

Energy Partial Abatement of sales and use Tax by the Nevada Department of Taxation, received on December 2, 2013; Exhibit (G) Letter waiving the 15-day notice period per LCB file #R094-10, section 23.2, from the Office of the county Manager, county Treasurer, and county Assessor of Clark County; Exhibit (H) Letter waiving the 15-day notice period per LCB file #R094-10, section 23.2, from Boulder City; Exhibit (I) Pre-filed testimony from Christopher Ward of Copper Mountain and; Exhibit (J) Pre-filed testimony of John Matt Tapp of AMEC E&C;

2. Copper Mountain is a subsidiary of Sempra Energy. Copper Mountain is a limited liability company with a current Nevada State Business License from the Nevada Secretary of State.

3. Copper Mountain submitted its Pre-application in this matter on March 15, 2013.

4. On October 1, 2013, Copper Mountain submitted its Application seeking partial abatement of sales and use taxes and property taxes for the construction and operation of a facility for the generation of solar renewable energy (“Facility”) that would be located on approximately 1,374 acres of land in Clark County, Nevada, a portion of Clark County Assessor’s Parcel Numbers 189-32-000-002, 189-33-000-001, 207-00-001-010, 207-00-001-024, 207-00-001-029, 207-00-001-033, 207-00-001-040, (Application Filing Number (AFN) 13-0315SPV). The Application described a solar photovoltaic electric generating facility that would generate 255 Nameplate megawatts (MW) that would be sold to Southern California Public Power Authority for a period of 20 years pursuant to a power purchase agreement.

5. Pre-filed testimony from Christopher Ward supported that Copper Mountain was properly licensed and qualified to do business in Nevada; that Copper Mountain had obtained all required discretionary state and local licenses and permits, with the remaining permits to be obtained prior to start of construction, expected in the 4th quarter of 2013, and intended to maintain all of the required licenses and permits for the Facility; that Copper Mountain had all

necessary approvals for the Facility; that the Facility would have an AC nameplate rating of 255 MW and was anticipated to produce 250 MW net; that Copper Mountain had entered into a 20-year power purchase agreement with Southern California Public Power Authority; that the Facility was anticipated to be at least partially operational sometime during the third quarter of 2013; that the total capital investment of the Facility will be approximately \$657,500,000; that the Facility would create approximately seven (7) full-time operational jobs which would pay an average of approximately \$32.80 per hour; and that the Facility would create approximately 400 full-time construction jobs over the course of construction which would pay an average hourly wage of \$60.58 per hour.

6. 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 2013 was \$19.83. Thus 110% of the wage for fiscal year 2013 was \$22.40, and 175% of the wage for fiscal year 2013 was \$35.63.

7. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the sales and uses taxes related to the Facility:

Total Amount Abated (Year 1)	\$16,764,052.82
Total Amount Abated (Year 2)	\$3,376,974.83
Total Amount Abated (Years 3)	\$23,210.00
TOTAL AMOUNT ABATED	\$20,164,237.65
Total Amount Abated by Local Government (Year 1)	\$10,668, 033.61
Total Amount Abated by Local Government (Year 2)	\$2,148,983.98
Total Amount Abated by Local Government (Year 3)	\$14,770.00
TOTAL AMOUNT ABATED BY LOCAL GOVERNMENT	\$12,831,787.60
TOTAL LOCAL SCHOOL SUPPORT TAX GAIN	\$9,532,185.07

8. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the property taxes related to the Facility over the abatement period (20 years):

Total Property Taxes Due Before Abatement	\$84,142,150
Total Property Taxes Abated Over Abatement Period	\$46,278,182
Total Taxes to Local Government Over Abatement Period	\$37,863,967

9. The Fiscal Note produced by the Budget Division shows that the State General Fund will be impacted for a total of approximately \$7,332,450 abated over the period of the abatement (2013 through 2016).

10. Synthesizing the figures in evidence in this matter, inclusive of payroll, the total estimated benefit pursuant to NRS 701A.365(1)(f) to the state and local governments in Nevada is \$732,363,046.07 and the total estimated amount of property taxes and sales and use taxes abated in this matter is \$66,442,419.65. 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

Capital Investment in Nevada	\$657,500,000.00
Total School Support Tax Over Abatement Period (3 years)	\$9,532,185.07
Total Property Taxes to Local Government Over Abatement Period	\$37,863,967.00
Construction Payroll in Nevada residents	\$18,870,670.00
Operational Payroll in Nevada:	\$8,596,224.00
TOTAL BENEFITS OVER ABATEMENT PERIODS	\$732,363,046.07

Amounts Abated

Total Sales and Use Taxes Abated (3 Years)	\$20,164,237.65
Total Property Taxes Abated (20 Years)	\$46,278,182.00
TOTAL TAXES ABATED	\$66,442,419.65

11. 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 the Copper Mountain Application for the construction and operation of the Facility satisfies the following statutory requisites:

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

(b) NRS 701A.320(1)(b) – The Facility will generate 255 MW AC Nameplate, thus exceeding the statutory standard.

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

(d) NRS 701A.360(2) – The 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 Facility is anticipated to be operational for at least 20 years, thus exceeding the statutory standard.

(f) NRS 701A.365(1)(b) – The 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 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 Facility expects to employ approximately 130 full-time employees during the second quarter of construction and will employ at least 75 full-time employees during the second quarter of construction. Copper Mountain anticipates that at least 50% of those employees will be Nevada residents, thus meeting the statutory standard.

(i) NRS 701A.365(1)(e)(2) – The capital investment in Nevada for the Facility is estimated to be at least \$657,500,000, thus exceeding the statutory standard.

(j) NRS 701A.365(1)(e)(3) – The average hourly wage paid to the operational employees of the Facility will be approximately \$32.80, which is more than 110% of the average hourly wage set by DETR, thus exceeding the statutory standard.

(k) NRS 701A.365(1)(e)(4) – The average hourly wage paid to the construction employees on the Facility will be approximately \$60.58, which is more than 175% of the average hourly wage set by DETR, 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 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 Facility in this State exceeds the loss of tax revenue that will result from the abatement, thus meeting the statutory standard.

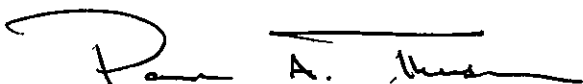
(n) NRS 701A.370(1)(a)(3) – The abatement granted by this Order will not apply during any period in which the Facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722, thus meeting 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 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 Copper Mountain Application Filing No. 13-0315SPV related to the construction and operation of the Facility is hereby **GRANTED**. Copper Mountain 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. Copper Mountain sales and use tax abatement will terminate three years from the effective date of the Abatement Agreement. Copper Mountain real property tax abatement, which applies to the 1,374 acres of land in Clark County and Copper Mountain personal property tax abatement will terminate 20 years from the effective date of the Abatement Agreement.

SIGNED this 31 day of December, 2013.



PAUL A. THOMSEN
Director
Nevada Office of Energy