NEXTera® ENERGY RESOURCES

South Dakota Wind Energy Task Force Meeting

Jason Utton
Project Director
September 7, 2011

NextEra Energy is a premier U.S. power company comprised of three strong businesses

- $24.1 B market capitalization[1]
- 42,588 MW in operation
- $53 B in total assets

- One of the largest U.S. electric utilities
- Vertically integrated, retail rate-regulated
- 4.5 MM customer accounts
- 23,722 MW in operation

- Successful wholesale generator
- U.S. leader in renewable generation
- Assets in 26 states and Canada
- 18,866 MW in operation

- Regulated utility in Texas
- Approximately $800 MM CREZ transmission line expected to be brought into service in 2013

A growing, diversified and financially strong company

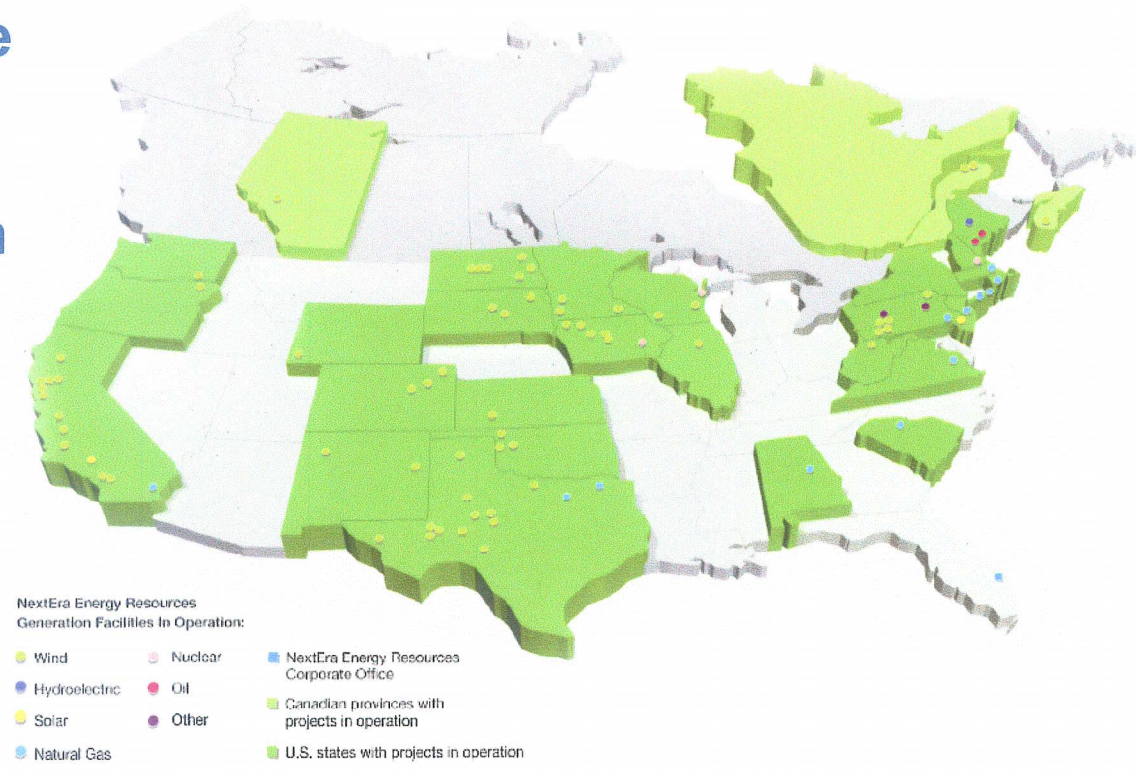
(1) Market capitalization as of May 25, 2011; source: FactSet

Note: All other data as of December 31, 2010

NextEra Energy Resources has 18,866 MW located across 26 states and Canada

NextEra Energy Resources Portfolio[1]

- Successful wholesale generator
- U.S. leader in renewable generation
- Physical assets in 26 states and Canada
- 18,866 MW in operation
- $4.6 billion in operating revenues
- $22.4 billion in total assets



(1) All data as of December 31, 2010; operating revenues for the 12 months ended December 31, 2010

South Dakota is an important market for NextEra Energy Resources

MidWest Portfolio(1)

- North Dakota – 11 wind farms – 549 turbines – 851.4 MW
- South Dakota – 3 wind farms – 127 turbines – 190.5 MW
- Iowa – 9 wind farms – 687 turbines – 1,004 MW
- Minnesota – 3 wind farms – 253 turbines – 228 MW
- Wisconsin – 2 wind farms – 56 turbines – 84 MW
- Illinois – 2 wind farms – 245 turbines – 367.5 MW

We have 30 wind farm (2,725.4 MW) in the Midwest. This represents 33% of our portfolio.

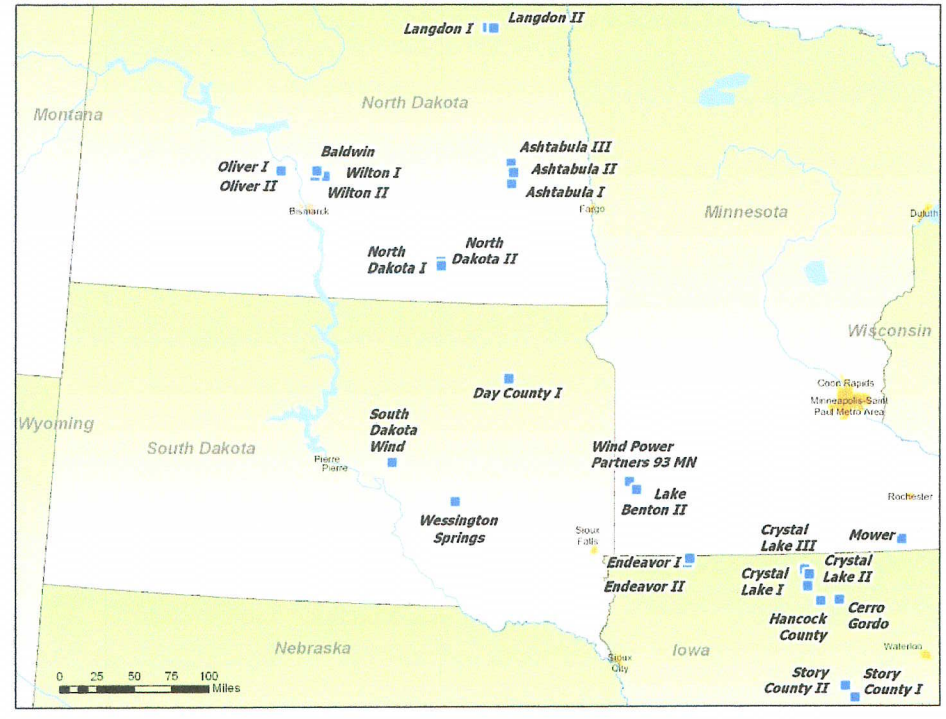
(1) All data as of July 31, 2011

NEXTera ENERGY RESOURCES

South Dakota is an important market for NextEra Energy Resources

South Dakota Portfolio[1]

- Three operating projects totaling 190.5 MWs
  - South Dakota – 40.5 MW (Oct 2003)
  - Wessington Springs – 51 MW (Dec 2009)
  - Day County – 99 MW (Apr 2010)
- Over $400 MM invested in South Dakota to date
- Five additional South Dakota development opportunities totaling ~1,200 MWs ($2.4 B)
- NextEra Energy Resources wants to invest more in South Dakota



(1) All data as of December 31, 2010

NEXTera ENERGY RESOURCES

Day County Wind became commercially operational April 2010

Day County Wind

- 99 MW wind energy center
  - 66 GE 1.5 MW wind turbines
  - 30 miles East of Aberdeen
  - Western Area Power Administration Interconnection
  - Long-term contract with Basin Electric Power Coop
- $200 MM investment
- $28.5 MM taxes
- $18 MM in land leases
- $40 MM in salaries and benefits for 12 full-time staff
- Purchase of goods and services from local vendors

These economic numbers do not reflect the secondary benefits to the state, county and local communities.

NEXTera ENERGY RESOURCES

(1) All data as of December 31, 2010; all other data are based on the initial 30 years of operation

Research demonstrates that wind projects have significant economic benefit to workers and communities

North Dakota State University Study:
Benefits of the Langdon Wind

- **Case study of NextEra Energy / Ottertail Power Wind Energy Facility (May 2008)**
- **159 MWs, 106 turbines, 1.5 MW General Electric**
- **Peak construction workforce was 269 workers; 10 permanent employees**
- **Construction estimated to have resulted in more than $56 MM to entities within North Dakota**
  - The direct $56 MM expenditures resulted in $169 MM in secondary benefits for a total, one-time construction impact of $225 MM
- **During operation, the facility makes payments of ~$1.4 MM annually to North Dakota entities, including over $400,000 to landowners with easement agreements**
  - The $1.4 MM in annual direct impacts associated with project operation leads to an additional $3 MM in secondary impacts for a total, annual impact of $4.4 MM.
  - Does not include additional tax payments made to local municipalities and school districts.

NEXTera ENERGY RESOURCES

What does South Dakota have to do to be more competitive

Recommendations

- Address the sunset associated with the current tax refund program with a long-term tax incentive plan
- Return wind energy tax incentives to pre-2010 levels

NEXTera ENERGY RESOURCES

NextEra Energy Resources plans to develop more projects in South Dakota with competitive wind taxes

Conclusion

- South Dakota has only developed a tiny fraction of its wind resource.
- South Dakota receives no benefit from wind projects built in neighboring states
- South Dakota's current tax incentive program is not strong enough to compete with other Midwest states
- With a competitive wind tax incentive program South Dakota can take steps to encourage more development
- The long-term overall economic benefits (both direct and indirect) of wind energy largely outweigh any short-term gain in reducing incentives

NEXTera® ENERGY RESOURCES

Wind Energy Task Force Meeting

Jason Utton
Project Director
September 7, 2011