



GOVERNOR'S OFFICE OF ENERGY

MINUTES
Of the Renewable Energy Tax Abatement Hearing of the
GOVERNOR'S OFFICE OF ENERGY

AFN 19-0618G
Steamboat Hills, LLC
August 29, 2019

The Governor's Office of Energy held a public meeting on August 29, 2019, beginning at 11 AM. at the following location:

Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, Nevada

Present at the hearing:

David Bobzien, Director of the Governor's Office of Energy
Laura Wickham, Energy Program Manager, Governor's Office of Energy
Jennifer Taylor, Deputy Director, Governor's Office of Energy (Via telephone)
Paul Thomsen, Ormat
James Bergstrom, Ormat
Nicole Scott, Lewis Roca Rothgerber Christie
Alfredo Alonso, Lewis Roca Rothgerber Christie
Sorin Popa, Department of Taxation
Marla McDade Williams, Strategies 360

1. Call to order: The meeting was called to order at 11:00 AM by Director David Bobzien. The Director stated that this was a hearing on the merits of the application for partial abatement of property taxes originally filed by Steamboat Hills, LLC on April 26, 2019. Application filing number 19-0618G This is an application for a 33 MW geothermal facility located in Washoe County, NV.

2. Public comment and discussion (1st period): The Director asked if anyone from the public sought to make a comment on the matter. There was no public comment.

3. Presentation of Evidence and Testimony: The Director submitted Exhibits A-F, a packet of documents consisting of: Exhibit A – Notice of Public Hearing, dated August 5, 2019; Exhibit B – A redacted application as filed with the Governor's Office of Energy on April 26, 2019; Exhibit C – Fiscal Impact of the partial abatement of Property Tax as required by NRS 701A.375-1 by the Nevada Department of Taxation, received on July 23, 2019; Exhibit D – Fiscal Impact of the partial abatement of Sales and Use Tax as required by NRS 701A.375-1 by the Nevada Department of

Taxation received on July 26, 2019; Exhibit E – Fiscal Impact of the partial abatement as provided by the Governor’s Finance Office, required by NRS 701A.375-1, received on July 26, 2019; Exhibit F – Pre-filed Testimony of James Bergstrom;

The parties present introduced themselves.

The Director admitted Exhibits A-F into evidence in this matter.

Director Bobzien asked whether the applicant had any additional information they would like to add. Nicole Scott stated that Steamboat Hills, LLC received the updated wage requirements from Ms. Wickham which were recently released by DETR and ensured Steamboat Hills, LLC will adhere to the new wage requirements.

The Director asked if there was any additional information to be submitted in this matter. There was no additional information submitted.

The Director asked whether anyone would like to make a closing statement, there were no closing statements.

The Director closed the evidentiary portion of the hearing and thanked everyone for their testimony.

4. The Director stated her findings and conclusions based upon the substantial, reliable, and credible evidence presented in the exhibits and testimony.

As to NRS 701A.360 (1), the Director found that the applicant intends to locate within this State a facility for the generation of geothermal renewable energy, thus meeting the intent of the statute.

As to NRS 701A.360(2), the Director found that the facility is not owned, operated, leased, or controlled by a government agency, thus meeting the requirement of the statute.

The Director found that NRS 701A.365(1)(a)(1) has been met by this renewable energy project, as the facility is expected to continue in operation in this State for a period of at least 10 years and is expected to continue to meet the eligibility requirements for the abatement.

As to NRS 701A.365(1)(b), the applicant has provided information supporting testimony that all the necessary state and local permits and licenses to construct and operate will be received, thus meeting the requirement of the statute.

As to NRS 701A.365(1)(c), the applicant has provided testimony that no funding for 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, thus meeting the requirement of the statute.

As to NRS 701A.365(1)(d)(1), the application states that the construction of the facility will employ 75 full-time employees during the second quarter of construction of which at least 50% will be Nevada residents.

As to NRS 701A.365(1)(d)(2), the Director found that the total capital investment in the facility is estimated to be approximately \$59,900,159, thus exceeding the \$10,000,000 capital investment required by the statute.

As to NRS 701A.365(1)(d)(3), the Director found that this statute is met as there will be 36 operational employees.

As to NRS 701A.365 (1)(d)(4), the Director found that this statute is met as the application states that the average hourly wage that will be paid by the facility to all of its construction employees working on the facility, excluding management and administrative employees, will be approximately \$41.08, which is at least 175% of the average statewide hourly wage set by DETR of \$23.47.

As to NRS 701A.365(1)(d)(4)(I) and (II), the application states that the health insurance provided to the construction employees on the facility allows for the coverage of the dependents of the employees and will meet or exceed the standards established by the Director, thus meeting the requirement of the statute.

As to NRS 701A.365(1)(f), the Director found that 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 requirement of the statute.

The Director found that the financial benefits to the state exceeded the abated amounts and provided each figure. The total benefits to the state of Nevada are \$107,325,739 and the total abatement is \$11,316,012.

Director Bobzien found NRS 701A.365(1)(g) to be met as the facility is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of [NRS 231.053](#).

As to NRS 701A.370(1)(a)(3), The Director found that the partial abatement of property tax did not apply during a time in which the facility was receiving an abatement for the same, other than any partial abatement provided pursuant to NRS 361.4722.

As to NRS 701A.370(1)(b)(1)(III), The Director found that the abatement will not apply during any period in which the facility was receiving another abatement or exemption from local sales and use taxes, thus meeting the requirement of the statute.

5. Approval of Application. The Director approved the application for the partial abatement of property taxes. The Director explained that after today's hearing, she will produce a written Findings of Fact, Conclusions of Law, and Order. Once the Order is issued, the Director or her representative, representatives from the Nevada Department of Taxation, and appropriate representatives of Steamboat Hills, LLC may meet to go over the terms and conditions of the Abatement Agreement and after that meeting, we will execute the Abatement Agreement.

The Director stated that as a reminder, pursuant to NRS 701A.380, a partial abatement approved by the Director will terminate upon any determination by the Director that the facility has ceased to meet any eligibility requirements for the abatement.

6. Public comment and discussion (2nd period): The Director asked if anyone had any public comment to which there was no response.

7. Adjournment: 11:12 A.M.