

Teresinski and Jill Daniel; (7) CPUC Application and Order. At the hearing, all Exhibits were admitted into evidence.

Based upon the testimony of the witness and the evidence presented, the Director finds the following to be the facts in this matter.

2. Turquoise Liberty ProjectCo, LLC is a subsidiary of Sumitomo Corporation of Americas. Turquoise Liberty ProjectCo, LLC is a limited liability company with a current Nevada State Business License from the Nevada Secretary of State.

3. On March 29, 2018, Turquoise Liberty ProjectCo, LLC 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 100 acres of land in Washoe County, Nevada, Assessor's Parcel Numbers 084-110-31, 084-110-32, and 084-110-33 ("Parcels"). The application described a solar photovoltaic electric generating facility that would generate up to 10 megawatts (MW) that would be sold to Liberty Utilities (CalPeco Electric) LLC once completed.

4. Pre-filed testimony from Jeremy Teresinski and Jill Daniel supported that Turquoise Liberty ProjectCo, LLC was properly licensed and qualified to do business in Nevada; that Turquoise Liberty ProjectCo, LLC had obtained all required discretionary state and local licenses and permits, with the remaining permits to be obtained prior to start of construction, expected June 2018, and intended to maintain all of the required licenses and permits for the Facility; that Turquoise Liberty ProjectCo, LLC had all necessary approvals for the Facility; that the Facility would have a nameplate rating of 10 MW; that Turquoise Liberty ProjectCo, LLC had entered into an agreement with Liberty Utilities (CalPeco Electric) LLC to acquire, own, and operate the Turquoise Liberty ProjectCo once completed; that the Facility was anticipated to be operational sometime during the last quarter of 2018; that the total capital investment of the Facility will be

approximately \$16,104,765; and that the Facility would create an estimated 76 full-time construction jobs over the course of construction which would pay an average hourly wage of \$37.90 per hour.

5. The average hourly wage paid by the facility to all of its construction employees working on the facility, excluding management and administrative employees, will be approximately \$37.90 which is at least 175% of the average statewide hourly wage for green industry tax abatements, currently posted by Department of Employment Training and Rehabilitation.

6. 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)	\$747,213.50
Total Amount Abated (Year 2)	\$2,832.50
Total Amount Abated (Year 3)	\$0.00
TOTAL AMOUNT ABATED	\$750,046.00
Total Amount Abated by Local Government (Year 1)	\$483,413.50
Total Amount Abated by Local Government (Year 2)	\$1,832.50
Total Amount Abated by Local Government (Year 3)	\$0.00
TOTAL AMOUNT ABATED BY LOCAL GOVERNMENT	\$485,246.00
TOTAL LOCAL SCHOOL SUPPORT TAX GAIN	\$344,240.00

7. The Fiscal Note produced by the Budget Division shows that the State General Fund will be impacted for a total of approximately \$264,800 abated over the period of the abatement (FY 2018 through 2020).

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 Taxes Due during Period of Abatement	\$2,523,791
Total Tax Abatement	\$1,388,085
Total Taxes Available to Local Governments after abatement	\$1,135,706

9. Synthesizing the figures in evidence in this matter, the total estimated benefit pursuant to NRS 701A.365(1)(f) to the state and local governments in Nevada is \$18,058,510 and the total estimated amount of property taxes and sales and use taxes abated in this matter is \$2,138,131. Thus, the benefits to the state and local governments in Nevada exceeds 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	\$16,104,765
Construction Payroll of Nevada residents	\$1,953,745
TOTAL BENEFITS OVER ABATEMENT PERIODS	\$18,058,510

Amounts Abated

Total Sales and Use Taxes Abated (3 Years)	\$750,046
Total Property Taxes Abated (20 Years)	\$1,388,085
TOTAL TAXES ABATED	\$2,138,131

10. 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 Turquoise Liberty ProjectCo, LLC's 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 10 MW, thus meeting 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 25 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)(d)(1) – The construction of the Facility will employ at least 76 full-time employees during the second quarter of construction. Turquoise Liberty ProjectCo,

LLC anticipates that at least 50% of those employees will be Nevada residents, thus meeting the statutory standard.

(i) NRS 701A.365(1)(d)(2) – The capital investment in Nevada for the Facility is estimated to be at least \$16,104,765, thus exceeding the statutory standard.

(j) NRS 701A.365(1)(d)(3) – There are no operational employees proposed for the Facility, thus meeting the statutory standard.

(k) NRS 701A.365(1)(d)(4) – The average hourly wage paid to the construction employees on the Facility will be approximately \$37.90, which is at least 175% of the average hourly wage set by DETR of \$21.66, thus meeting the statutory standard.

(l) NRS 701A.365(1)(d)(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 Turquoise Liberty ProjectCo, LLC Application Filing No. 18-0329SPV related to the construction and operation of the Facility is hereby **GRANTED**. Turquoise Liberty ProjectCo, LLC 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. Turquoise Liberty ProjectCo, LLC's sales and use tax abatement will terminate three years from the effective date of the Abatement Agreement. Turquoise Liberty ProjectCo, LLC's real property tax abatement, which applies to the parcels, and Turquoise Liberty ProjectCo, LLC personal property tax abatement will terminate 20 years from the effective date of the Abatement Agreement.

SIGNED this 19th day of June, 2018.



ANGELA DYKEMA

Director

Governor's Office of Energy