

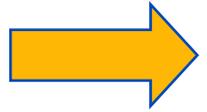


NextEra Energy Resources

Pinal Central Power Project

October 19, 2016

Agenda



- **NextEra Energy Overview**
 - Pinal Central Power Project
 - Comprehensive Plan Amendment Request
 - Additional Project Permitting Requirements
 - Why This Site?
 - Pinal County Staff's Recommendation

NextEra Energy (NYSE: NEE) is comprised of two strong businesses supported by our Core Values



- Fortune 200 company (\$55B market cap)⁽¹⁾
- 46,400 MW in operation⁽²⁾
- \$82.4B in total assets
- 14,300 employees
- Investment grade (S&P: A-, Moody's: Baa1)



- One of the largest electric utilities in the nation by retail MWh sales
- Utility roots in Florida dating back to 1925



- The global leader in electricity generated from the wind and sun
- Internally funded project development and construction

Core Values

Commitment to Excellence / Do the Right Thing / Treat People with Respect

1) As of March 30, 2016; Source: FactSet

2) Megawatts shown include megawatts sold to NEP as of December 31, 2015

Note: All other data as of December 31, 2015

NextEra Energy's accomplishments continue to earn the company widespread recognition

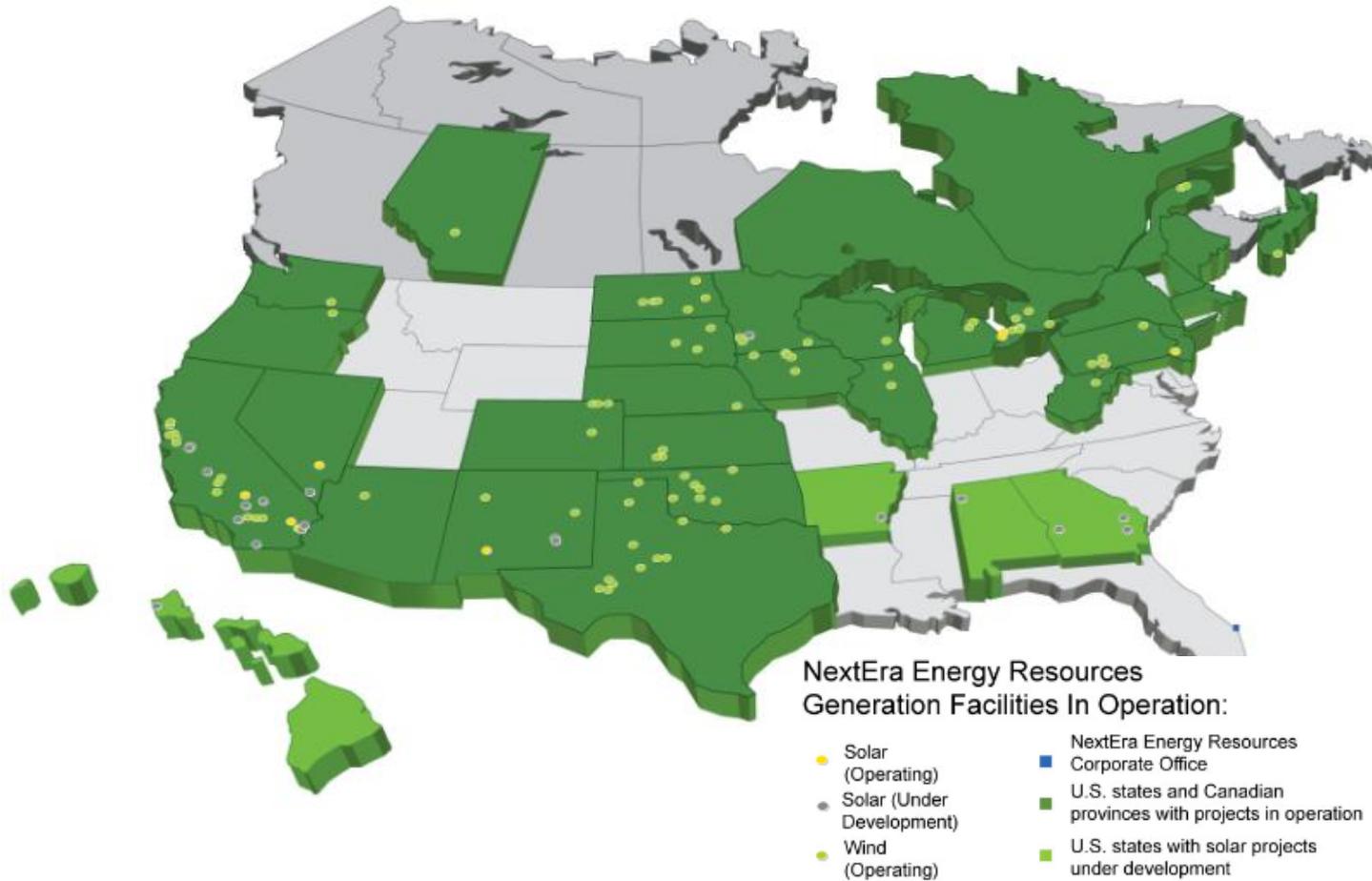
Recent Awards and Recognitions

- Ranked #1 by FORTUNE Magazine as “America’s Most Admired Electric and Gas Utility” for an unprecedented 9th year in a row
- Named to Dow Jones Sustainability Index four years in a row
- Named as one of the nation’s best companies for diversity practices for the 3rd straight year by the Hispanic Business Media
- Awarded as a “World’s Most Ethical Company” by Ethisphere Institute for seven years
- Received the Clean Air Excellence Award from EPA for our “green” vehicle fleet



NextEra Energy Resources' generation portfolio consists of a diverse set of technologies positioned in diverse regions across North America

Existing Generation Portfolio⁽¹⁾

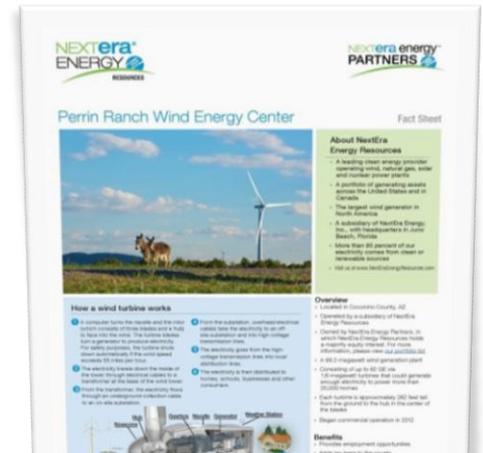


1) As of December 31, 2015; excludes Spain solar project; including noncontrolling interest of NextEra Energy Partners assets

NextEra has invested over \$200 million in Arizona and is seeking to make additional investments

Arizona Projects

- **Perrin Ranch Wind Energy Center**
 - 62 wind turbines totaling 99.2 MW under contract with Arizona Public Service
 - Located in Coconino County, AZ
 - Began commercial operations in 2012
- **Tucson Energy Storage Center**
 - 10 MW lithium ion battery storage project under contract with Tucson Electric Power
 - Located in Tucson, Arizona
 - Commercial operations in late 2016
- **High Lonesome Mesa Wind Energy Center**
 - 40 wind turbines totaling 100 MW under contract with Arizona Public Service
 - Located in New Mexico
 - Acquired by NextEra in 2016



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The development cycle begins when local/regional utilities identify needs and create resource plans

Typical Project Development

- **Early Stage**
 - Utility resource plan
 - Preliminary site identification and qualification
 - Utility Request For Proposal (RFP)
-  **Mid-Stage**
 - Preliminary engineering
 - Initial permitting
 - RFP response and award process
- **Late Stage**
 - Finalize engineering and permitting
 - Construction
 - Testing and operations

NextEra is seeking to qualify the site with a land use designation change to General Public Facilities/Services

NextEra is considering solar and storage at the Pinal Central project site to meet utility resource needs

Energy Technology Options

- Technologies currently under consideration:
 - Solar
 - Energy Storage
 - Solar + Energy Storage
 - ~~Natural Gas Combined Cycle~~

TEP buys gas-fired plant to reduce coal reliance

By David Wichner Arizona Daily Star Dec 10, 2014

NV Energy expects purchase of Arizona natural gas plant to bring needed new power



Exterior view of the NV Energy building Monday, July 8, 2016

By Daniel Rothberg (contact) Friday, July 8, 2016 | 2 a.m.

As part of a pending sale with electricity generation, NV Energy is purchasing a natural gas plant for \$75.6 million and investing \$100 million in the plant.

SRP approves \$100 million gas-plant

Ryan Randazzo, The Republic | azcentral.com 11:46 a.m. MST September 20, 2016



(Photo: Provided by SRP)

STORY HIGHLIGHTS

- SRP approved the purchase of a gas-fired power plant
- The company is increasing the use of natural gas to back up renewable-energy sources
- The board of directors approved spending \$100 million on the plant

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Salt River Project's elected board of directors approved spending \$100 million to purchase a power block at the Gila River Power Station natural-gas-fired plant near Gila Bend.

The purchase was approved at a Sept. 12 board meeting.

The plant is owned by Entegra Power of Tampa, which sold another unit at Gila River to Tucson Electric Power last year. The plant was built by different companies in the early 2000s to be used as a merchant plant selling power on the wholesale market.

The 550 megawatts of capacity at the power block SRP is purchasing can generate enough electricity

Utilities have recently acquired natural gas plants to meet their near term needs. NextEra is not pursuing natural gas generation at this site.

The project will result in hundreds of local construction jobs and millions of dollars of local spending

Typical 50 MW Solar Project Financial Impacts¹

- **Construction-related Jobs:** Up to 300
- **Permanent Jobs:** 6 total
 - High paying wages
- **Local Spending:** Up to \$50 million
- **Total Local Impact During Construction:** Up to \$75 million
- **Ongoing Local Impact:** \$400,000/year

1) Data derived from the “Jobs and Economic Development Impact” Model (JEDI) developed for the National Renewable Energy Laboratory

NextEra builds and operates solar energy projects across the United States and Canada

Solar Installations



NextEra builds and operates battery energy storage projects across the United States and Canada

Storage Installations



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Pinal County Comprehensive Plan (PCCP)

- “The Comprehensive Plan provides a guide... for decision-making concerning growth and development... and delineates existing and proposed land uses for the public and landowners/developers.” (*PCCP*)
- **Solar references in the PCCP:**
 - “Solar and wind energy generation and other renewable energy production are compatible with the farming heritage.”
 - “Pinal County will provide support for the development and location of renewable sources to meet current and future needs and to lessen the regions dependence on non-renewable energy sources. These might be stand alone facilities or co-located with other energy providers.”
 - “The expansion of renewable energy opportunities should be supported by the County through its land use planning and permitting processes. One very exciting viable renewable energy source in Arizona is solar.”

**The Comprehensive Plan is a statement of policy
and an expression of Pinal County’s vision**

Pinal County Zoning

- Should this proposed Comprehensive Plan Amendment be approved, NextEra would apply to Pinal County for rezoning of the parcels from General Rural zoning to an Industrial zoning
- An application for rezoning requires significantly more detail than a Comprehensive Plan amendment; while the Comprehensive Plan focuses on allowable land uses within an area, zoning focuses in more detail on the specific development allowed

Utilities are seeking more solar for 2017 and beyond; requiring us to initiate the comprehensive plan amendment and rezoning process now

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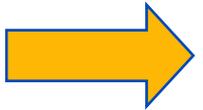
NextEra must return to Pinal County with detailed project information for the required zone change

Additional Project Permitting Requirements

- **Pinal County**
 - *Comprehensive Plan Amendment (Moderate Low Density Residential to General Public Facilities/Services)*
 - Zone Change/Site Plan Review (General Rural to I-3 Industrial Zoning)
- **Arizona Corporation Commission**
 - Application for a Certificate of Environmental Compatibility
- **US Bureau of Indian Affairs**
 - San Carlos Irrigation District lateral canal crossing permit for low voltage powerline

Agenda

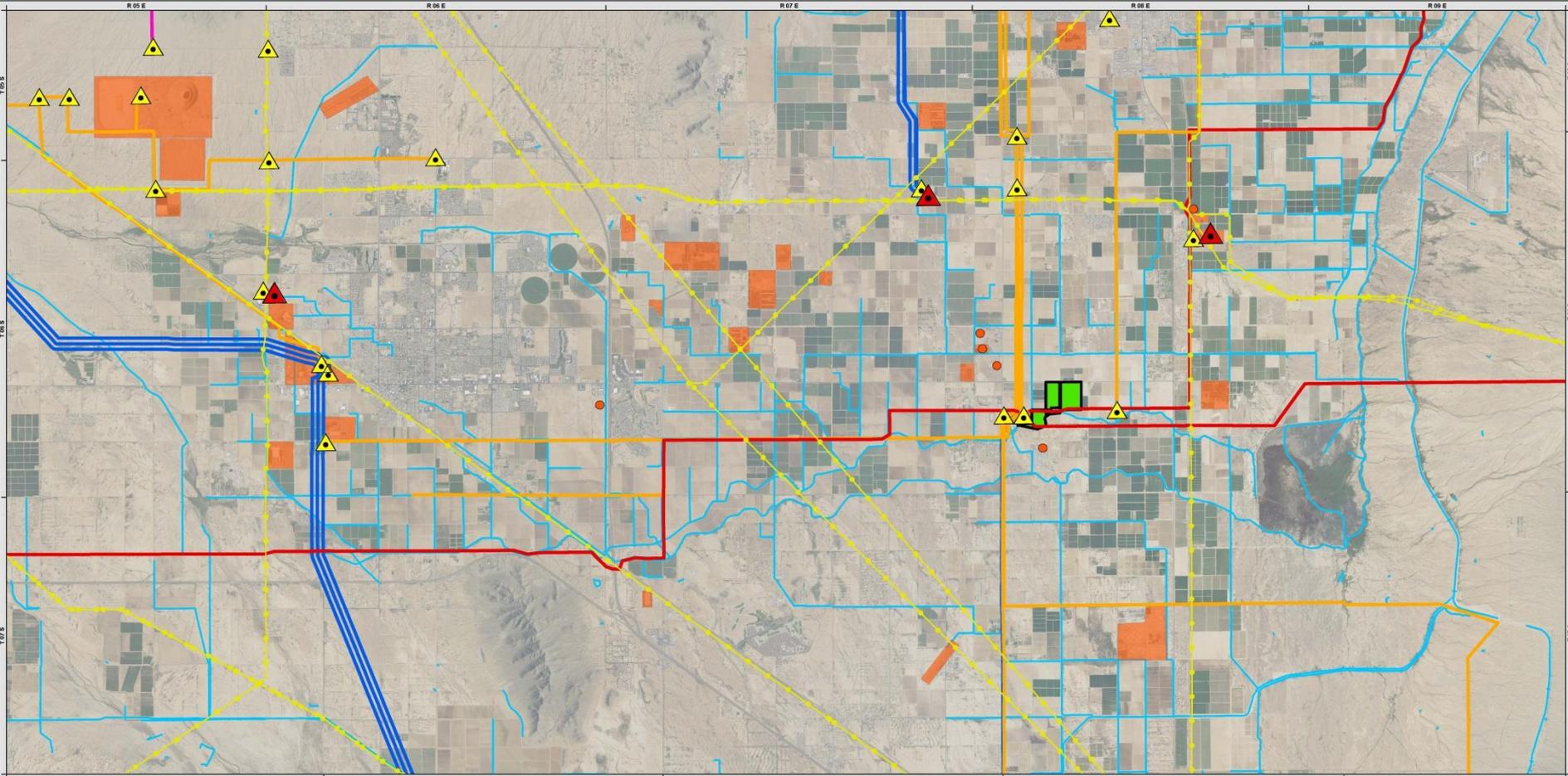
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The proposed amendment is compatible with the Pinal County Comprehensive Plan

Why This Site?

- **Adjacent and Nearby Compatible Land Uses and Infrastructure**
 - Pinal Central 500-kilovolt (kV) Substation
 - Western Area Power Administration 115 kV ED2 Substation
 - Three existing 500 kV transmission lines, and two additional permitted 500 kV transmission lines
 - Numerous electrical distribution lines, communications cables, and irrigation canals, laterals, and ditches
 - Pinal County Fairgrounds
- **Regional Compatible Land Uses and Infrastructure**
 - Three power plants
 - Numerous industrial/agricultural operations
- **Adjacent Community's Prescribed Land Use**
 - City of Coolidge land immediately adjacent to the Project site is designated in the City of Coolidge General Plan as an Industrial/Manufacturing Land Use (Pinal Central Substation)



Sources
 NextEra, 2016;
 NAIP World Imagery, 2016;
 USGS, 2015
 S&P Global Platts, 2011
 EPG, 2016.

October 2016

Project Features

- Project Site

Land Use

- Industrial Facility
- Industrial Facility/Use

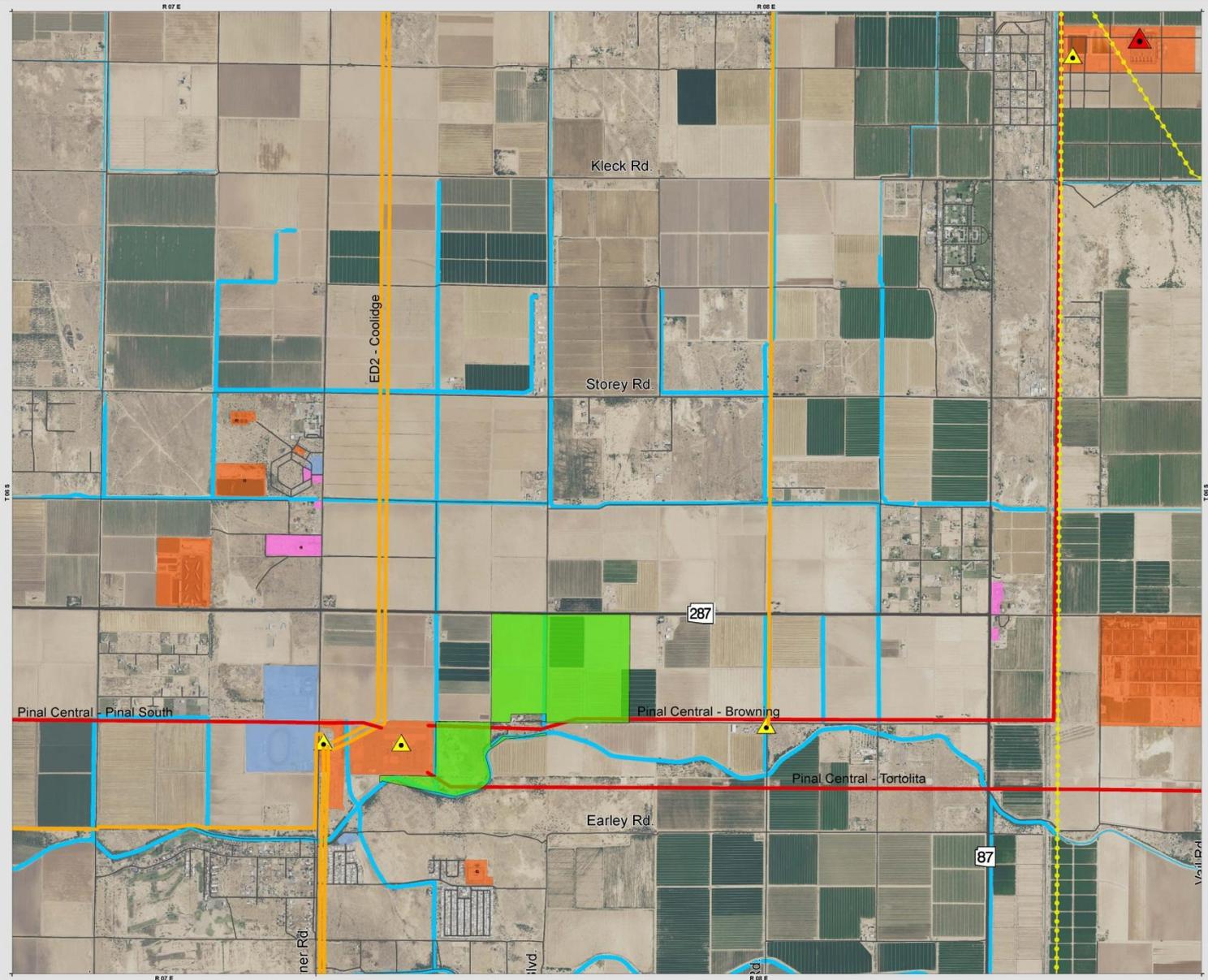
Existing Utilities

- Power Plant
- Substation
- 500kV Transmission Line
- 230kV Transmission Line
- 115kV Transmission Line
- 69kV Transmission Line
- Pipeline
- Canal/Ditch

Regional Area Map

Pinal Central Power

Regional Industrial and Utility Facilities



Pinal Central Power Project Vicinity Industrial and Utility Facilities

LEGEND

Existing Land Use

- Industrial
- Public/Quasi-Public
- Commercial/Office
- ~ Canal/Ditch

Existing Utilities

- ▲ Power Plant
- ▲ Substation
- ~ 500kV Transmission Line
- ~ 115kV Transmission Line
- ~ Natural Gas Pipeline

Reference Features

- Project Site
- ~ State Highway
- ~ Streets



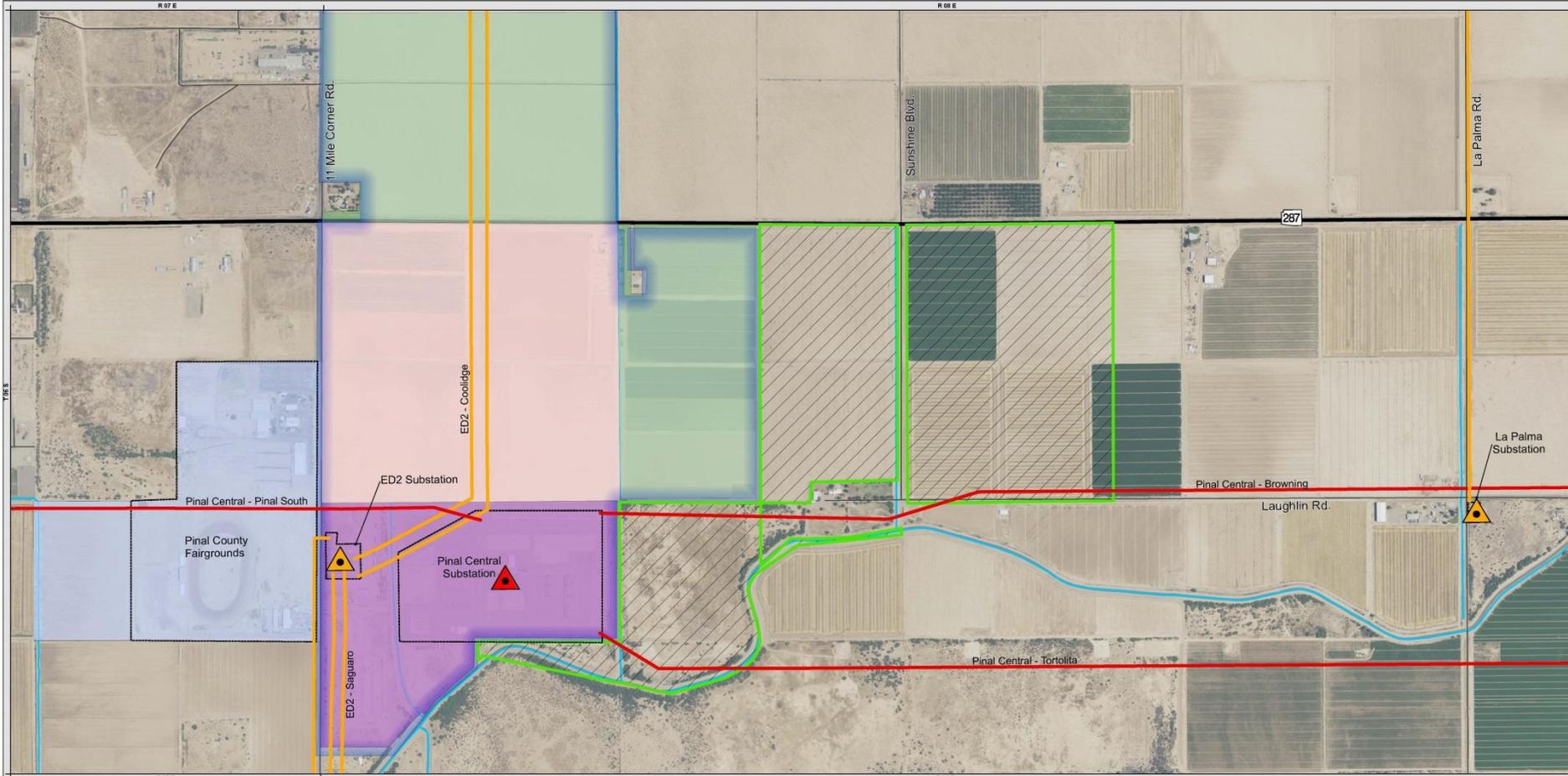
Sources: Esri, USDA Farm Service Agency



September 2016



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Sources

NextEra 2016;
 NAIP World Imagery 2016;
 USGS 2015;
 EPG 2016;
 Pinal County Comprehensive Plan 2015;
 City of Coolidge General Plan 2014.

October 2016

Pinal County Comprehensive Plan

- Moderate Low Density Residential
- General Public Facilities & Services

City of Coolidge General Plan

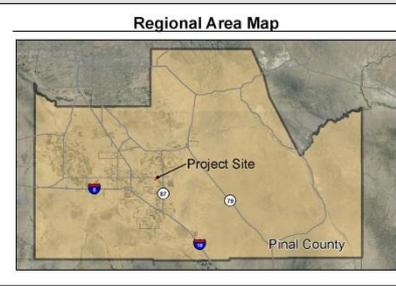
- Business & Commerce
- Industrial & Manufacturing
- Agriculture

Reference Features

- State Highway
- Streets
- Canal/Ditch
- Project Site
- City of Coolidge

Existing Utilities

- 500kV Substation
- 115kV Substation
- 500kV Transmission Line
- 115kV Transmission Line



Pinal Central Power
*Comprehensive and
 General Plan
 Planned Land Use*

Pinal Central Substation



Portion of Solar Energy
Project Site

(APN: 40144001H & 401440010)





Pinal Central Substation



Portion of Solar Energy
Project Site

(APN: 40144001H & 401440010)



Site Attributes

- Close to existing substations and transmission lines
- Excellent solar resource
- Proximity to large metro area with high energy demands
- Adequate area of flat, vacant land suitable for solar
- Minimal biological and cultural resources issues
- Proximity to available workforce
- Proximity to existing major transportation corridors (highway/rail)
- Located near existing industrial facilities/compatible land uses

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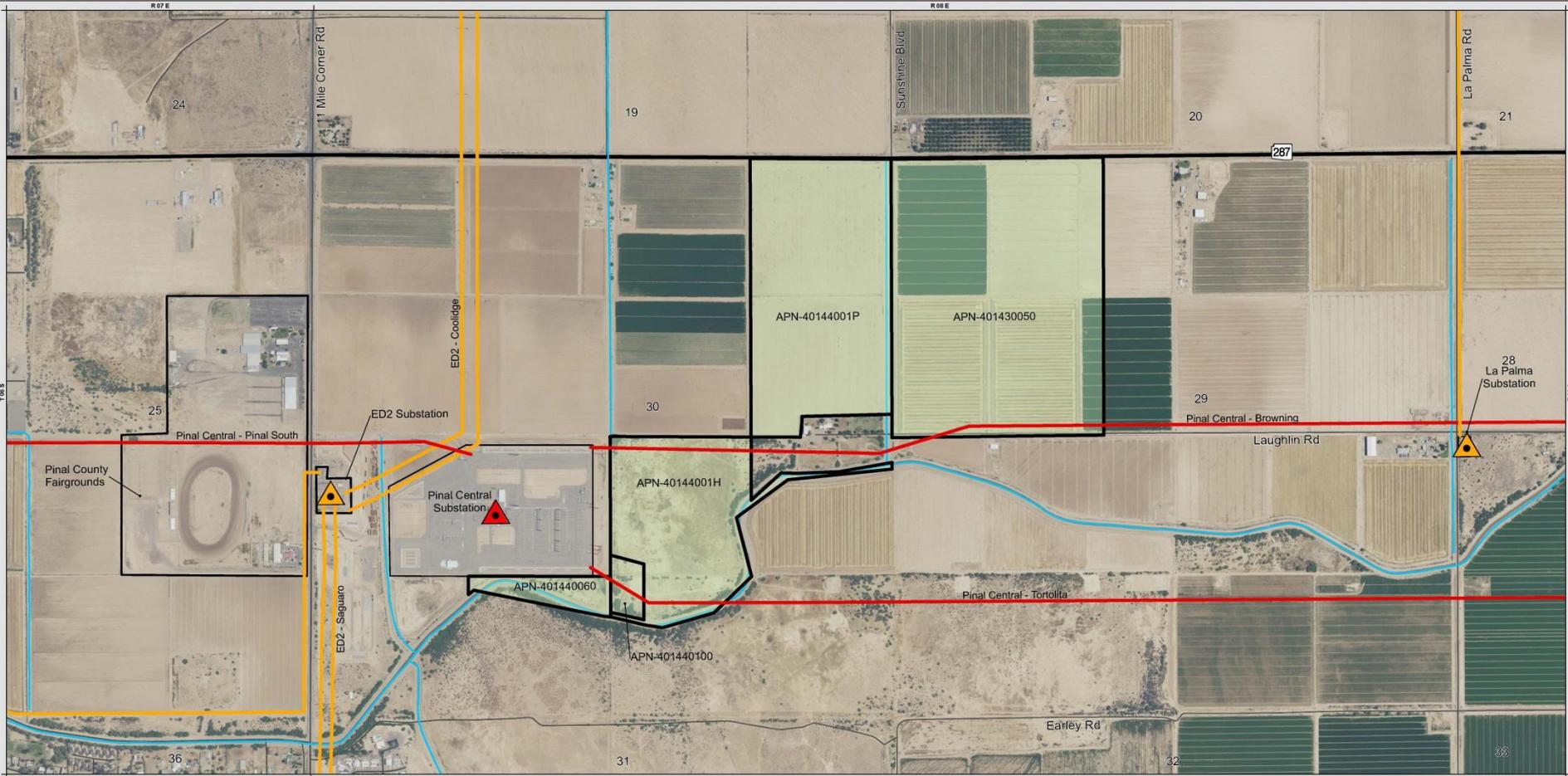
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County Staff Recommends

Plan Amendment Approval

- “After a detailed review of the request, Pinal County Comprehensive Plan and the Pinal County Development Services Code, **Staff recommends approval of this request.**” (PZ-PA-004-16 - Staff Report)
- “In the area of the proposed map amendment designation change it does include infrastructure such as 500 kV lines and the Pinal Central Substation. In the future, there are at least two additional proposed 500kV line corridors expected in this area. The line siting of these corridors are going to tie into the Pinal Central Substation. Due to proximity of the current and proposed electrical infrastructure, road infrastructure, proposed land area, and the area being sparsely populated this proposed designation change along with the use being proposed may work well in this area.” (PZ-PA-004-16 - Staff Report)



Sources

NextEra, 2016;
 NAIP World Imagery, 2016;
 USGS, 2015
 EPG, 2016.

September 2016

Project Features

- Project Site

Existing Utilities

- 500kV Substation
- 115kV Substation
- 500kV Transmission Line
- 115kV Transmission Line

Reference Features

- Canal/Ditch
- State Highway
- Streets

30 Section Number

Regional Area Map

Project Site

Pinal County

Pinal Central Power

*Proposed
 Major Comprehensive Plan
 Amendment Parcels*