



DEPARTMENT OF ADMINISTRATION

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**BUDGET DIVISION
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE
FOR
One Nevada Transmission Line Project 11-061411TR
Nevada Power Company dba NV Energy
Sierra Pacific Power Company dba NV Energy
Great Basin Transmission South, LLC
as required by NRS 701A.375-1(a)**

September 9, 2011

Prepared by: Janet Rogers for Jeff Mohlenkamp, Budget Division Director

Based on the information submitted by the applicant and provided to the Department of Administration by the Nevada State Office of Energy, the Budget Division estimates that the energy-related tax incentives provided to the One Nevada Transmission Line Project (Nevada Power Company dba NV Energy, Sierra Pacific Power Company dba NV Energy, and Great Basin Transmission South, LLC) for developing transmission lines in White Pine, Nye, Lincoln, Elko, Eureka, Lander, and Clark counties to contribute to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable energy facilities and/or geothermal facilities will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

The One Nevada Transmission Line Project application indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$195,575,788. However, supplemental information provided to the Nevada Department of Taxation indicates that \$14,194,219 was spent in the first half of 2011 before their application for the abatement was approved. The total amount subject to abatement is thus \$181,381,569. Given this information, the General

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Fund will be impacted by an abatement totaling \$3,627,631 less any applicable collection allowance.

<u>Fiscal Year</u>	<u>Expenditure Subject to Abatement</u>	<u>Amount Abated</u>
FY 2012	\$ 155,732,396	\$ 3,114,648
FY 2013	\$ 25,649,173	\$ 512,983
FY 2014	\$ 0	\$ 0
Total	\$ 181,381,569	\$ 3,627,631