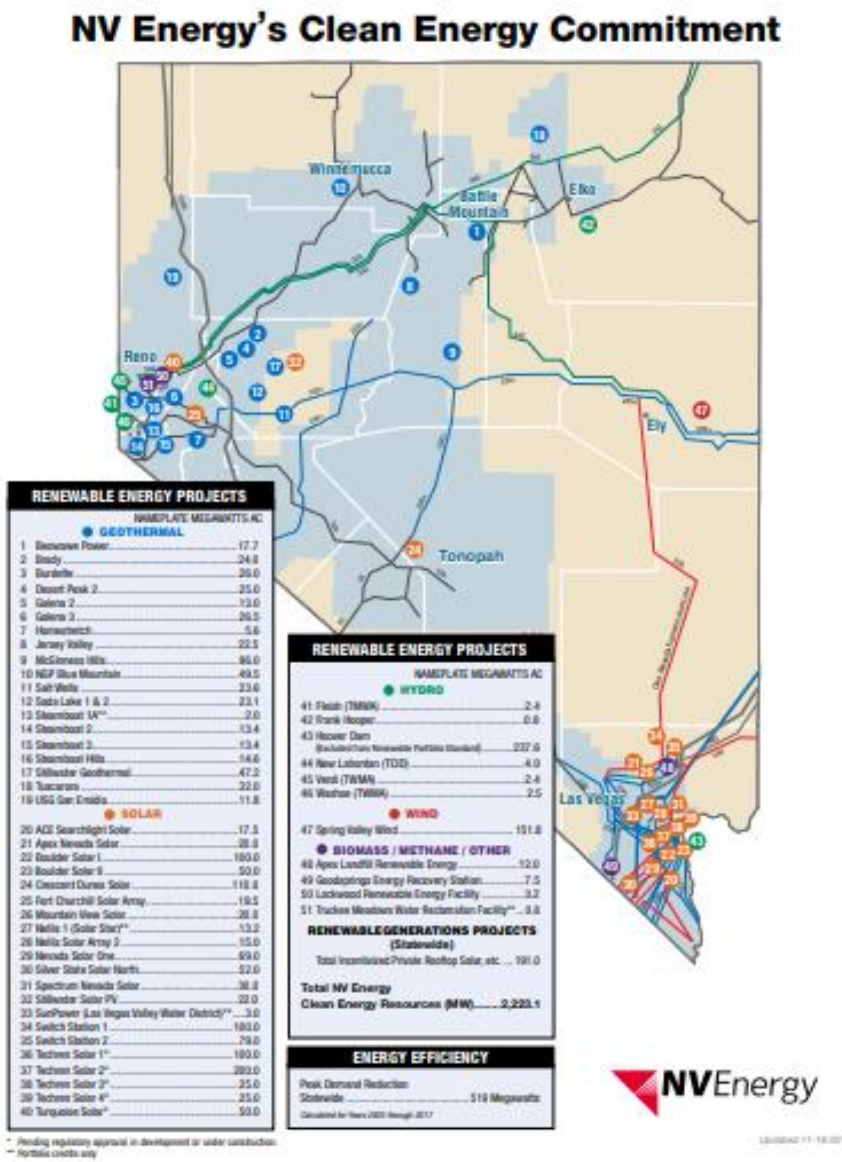
MidAmerican Energy Company Wind

- Today: 51% of Iowa customers’ annual electric use
- Next: Wind XI ($3.6 billion; 2,000 MW); 95% of Iowa customers’ annual electric usage
- $1.9 billion in landowners easement and property tax payments over next 30 years
- Partnering with more than 2,400 landowners
- Thousands of construction jobs; > 200 permanent
- One rate increase 1997-2029 (scrubbers for coal plant)

RPS Enactment Dates



Insert NV Energy renewables map



NV Energy renewables RFP

- RFP out for 330 MW renewable energy and battery storage options
- 100 bids, 18 companies, 26 project sites
- Bids: > 3,700 MW: > 700 MW battery storage
- Solar with and without battery storage, geothermal, wind and biomass
- Short listing; begin contract negotiations soon
- Plan: Submit winning bids to PUCN June; decision by late 2018; projects online by late 2020 or 2021
- BUT: All bets off if Question 3 passes 11-6-2018

Ballot Question 3

- “[E]very person, business, association . . . political subdivision . . . or any other entity in Nevada has the right to choose the provider of its electric utility service”
- “Not later than July 1, 2023, the Legislature shall . . . establish an open, competitive retail electric energy market . . ., including provisions that reduce costs to customers . . . and prohibit the grant of monopolies and exclusive franchises for the generation of electricity.”
- “ . . . [A]ny laws, regulations, regulatory orders or other provisions which conflict with this Act shall be void.”

Deregulation of electricity markets

- Hasn't worked in other U.S. states
- California (1996) – disastrous
  - Rolling blackouts Jan.-March 2001
  - 46% rate increase; consumer complaints
  - Enron scandal; market manipulation
  - $40 billion added costs
  - Gov. Davis: deregulation "a colossal and dangerous failure"
- Nevada initiated deregulation in late '90s; reversed
- 24 states moved to deregulate; 14 still deregulated
- 20 years since any state has initiated deregulation
- 3-29: MA AG: end deregulation; $177 mm overcharges

Nevada’s electricity rates

- Lower than rates in all 14 deregulated states
- Average rates have decreased by 15% since 2009
- 45.5% lower than rates in California
- 17.1% lower than the national average

State	Average Electricity Price (cents/kWh)
Connecticut	17.24
Massachusetts	16.48
Rhode Island	16.28
New Hampshire	15.66
New York	14.47
New Jersey	13.38
Maine	12.80
Maryland	12.21
District of Columbia	11.73
Delaware	11.09
U.S. Average	**10.27**
Pennsylvania	10.19
Ohio	9.84
Illinois	9.38
Texas	8.43
Nevada	**8.38**
Source: U.S. Energy Information Administration 2016 Annual Electricity Price Data by State *(most recent available)*	

Uncertainty, risk, cost

- Disrupt progress on renewable energy
- Only state to deregulate under its constitution
  - Would take at least 4 years to repeal/undo
- First state to deregulate without having a wholesale electricity market in place
  - Trust legislature to get it right?
  - “Protracted litigation is highly likely”
- Would Nevada join California ISO? Rates/governance
- Public programs (net metering, energy efficiency, demand-side management, EVs)?
- Stranded costs from selling power plants and terminating long-term contracts

What is NV Energy doing?

- Pledging to:
  - Double current renewable energy portfolio by 2023
  - Keep rates stable for 10 years
- NextGen ballot initiative to increase RPS
- Can Question 3 be defeated? Lost 72-28% in 2016
- Polling
  - 80% of voters don't remember how they voted
  - 60% potential swing
- Coalition to Defeat Question 3 – www.NOon3.com
  - IBEW, Teamsters, AARP Nevada, Fire Fighters, Public Safety Officers, Nevada AFL-CIO, Wells Rural Electric
- Bottom line: Uncertainty, risk, cost

What could deregulation look like? CCA status

Operational

MCE Clean Energy
includes Marin and Napa Counties, parts of Contra Costa and Solano Counties (1)

Sonoma Clean Power
Includes Mendocino County in mid-2017

Lancaster Choice Energy (2)

Clean Power San Francisco

Peninsula Clean Energy
San Mateo County

Redwood Coast Energy Authority
Humboldt County

Silicon Valley Clean Energy
Santa Clara County

Town of Apple Valley (3)

Clean Power Alliance of Southern CA
Phase 1, formerly Los Angeles Community Energy

Pioneer Community Energy
formerly Sierra Valley Energy, Placer County

PRIME (4)
Pico Rivera Innovative Municipal Energy

2018 Launch (anticipated)

City of Solana Beach (5)

San Jose Clean Energy (6)

Clean Power Alliance of Southern CA**
Phase 2, formerly Los Angeles Community Energy, includes Ventura County

Contra Costa County
As part of MCE Clean Energy

Desert Community Energy ** (7)
Coachella Valley

East Bay Community Energy
Alameda County

King City** (8)

Monterey Bay Community Power
Monterey, Santa Cruz and San Benito Counties

Rancho Mirage Energy Authority (9)

San Jacinto Power (10)

Silicon Valley Clean Energy**
Program expansion

Valley Clean Energy Alliance
Yolo County, Cities of Davis and Woodland

Western Riverside Council of Gov'ts** (11)
WRCOG

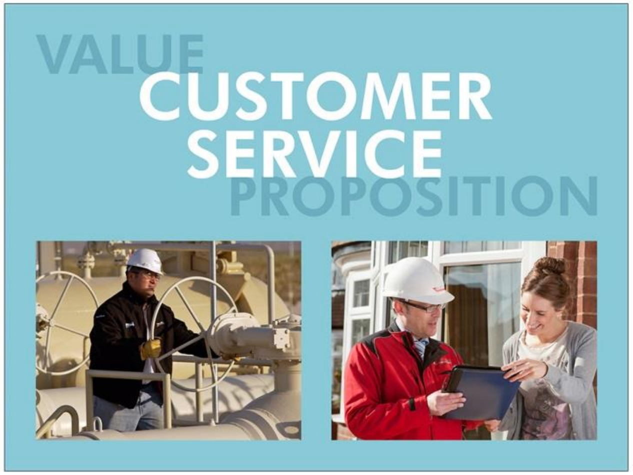
***Impacted by Resolution E-4907*

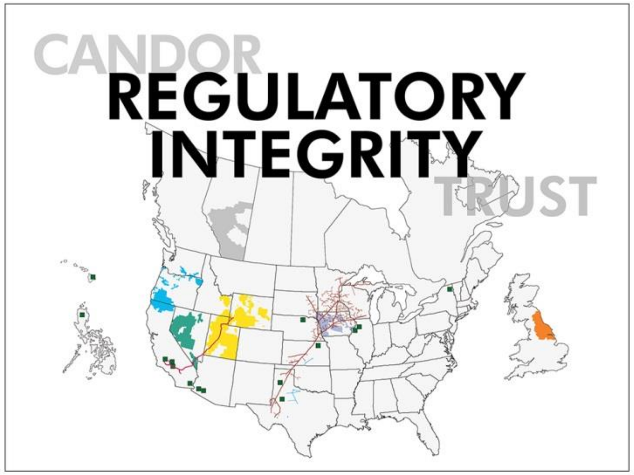
Exploring / In Process

City of Hanford (12)
City of Hermosa Beach (13)
City of Palmdale (14)
Butte County
Fresno County
Kings County
Modoc County
Nevada County
City of San Diego (15)
San Joaquin County
City of San Luis Obispo (16)
Santa Barbara County
Solano County

Location of CCAs

2018 midterm elections





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