



OFFICE OF ENERGY

THIS AGREEMENT is made on August 16, 2011 by the Director of the Nevada State Office of Energy (Director) and EGP Stillwater Solar, LLC (Owner) as a result of the determination by the Director that Owner's project, as described herein, meets the criteria set out in Nevada Revised Statutes (NRS) 701A.300 through NRS 701A.390 such that Owner is entitled to the benefit of partial abatement of its sales and use taxes according to the following terms and conditions.

1. Approved Project. This Agreement is intended only and solely to allow partial abatement of the sales and use taxes and property taxes upon Owner's Stillwater Solar facility (Facility) according to the representations made in Owner's Application Filing No. (AFN) 11-04012SPV (Application) dated April 4, 2011, the Findings of Fact, Conclusions of Law, and Order (Order) issued by the Director on August 16, 2011 regarding AFN 11-04012SPV resultant from a public hearing held by the Director on August 8, 2011.

2. Approved Partial Tax Abatements. Pursuant to NRS 701A.370, Owner is entitled to the partial abatement of the following taxes:

(a) Sales and Use Tax Abatement. Between August 16, 2011 and August 16, 2014 any qualified purchaser of goods and equipment for Owner's Stillwater Solar facility shall be required to pay sales and use taxes imposed in this State at the rate of 2.25 percent.

3. Terms and Conditions of Partial Tax Abatements. The following terms and conditions govern the partial tax abatements granted pursuant to this Agreement:

(a) Compliance with Law and Application. Owner shall comply with all applicable Nevada, federal, and local laws related to the construction and operation of the Facility, including but not limited to NRS chapter 701A and Nevada Administrative Code (NAC) chapter 701A (presently uncodified as LCB No. R094-10). Owner shall also substantively honor all commitments and representations made in the documents submitted to the Director that formed the basis upon which the Director granted the abatements with the acknowledgement that some of the items contained therein were estimated and that in no case will the Owner's actual performance fail to meet the statutory or regulatory criteria upon which the Director granted the approval of the Application.

(b) List of Contractors, Subcontractors, and Other Entities. For the term of the abatement of sales and use taxes, Owner shall maintain an accurate and current list with the Director of all contractors, subcontractors, and other entities that will be purchasing goods and equipment for the construction of the Facility. Contractors, subcontractors, and other entities not included on the list submitted to the Director are not entitled to claim or receive the abatement herein. Owner acknowledges that it may be held responsible and may be liable for repayment of any abated taxes resulting from the improper exercise of the abatements allowed herein by Owner, its contractor or subcontractors, or any other person or entity that Owner authorizes or allows to make use of the abatements herein. In any action seeking repayment of any abated taxes, the Owner will also be responsible for the payment of the fees and costs, including attorney's fees, incurred by the Director in seeking the repayment of the abated taxes.

(c) Effectiveness of Abatement and Actual Taxes Assessed. The actual taxes assessed will be determined through the processes established by applicable tax laws and regulations, and the partial abatements will be applied to the taxes actually assessed. It may be that the actual taxes assessed throughout the abatement terms herein may vary from the estimates contained in the Order in this matter and the documents and evidence on which it was based. This Agreement shall remain in full force and effect regardless of whether any such variances favor or disfavor the Owner.

(d) Annual Reports. Throughout the abatement terms granted by this Agreement, Owner shall file with the Director of the Nevada State Office of Energy (NSOE) an annual report on a form provided by the Director. The annual report form may change from year to year in the discretion of the Director. The first annual report shall be submitted by the Owner on or before August 16, 2012 and on or before every August 16 thereafter until the abatements expires. The Owner shall produce with the annual report such documents and data as are required by the Director to ensure Owner's compliance with this Agreement.

(e) Cooperation With the Director, the Department of Taxation, and any other agencies authorized by Nevada law. The Director, employees or agents of the Director, employees or agents of the Department of Taxation, and any other persons or agencies authorized by Nevada law may inspect the site of the Stillwater Solar facility at any time when

the facility is under construction or operating with or without giving Owner prior notice. Owner shall cooperate with all requests for documents, data, or interviews, which may include providing such information as is requested by the Department of Taxation to assist it in making determinations regarding the correct application of the partial abatements granted herein. Owner shall allow access to the site of the Facility or any of its components, buildings, or other facilities, but any persons participating in such inspections shall comply with all of Owner's safety and security policies applicable to visitors of the Facility. Any lack of cooperation by Owner may be deemed a failure of compliance with this Agreement and may result in the suspension or revocation of the tax abatements in accordance with the terms of Paragraph 5 below.

(f) Incorporation of Documents. The Findings of Fact, Conclusions of Law, and Order entered by the Director in this matter, the Application, and all other documents upon which the Director rendered the determination to grant the abatements herein are incorporated into this Agreement by this reference. All representations, commitments, and assurances contained therein are part of this Agreement and shall be enforceable by and through this Agreement.

(g) Severability. If any portion of this Agreement is determined by a court of competent jurisdiction to be unenforceable, the remainder of this Agreement shall remain in full force and effect.

(h) Applicable Law and Venue. This Agreement shall be interpreted and enforced according to the laws of the State of Nevada. Venue for any action based upon this Agreement shall be the First Judicial District Court in and for Carson City, Nevada.

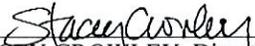
4. Issuance of Certificate. With and by this Agreement, the Owner is authorized to receive from the Department of Taxation a certificate authorizing the abatements for sales and use taxes granted herein.

5. Effects of Non-Compliance. Owner acknowledges that the Director and the Nevada Department of Taxation have the right and authority to investigate and audit Owner's compliance with the terms of this Agreement. Owner further acknowledges that pursuant to applicable laws and regulations if the Director determines that the terms and conditions of this Agreement have been violated, the Director may provide Owner notice of the determination and allow Owner an opportunity to be heard regarding the determination. After providing Owner with notice and an opportunity to be heard, if the Director concludes that the terms and conditions of this Agreement have not been complied with, the Director may enter an order suspending the tax abatements and requiring Owner to remediate the failure of compliance, and if Owner does not do so, the Director may revoke the tax abatements and/or further require that the Owner repay taxes abated, fees, costs, and attorney's fees as are just, appropriate, and necessary under the circumstances.

6. Assignment of Agreement. If Owner sells, transfers, or otherwise assigns some or all of its interests in the Facility, the successor-in-interest to Owner may not avail itself of the benefits of the tax abatements herein unless and until it has: (a) Acknowledged in writing that it is knowledgeable of the terms of this Agreement, (b) Acknowledged in writing that it intends to be bound by and will comply with the terms of this Agreement, and (c) Notified the Director in writing of its acknowledgements under this paragraph on a form provided by the Director.

SIGNED AND EFFECTIVE THIS 16th DAY OF August, 2011.

NEVADA OFFICE OF ENERGY

By: 
STACEY CROWLEY, Director

By signing below, I acknowledge that I am an owner, member, partner, officer, or employee of Owner with signatory authority to bind the Owner to this Agreement. I hereby declare that all matters contained in this Agreement are true and complete and that any misrepresentation contained herein may be deemed a cause for termination of this Agreement and the benefits conferred herein.

SIGNED THIS 16th DAY OF AUGUST, 2011.

EGP STILLWATER SOLAR, LLC

By: 
SIGNATURE

Name and Title: William Price Vice President
PRINT NAME AND TITLE

Brian Sandoval
Governor

STATE OF NEVADA



Stacey Crowley, Director
755 North Rook Street
Suite 202
Carson City, NV 89701
(775) 687-1850
Fax: (775) 687-1869

**OFFICE OF THE GOVERNOR
NEVADA STATE OFFICE OF ENERGY**

**CERTIFICATE OF ELIGIBILITY FOR PARTIAL ABATEMENT OF
SALES AND USE TAXES AND PROPERTY TAXES (NRS 701A.370(2))**

NOTICE IS HEREBY GIVEN that on August 16, 2011, the Director of the Nevada State Office of Energy (Director) entered into an Abatement Agreement with EGP Stillwater Solar, LLC (Owner) by which the Director granted Owner a partial abatement of sales and use taxes and property taxes pursuant to NRS 701A.300 through 701A.390. A copy of the Abatement Agreement is attached. This Certificate of Eligibility is provided pursuant to NRS 701A.370(2) so that the appropriate parties may receive formal notice of the Abatement Agreement between the Director and the Owner.

SIGNED AND EFFECTIVE this 16th day of August, 2011.

NEVADA STATE OFFICE OF ENERGY

By: Stacey Crowley
STACEY CROWLEY
Director

Prefiled Testimony of William Price; (G) Churchill County's Intent to Participate

correspondence; (H) Response to questions posed by Churchill County dated August 1, 2011.

In addition, Mr. Brad Goetsch on behalf of Churchill County testified during the hearing. Based upon the testimony of the witnesses and the evidence presented, the Director finds the following to be the facts in this matter.

2. EGP Stillwater is a wholly owned subsidiary of Enel Green Power North America, Inc. EGP Stillwater is a Delaware limited liability company with a current business license from the Nevada Secretary of State.

3. On March 2, 2011, EGP Stillwater submitted its Pre-application in this matter.

4. On June 20, 2011, EGP Stillwater submitted its Application seeking partial abatement of sales and use taxes for the construction and operation of a concentrated solar facility called Stillwater Solar facility that would be located on approximately 120 acres of land in Churchill County, Nevada (Application Filing Number (AFN) 11-0412SPV). The Application described a solar power plant that would generate 23.8 megawatts (MW/DC) nameplate that would be sold to NV Energy for a period of 18 years pursuant to a power purchase agreement.

5. At the hearing, Mr. Price provided oral and written testimony that EGP Stillwater was properly licensed and qualified to do business in Nevada; that EGP Stillwater had obtained all required state and local licenses and permits and intended to maintain all of the required licenses and permits to operate the Stillwater Solar facility; that the Stillwater Solar facility would produce 23.8 MW/DC or 20 MW/AC; that a power purchase agreement between EGP Stillwater and NV Energy, by which NV Energy would purchase all the power produced by the Stillwater Solar facility, was in effect until 2029; that the capital investment of the project will be approximately \$70,000,000.00; that the project would create approximately 3-4 full-time operational jobs which would pay an average of approximately \$30.00 per hour; and that the

project would create 109 full-time construction jobs which would pay an average hourly wage of \$33.00 per hour. Mr. Price further testified that at least 50% of the construction employees would be Nevada residents, but that EGP Stillwater would seek to employ Nevada residents for 100% of the construction employees.

6. At the hearing, Mr. Goetsch testified that he and other Churchill County representatives had met with representatives from EGP Stillwater to discuss the Stillwater Solar project; that EGP Stillwater Solar answered questions posed by Churchill County; and that Churchill County supported the tax abatement. However, Mr. Goetsch noted Churchill County's objection to future tax abatements, explaining that Churchill County was bearing too much of the burden of abatements offered under the Renewable Energy Abatement Program.

7. The Director took notice that the statewide average hourly rate as determined by the Department of Employment, Training, and Rehabilitation (hereinafter "DETR") for fiscal year 2011 was \$19.93. Thus 110% of the wage for fiscal year 2011 was \$21.92, and 150% of the wage for fiscal year 2011 was \$29.90.

8. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the sales and uses taxes related to the Stillwater Solar facility:

Total Amount Abated (Year 1)	\$3,121,702.26
Total Amount Abated (Year 2)	\$0
Total Amount Abated (Years 3)	\$0
TOTAL AMOUNT ABATED	\$3,121,702.26
Total Amount Abated by Local Government (Year 1)	\$1,873,018.36
Total Amount Abated by Local Government (Year 2)	\$0
Total Amount Abated by Local Government (Year 3)	\$0
TOTAL AMOUNT ABATED BY LOCAL GOVERNMENT	\$1,873,018.36

Total Local School Support Tax Gain	\$1,623,285.17
-------------------------------------	----------------

9. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the property taxes related to the Stillwater Solar facility:

Total Property Taxes Due Over Abatement Period	\$12,015,492.00
Total Property Taxes Abated Over Abatement Period	\$6,608,521.00
Total Taxes to Local Government Over Abatement Period	\$2,973,834.00
Total Taxes to Renewable Energy Fund Over Abatement Period	\$2,433,137.00
Total Taxes to Local Government and Renewable Energy Fund Over Abatement Period	\$5,406,971.00

10. The Fiscal Note produced by the Budget Division shows that the \$1,248,680.90 in sales and use taxes will be abated from the State General Fund over the period of the abatement (2011 through 2014).

11. Synthesizing the figures in evidence in this matter, the total estimated financial benefit pursuant to NRS 701A.365(1)(f) to the state and local governments in Nevada is \$31,982,082.17 and the total estimated amount of property taxes and sales and use taxes abated in this matter is \$9,730,223.26. Thus, the benefits to the state and local governments in Nevada exceed the total amount of abated taxes. The estimated benefits and amounts abated over the applicable periods of abatement are calculated as follows:

Financial Benefits

Estimated Capital Investment in Nevada (30% of total investment)	\$18,730,213.00
Total School Support Tax Over Abatement Period	\$1,623,285.17
Total Property Taxes to Local Government and Renewable Energy Fund Over Abatement Period	\$5,406,971.00
Construction Payroll in Nevada (50% x \$2,459,225)	\$1,229,612.50
Operational Payroll (4 employees @ \$30 avg/hr 20 years):	\$4,992,000.00
TOTAL BENEFITS OVER ABATEMENT PERIODS	\$31,982,082.17

Amounts Abated

Total Sales and Use Taxes Abated (3 Years)	\$3,121,702.26
--	----------------

Total Property Taxes Abated (20 Years)	\$6,608,521.00
TOTAL TAXES ABATED	\$9,730,223.26

12. That all of the evidence discussed in the preceding paragraphs was supported by the substantial, reliable, and probative evidence taken from the record as a whole produced at the hearing of this matter.

CONCLUSIONS OF LAW

1. The Director has the jurisdiction and authority to adjudicate this matter because the Application is within the scope of NRS 701A.300 through 701A.390 and the Director is required by law to hold the hearing in this matter pursuant to NRS 701A.360(5).

2. The substantial, reliable, and probative evidence in the record of this matter shows that EGP Stillwater’s Application for the construction and operation of the Stillwater Solar facility satisfies the following statutory requisites:

(a) NRS 701A.320(1)(a) – The primary source of energy to operate the Stillwater Solar facility will be the facility itself, thus meeting the statutory standard.

(b) NRS 701A.320(1)(b) – The Stillwater Solar facility will generate 125 MW nameplate, thus exceeding the statutory standard.

(c) NRS 701A.320(2) – The Stillwater Solar facility is not located on residential property, thus meeting the statutory standard.

(d) NRS 701A.360(2) – The Stillwater Solar facility is not owned, operated, leased, or controlled by a government agency, thus meeting the statutory standard.

(e) NRS 701A.365(1)(a)(1) – The Stillwater Solar facility is anticipated to be operational for at least 25 years, thus exceeding the statutory standard.

(f) NRS 701A.365(1)(b) – The Stillwater Solar facility has all the necessary state and local permits and licenses to operate, thus meeting the statutory standard.

(g) NRS 701A.365(1)(c) - No funding for the Stillwater Solar facility is or will be provided by any governmental entity in this State for the acquisition, design or construction of the facility or for the acquisition of any land therefore, except any private activity bonds as defined in 26 U.S.C. §141, thus meeting the statutory standard.

(h) NRS 701A.365(1)(e)(1) – The construction of the Stillwater Solar facility will employ at least 30-50 full-time employees during the second quarter of construction. At least 50% of those employees will be Nevada residents, thus exceeding the statutory standard.

(i) NRS 701A.365(1)(e)(2) – The capital investment in the Stillwater Solar facility is estimated to be \$70,000,000.00, thus exceeding the statutory standard.

(j) NRS 701A.365(1)(e)(3) – The average hourly wage paid to the operational employees of the Stillwater Solar facility will be approximately \$30.00, which is more than 110% of the average hourly wage set by DETR of \$21.92, thus exceeding the statutory standard.

(k) NRS 701A.365(1)(e)(4) – The average hourly wage paid to the construction employees on the Stillwater Solar facility will be approximately \$33.00, which is more than 150% of the average hourly wage set by DETR of \$29.90, thus exceeding the statutory standard.

(l) NRS 701A.365(1)(e)(4)(I) and (II) – The health insurance provided to the construction employees on the Stillwater Solar facility was represented to allow for the coverage of the dependents of the employees and will meet or exceed the standards established by the Director, thus meeting the statutory standard.

(m) NRS 701A.365(1)(f) – The benefits that will result to this State from the employment by the facility of the residents of this State and from capital investments by the Stillwater Solar facility in this State exceeds the loss of tax revenue that will result from the abatement, thus meeting the statutory standard.

(n) NRS 701A.370(1)(a)(3) – The abatement granted by this Order will not apply during any period in which the facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722, thus meeting the statutory standard.

(o) NRS 701A.370(1)(b)(1)(III) – The abatement granted by this Order will not apply during any period in which the Stillwater Solar facility is receiving another abatement or exemption from local sales and use taxes, thus meeting the requirement of the statute.

ORDER

Based upon the foregoing, the Director orders that EGP STILLWATER ENERGY, LLC'S Application Filing No. 11-04012SPV related to the construction and operation of the Stillwater Solar facility is hereby **GRANTED**. EGP Stillwater and the Director may execute an Abatement Agreement as soon as practicable that will satisfy the requisites of NRS 701A.300 through NRS 701A.390. EGP Stillwater's sales and use tax abatement will terminate three years from the effective date of the Abatement Agreement. EGP Stillwater's property tax abatement will terminate 20 years from the effective date of the Abatement Agreement.

SIGNED this 16th day of August, 2011.



STACEY CROWLEY
Director
Nevada Office of Energy