

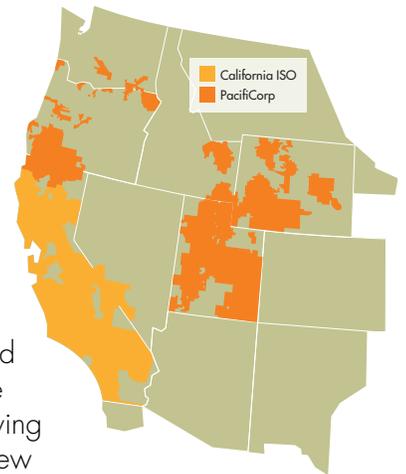


FAQ

Expanding regional energy partnerships

WHAT HAVE THE CALIFORNIA ISO AND PACIFICORP AGREED TO DO?

The two organizations have signed a memorandum of understanding (MOU) that commits the parties to explore the feasibility, costs and benefits of full participation by PacifiCorp in the California ISO. A comprehensive benefits study is underway and expected to be completed this summer. Should PacifiCorp decide to take additional steps to pursue joining the ISO following the benefits study, a full stakeholder and regulatory review and input process would be initiated. Both organizations have also committed to work with leaders in all affected states to review issues associated with governance over a regional organization. PacifiCorp has been clear that this is a critical factor in PacifiCorp's ability to move forward with the commitments made in the MOU.



WHAT WOULD FULL PARTICIPATION BY PACIFICORP IN THE ISO MEAN?

Since the launch of the regional Energy Imbalance Market in November 2014, PacifiCorp has been participating in the ISO's 15-minute and 5-minute markets to better manage short-term fluctuations in energy supply and demand. Joining the ISO would extend this participation to the day-ahead energy market and allow for full coordination of the region's two largest high-voltage transmission grids, as well providing customers access to renewable and other power generation sources across a much broader area. PacifiCorp's retail customers in the six states it serves would still receive retail electrical serve from Pacific Power and Rocky Mountain Power.

WHAT WOULD BE THE BENEFITS OF PACIFICORP JOINING THE ISO?

While a full benefits study is underway, both organizations have realized customer benefits from increased coordination since launch of the Energy Imbalance Market last November. Significant benefits of increased regional coordination of energy generation and delivery are anticipated in three main areas:

- **Reduced costs for PacifiCorp customers and ISO market participants** by enhancing coordination of a broader array of resources in the day-ahead market, sharing reserve resources, and better planning and use of the regional high-voltage transmission system.
- **Reduced carbon emissions and more efficient use and integration of renewable energy** due to the day-ahead visibility and fully coordinated planning. For instance, when PacifiCorp's service areas are generating excess power due to hydro and wind conditions, the ISO can commit output from PacifiCorp's wind fleet to serve customers in California. Likewise, when California is experiencing oversupply situations, excess solar energy can be committed to meet customer demand in PacifiCorp's states that otherwise would be met by more expensive coal or gas generation.
- **Enhanced reliability through broader visibility** across grids and better planning and management of congestion across more of the region's high-voltage transmission system.

WHAT WOULD THE BENEFITS BE TO THE ISO'S EXISTING MARKET PARTICIPANT AND THEIR CUSTOMERS SHOULD PACIFICORP JOIN THE ISO?

In addition to the benefits of coordination noted above that the ISO market participants will realize, it is likely that expanding the ISO's footprint will make it easier and less costly than it otherwise would be for California to meet its renewable energy and carbon reduction goals by gaining access in the day-ahead timeframe to a larger market for the power and additional renewable energy resources located across the region.

WHAT WOULD THE IMPACT BE ON CURRENT AND FUTURE EIM PARTICIPANTS?

There is no impact to existing and future Energy Imbalance Market participants. Should PacifiCorp eventually join the ISO, it would continue participating in the ISO's real-time markets with other EIM participants. NV Energy is planning to start participation in the EIM in October 2015, with Puget Sound Energy scheduled to begin participation in the fall of 2016. The EIM will continue as voluntary, real-time regional market for existing and future participants.

WHAT ARE THE NEXT STEPS?

PacifiCorp has commissioned a feasibility and benefits study that should be finalized and publicly available this summer. If the results are favorable, PacifiCorp and the ISO would aim to reach a transition agreement later this year to fully outline the steps and timeline required for the transition. Necessary steps would include a full stakeholder process to consider the tariff, policy and process changes that are necessary to complete prior to implementation. In addition, approval would be sought from the ISO Board of Governors, the public utility commissions in the six states where PacifiCorp serves customers and the Federal Energy Regulatory Commission.

AT A GLANCE



Serves: 1.8 million customers across 136,000 sq. miles in six Western states (Oregon, Washington, California, Utah, Wyoming and Idaho)

Employees: 6,000

Headquarters: Portland, Oregon

Generation capacity: 10,595 megawatts

Transmission: Over 16,300 miles of transmission lines
Over 62,930 miles of distribution lines

PacifiCorp is a wholly-owned subsidiary of Berkshire Hathaway Energy and regulated by the public services commissions in the six states it serves.



Serves: over 30 million consumers in California and small portion of Nevada, plus the populations of the voluntary Energy Imbalance Market.

Employees: 580

Headquarters: Folsom, California

Generation capacity: 65,000 megawatts

Transmission: controls over 26,000 miles of high voltage transmission lines

The ISO is a non-profit, public benefit corporation with an independent Board of Governors and regulated by the Federal Energy Regulatory Commission.