



# **EEl Financial Conference**

## **November 2022**

# Forward-Looking Statements



This presentation contains statements that do not directly or exclusively relate to historical facts. These statements are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements can typically be identified by the use of forward-looking words, such as “will,” “may,” “could,” “project,” “believe,” “anticipate,” “expect,” “estimate,” “continue,” “intend,” “potential,” “plan,” “forecast” and similar terms. These statements are based upon Berkshire Hathaway Energy Company and its subsidiaries, PacifiCorp and its subsidiaries, MidAmerican Funding, LLC and its subsidiaries, MidAmerican Energy Company, Nevada Power Company and its subsidiaries, Sierra Pacific Power Company and its subsidiaries, Eastern Energy Gas Holdings, LLC and its subsidiaries, or Eastern Gas Transmission and Storage, Inc. and its subsidiaries (collectively, the Registrants), as applicable, current intentions, assumptions, expectations and beliefs and are subject to risks, uncertainties and other important factors. Many of these factors are outside the control of each Registrant and could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These factors include, among others:

- general economic, political and business conditions, as well as changes in, and compliance with, laws and regulations, including income tax reform, initiatives regarding deregulation and restructuring of the utility industry and reliability and safety standards, affecting the respective Registrant's operations or related industries;
- changes in, and compliance with, environmental laws, regulations, decisions and policies that could, among other items, increase operating and capital costs, reduce facility output, accelerate facility retirements or delay facility construction or acquisition;
- the outcome of regulatory rate reviews and other proceedings conducted by regulatory agencies or other governmental and legal bodies and the respective Registrant's ability to recover costs through rates in a timely manner;
- changes in economic, industry, competition or weather conditions, as well as demographic trends, new technologies and various conservation, energy efficiency and private generation measures and programs, that could affect customer growth and usage, electricity and natural gas supply or the respective Registrant's ability to obtain long-term contracts with customers and suppliers;
- performance, availability and ongoing operation of the respective Registrant's facilities, including facilities not operated by the Registrants, due to the impacts of market conditions, outages and associated repairs, transmission constraints, weather, including wind, solar and hydroelectric conditions, and operating conditions;
- the effects of catastrophic and other unforeseen events, which may be caused by factors beyond the control of each respective Registrant or by a breakdown or failure of the Registrants' operating assets, including severe storms, floods, fires, extreme temperature events, wind events, earthquakes, explosions, landslides, an electromagnetic pulse, mining incidents, litigation, wars (including, for example, Russia's invasion of Ukraine in February 2022), terrorism, pandemics, embargoes, and cyber security attacks, data security breaches, disruptions, or other malicious acts;
- the risks and uncertainties associated with wildfires that have occurred, are occurring or may occur in the respective Registrant's service territory for which the cause has yet to be determined; the damage caused by such wildfires; the extent of the respective Registrant's liability in connection with such wildfires (including the risk that the respective Registrant may be found liable for damages regardless of fault); investigations into such wildfires; the outcome of any legal proceedings initiated against the respective Registrant; the risk that the respective Registrant is not able to recover costs from insurance or through rates; and the effect on the respective Registrant's reputation of such wildfires, investigations and proceedings;
- the respective Registrant's ability to reduce wildfire threats and improve safety, including the ability to comply with the targets and metrics set forth in its wildfire mitigation plans; to retain or contract for the workforce necessary to execute its wildfire mitigation plans; the effectiveness of its system hardening; ability to achieve vegetation management targets; and the cost of these programs and the timing and outcome of any proceeding to recover such costs through rates;
- the ability to economically obtain insurance coverage, or any insurance coverage at all, sufficient to cover losses arising from catastrophic events, such as wildfires where the Registrants may be found liable for real and personal property damages regardless of fault;
- a high degree of variance between actual and forecasted load or generation that could impact a Registrant's hedging strategy and the cost of balancing its generation resources with its retail load obligations;

# Forward-Looking Statements



- changes in prices, availability and demand for wholesale electricity, coal, natural gas, other fuel sources and fuel transportation that could have a significant impact on generating capacity and energy costs;
- the financial condition, creditworthiness and operational stability of the respective Registrant's significant customers and suppliers;
- changes in business strategy or development plans;
- availability, terms and deployment of capital, including reductions in demand for investment-grade commercial paper, debt securities and other sources of debt financing and volatility in interest rates;
- changes in the respective Registrant's credit ratings;
- risks relating to nuclear generation, including unique operational, closure and decommissioning risks;
- hydroelectric conditions and the cost, feasibility and eventual outcome of hydroelectric relicensing proceedings;
- the impact of certain contracts used to mitigate or manage volume, price and interest rate risk, including increased collateral requirements, and changes in commodity prices, interest rates and other conditions that affect the fair value of certain contracts;
- the impact of inflation on costs and the ability of the respective Registrants to recover such costs in regulated rates;
- fluctuations in foreign currency exchange rates, primarily the British pound and the Canadian dollar;
- increases in employee healthcare costs;
- the impact of investment performance, certain participant elections such as lump sum distributions and changes in interest rates, legislation, healthcare cost trends, mortality, morbidity on pension and other postretirement benefits expense and funding requirements;
- changes in the residential real estate brokerage, mortgage and franchising industries and regulations that could affect brokerage, mortgage and franchising transactions;
- the ability to successfully integrate future acquired operations into a Registrant's business;
- the impact of supply chain disruptions and workforce availability on the respective Registrant's ongoing operations and its ability to timely complete construction projects;
- unanticipated construction delays, changes in costs, receipt of required permits and authorizations, ability to fund capital projects and other factors that could affect future facilities and infrastructure additions;
- the availability and price of natural gas in applicable geographic regions and demand for natural gas supply;
- the impact of new accounting guidance or changes in current accounting estimates and assumptions on the financial results of the respective Registrants; and
- other business or investment considerations that may be disclosed from time to time in the Registrants' filings with the United States Securities and Exchange Commission (SEC) or in other publicly disseminated written documents.

Further details of the potential risks and uncertainties affecting the Registrants are described in the Registrants' filings with the SEC. Each Registrant undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing factors should not be construed as exclusive.

This presentation includes certain non-Generally Accepted Accounting Principles (GAAP) financial measures as defined by the SEC's Regulation G. Refer to the BHE Appendix in this presentation for a reconciliation of those non-GAAP financial measures to the most directly comparable GAAP measures.



# Calvin Haack

Senior Vice President and Chief Financial Officer



# Berkshire Hathaway Energy



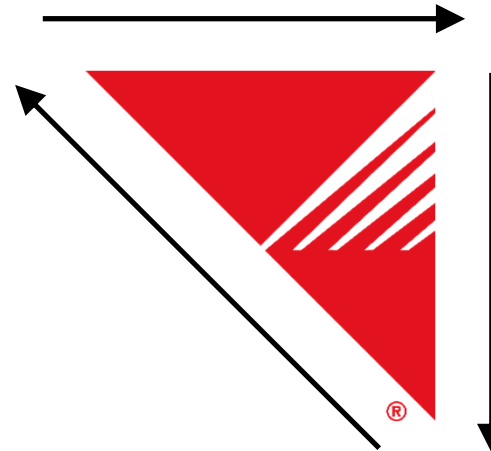
## Vision

To be the **best** energy company in serving our customers, while delivering sustainable energy solutions

## Culture

Personal responsibility to our customers

## Strategy



### Reinvest in our businesses

- Continue to invest in our employees and operations, maintenance and capital programs for property, plant and equipment
- Position our regulated businesses to meet changing customer expectations and retain customers by providing excellent service and competitive rates
- Advance the reliability and resilience of our systems, including cybersecurity and physical security
- Deliver sustainable energy solutions by reducing our emissions, transitioning to renewables, pursuing energy storage and employing innovative technology

### Invest in internal growth

- Grow our portfolio of low-cost renewable energy solutions
- Pursue value-enhancing additions to the electric grid and gas pipeline infrastructure
- Deploy energy storage, electric vehicle infrastructure and innovative technologies

### Acquire companies

- Additive to our business

## Competitive Advantage

Berkshire Hathaway ownership

# Organizational Structure

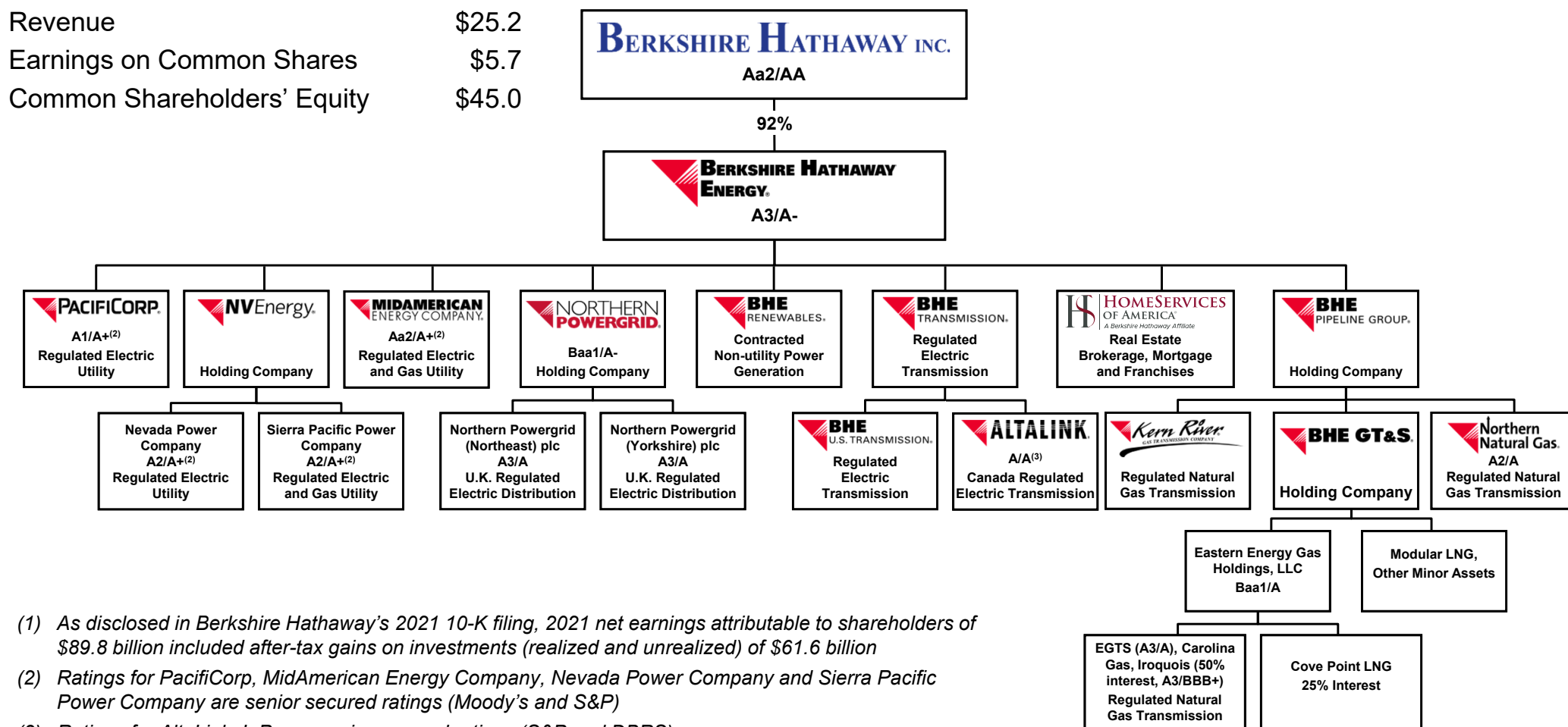


## 2021 Berkshire Hathaway Inc. (\$ billions)

Revenue	\$276.1
Net Income <sup>(1)</sup>	\$89.8
Shareholders' Equity	\$506.2

## 2021 Berkshire Hathaway Energy (\$ billions)

Revenue	\$25.2
Earnings on Common Shares	\$5.7
Common Shareholders' Equity	\$45.0



- (1) As disclosed in Berkshire Hathaway's 2021 10-K filing, 2021 net earnings attributable to shareholders of \$89.8 billion included after-tax gains on investments (realized and unrealized) of \$61.6 billion
- (2) Ratings for PacifiCorp, MidAmerican Energy Company, Nevada Power Company and Sierra Pacific Power Company are senior secured ratings (Moody's and S&P)
- (3) Ratings for AltaLink, L.P. are senior secured ratings (S&P and DBRS)

# Diversity in Our Portfolio



**Berkshire Hathaway Energy's regulated energy businesses serve customers and end-users across geographically diverse service territories, including 28 states located throughout the U.S. and in Great Britain and Canada**

## **ELECTRIC DISTRIBUTION**

Our integrated utilities serve approximately 5.2 million U.S. customers; Northern Powergrid has 3.9 million end-users in northern England, making it the third-largest distribution company in Great Britain

## **ELECTRIC TRANSMISSION**

We own significant transmission infrastructure in 15 states and the province of Alberta; with our assets at PacifiCorp, NV Energy and AltaLink, we are the largest transmission owner in the Western Interconnection

## **PIPELINES**

BHE Pipeline Group owns assets in 27 states and transported approximately 15% of the total natural gas consumed in the U.S. during 2021

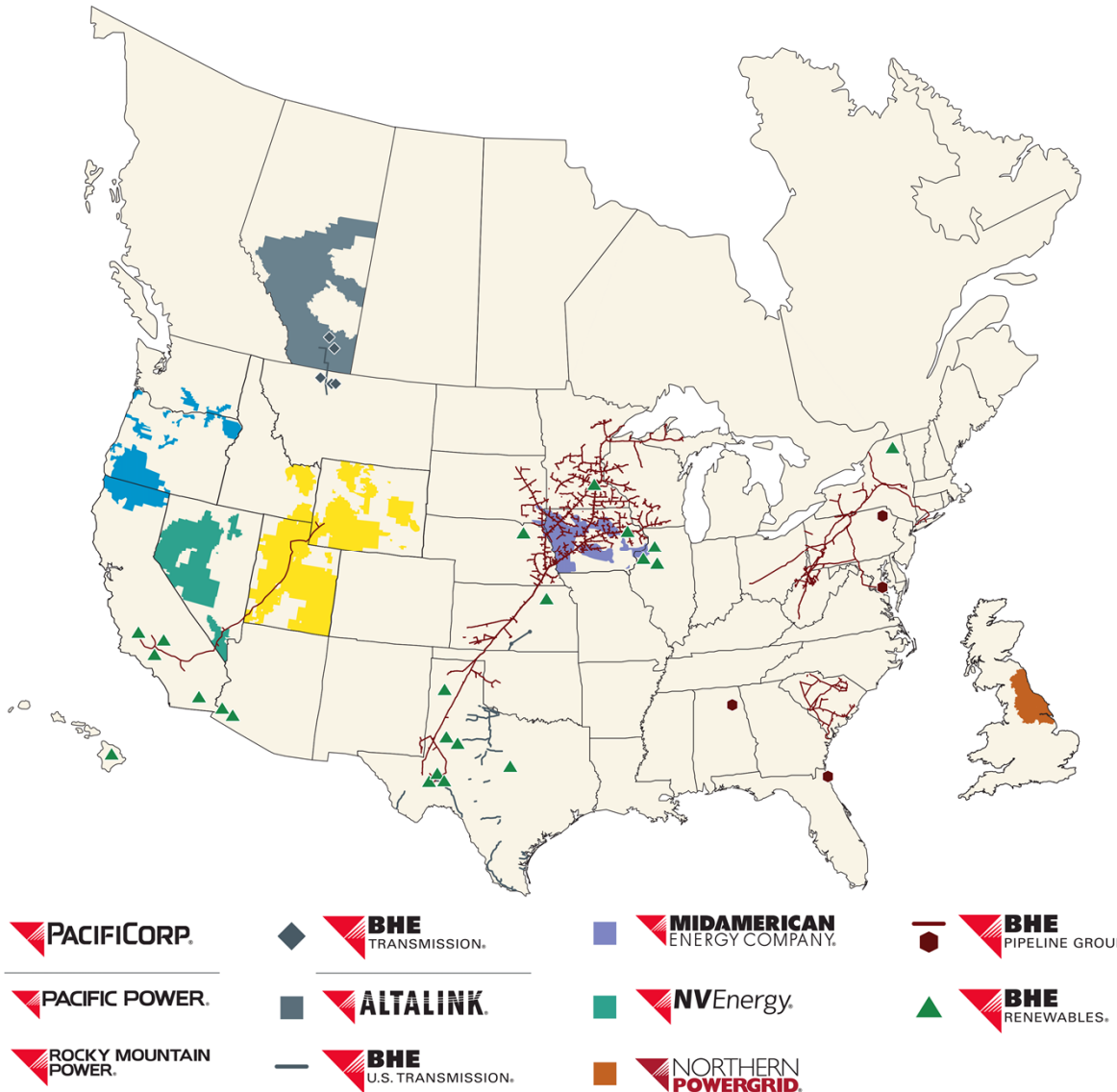
## **GENERATION**

As of September 30, 2022, we owned 34,951 MWs of generation capacity in operation and under construction, with resource diversity and a growing renewable portfolio

## **RENEWABLES**

As of September 30, 2022, we had invested \$36.8 billion in wind, solar, geothermal and biomass generation, and have plans to spend an additional \$5.5 billion on renewable generation through 2024

# Energy Assets



As of and for the LTM ended 9/30/2022

## Financial Strength

• Assets	\$132 billion
• Revenue	\$26 billion
• Earnings on Common Shares <sup>(1)</sup>	\$4.1 billion

## Environmental Respect

• Noncarbon Power	45%
• Invested in Renewables	\$36.8 billion

## Customer Service

• Total Customers <sup>(2)</sup>	9.1 million
• #1 Pipeline Ranking	17 years

## Regulatory Integrity

Retail rates of regulated U.S. electric utilities 16% to 35% below the national average

## Employee Commitment

• Employees	24,000
• OSHA Incident Rate	0.40

## Operational Excellence

• Electric T&D	210,850 miles
• Natural Gas T&D	48,800 miles

(1) Adjusted for BYD unrealized loss for the twelve months ending September 30, 2022. See appendix for detailed reconciliation

(2) Includes both electric and natural gas customers and end-users worldwide. Additionally, AltaLink serves approximately 85% of Alberta, Canada's population



# Competitive Advantage



- **Diversified portfolio of regulated assets**
  - Weather, customer, regulatory, generation, economic and catastrophic risk diversification
- **Berkshire Hathaway ownership**
  - Access to capital from Berkshire Hathaway allows us to take advantage of market opportunities
  - Berkshire Hathaway is a long-term holder of assets, which promotes stability and helps make Berkshire Hathaway Energy the buyer of choice in many circumstances
  - Tax appetite of Berkshire Hathaway has allowed us to receive significant cash tax benefits from our parent, including \$1.7 billion in the nine months ended September 30, 2022, and \$1.4 billion in 2021
- **No dividend requirement**
  - Cash flow is retained within the business and used to help fund growth and strengthen our balance sheet
  - We retain more dollars of earnings than any other U.S. electric utility

# Destination Net Zero



## Achieving Net Zero Greenhouse Gas Emissions by 2050

Striving to achieve net zero greenhouse gas emissions by 2050 in a manner our customers can afford, our regulators will allow and technology advances support increasing noncarbon generation and energy storage, investing in transmission infrastructure and reducing utilization of coal units

Retiring all coal units by 2049 and natural gas units by 2050

Achieving a 50% reduction in CO<sub>2</sub> emissions by 2030 from 2005 levels

## Leading in Renewable Generation

Combined, Berkshire Hathaway Energy's businesses are No.1 among investor-owned utilities with clean power in operation<sup>(1)</sup>

As of September 30, 2022, 45% of owned generation capacity (operating and under construction) comes from noncarbon resources; anticipate 50% by 2030

## Plan to retire all coal units by 2049 and all natural gas units by 2050

### Coal Unit Retirements

	2006-2021	2022-2030	2031-2049
PacifiCorp	4	14	8
MidAmerican	5	0	6
NV Energy	7	2	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>14</b>

## Investing in Renewable Energy

\$36.8 billion invested in renewable energy through September 30, 2022, with plans to invest an additional \$5.5 billion through 2024

## Transparent Reporting

Annual environmental and climate-related disclosures are made in investor presentations and are publicly available

- Additional information can be found at:  
[www.brkenenergy.com/esg-sustainability/governance.aspx](http://www.brkenenergy.com/esg-sustainability/governance.aspx)

(1) American Clean Power Association 2021 Annual Report

# Green Financing Framework



In November 2022, Berkshire Hathaway Energy released a Green Financing Framework, which will be adopted by its subsidiaries. The framework is in alignment with the June 2021 Green Bond Principles published by the International Capital Markets Association

## Four Core Pillars

1

### Use of Proceeds

The funds may be allocated to the following Eligible Green Project categories:

1. **Renewable Energy**
2. **Clean Transportation**
3. **Climate Change Adaptation**
4. **Energy Efficiency**

- Eligible Projects include new or existing investments and/or expenditures made by an Issuing Entity beginning with the issuance date of each Green Financing Instrument or in the **24 months prior to any such issuance**
- Each Issuing Entity intends to allocate an amount equal to the net proceeds **within 24 months of the Green Financing Instrument issuance**

3

### Management of Proceeds

- The accounting function for each Issuing Entity will oversee the internal tracking system to allocate an amount equal to the net proceeds from any Green Financing Instruments to Eligible Projects. Pending allocation, net proceeds will be managed in accordance with each Issuing Entity's normal liquidity practices
- If a project no longer meets the eligibility criteria, the Issuing Entity will use reasonable efforts to reallocate the funds to other Eligible Projects in a timely manner

2

### Process for Project Evaluation and Selection

- Eligible Projects will be selected by a group consisting of representatives from Berkshire Hathaway Energy Treasury and Sustainability offices in addition to the Chief Financial Officer of the Issuing Entity
- This group will convene to determine which projects are eligible and select according to overall financing needs. All Eligible Projects are approved by the Chief Financial Officer of Berkshire Hathaway Energy

4

### Reporting

- Berkshire Hathaway Energy and/or each Issuing Entity intends to report on the allocation, and where feasible, the environmental impact, of the use of proceeds from each Green Financing Instrument annually, until full allocation
- Each report (Green Financing Report) will be available on Berkshire Hathaway Energy's website and may include: Net proceeds allocated by project, where feasible, and/or Eligible Project category; Estimated portion of proceeds used for financing vs. refinancing; Remaining balance of proceeds yet to be allocated to Eligible Projects, if applicable; Examples of projects to which proceeds have been allocated; Impact reporting metrics where feasible and subject to confidentiality considerations; Key underlying methodology used

## Second Party Opinion

Berkshire Hathaway Energy obtained a second party opinion from **S&P Global**

## External Review

- Each Green Financing Report will be accompanied by an assertion by management regarding the allocation of net proceeds and a report from either an independent auditor or an external consultant with expertise in environmental, social and governance matters

# Green Bond Impact Reporting and Investor Resources



- The Green Financing Framework and Second Party Opinion from S&P are available on Berkshire Hathaway Energy's website at:
  - [www.brkenergy.com/esg-sustainability/green-financing.aspx](http://www.brkenergy.com/esg-sustainability/green-financing.aspx)
- Information regarding our green financings and impact reports are available on PacifiCorp's and MidAmerican's websites:
  - [www.pacificorp.com/about/green-initiatives-investments.html](http://www.pacificorp.com/about/green-initiatives-investments.html)
  - [www.midamericanenergy.com/about-us/green-bonds](http://www.midamericanenergy.com/about-us/green-bonds)

# Inflation Reduction Act Supports Low-Cost Renewable Development Opportunities



- The Inflation Reduction Act (IRA) provides significant long-term benefits for Berkshire Hathaway Energy and keeps costs low for our customers
  - The IRA benefits Berkshire Hathaway Energy's decarbonization goals. Additional noncarbon development will reduce emissions
  - The IRA provides clear line of sight on investment tax credits (ITCs) and production tax credits (PTCs) for new renewable resources required to achieve net zero goals
  - PTC/ITC optionality for solar projects supports utility ownership and improves value proposition for our customers
  - New ITC with normalization opt-out for energy storage technologies improves economic viability
  - New and extended tax credits for carbon capture utilization and sequestration, clean hydrogen production and nuclear generation provide additional opportunities for base-load generating assets that align with Berkshire Hathaway Energy's net zero goals and provide grid stability



# Western Electric Transmission Investment to Enable Low-Cost Renewable Energy

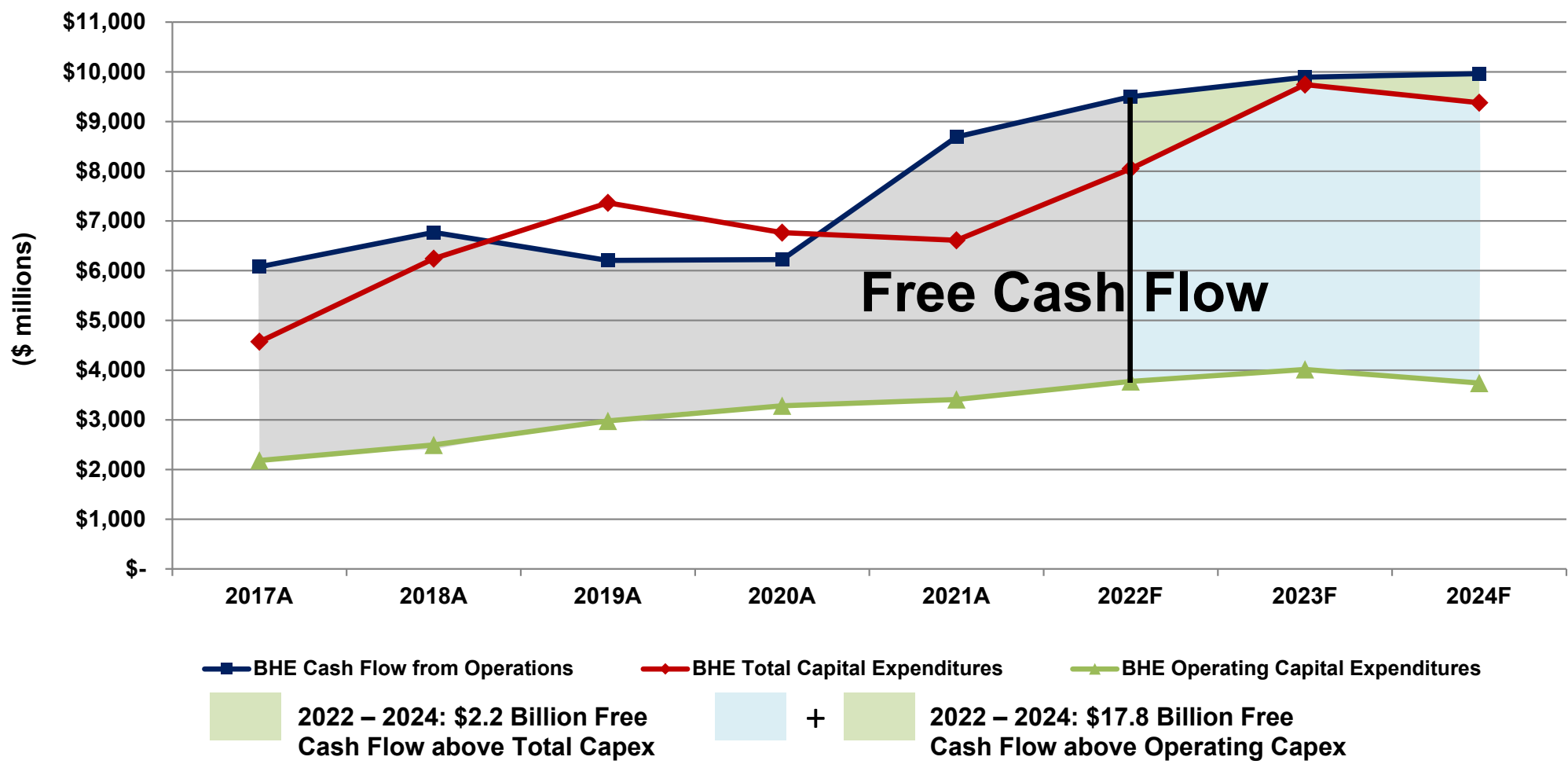


- Berkshire Hathaway Energy plans to invest more than \$18 billion (of which \$5.8 billion has been invested as of September 30, 2022) developing a more interconnected electric transmission grid in the western U.S. and Canada, thereby providing a conduit for increased renewable energy to be delivered
- PacifiCorp plans to invest more than \$11 billion on major transmission projects – primarily located in Wyoming, Utah, Idaho and Oregon – including Windstar-Hemingway, Aeolus-Mona/Clover and Boardman-Hemingway, of which \$3.6 billion has been invested as of September 30, 2022
- NV Energy's Greenlink Nevada projects include a 350-mile, 525-kV transmission line (Greenlink West) and a 235-mile, 525-kV transmission line (Greenlink North), with a combined expected cost of approximately \$2.5 billion
- PacifiCorp, NV Energy and BHE Transmission plan to invest \$6.2 billion in other electric transmission projects, of which \$2.2 billion has been invested as of September 30, 2022

# Capital Expenditures and Cash Flows



- Berkshire Hathaway Energy and its subsidiaries will spend approximately \$27.2 billion<sup>(1)</sup> from 2022-2024 for growth and operating capital expenditures, which primarily consist of new renewable generation project expansions, repowering of existing wind facilities, and electric transmission and distribution capital expenditures



(1) Cash from operations and capital expenditures include 100% of Cove Point LNG, which is consolidated, but only 25% owned by BHE

# U.S. Regulatory Overview Adjustment Mechanisms



	Fuel Recovery Mechanism	Capital Recovery Mechanism	Wildfire Mitigation Cost Mechanism	Renewable Rider	Transmission Rider	Energy Efficiency Rider	Decoupling	Forward Test Year
<b>PacifiCorp</b>								
Utah	✓	✓	✓	✓		✓		✓ <sup>(1)</sup>
Wyoming	✓			✓		✓		✓ <sup>(1)</sup>
Idaho	✓			✓		✓		
Oregon	✓	✓	✓	✓		✓		✓
Washington	✓	✓		✓		✓	✓	✓ <sup>(2)</sup>
California	✓	✓	✓	✓		✓		✓
<b>MidAmerican</b>								
Iowa – Electric	✓			✓	✓	✓		✓
Illinois – Electric	✓			✓	✓	✓		✓
South Dakota – Electric	✓			✓	✓			
Iowa – Gas	✓	✓				✓		✓
Illinois – Gas	✓					✓		✓
South Dakota – Gas	✓							
<b>NV Energy</b>								
Nevada Power	✓		✓	✓		✓		
Sierra Pacific – Electric	✓		✓	✓		✓		
Sierra Pacific – Gas	✓			✓				

(1) PacifiCorp has relied on both historical test periods with known and measurable adjustments, as well as forecast test periods

(2) Beginning January 1, 2022, Washington law allows utilities to file multi-year rate plans