

**BEFORE THE NEVADA ENERGY DIRECTOR
NEVADA STATE OFFICE OF ENERGY**

EXHIBIT I

12-0622G
Renewable Energy Tax Abatement Application
for partial sales and use tax abatement
NRS 701A.300-390
R094-10

By

ORNI 47, LLC

Public Hearing
Wednesday, February 13, 2013
10:00 AM
Nevada State Office of Energy
Suite 202
755 North Roop Street
Carson City, Nevada 89701

To Participate via Telephone:
Conference Dial-In Number: (641) 715-3200
NSOE Access Code: 649969*
Participant Access Code: 649969#

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ORNI 47, LLC

Geothermal Energy Project

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Exhibit (A) – Notice of Public Hearing, dated January 17, 2013

**BEFORE THE NEVADA ENERGY DIRECTOR
NEVADA STATE OFFICE OF ENERGY**

In the Matter of the Application of:)
)
ORNI 47 LLC)
_____)

AFN: 12-0622G

January 17, 2013

NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE that a public hearing will be held before the Nevada Energy Director ("Director") regarding the above application at the following date, time, and location:

**Wednesday, February 13, 2013
10:00 A.M.
Nevada State Office of Energy
755 N. Roop Street, Suite 202
Carson City, NV 89701**

**To Participate via Telephone:
Conference Dial-in Number: (641) 715-3200
NSOE Access Code: 649969*
Participant Access Code: 649969#**

The hearing is being held pursuant to NRS 701A.360 (5) to determine whether the Application filed by ORNI 47 LLC, with the Nevada State Office of Energy ("NSOE") on October 3, 2012, for the construction of a geothermal facility, meets the tax abatement criteria established in NRS 701A.300 through 701A.390 and adopted regulation LCB File No. R094-10 and is, therefore, entitled to partial abatement of sales and use taxes and/or property tax as provided in NRS 701A.300 through 701A.390. The hearing shall be considered a contested case pursuant to NRS chapter 233B and shall be held and decided openly and publicly. ORNI 47 LLC and all other parties are entitled to present testimony of witnesses, to introduce evidence, and to cross-examine witnesses. ORNI 47 LLC and other parties may be represented by legal counsel of their choice.

Pursuant to Section 23 of the applicable but as yet uncodified regulations (presently known as LCB File No. R094-10), the following entities or people may participate in this hearing as a party: (1) The Director of NSOE; (2) The Chief of the Budget Division of the Nevada Department of Administration; (3) The Nevada Department of Taxation; (4) The Board of County Commissioners of the county in which the project or facility will be located; (5) The County Assessor of the county in which the project or facility will be located; (6) The County Treasurer of the county in which the project or facility will be located; (7) the governing body of any city or town in which the project or facility is located; and (8) Governor's Office of Economic Development. Any person or entity that desires to participate as a party in the hearing of this matter must file with the Director a notice of its intention to participate in a form as described in Section 23 of LCB File No. R094-10.

If the person or entity is a **state entity**, it must file the notice of intent to participate in a form with the Director, Re: AFN 12-0622G by e-mail to at slinfante@energy.nv.gov.

If the person or entity is or represents a **county, city, or township**, it must file the notice of intent in a form to participate with the Director, Re: AFN 12-0622G by e-mail to at slinfante@energy.nv.gov.

The Director shall also allow public comment at a time appropriate to the conduct of the hearing.

To facilitate the expeditious and efficient consideration of the ORNI 47 LLC application, the Director directs ORNI 47 LLC and **any party wishing** to participate in the hearing to file any written testimony they would like the Director to consider to be received by the Director at slinfante@energy.nv.gov **no later than 5:00 p.m. on Monday, February 4, 2013**. ORNI 47 LLC and participating parties wishing to **respond** to the written testimony must file responsive testimony with the Director at slinfante@energy.nv.gov **no later than 5:00 p.m. on Friday, February 8, 2013**.

The notice of intent to participate in a form and all written testimonies will be made available on the Director's website.

Copies of the public records related to the ORNI 47 LLC application are available upon request to the Director by fax at (775) 687-1869, by e-mail addressed to slinfante@energy.nv.gov or by mail addressed to: Nevada State Office of Energy, 755 North Rook Street, Suite 202, Carson City, Nevada 89701.

Members of the public who are disabled and require special accommodations or assistance at the hearing should notify the Director in writing by mail addressed to: Nevada State Office of Energy, 755 North Rook Street, Suite 202, Carson City, NV 89701, by fax at (775) 687-1869, or by e-mail addressed to slinfante@energy.nv.gov, no later than **7 business days** prior to the hearing.

By the Nevada State Office of Energy Director,


Stacey Crowley

Dated: Carson City, Nevada January 17, 2013

This Notice of Public Hearing posted at the Nevada State Capitol's public notice posting board, Nevada State Office of Energy Web Page <http://www.energy.nv.gov> and the following locations:

Attn: Public Posting
Churchill County Library
5553 S. Maine Street
Fallon, NV 89406
Attn: Public Posting
Tonopah Public Library
PO Box 449
Tonopah, NV 89049
Attn: Public Posting
Las Vegas / Clark County Library
833 Las Vegas Blvd, N.
Las Vegas, NV 89101
Attn: Public Posting
Pershing County Library
PO Box 781
Lovelock, NV 89419
Attn: Public Posting
Elko County Library
720 Court Street
Elko, NV 89801
Attn: Public Posting
Storey County Library
PO Box 14
Virginia City, NV 89449
Attn: Public Posting
Esmeralda County Library
PO Box 430
Goldfield, NV 89316
Attn: Public Posting
Washoe County Library
PO Box 2151
Reno, NV 89505
Attn: Public Posting
Humboldt County Library
85 East Fifth Street
Winnemucca, NV 89445
Attn: Public Posting
White Pine County Library
950 Campton Street
Ely, NV 89301

Attn: Public Posting
Lyon County Library
20 Nevin Way
Yerington, NV 89447
Attn: Public Posting
Carson City Library
900 N. Roop Street
Carson City, NV 89701
Attn: Public Posting
Mineral County Library
PO Box 1390
Hawthorne, NV 89415
Attn: Public Posting
Douglas County Library
PO Box 337
Minden, NV 89423
Attn: Public Posting
Nevada State Library
100 Stewart Street
Carson City, NV 89701
Attn: Public Posting
Eureka County Public Library
210 South Monroe St.
Eureka, NV 89316
Attn: Public Posting
Legislative Building
401 South Carson St.
Carson City, NV 89701
Attn: Public Posting
Lander County Library
PO Box 141
Battle Mtn, NV 89820
Attn: Public Posting
Lincoln County Library
PO Box 330
Pioche, NV 89043

Exhibit (B) – ORNI 47, LLC Pre-Application filed with the Director on June 22, 2012

Brian Sandoval
Governor

STATE OF NEVADA



Stacey Crowley, Director
REEEA Acting Commissioner
755 N. Roop Street
Suite 202
Carson City, NV 89701
(775) 687-1850
Fax: (775) 687-1869

NEVADA ENERGY COMMISSIONER
RENEWABLE ENERGY AND ENERGY EFFICIENCY AUTHORITY

Nevada Renewable Energy Tax Abatement Pre-Application Form
(Please refrain from making any changes to this form)

1. Pre-application Filing Date: June 22, 2012

2. Applying for:

Sales and Use Tax Abatement Only Property Tax Abatement Only Both

3. Name of business applying for the abatement (Please attach a copy of the Nevada State Business License issued by the Secretary of State):

ORNI 47 LLC (wholly owned by Ormat Nevada Inc.)

4. Name of the proposed facility: Wild Rose

5. Type of Nevada Facility (please check all that are relevant to the proposed facility):

Process Heat from Solar Energy

Geothermal

Solar PV

Wind

Biomass

Waterpower

Fuel Cells

Transmission that is interconnected to a renewable energy or geothermal facility (please include an attachment that describes the transmission facility and its function)

Transmission that contributes to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable energy facilities and/or geothermal facilities (please include an attachment that describes the transmission facility, anticipated capacity of the transmission allocated for the electricity transmitted from the Nevada Renewable Energy and/or Geothermal Facilities, and the possible Nevada renewable energy and/or geothermal facilities that will be connected to the proposed transmission facility.)

6. List each county, city, and/or town in which the facility will be built: Mineral County

7. Describe the primary and other sources of energy for the operation of the facility:

Electricity generated from its own geothermal resource.

8. Nameplate production capacity of the facility: 15-20 MW

9. Anticipated capital investment amount: \$90,000,000

10. Describe how the facility will be financed: Self financed

11. Will the facility or any portion of the facility be located on residential property?

Yes No (Please describe in attachment if yes)

12. Will the facility be built on (please check all that are relevant to the proposed facility:

- Private Land
- BLM Land
- Other Governmental Entity Land
- Other

Please describe each selected:

13. Will the facility or any portion of the facility be owned, operated, or otherwise controlled by a governmental entity?

Yes No (Please describe in an attachment if yes)

14. Will funding be provided by a Nevada governmental entity for the acquisition, design or construction of the facility or for the acquisition of any land?

Yes No (Please describe in an attachment if yes)

15. Will the facility be receiving or be awarded other abatements or exemptions from the sale/use taxes and property taxes?

Yes No (Please describe in an attachment if yes)

16. How long is it anticipated that the facility will be operational? At least 30 years

3

- 17. Name of the utility of company with which the applicant has a long-term power purchase agreement (PPA) and the length of the agreement (if there is no existing PPA, please include an attachment that describes the plan and phase for the PPA):**

Under negotiation

- 18. Anticipated first date of purchasing tangible personal property for the project:**

January 1, 2013

- 19. Anticipated date or time range for the start of construction:**

Qtr. 1, 2013

- 20. Anticipated date or time range for the commencement of operation of the facility:**

Qtr 4, 2013

- 21. Attach a chart or table for the project phases and provide a short description and timeline for each phase:**

Exploration - current, Permitting - on-going, Construction/Land Development - Qtr 1, 2013-
Qtr 4, 2013

- 22. How many full-time construction employees will be employed during the second quarter of the construction and how many of them will be residents of Nevada?**

At least 50 FTE's

- 23. How many full-time and part-time construction employees are anticipated to be employed during the entire construction phase and how many of them will be residents of Nevada? (Please provide estimated break down for each quarter)**

Estimate at least 100 FTE's

- 24. Anticipated average hourly wage paid to the employees working on the construction of the facility during the entire construction period (excluding management and administrative employees) ¹: At least 150% of average state wage rate.**

- 25. How many full-time employees will be employed once the facility is operational?**

Estimated 6 FTE's

- 26. Anticipated average hourly wage paid to the operational employees of the facility ¹:**

At least 110% of average state wage rate.

¹ Statewide wage thresholds available at <https://www.nevadaworkforce.com/article.asp?ARTICLEID-2786>

27. Will health insurance plan for construction employees with an option for dependents be offered to all construction employees?

Yes No (Please describe if yes)

All employees will be offered health insurance in accordance with the guidelines outlined in AB 522.

28. Name, address, telephone number and e-mail of a designated representative(s)
(Please list at least one technical person who is familiar with the proposed facility)

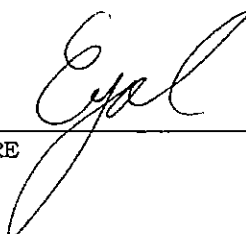
Eyal Hen, Director of Finance
(775) 356-9029 Ext. 32218

29. Name, address, telephone number and e-mail of a designated attorney (if any):

Not Applicable

I, Eyal Hen, by signing this Pre-Application do hereby attest and affirm under penalty of perjury to the following:

- (1) I have the legal capacity to submit this Pre-Application on behalf of the applicant;
- (2) I have prepared and am personally knowledgeable regarding the contents of this Pre-Application; and
- (3) The contents of this Pre-Application are true, correct, and complete.

 _____ SIGNATURE	June 22, 2012 _____ DATE
Eyal Hen, Director of Finance NAME AND TITLE (Please print)	

SECRETARY OF STATE



NEVADA STATE BUSINESS LICENSE

ORMAT NEVADA INC.

Nevada Business Identification # NV19921016142

Expiration Date: January 31, 2013



Exhibit (C) – ORNI 47, LLC Amended Application (Redacted) as filed with the Nevada State Office of Energy on October 23, 2012. Original Application was filed October 3, 2012.

State of Nevada
Renewable Energy Tax Abatement Application
AFN: 12-0622G

Facility Information	12-0622G	REDACTED
Date of Submittal to NSOE:	11-Sep-12	
Type of Incentives (Please check all that the company/separators are requesting)		
<input checked="" type="checkbox"/> Sales & Use Tax Abatement	<input type="checkbox"/> Property Tax Abatement	
Company Information (Legal name of company under which business will be transacted in Nevada)		
Company Name: ORNI 47 LLC and its parent Ormat Nevada Inc.		
Department of Taxation's Tax Payer ID number: 1002193540		
Federal Employer ID number (FEIN, EIN or FID): 88-0278853		
NAICS Code: 187-221119		
Description of Company's Nevada Operations: ORNI 47, LLC is a new entity. Ormat currently has twelve (12) geothermal power plants located in Washoe, Churchill, Pershing, Elko and Lander counties including Steamboat Hills, Steamboat 2, Steamboat 3, Steamboat Springs, Burdette, Galena 2, Galena 3, Brady, Desert Peak, Jersey Valley, Tuscarora, & McGinness Hills.		
Percentage of Company's Market Inside Nevada: Approximately 54%		
Mailing Address: 6225 Neil Rd.		
City:	Reno	
Phone:	775-356-9029	
APN:	N/A	
Taxation District where facility is located: Mineral County		
Nevada Facility		
Type of Facility (please check all that are relevant to the facility)		
<input checked="" type="checkbox"/> Geothermal		
<input type="checkbox"/> Process Heat from Solar Energy		
<input type="checkbox"/> Solar PV		
<input type="checkbox"/> Solar Thermal		
<input type="checkbox"/> Wind		
<input type="checkbox"/> Biomass		
<input type="checkbox"/> Waterpower		
<input type="checkbox"/> Fuel Cells		
<input checked="" type="checkbox"/> Transmission that is interconnected to a renewable energy or geothermal facility		
<input type="checkbox"/> Transmission that contributes to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable energy facilities and/or geothermal facilities		
Name Plate Production Capacity of the Facility:	20MW	
Net Output Production Capacity of the Facility in MW:	15MW	
Annual Net Production Capacity of the Facility in MWh (or other appropriate unit):	120,300	
Estimated total capital investment:	84,000,000	
Percent of total estimated capital investment expended in Nevada:	100%	
Anticipated first date of purchasing tangible personal property for the project:	1-Jan-13	
Anticipated date or time range for the start of construction:	Qtr. 1, 2013	
Anticipated date or time range for the commencement of operation of the facility:	Qtr. 4, 2013	
Address of the Real Property for the Generation Facility: Approximately 22 miles from Gabbs, Nevada		
City: Mineral County		
Size of the total Facility Land (acre):		
		13,800

State of Nevada
Renewable Energy Tax Abatement Application
AFN: 12-0622G

Are you required to file any paper work with the PUC and/or FERC?		Yes
If yes,	Purpose of the Filing with PUC: For Power Purchase Agreement approval	Filing Date OR Anticipated filing Date: Once a Power Purchase Agreement will be signed
If yes,	Purpose of the Filing with FERC: Regulatory requirement	Filing Date OR Anticipated filing Date:

List All the county(s), Cities, and Towns where the facility will be located	
1	Mineral County
2	
3	
4	
5	
6	
7	
8	
9	

CHECKLIST - PLEASE ATTACH		
1	Description of the Technology and Complete Facility including generation, transmission or distribution, the physical point at which the ownership of energy is transferred and nature of the connection to the transmission grid	Attached
2	Complete and legal description of the location of the proposed facility, including a regional facility map that identifies the location, county boundaries and state boundaries of the proposed facility or a reference to any such map of appropriate scale	Attached
3	Description of any natural or nonrenewable resources that will be affected by or required to be used in the construction or operation of the proposed facility, including statement of any areas of mitigation, controversy, issue or concern	Attached
4	Summary of the PUC and FERC Dockets if any PUC and FERC filing have started	Not started
5	Copy of the Business Plan for the Nevada Facility	Attached
6	For Expansion Applications, Copy of the most recent assessment schedule and tax bill from the County Assessor's Office or the Department of Taxation	N/A
7	Website link to company profile	www.ormat.com
8	Copy of the Current Nevada State Business License	Attached
9	Facility Information Form	Attached
10	Employment Information, construction, and permanent employee salary schedules	Attached
11	Supplemental Information Form	Attached
12	Taxation Reporting Forms (Summary Sheet and Schedules 1 through 8)	Attached
13	Names and contact information for construction company, contractors, subcontractors	Attached
14	Letter from the utility or company describing the highlights of PPA, LOI, or MOU.	N/A
15	Confidential Information Identification Form	Attached

List of Required Permits or Authorizations for the Proposed Facility
 REDACTED

Permit or Authorization Title	Issuing Agency	Project Circumstance Requiring Permit or Authorization	Steps to Obtain Permit	Application Date	Approval Date or Expected Approval Date
I. Federal Permits/Authorizations					
See Attached					
II. State of Nevada Permits/Authorizations					
See Attached					
III. County Permits/Authorizations					
See Attached					
IV. City Permits/Authorizations					
See Attached					
See Attached					

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

NOTE: Project contractors, subcontractors, and other entities including owner that will be purchasing goods and equipment for the construction of the Facility are entitled to claim or receive the sales and use tax abatement

Contractors and Subcontractors List REDACTED

Vendor 1	See attached
Tax ID	
Contact	
Mailing Address	
E-Mail	
Vendor 2	
Tax ID	
Contact	
Mailing Address	
E-Mail	
Vendor 3	
Tax ID	
Contact	
Mailing Address	
E-Mail	
Vendor 4	
Tax ID	
Contact	
Mailing Address	
E-Mail	
Vendor 5	
Tax ID	
Contact	
Mailing Address	
E-Mail	
Vendor 6	
Tax ID	
Contact	
Mailing Address	
E-Mail	
Vendor 7	
Tax ID	
Contact	
Mailing Address	
E-Mail	

State of Nevada
Renewable Energy Tax Abatement Application

AFN: 12-0622G

Employment Information

New Operations or Expansion

CONSTRUCTION EMPLOYEES

Number of anticipated construction employees who will be employed during the entire construction phase?
 Percentage of anticipated construction employees who will be Nevada Residents?
 Average anticipated hourly wage of construction employees, excluding management and administrative employees:
 Number of anticipated construction employees who will be employed during the second-quarter of construction?
 Number of anticipated second-quarter construction employees who will be Nevada Residents?

Full Time	138.5
Part Time	35%
	\$ 41.05
	61
	26

PERMANENT EMPLOYEES

Number of anticipated permanent employees who will be employed as of the end of its first fourth-quarter of new operations or expansion?
 Average anticipated hourly wage of permanent employees, excluding management and administrative employees:
 Number of permanent employees who were employed prior to the expansion?
 Average hourly wage of current permanent employees, excluding managements and administrative employees

Full Time	7
Part Time	25.00
	0
	N/A

Health insurance for construction employees and an option for dependents must be offered upon employment

List Benefits Included (medical, dental, vision, flex spending account, etc): The following will be provided to employee and their dependents: Emergency Care, Inpatient and outpatient hospital care, Physician's services, outpatient medical services, laboratory services, x-ray services, and a minimum employer contribution of at least 80% of medical expenses if their employee paid deductible is met.

Name of Insurer: To be determined by vendors

Cost of Total Benefit Package: \$600,000
 Cost of Health Insurance for Construction Employees: Estimated 8% of salaries

Construction Employee Schedule

List all anticipated construction employees and associated wages for all persons who will be working on the construction of the facility during the entire construction period.

FULL TIME EMPLOYEES

		(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) x (d)	(f) = Σ(e) / Σ(c)
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Hourly Wage per job title (\$)	Total Hourly Wage per category (\$)	Average Hourly Wage (\$)

Construction Employees, excluding							
	Management and Administrative Employees						
1	Civil Construction Employees						
2	Fire Construction Employees						
3	Mechanical Employees						
4	Electrical Employees						
5	T-Line						
6	Buildings						
7	Gathering System						
8	Ormat						
	TOTAL	48.9	89.6	138.5		\$5,685.00	\$41.05
TOTAL CONSTRUCTION PAYROLL		\$5,685,000.00					

Second Quarter Construction Employee Schedule

List all anticipated construction employees and associated wages for all persons who will be working on the construction of the facility during the second quarter of construction.

FULL TIME EMPLOYEES

		(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) x (d)	(f) = $\Sigma(e) / \Sigma(c)$
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Hourly Wage per job title (\$)	Total Hourly Wage per job title (\$)	Average Hourly Wage (\$)
	Construction Employees, excluding						
	Management and Administrative Employees						
1	Civil Construction Employees						
2	Fire Construction Employees						
3	Mechanical Employees						
4	Electrical Employees						
5	T-Line						
6	Buildings						
7	Gathering System						
8	Omat						
9							
	TOTAL	26	35	61		\$2,521.00	\$41.09

TOTAL CONSTRUCTION PAYROLL	\$1,210,080.00	
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Permanent Employee Schedule

List all anticipated permanent employees who will be employed by the Nevada Facility as of the end of its first fourth-quarter of new operations or expansion and the employment per job title will continue next 20 years

FULL TIME EMPLOYEES

		(c)		(f) = $\Sigma(e) / \Sigma(c)$
#	Job Title	# of Employees	Total Hourly Wage per job title (\$)	Average Hourly Wage (\$)
1	Management and Administrative Employees			
	Plant manager			
	Administrative			
2	Permanent Employees, excluding Management and Administrative Employees			
	Operators			
	Maintenance			
	TOTAL	7	180	\$25.71

TOTAL ANNUAL PAYROLL	\$	374,400.00
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**State of Nevada
Renewable Energy Tax Abatement Application
AFN: 12-0622G**

Supplemental Information

Please respond to each question. Answers to the questions will assist Department of Taxation staff in determining whether the facility should be locally or centrally assessed. Other questions will assist staff in understanding whether the reported replacement costs capture all aspects of taxable value.

REDACTED

1) Will you have a possessory interest in any governmentally owned property for this facility? Please describe if yes.

The facility will use land leased from the BLM for its power plant and resource. Land acreage and lease fee is provided in the Facility Information portion of the application.

2) Will the facility, including generation, transmission, or distribution cross state or county boundaries? If yes, please describe.

The Company is under negotiation for power purchase agreement. The plant and interconnection facility will be located near the Paradise Peak substation (Gabbs Valley).

3) Is the facility owned by a subsidiary of a company that is interstate or intercounty in nature? Name and location of the subsidiary company, if yes.

Ormat Nevada Inc., corporate headquarter located in Reno, Nevada

4) At what physical point is the ownership of energy transferred? Describe the location and nature of the connection to the transmission grid.

See Attached under "Facility Information"

5) Will the facility be eligible for other abatements or exemptions such as pollution control exemptions? Please describe if yes

Yes

6) Has your company applied and/or been approved for any abatements or exemptions for this facility or any other facility by the State of Nevada and/or local governments? If yes, list the abatements awarded, name and location of the project, name of the awarder, date of approval, amounts and status of the accounts.

ORNI 47, LLC has not previously applied for state or local abatements in the state of Nevada. ONI has received a partial sales/use abatement for its projects located in Jersey Valley, Tuscarora and McGinness Hills. ONI has received a partial property tax abatement for its Jersey Valley project only.

State of Nevada
 Renewable Energy Tax Abatements Application
 AFN:12-0622G

REDACTED

Summary Report
 Schedules 1 through 8

Company:

Division:

Line No.	Schedule	Total Estimated RCNLD or Transaction Cost	Department Use Only
1	Sch. 1 Personal Property - Property Tax - Total from Col. J.	Confidential	
2	Sch. 2 Real Property - Improvements - Total from Col. F.	Confidential	
3	Sch. 3 Real Property - Land - Total from Col. I	Confidential	
4	Sch. 4 Operating Leases - Total from Col. F	Confidential	
5	Sch. 5 Contributions in Aid of Construction - Total from Col. F	Confidential	
6	Sch. 6 First Year Estimated Sales & Use Tax - Total from Col. J	Confidential	
7	Sch. 7 Second Year Estimated Sales & Use Tax - Total from Col. J	Confidential	
8	Sch. 8 Third Year Estimated Sales & Use Tax - Total from Col. J	Confidential	

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:12-0622G**

**Property Tax: Real Property Improvements
Schedule 2**

Company Name: ORNI 47 LLC

Division: _____

REDACTED

Instructions:

- (1) List each item of real property improvements subject to property tax in Col. A. Pursuant to NRS 361.035, real property includes all houses, buildings, fences, ditches, structures, erections, railroads, toll roads and bridges, or other improvements built or erected upon any land, whether such land is private property or public property; as well as mobile or manufactured buildings.
- (2) For each item in Col. A, complete the requested information in Col. B (if applicable), and Col. C through Col. F.
- (3) The total estimated cost reported in Col. F should include estimated or actual costs of labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, engineering plans, building permits, site preparation costs, sales taxes and insurance; costs of buying or assembling land such as escrow fees, legal fees, right of way costs, demolition, storm drains, rough grading or other land improvement costs, yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting; off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact fees.
- (4) Use Schedule 3 to report land; Schedule 4 to report operating leases; and Schedule 5 to report contributions in aid of education.
- (5) Attach additional sheets as necessary.

A	B	C	F
Real Property Improvements Itemized Description	G/L Account No. (if applicable)	Estimated Date of Completion	Estimated Total Construction Cost
Confidential			
Grand Total			0

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:12-0622G**

Company: ORNI 47 LLC

Division: _____

REDACTED

**Property Tax: Real Property Land
Schedule 3**

Show the requested data for all land, owned or leased, in Nevada.

A Line #	B Where Situated		D Tax District	E Brief Description, Size of the Land (acre), Date Acquired	F Owned (O) Leased (L) Rented (Rtd)	G G/L Account Number (if applicable)	H Purchase Price (if applicable)	I Assessor's Taxable Value
	C City or Town							
1	Mineral			BLM Lease	L			290,160
2	Mineral			BLM Lease	L			257,520
3	Mineral			BLM Lease	L			127,380
4	Mineral			BLM Lease	L			152,940
5								
6								
7								
8								
9								
10								
11								
12	Grand Total							828,000

State of Nevada
Renewable Energy Tax Abatements Application
AFN:12-0622G

Attestation and Signature

I, Eyal Hen, by signing this Application, I do hereby attest and affirm under penalty of perjury the following:

- (1) I have the legal capacity to submit this Application on behalf of the applicant;
- (2) I have prepared and personally knowledgeable regarding the contents of this Application; and
- (3) The content of this Application are true, correct, and complete.

Eyal Hen

Name of person authorized for signature:

Director of Finance

Title:

Eyal

Signature:

Pdupci s 2- 3123

Date:

ORNI 47, LLC

Application Checklist Requirement Addendum
Wild Rose Geothermal Project
Mineral County, Nevada

COVER PAGE

Corporate Profile:

ORNI 47 LLC (“the Company”) is a wholly owned by Ormat Nevada Inc. (“ONI”). ONI is a wholly owned subsidiary of Ormat Technologies, Inc. (“Ormat”). Ormat is a publicly traded U.S. corporation headquartered in Reno, Nevada and is listed on the NYSE under the symbol “ORA”. Ormat is a leading vertically integrated company engaged in the geothermal and recovered energy power business. Ormat designs, develops, builds, owns and operates clean, environmentally friendly geothermal and recovered energy generation (“REG”) power plants primarily utilizing internally designed and manufactured equipment. Ormat currently has power plants in the United States which includes, Brady Complex (NV), Steamboat Complex (NV), Mammoth Complex (CA), Heber Complex (CA), Ormesa Complex (CA), Brawley (CA), Puna (HI), Jersey Valley (NV), Tuscarora (NV), McGinness Hills (NV), and owns REG units in North and South Dakota, Colorado, Minnesota and Montana. Ormat also has operating power plants in Nicaragua, Guatemala, and Kenya.

Ormat’s revenues are made up of two primary segments - electricity and products segments. As of December 31, 2011, the electricity segment was approximately 74% of revenues and the product segment was approximately 26% of revenues. The U.S. business represents approximately 77% of the electricity revenues.

Summary of Domestic Projects:

Brady Complex: Located in Churchill County, Nevada consists of two (2) power plants including Brady and Desert Peak 2. The combined current generating capacity is approximately 25MW. The Brady complex operates using 9 full-time employees.

Steamboat Complex: Located in Washoe County, Nevada consists of seven (7) power plants including Steamboat 1A project, Steamboat 2/3 projects, Burdette project, Steamboat Hills project, Galena 2 project and Galena 3 project. The combined current generating capacity is approximately 86 MW. The Steamboat Complex operates using 46 full-time employees.

Jersey Valley: Located in Pershing County, Nevada and has a current generating capacity of approximately 12 MW. The Jersey Valley facility operates using 11 full-time employees.

Tuscarora: Located in Elko County, Nevada has a current generating capacity of 18 MW. The Tuscarora facility operates using seven (7) full-time employees.

McGinness Hills: Located in Lander County, Nevada. The plant was placed in service in June 2012 and has a current generating capacity of 30MW. The plant currently operates using eight (8) operating employees.

Mammoth Complex: Located in Mammoth Lakes, CA consists of three (3) plants and is currently generating capacity of approximately 29 MW.

Heber Complex: Located in Imperial County, CA and consists of three (3) plants: Heber 1, Heber 2 and Heber South projects. The complex has a current generating capacity of approximately 92 MW.

Ormesa Complex: Located is East Mesa, Imperial County, CA and has a current generating capacity of approximately 57 MW.

Puna Project: Located in the Puna district, Big Island, Hawaii and has a current generating capacity of 38 MW.

North Brawley Project: Located in Brawley in Imperial County, CA and has a current generating capacity of approximately 33MW.

OREG Projects: Located in Colorado, North Dakota, South Dakota, Minnesota and Montana. These “Recovered Energy Generation” projects have a combined net current generating capacity of approximately 54 MW.

Description of Proposed Project:

The Company plans to develop an air-cooled geothermal power plant (“The Project”) located in north-central Mineral County, approximately 22 miles from Gabbs, Nevada. The Project is expected to deliver a generating capacity of 15 MW under a 20-year power purchase agreement (“PPA”). The Company is currently under negotiations with several utilities to sell the Project’s power. The Project is in addition to Ormat’s twelve (12) existing plants in Nevada.

The Company has obtained four (4) leases through an agreement with the Bureau of Land Management (“BLM”). The legal descriptions of the land leases and parcel numbers are included in the body of the application. The proposed plant will be located on approximately 10 acres on either Section 1 or Section 12, T11N, R32E MDB&M. The substation will use approximately .4 acres. The production and injection pipelines are estimated to be approximately 4.9 miles in length. The transmission line will be approximately 20 miles in length.

The Project will consist of drilling and installing an Ormat Energy Converter (“OEC”) unit that will produce energy from hydrothermal reservoirs that are formed where it is determined that

water, which is heated from hot rock located deep within the earth's surface and can be extracted for commercial use. The OEC unit is produced by Ormat's subsidiary company.

The point of interconnection will likely be a new switching station with NV energy's 120 kV line #140 between Santa Fe and Paradise stations. Company is currently negotiating the point of energy delivery to the Utility. Once necessary approvals are received, the Project will include an electrical substation at which electrical power (generated at 12.473 Kv) would pass through a transformer to increase the voltage to 120 kV. The substation footprint would measure up to 240 feet by 175 feet with surrounding fencing.

The Project will consume approximately 6 MW hours of diesel fuel power generation during construction. The Project does anticipate using energy from the power grid for start-up and commissioning activities. In addition, the project uses organic fluid, such as pentane or butene, which is vaporized and is used to drive the turbine. The fluid is then condensed and recycled back to the heat exchanger to be reused.

The Company estimates that it will start construction of the facility during the first quarter of 2013 and begin operations during the fourth quarter of 2013.

Abatement Request and Summary of Financial Impact:

The Company is requesting abatement for:

1. Property Tax (to be effective once the Project is "Placed in Service")
2. Sales & Use Tax (for personal property purchased by ORNI 47, its contractor, ONI and various sub-contractors used for the Project).

Nevada's forward looking policies regarding renewable tax treatment have created an environment in which geothermal energy can:

- Offer the lowest cost renewable to the Utility and residents of Nevada. The abatement reduces cost to the rate payer,
- Significantly impact the Company's ability to continue future exploration and expand the Project in the future, if supported and,
- Stabilize the local economy by requiring a mandatory percentage of employees be residents of Nevada.

In addition, the State of Nevada will also benefit from the Project as follows:

- Reduction in unemployment (including Ormat and Nevada vendors working on the Project)

- Paid and increase in contributions to unemployment fund
- Reduction in uninsured individuals
- Stabilize local labor market (30% of construction employees must be Nevada residents)
- Increase in Nevada housing opportunities (home purchases or rental income)
- Increase in sales tax on taxable items purchased directly by employees and vendors who are working on the Project during drilling, construction and operation
- Tax on diesel fuel used by ONI and vendors to power equipment during construction
- Potential expansion of the Project (bringing future revenue to the State)
- State leader in producing and using renewable energy

The general contractor for the Project is ONI. ONI will hire construction and drilling personnel through vendors including (but not limited to) Nevada based vendors. Although ONI is still negotiating contracts with vendors at this time, a general list of potential Nevada vendors is as follows:

Nevada vendors include:

A. Carlisle & Company ,Reno
A&K Earthmovers, Reno
Applied Mechanical, Inc., SPARKS
A-Z Maintenance, Repair & Cleaning ,RENO
Black Eagle Consulting, Inc., Reno
Canyon Construction Co., Elko
CarWil, LLC ,Winnemucca
Construction Materials Engineers, Inc. ,Reno
Dyer Engineering Consultants, Inc. ,Reno
Echeverria Pumping LLC ,Winnemucca
Ferguson Enterprises, Inc. ,Reno/San Fran#3210
Grove Madsen Industries ,Reno
Hartman Structural Engineering, LLC. ,Reno
High Ground Village ,Winnemucca
JFMPE, Inc. ,Bermuda Dunes
JP Engineering, Reno
Les Schwab Tire Center ,Winnemucca
Liebscher Advertising, Reno
Maga Trucking & Repair Inc. ,Winnemucca
Merit Electric Company, Reno
Nevada Energy Systems Inc. ,Reno
NorthWest Datacom & Power, Inc ,Reno
NV Energy, Reno NV
Pro Fire Pro Design, Reno
Quality Concrete Construction ,Reno
Reno Dodge Sales Inc. ,Reno

Reno Windustrial Company ,Reno
Shadow Mountain Water ,Winnemucca
Sierra Chemical Company, Sparks
Sierra Electronics ,SPARKS
Sunrise Plumbing ,Winnemucca
Titan Wire & Cable LLC ,Sparks
Tri Sage Consulting, Reno
US Geomatics ,RENO
Wedco Inc. ,Reno
WWW Construction, Reno
Zonge Geosciences, Inc ,SPARKS

ONI will use outside vendors who will ensure that:

- 50 or more full-time employees working on the construction of the facility during the 2nd quarter of construction with a minimum of 30% being Nevada residents.
- The average construction labor costs will be at least 150% of the average hourly statewide hourly rate
- Health insurance benefits will be offered to the construction employees and their dependents

Annual Report: ORNI 47 LLC is a new entity and no financial data is available at this time. Ormat's 2011 annual report is attached. Please visit Ormat's website at www.ormat.com for previous financial data and Annual Reports filed with the Security and Exchange Commission ("SEC").

Utility Company Letter: Not available at this time

Business Plan: See attached Business Plan

PUC Docket: Not available at this time

List of Permits: See attached

Funding Sources: No funding will be provided by a governmental entity of the State of Nevada. For general discussion of Ormat's project funding, please refer to our SEC statements located on our website.

Property Tax Assessment Schedules: Not applicable – new operations.

Exhibit (D) – Energy Related Tax Incentive Fiscal Note as required by NRS 701A.375-1(a) by the Budget Division of the State of Nevada Department of Administration, received on December 6, 2012



DEPARTMENT OF ADMINISTRATION

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BUDGET DIVISION
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE
FOR
ORNI 47, LLC, Wild Rose Project
as required by NRS 701A.375-1(a)

December 6, 2012

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 sales and use tax incentives provided to ORNI 47, LLC (parent company: Ormat Nevada Inc.) Wild Rose geothermal energy project in Mineral County, Nevada will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

The ORNI 47, LLC Wild Rose geothermal project application indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$57,200,000. Given this information, the General Fund will be impacted by an abatement totaling \$1,144,000, less any applicable collection allowance.

<u>Fiscal Year</u>	<u>Expenditure Subject to Abatement</u>	<u>Amount Abated</u>
FY 2013	\$ 55,550,000	\$ 1,111,000
FY 2014	\$ 825,000	\$ 16,500
FY 2015	\$ 825,000	\$ 16,500
Total	\$ 57,200,000	\$ 1,144,000

Exhibit (E) – Fiscal Impact Renewable Energy Partial Abatement of Property Tax as required by NRS 701A.375-1(b) by the Nevada Department of Taxation, received on October 23, 2012



BRIAN SANDOVAL
Governor

ROBERT R. BARENGO
Chair, Nevada Tax Commission
CHRISTOPHER G. NIELSEN
Executive Director

STATE OF NEVADA
DEPARTMENT OF TAXATION

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FISCAL IMPACT
Renewable Energy Partial Abatement Of Sales/Use Taxes

Ormat Wild Rose Geothermal

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, Ormat Wild Rose Geothermal has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in Mineral County. Upon approval, this project would be granted a partial abatement of Sales and Use Tax for a period of three years, commencing on January 1, 2013.

The Nevada State Office of Energy has provided to the Department of Taxation a completed copy of the Renewable Energy Tax Abatements Application for this project. According to Schedule 6 of this application, Ormat Wild Rose Geothermal will purchase a total of \$55,550,000.00 worth of tangible, personal property subject to Sales and/or Use Tax during the first year of the abatement period. At the current Sales or Use Tax rate for Mineral County, the full Sales Tax for these purchases would be \$3,805,175.00 less any applicable collection allowance.

According to Schedule 7 of this application form, Ormat Wild Rose Geothermal will purchase \$825,000.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows \$825,000.00 of tangible, personal property subject to Sales/and or Use Tax will be purchased during the third year.

Based on this information, the Department of Taxation projects the following Sales Tax related fiscal impact for the three years of the abatement period.



**STATE OF NEVADA
DEPARTMENT OF TAXATION**

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Sales Tax Component	Tax Rate	First Year	First Year	Second Year	Third Year	TOTAL
		JAN 1, 2013 - JUN 30, 2013	JULY 1, 2013 - DEC 31, 2013	JAN 1, 2014 - JUNE 30, 2014	JAN 1, 2015 - DEC 31, 2015	
Sales/Use Tax (General Fund)	2.00%	\$555,500.00	\$555,500.00	\$16,500.00	\$16,500.00	\$1,144,000.00
Local School Support Tax (ends: 6/30/13)	2.60%	\$722,150.00	\$0.00	\$0.00	\$0.00	\$1,384,212.50
Local School Support Tax (eff: 7/1/13)	2.25%	\$0.00	\$624,937.50	\$18,562.50	\$18,562.50	
Basic City Relief	0.50%	\$138,875.00	\$138,875.00	\$4,125.00	\$4,125.00	\$286,000.00
Supp. City County Relief	1.75%	\$972,125.00	\$486,062.50	\$14,437.50	\$14,437.50	\$1,487,062.50
County Option	0.00%	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Total Amount Abated (State & Local/County):

1st year	\$2,846,937.50
2nd year	\$35,062.50
3rd year	\$35,062.50
Total	\$2,917,062.50

Total Amount Abated (Local/County Only):

1st year	\$1,735,937.50
2nd year	\$18,562.50
3rd year	\$18,562.50
Total	\$1,773,062.50