



Sierra Pacific™  
RESOURCES

Renewables

Energy Efficiency &  
Conservation

Environment

Community Service

2004 Community  
Annual Report

Sierra Pacific  
Resources



Sierra Pacific™



Nevada Power®



Welcome

## Message From Walt Higgins

*Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.*

Margaret Mead

*This country will not be a good place for any of us to live in unless we make it a good place for all of us to live in.*

Theodore Roosevelt

*In every community there is work to be done . . . in every heart there is the power to do it.*

Marianne Williamson

The three quotations you have just read are principally aimed at individual citizens. The inherent message, however, is that people united and with compassion can accomplish wondrous change throughout our world, our nation, or in our immediate environs.

Those of us at Sierra Pacific Resources are dedicated to being responsible corporate citizens in every community we serve. We are appreciative of the volunteerism and other actions our employees have individually taken in bettering their respective communities. Equally important, we are proud of our company's philanthropic and other giving.

The following pages of this book describe and report upon recent activities of our subsidiaries — Nevada Power Company and Sierra Pacific Power Company — in the areas of community service. They represent both collective and individual contributions. While most of the attention is based on the past year, these activities mirror a tradition that spans many decades in both northern and southern Nevada.

I assure you, they also amount to a management promise — our commitment to continue this tradition for years and decades to come.

Walter M. Higgins  
Chairman and Chief Executive Officer

## Community Service: Making a Difference in Our Communities

### Utilities are “Top Givers” to United Way

Being leaders among leading causes is the hallmark of employees of Sierra Pacific Resources. We believe that helping supply the necessary human services vital to a community's health results in a better quality of life for everyone. That's just one reason why employee teams voluntarily manage annual giving campaigns that give back hundreds of thousands of dollars to the communities we serve.



*Doretha Graham-Easler, winner of the United Way Top Seven Campaign Coordinators.*

A continual source of company pride, Sierra Pacific Power employees have been the “top givers” to the United Way of Northern Nevada and the Sierra among all companies for more than a decade. For every \$10 donated to the entire campaign, \$1 comes from Sierra's employees. The 2004 contribution from the company, employees and retirees totaled \$271,000. That's an average of more than eight hours pay for EVERY employee.

In southern Nevada, Nevada Power employees are among the “Top 10” companies when it comes to employee support for the United Way and in the total

amount donated. Contributions in 2004 from Nevada Power and employees totaled more than \$292,000 to the United Way of Southern Nevada.

Employees understand the value of investing in the communities in which they live and work and truly support the services provided by United Way through their partner agencies. In addition to their regular jobs, employees, along with company retirees, volunteer their time to work to raise awareness about community issues and encourage donations to the United Way. They stimulate employee interest by holding a series of events to educate employees about community needs and encourage participation and donations.

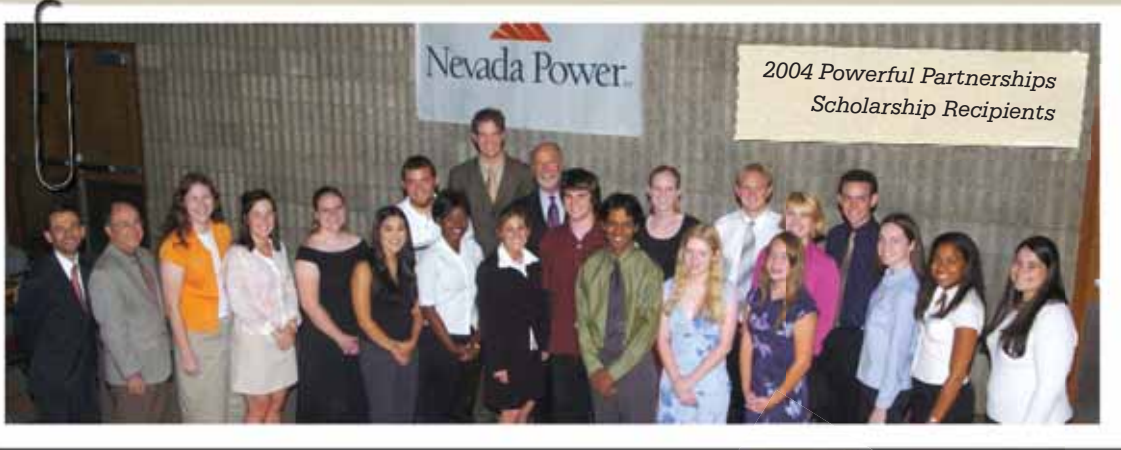
Beyond donating money, each company also donates an employee, or “loaned executive” to the community campaign to act as a liaison between the United Way and smaller companies, offering advice and assistance in conducting successful employee campaigns.

Making a difference in our communities through the United Way is an annual mission of company employees.

### Supporting Education for Nevada's Future

Sierra Pacific Resources believes education is the cornerstone to personal and community success. That's why Nevada Power and Sierra Pacific Power sponsor educational programs ranging from literacy classes for at-risk elementary school children to college scholarships.

Through its Powerful Partnerships Scholarship program, Nevada Power recognizes high school seniors who not only show positive results in the classroom, but have demonstrated a commitment to their community through volunteerism. Scholarships are offered to every high school in Clark County with one individual per school eligible to receive a \$1,000 scholarship. The scholarships can be used at any university, college or trade school and total more than \$20,000 annually.



2004 Powerful Partnerships  
Scholarship Recipients

Nevada Power employees are also an integral part of the annual Operation School Bell program sponsored by the Assistance League of Las Vegas. Employee volunteers team up with Office Max and radio station Hot 97.5 to collect school supplies that are distributed to over 1,500 needy children in the Las Vegas area.

Sierra Pacific Power employees support a similar program. Operation Back to School, sponsored by the Salvation Army in Reno, provides school clothing to at-risk children each fall.

At the University of Nevada, Reno, Sierra Pacific Power has made a four-year, \$200,000 commitment to the Knowledge Center, incorporating library science and information technology to provide access to a wide variety of information. Sierra Pacific Power also provides scholarships at each of four community colleges in northern Nevada and Lake Tahoe, as well as a graduate fellowship supporting environmental research, in partnership with the University of Nevada, Reno and the Desert Research Institute. Sierra Pacific Power also offers engineering internship opportunities in conjunction with the College of Engineering, which provide a paid, hands-on learning experience for students.

These partnerships support both quality educational opportunities and a bright future for Nevada.



Nevada Power, Hot 97.5, and Office Max teamed up to collect school supplies for the Assistance League of Las Vegas' Operation School Bell project.



Dennis Laczynski, Sierra Pacific employee, helps a student shop for school clothes in Operation Back to School.

### Sierra Pacific "Powers the Arts"

The Nevada Museum of Art is a gathering place for the rich arts and culture opportunities that flourish in downtown Reno. From Ansel Adams to Andy Warhol, the Museum brings world-class art to Reno.

Sierra Pacific Power "powers the arts" because the arts are powering economic vitality in the region. Continuing a tradition of building grassroots support vital to the success of the Museum, Sierra Pacific Power is sponsoring members' opening receptions in 2004 through 2006. Employee volunteers are on hand at each of these events to ensure that members enjoy the rich palette the Nevada Museum of Art offers.



*The Nevada Museum of Art*

Homeless school children in Washoe County were also the recipients of new shoes from Sierra Pacific Power employees. Sierra employees donated a total of 662 pairs of shoes for distribution to 28 schools in the area, over 50 percent more than was requested by the 28 schools participating in the program. Employees also made a \$2,800 donation towards the Children in Transition program to assist homeless children.



*Nevada Power's Janina Cresto helps a young boy with his shoe selection.*



### Reaching Out to Nevada's Children One Foot at a Time

Nearly 500 disadvantaged children from 12 Boys & Girls Clubs in southern Nevada received shoes, socks, backpacks with school supplies and other items as part of the Second Annual "Goodie Two-Shoes" project.

Nevada Power employees raised more than \$11,000 last year for the project that outfitted children from Moapa Indian Reservation to school children in Boulder City. The project is a national finalist for Make a Difference Day sponsored by the Points of Light Foundation.

### Employee "Angels" Adopt Needy for the Holidays

Sierra Pacific Power employees become angels; partly because they don their own wings each year to help some of the Reno areas' neediest children, seniors and families. During the holiday season, a team of Sierra employees works with local Family Resource Centers and Children's Behavioral Services to identify individuals and families who are most in need of help. The word goes out to all employees to begin collecting gifts.

Before gifts are selected, great care is taken to identify the fondest wishes of the children, or the greatest need of the parents or seniors.

*In 2004, 128 children,  
12 seniors and  
15 families were  
visited by  
Sierra's angels  
during the holidays.*



Gifts include everything from children's toys and bicycles to food certificates, household supplies, even diapers for the youngest recipients and warm clothing for seniors. Gift baskets were organized, wrapped and delivered by employees, who teamed up with a local Boy Scout troop to make sure the packages arrived on time.

### **Employee Volunteer Councils**

Nevada Power's Employee Volunteer Council was honored with the Governor's Points of Light Award in 2004. It is a fitting tribute for a group that lights the way for Nevada Power's employee volunteer efforts in southern Nevada. The award is the highest honor bestowed by the Nevada Commission for National and Community Service. Last year the Employee Volunteer Council and company employees gave over 15,000 hours of their time to the community.

Employee Volunteer Councils at both Sierra Pacific Power and Nevada Power play an integral role in corporate giving and volunteer program strategies. They are designed to address specific community needs and concerns, with employees and their families lending support to key community efforts through their own time and labor. The employees who make up the council represent diverse backgrounds to evaluate company-wide volunteer opportunities available to employees. The employee volunteer program makes the connection with community organizations in need of volunteers and handles logistics of individual and group participation.



*Nevada Power's Employee  
Volunteer Council:*

*Allen Montoya, Dedra Geran,  
Lee Tuipelehake, Doretha Graham-Easler,  
Sharon Dawson, Sharon Parvin,  
Priscilla Raudenbush and Arnold Lopez.*

### Christmas Comes in April from Nevada Power Employees —

*Facility and Residents Get a New Start*

As part of the community's Christmas in April program in 2004, over 50 Nevada Power employees, family members and friends brought Christmas to We Care, a residential drug and alcohol treatment facility for women in Las Vegas. Employees renovated the kitchen and installed energy-efficient appliances, replaced carpeting, upgraded bathrooms and provided new patio furniture. Volunteers even renovated the yard with low-maintenance desert landscape.

Nevada Power employees participated in the hands-on work project to help make the We Care facility cleaner and more comfortable for the residents while they pursue treatments and make a difference in their own lives.



*Nevada Power's Pat Shalmy and Keith Lane, Executive Director, Rebuilding Together With Christmas in April.*



*Nevada Power Christmas in April before and after photos.*



*A team of Sierra Pacific student engineers, led by Major Accounts Manager John Owens, constructed a Sierra Pacific bucket truck for the Food Bank of Northern Nevada's CANstruction event. This structure was one of 11 constructed completely of canned food — netting the food bank 13,000 cans or 15,500 pounds of food.*





*Nevada Power Goodie Two-Shoes event.*



*Nevada Power's Emily Robins and Sierra Pacific's Kelly Johnson and Stefanie McCaffrey at the Loyalton Senior Apartments where a geo-exchange system was installed.*



Sierra Pacific™

Volunteer



*Sierra Pacific volunteers plant flowers and perform park clean-up to give Mira Loma Park a fresh start each spring.*



*Sierra Pacific's Jeff Ceccarelli speaks at the Traner Middle School GreenPower unveiling.*



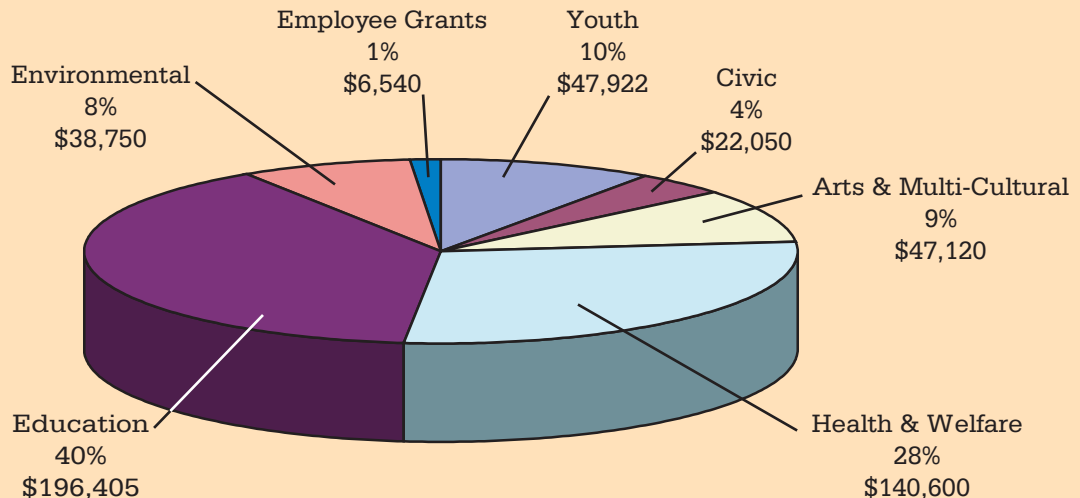
# Sierra Pacific 2004 Community Activity



- Christmas Tree Recycling
- Blood Drives
- Junior Achievement Bowl-A-Thon
- Earth Day
- March of Dimes Walk
- Senior Fest
- Kids Fair
- American Cancer Society 24-Hour Relay for Life
- Mira Loma Park Clean-up
- KNPB Lights, Camera, Auction!
- Nevada Museum of Art Member Openings
- High Sierra Industries Extreme Abilities Challenge
- Operation Back to School
- Nevada State Fair
- Reno Tahoe Open
- Tahoe Pyramid Bikeway (Sprint Triathlon)
- Huffaker Hills Trail Building
- Deloitte & Touche Community Wide Impact Day
- American Heart Walk
- Day of Caring with Interfaith Hospitality Network
- WARC & Food Bank of Northern Nevada Assistance
- Susan G Komen Race for the Cure Walk
- Juvenile Diabetes Research Foundation Walk
- Big Brothers Big Sisters Bowl for Kids' Sake
- March of Dimes Signature Chef Event
- Multiple Sclerosis Clothing Drive
- Assistance League Food Delivery
- UNR/SPPC Alumni Event
- Salvation Army Silver Angel Tree
- Holiday Angel Tree
- Senior Food Delivery
- Baskets for Committee to Aid Abused Women
- Corporate Challenge
- Voter Registration Drive
- Board Participation
- Boy Scouts – Scoutreach
- Employee Volunteer Council
- Food Drives
- United Way Campaign
- Girl Scouts – Project StarFish
- Girl Scouts – An Income of Her Own

Donations  
2004

Sierra Pacific Resources Charitable Foundation  
2004 Donations - Sierra Pacific Power and Nevada Power  
\$499,387



- ALS of Nevada
- American Heart Walk
- Audubon Society
- Summer Back to School Fair
- Blood Drive – Pearson
- Board Participation, Civic, Associations
- BoxTops for Education
- Boys Night Out
- Career Day – Andre Agassi Prep School
- Child Focus
- Christmas in April
- Christmas in April Kickoff Breakfast
- Clothing Drives
- Corporate Challenge
- DJ's For PJ's
- Dollars For Doers Employee Grant Program
- Earth Day at Nellis AFB
- Earth Day Celebration at UNLV
- Employee Community Outreach Grants
- Employee Volunteer Council
- Focus School – Misc. Events
- Food Drives
- Future City Competition
- Girls Day 2004
- Goodie Two-Shoes Event
- Help of Southern Nevada
- Junior Achievement
- Junior League
- KCEP Pledge Drive
- Kids Voting
- KVEG Toy Drive
- Leaders in Literacy
- Learning For Life Golf Tournament
- March of Dimes Walk
- Mexican Independence Celebration
- Mountain Edge – Explorer Post
- National Volunteer Week
- Nevada Association of Latin Americans
- Nevada Reading Week
- Operation School Bell
- Parking Lot Sale to Benefit Animal Organizations
- Safe Nest
- Shade Tree
- St. Jude's Recycling Christmas Cards
- Turn Your Porch Light On
- Help Light Their Way Home
- United Way Campaign
- United Way Program Selection
- Voter Registration Drive



Pat Shalmy and Carol Marin present a check to Southern Nevada nonprofit agencies.

## Energy-Efficiency & Conservation: Partnering With You to Save Energy and Money

### Saving Money through Nonprofit Energy Grants

#### *\$150,000 in Facility Improvement Grants*

In 2004, 37 nonprofit organizations in Nevada received \$150,000 from Sierra Pacific Power and Nevada Power to fund weatherization and energy-efficient retrofit projects at the agencies' facilities.

The grants funded projects like installation of windows, appliances and heating, ventilation and air conditioning equipment, insulation and replacement of inefficient lighting fixtures. By reducing their energy costs, these organizations are able to devote more of their financial resources to their mission, their clients and their community.

This partnership with Sierra Pacific Power and Nevada Power helps these customers better manage their utility costs and at the same time, helps the utilities decrease the total amount of energy they need to purchase on the market or produce in their own power plants. Individual projects were funded up to \$5,000. For grants between \$5,000 and \$10,000, a matching investment from the nonprofit organization was required.

It is estimated that the 37 organizations that received funding will save \$360,000 a year in electricity costs, collectively.

A total of \$200,000 in energy grants for nonprofit organizations is allocated for 2005.

### Agencies Receiving Grants in 2004 in Northern Nevada Include:

- Nevada Area Council –  
Boy Scouts of America — Reno
- Douglas County Historical Society — Gardnerville
- Fourth Ward School Foundation — Virginia City
- Friends in Service Helping — Carson City
- Friends of Midas — Midas
- Girl Scouts of the Sierra Nevada — Reno and Elko
- Jam-On-It Basketball Academy — Sparks
- Northeastern Nevada Museum — Elko
- Northern Nevada Center for Independent Living — Sparks
- Parasol Community Foundation —  
Incline Village
- Planned Parenthood Mar Monte — Reno
- Ridge House — Reno
- Step 2 — Reno
- Temple Sinai — Reno
- United Way of Northern Nevada and  
the Sierra — Reno
- Western Folklife Center — Elko
- Committee to Aid Abused Women — Reno
- Advocates to End Domestic Violence — Carson City

### Agencies Receiving Grants in 2004 in Southern Nevada Include:

- A Lift Up Org
- American Cancer Society
- Boy Scouts of America
- Boys & Girls Club of Henderson
- Catholic Charities
- East Las Vegas Community Development Center
- Family and Child Treatment
- Family to Family Connections
- Girls and Boys Town
- Help Them Walk Again Foundation
- Kids' Co-Op
- Nevada Association of Latin Americans, Inc.
- Nevada Community Enrichment Program
- Nevada Treatment Center
- Rebuilding Together With Christmas in April
- The Community Food Bank
- The Fawn Residence
- We Care Foundation
- YMCA of Southern Nevada



## Nevada Power and Sierra Pacific Power Win ENERGY STAR® Award

### *Named Leaders in Energy Efficiency*

Appliance rebates and a compact fluorescent lighting program are not only popular with customers, they earned Nevada Power and Sierra Pacific Power an ENERGY STAR Leadership Award from the U.S. Environmental Protection Agency (EPA) and the U.S. Department of Energy. The companies' partnership with ENERGY STAR began in 2002 and garnered the award in 2004.

The utilities' appliance rebate programs resulted in a total of 5,048 rebates provided to customers for energy-efficient appliances. Sierra Pacific Power gave 1,701 rebates to customers and Nevada Power granted a total of 3,347 rebates.

In 2004, Nevada Power and Sierra Pacific Power sponsored a program to sell energy-efficient compact fluorescent lights (CFLs) for a significant discount to customers who visited participating hardware stores. Over 53,000 lights were sold. Another 1,000 CFLs were distributed to customers for free at community events.

The companies were honored for their commitment to promoting energy-efficient products and services, resulting in significant cost savings for customers. Award winners are selected from thousands of organizations that participate in the ENERGY STAR program.

## High School Gyms Retrofitted with Energy-Efficient Lighting

### *Students Rewarded for Conservation Efforts*

Three high school gymnasiums, one each in Tonopah, Round Mountain and Gabbs, Nevada, received a new type of fluorescent lights that is brighter, more efficient and longer lasting than earlier types of lighting for gyms and other large spaces. The installations were part of a \$40,000 grant from Sierra Pacific Power to demonstrate a new technology that will help save the respective school districts approximately \$18,000 per year.

The new T5 fluorescent lights can be turned on and off instantly, unlike the older lights which require several minutes to reach full power. They also offer more control options, such as occupancy sensors to turn the lights off when no one is in the gym.

The installations were part of an energy conservation program called the "Pizza Challenge" offered by Sierra Pacific Power for participating schools that commit to conserve energy. Schools are rewarded for taking energy conservation measures, such as turning off lights and computers in empty classrooms and setting heater thermostats at lower temperatures during the winter. At the end of the school year, Sierra Pacific Power sponsors a pizza party for elementary and middle school students in recognition of their energy conservation efforts.

The three high schools achieved greater than nine percent energy savings at their schools and were rewarded with new energy efficient lighting for their gymnasiums.





*Art Miller teaches about energy conservation and safety at the Kids Fair in Reno.*



*Solar installation at Carson City Middle School.*

### **School District Awarded for Conservation Efforts**

The Clark County School District recently received \$85,000 for energy conservation savings implemented at two high schools and three middle schools.

These schools changed old fluorescent T12 light bulbs with new low wattage, high efficiency T8 fluorescent bulbs with electronic ballasts. Overall this project will reduce peak demand at the five schools by a total of 452 kilowatts and reduce yearly energy consumption by over 2.2 million kilowatt hours, saving the school district about \$165,000 per year.

The money presented to the school district will go into a fund dedicated to future school district energy conservation or renewable energy projects. The check was presented at a Nevada Power-funded award ceremony recognizing faculty and maintenance staff of the schools that showed the greatest energy savings in the past year.



*Solar installation at Hyde Park Middle School in Las Vegas.*

# Environment: Preserving Our Future

## New Urban Trail Gets a Boost from Utility Employees

### *Build It and They Will Come*

Sierra Pacific Power partnered with Washoe County and the Truckee Meadows Trails Association in spring and fall 2004 to construct an urban trail system. Located in the Huffaker Hills adjacent to Rattlesnake Mountain in southeast Reno, over 75 volunteers constructed a mile and a half of hiking, jogging, and mountain biking trail that is easily accessible to the fast growing professional and technology hub in this area.

Sierra Pacific Power volunteers worked side-by-side with other local businesses, the Boy Scouts of America (led by Sierra Pacific Power troop leaders), and other community members dedicated to the proposition of preserving open space, parks, and trails in our growing region. This trail system is a community legacy that now provides access to the beauty and outdoor adventure that abound in northern Nevada.

## Protecting and Preserving Our Environment

### *Company's Conservation Efforts Awarded*

Sierra Pacific Power was recognized for its commitment to sound conservation practices during the construction of a new power-line project in eastern Nevada during 2004. The new high voltage transmission power-line increased the company's ability to import electricity by one-third for its growing number of customers.

The Eureka Conservation District, a part of the Federal Natural Resources Conservation Service, presented the award to Sierra Pacific Power and also awarded the construction contractors who built the Falcon-Gonder Transmission Project for the utility, Irby Construction. The companies were cited for their careful measures to prevent soil erosion during construction, and for an excellent job of re-vegetating disturbed lands with native grasses and shrubs.

Sierra Pacific Power also demonstrated its commitment to tread lightly on the environment when it employed a helicopter to fly poles and materials into particularly rugged sections of the line, which helped lessen disturbance to the land, plants, animals and birds.



*Sierra Pacific employee Shauna Adams works on the trail at Huffaker Hills.*

## Leaders in Providing Renewable Energy

### DRI President's Medal Awarded to Utilities

*Companies Honored for Commitment to GreenPower*

Sierra Pacific Resources is the recipient of the President's Medal from the Desert Research Institute (DRI) for Nevada Power's and Sierra Pacific Power's contributions to DRI's GreenPower program. The medal is awarded each year to companies or individuals to acknowledge exceptional service or support of DRI and its mission.

The utilities were chosen for their unwavering commitment as partners in the GreenPower program. Since its inception in 2000, the program has brought renewable energy to seven middle schools in Nevada — four in the north and three in the south. Each middle school received a solar array and accompanying wind generator installed atop the school.

The GreenPower program is a partnership between DRI and the two utilities. Utility customers can also contribute to the program by making voluntary donations through their monthly utility bills. Besides saving the school money on energy bills, the real benefit is the educational value of having science teachers incorporate renewable energy curriculum into their lesson plans and use the installations at the schools as a hands-on learning tool.

### \$1 Million in Rebates to be Paid the First Year

*SolarGenerations – Harnessing the Sun and Providing Rebates for Customers*

SolarGenerations is an exciting opportunity for customers of Nevada Power and Sierra Pacific Power to take advantage of the most abundant natural energy source – the sun.



*The Washoe Tribe received a rebate check for \$33,185 for installing solar panels on their office building.*

Approximately 50 solar projects capable of producing 200 kilowatts of electricity are currently under construction throughout Nevada as part of year one of a four-year program that offers rebates to customers who install photovoltaic (PV) systems on their homes or businesses. Approximately \$1 million in rebates will be paid out to first-year participants.

Investing in a photovoltaic system allows customers to produce their own electricity with no noise or air pollution – while using a clean, renewable resource — all the while reducing their monthly energy bills. Another benefit of the program is that Nevada's utilities are able to reduce their reliance on fossil fuels needed to generate electricity. Customers can earn additional credits on their monthly electric bills if they generate more power than they use in their home or business.

For year two of the program approximately 150 residential and small business electric customers have applied to install PV panels capable of producing 600 kilowatts of electricity.

SolarGenerations was created by the Nevada State Legislature in 2003 as part of the Solar Energy Systems Demonstration Program.

## The Earth's Resources

### *Powering Our Future with Geothermal Energy*

Providing a reliable and low-cost supply of electricity to customers is a challenge Sierra Pacific Power meets every day. Every year more and more of the electricity it supplies is generated from renewable energy sources, such as solar, geothermal, wind, biomass and hydropower. In fact, Sierra Pacific Power supplies one of the highest percentages of renewable energy to its customers of all the electric utilities in the country.

Electricity generated by geothermal energy in northern Nevada was first delivered to Sierra Pacific Power's customers in the mid-1980s. The amount of electricity generated by renewable energy continues to climb every year. Today, approximately 10 percent of all electricity delivered to customers is from renewable energy resources. Ninety percent of those renewable sources are from geothermal plants in northern Nevada. Sierra Pacific Power plans to increase by another 35 percent the amount of geothermal power it purchases by 2006.

Geothermal energy is a clean and reliable source of electricity that today can be competitive with more conventional forms of electric generation. It's also a unique and vital resource that is crucial to Sierra Pacific Power and the State of Nevada in helping to meet the energy needs of customers today and in the future.



*Ormat geothermal facility, Steamboat Nevada.*



*Larry Bandt, manager Geothermal Management Services and Sierra Pacific employee Colin Duncan at Stillwater.*







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RESOURCES



- Renewable Project
- Renewable - Not yet on line



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