



January 3, 2014

Suzanne Linfante
Management Analyst II
Certified Contract Manager
Governor's Office of Energy
755 N. Roop Street, Ste. 202
Carson City, NV 89701

Re: McGinness Tax Abatement Application

Dear Suzanne,

In regards to the recent Renewable Energy Tax Abatement Property Tax application AFN 14-0104GMH, we respectfully request to add/amend the following information to the application:

Page 2 – Estimated total capital investment: \$164,000,000.00

Page 11 – Number of anticipated construction employees
who will be employed during the entire construction phase: 168

Page 11 – Percentage of anticipated construction employees
who will be Nevada Residents: 50%

Please note that the capital investment information is considered confidential, but can be disclosed to the applicable County if requested.

Sincerely,

David O'Neill
Accounting Manager

ORMAT NEVADA, INC.

6225 Neil Road • Reno, NV 89511-1136 • Phone : (775) 356-9029 • Fax : (775) 356-9039
E-mail: ormat@ormat.com Web site: www.ormat.com

Facility Information	REDACTED
Date of Submittal to NSOE:	10-Jan-14
<input type="checkbox"/> Sales & Use Tax Abatement	<input checked="" type="checkbox"/> Property Tax Abatement
Company Name: ORNI 39 LLC (owned by Ormat Nevada, Inc.)	
Department of Taxation's Tax Payer ID number: 1002193540 (ONI)	
Federal Employer ID number (FEIN, EIN or FID): 88-0278853 (ONI)	
NAICS Code:	187-221119 (ONI)
Description of Company's Nevada Operations: ORNI 39 LLC owns the Project. Ormat currently has thirteen (13) geothermal power plants in Nevada, located in Washoe, Churchill, Pershing, Mineral, Lander, and Elko counties including Steamboat Hills, Steamboat 2, Steamboat 3, Steamboat 1A, Burdette, Galena 2, Galena 3, Brady, Desert Peak, Jersey Valley, McGinness Hills, Tuscarora, and Campbell	
Percentage of Company's Market Inside Nevada: 54%	
Mailing Address: 6225 Neil Rd.	
City:	Reno
Phone:	775-356-9029
APN:	005-037-01, 005-037-02
Taxation District where facility is located:	6
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 <input type="checkbox"/> Transmission that contributes to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable	
Name Plate Production Capacity of the Facility: 43 MW	
Net Output Production Capacity of the Facility in MW: 33.7 MW	
Annual Net Production Capacity of the Facility in MWh (or other appropriate unit): 289,080	

Estimated total capital investment:
Percent of total estimated capital investment expended in Nevada: 27%
Anticipated first date of purchasing tangible personal property for the project: Jan 1, 2011
Anticipated date or time range for the start of construction: March 1, 2011
Anticipated date or time range for the commencement of operation of the facility: June 16, 2012
Address of the Real Property for the Generation Facility: 1350 Grass Valley Rd, McGinness Hills, 89310
City: Battle Mountain

Size of the total Facility Land (acre): Lease 1 - 5,120 acres; Lease 2 - 2,340 acres; Lease 3 - 220 acres
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Are you required to file any paper work with the PUC and/or FERC?		
If yes,	Purpose of the Filing with PUC: Power Purchase Agreement approval with Nevada Utility	Filing Date OR Anticipated filing Date: 3/5/2010
If yes,	Purpose of the Filing with FERC: QF Certification	Filing Date OR Anticipated filing Date: 6/10/2011

List All Jurisdictions (State, County, City, etc.) Where the Project is Located	
1	Lander County
2	Battle Mountain (city)
3	
4	
5	
6	
7	
8	
9	

GENERAL REQUIREMENTS / 177130	
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
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
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
4	Summary of the PUC and FERC Dockets if any PUC and FERC filing have started
5	Copy of the Business Plan for the Nevada Facility
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
7	Website link to company profile
8	Copy of the Current Nevada State Business License
9	Facility Information Form
10	Employment Information, construction, and permanent employee salary schedules
11	Supplemental Information Form
12	Taxation Reporting Forms (Summary Sheet and Schedules 1 through 8)
13	Names and contact information for construction company, contractors, subcontractors
14	Letter from the utility or company describing the highlights of PPA, LOI, or MOU.
15	Confidential Information Identification Form

List of Required Permits or Authorizations for the Proposed Facility

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 or Authorizations					
Plan of Utilization	Bureau of Land Management ("BLM")	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	original May 2010/revised Feb 2011	7/18/2011
Plan of Operations	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	original May 2010/revised Feb 2011	7/18/2011
Plan of Development (230kv Gen-Tie Line)	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	filed, per DEC Outline	2/1/2011
Environmental Assessment	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	12/1/2009	7/18/2011
Site License	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		8/24/2011
Facility Construction Permit	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		8/24/2011
Commercial Use Permit	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		5/1/2012
Contract for Sale of Minerals	BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		8/29/2011
Qualifying Small Generator	Federal Energy Regulation Committee	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	Q3 2011	6/10/2011
II. State of Nevada Permits or Authorizations					
CAPP Permit to Construct	Nevada Division of Environmental Protection ("NDEP") Bureau of Air Pollution Control ("BAPC")	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	3/18/2011	6/10/2011

State of NevadaRenewable Energy Tax Abatement ApplicationAFN: 14-0104GMH

Drilling Permit - Well 86-16 (Injection)	NDOM/BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	9/1/2009	9/23/2009
Drilling Permit - Well 27-16 (Injection)	NDOM/BLM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	10/20/2009	11/9/2009
Drilling Permit - Well 58(B)P-22 (Injection)	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		9/8/2009
Drilling Permit - Well 58(B)C-22 (Injection)	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		9/28/2009
Drilling Permit - Well 61-22	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		1/25/2010
Drilling Permit - Well 61(L)-22 (Injection)	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		1/25/2010
Drilling Permit - Well 66B-22 (Injection)	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		10/1/2009
Drilling Permit - Well 67-22	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		5/22/2009
Drilling Permit - Well 73-22	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		5/21/2009
Drilling Permit - Well 85-22	NDOM	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		5/22/2009
Hazardous Materials Permit	Nevada State Fire Marshal	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		8/24/2011
Permit to Appropriate Water	Nevada Division of Water	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		8/18/2011
UEPA Permit to Construct (230kv Gen-Tie Line)	Nevada Public Utilities Commission	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	4/13/2011	9/29/2011 (BLM); 10/26/2011 (USFS)
Boiler Pressure Vessel Permits	Nevada Division of Industrial	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements		5/4/2012
III. County Permits or Authorizations					
Building Permit(s)	Lander County Building D	Local State and Federal regulatory framework	Analysis, Documentation and Application necessary to fulfill regulatory requirements	4/14/2011	8/24/2011

State of Nevada Renewable Energy Tax Abatement Application AFN:

NOTE: Project contractor
purchasing goods and

Vendor 1
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:

Contractors, subcontractors, and other entities including owner that will be provided equipment for the construction of the Facility are entitled to claim or receive the sales and use tax abatement

Contractors and Subcontractors List

7Q10, Inc
88-0393273
500 Damonte Ranch Pkwy., Suite 929, Reno, NV, 89521
sheim@7q10.com
Aaron Patrick Zabarte
P.O. Box 12, , Duckwater, NV, 89314
ABC Fire and Cylinder Service
88-0221330
1025 Telegraph Street, , Reno, NV, 89502
karla@abcfireco.com
Advanced Communication Technology Services
20-5836656
10 Greg Street, Suite 124, Sparks, NV, 89431
invoice@actsreno.com
Ahern Rentals Inc.
88-0381960
4241 S. Arville Street, , Las Vegas, NV, 89103
jerial@ahern.com
Airgas NCN
23-2491493
P.O. Box 7425, , Pasadena, CA, 911097425
ncn.cashapps@airgas.com
Allied Sanitation Service
88-0485703
P.O. Box 1389, , Fernley, NV, 89408
debra.sandgren@att.net

State of Nevada Renewable Energy Tax Abatement Application AFN:

Employment Information



New Operations or Expansion

CONSTRUCTION EMPLOYEES		Full Time	Part Time
Number of anticipated construction employees who will be employed during the entire construction phase?		138	
Percentage of anticipated construction employees who will be Nevada Residents?		69	
Average anticipated hourly wage of construction employees, excluding management and administrative employees:		\$ 41.05	
Number of anticipated construction employees who will be employed during the second-quarter of construction?		138	
Number of anticipated second-quarter construction employees who will be Nevada Residents?		69	
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?		12	
Average anticipated hourly wage of permanent employees, excluding management and administrative employees:		\$ 23.55	
Number of permanent employees who were employed prior to the expansion?			
Average hourly wage of current permanent employees, excluding managements and administrative employees			



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): Determined by vendors - met qualifications of AB 239 as outlined in Minimum Requirement Criteria	
Name of Insurer: Determined by vendor	
Cost of Total Benefit Package: Estimated \$600,000	Cost of Health Insurance for Construction Employees: Estimated at 8% of salaries

Construction Employee Schedule REDACTED

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)	(e) = (c) x (d)	(f) = Σ(e) / Σ(c)
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Total Hourly Wage per category (\$)	Average Hourly Wage (\$)
	Construction Employees, excluding					
	Management and Administrative Employees					
	Civil	13	12	25		
	Fire	2	3	5		
	Mechanical	15	15	30		
	Electrical	13	12	25		
	Transmission Line	7	8	15		
	Building	4	4	8		
	Gathering	12	13	25		
	General	3	2	5		
	TOTAL	69	69	138	\$ -	\$ -
TOTAL CONSTRUCTION PAYROLL		\$ - (based on avg wage)				

Second Quarter Construction Employee Schedule REDACTED

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)	(e) = (c) x (d)	(f) = $\sum(e) / \sum(c)$
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Total Hourly Wage per job title (\$)	Average Hourly Wage (\$)
	Construction Employees, excluding					
	Management and Administrative Employees					
	Civil	13	12	25		
	Fire	2	3	5		
	Mechanical	15	15	30		
	Electrical	13	12	25		
	Transmission Line	7	8	15		
	Building	4	4	8		
	Gathering	12	13	25		
	General	3	2	5		
	Project Engineer					
	TOTAL	69	69	138	\$ -	\$ -

TOTAL CONSTRUCTION PAYROLL	\$ -
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Permanent Employee Schedule REDACTED

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	Average Hourly Wage (\$)
1	Management and Administrative Employees		
	Plant Management	1	
2	Permanent Employees, excluding Management and Administrative Employees		
	Operations	8	
	Maintenance	3	
TOTAL		12	

TOTAL ANNUAL PAYROLL	
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State of Nevada Renewable Energy Tax Abatement Application AFN: 14-0104GMHS 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.

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

The Company developed the geothermal power plant on BLM land. 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 facility generates energy that is delivered to NV Energy in Lander County, NV. NV Energy transmits to ultimate consumers.

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.

Orni 42 LLC (the "Company") is owned by Ormat Nevada, Inc. ("ONI"). ONI headquarters is located in the State of Nevada and owns LLC's and subsidiaries that own and operate geothermal and recoverd energy power plants in Nevada, California, Hawaii, Colorado, Minnesota, Montana, North Dakota and South Dakota. ONI is a fully owned subsidiary of Ormat Technologies Inc. which is traded on the NYSE under "ORA".

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

See discussion in the Company Profile included in the "Application Checklist Requirements" Addendum.

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

No

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 39 LLC previously applied for state or local abatements in the State of Nevada and received a sales/use tax abatement but was denied the property tax abatement. ONI, owner of ORNI 39 LLC, received a partial sales/use tax and property tax abatements for its project located in Jersey Valley, NV.

State of NevadaRenewable Energy Tax Abatements ApplicationAFN: 14-0104GMHSummary ReportSchedules ~~REPORT~~
8

Company: ORNI 39 LLC

Division:

Line No.	Schedule	Total Estimated RCNLD or Transaction Cost	Department Use Only
1	Sch. 1 Personal Property - Property Tax - Total from Col. J.	-	
2	Sch. 2 Real Property - Improvements - Total from Col. F.	164,000,000	
3	Sch. 3 Real Property - Land - Total from Col. I	243,840	
4	Sch. 4 Operating Leases - Total from Col. F	231,451	
5	Sch. 5 Contributions in Aid of Construction - Total from Col. F	-	
6	Sch. 6 First Year Estimated Sales & Use Tax - Total from Col. J	7,574,280	
7	Sch. 7 Second Year Estimated Sales & Use Tax - Total from Col. J	106,500	
8	Sch. 8 Third Year Estimated Sales & Use Tax - Total from Col. J	106,500	

State of Nevada Renewable Energy Tax Abatements Application AFN: 14-0104GMHP Property Tax: Real Property Improvements
Schedule 2

Company Name: ORNI 39 LLC
 Division: _____

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
- (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
- (4) Use Schedule 3 to report land; Schedule 4 to report operating leases; and Schedule 5 to report contributions in aid of
- (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
Project Management		Qtr. 1, 2012	2,000,000
Project Engineering		Qtr. 1, 2012	1,200,000
Project Construction and Fees		Qtr. 1, 2012	26,200,000
OEC Unit		Qtr. 1, 2012	40,100,000
Geothermal System		Qtr. 1, 2012	2,700,000
Water Cooling System		Qtr. 1, 2012	2,000,000
Fire Fighting System		Qtr. 1, 2012	600,000
Auxiliary System		Qtr. 1, 2012	1,400,000
Electrical System		Qtr. 1, 2012	3,600,000
Vacuum System/Other Mechanical Equipment		Qtr. 1, 2012	2,700,000
Transporation		Qtr. 1, 2012	4,700,000
Transmission Line		Qtr. 1, 2012	12,500,000
Gathering System		Qtr. 1, 2012	18,900,000
Building		Qtr. 1, 2012	400,000
Spare Parts/Supplies		Qtr. 1, 2012	2,000,000
Field Development		Qtr. 1, 2012	43,000,000
Grand Total			164,000,000

State of Nevada Renewable Energy Tax Abatements Application AFN: 14-0104GMHP Property Tax: Real Property Tax Schedule 3

Company: ORNI 39 LLC
 Division:

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

Line #	Where Situated		Brief Description, Size of the Land (acre), Date Acquired	Assessor's Parcel Number (APN)	Owned (O) Leased (L) Rented (Rtd)	G/L Account Number (if applicable)	Purchase Price (if applicable)	Assessor's Taxable Value
	County	City or Town						
1	Lander		BLM Land - Acq. August, 2007	005-037-01	L			148,480
2	Lander		BLM Land - Acq. August, 2007	005-037-01	L			67,860
3	Lander		Private Lease - Acq. August, 2007	005-370-02	L			27,500
4								
5								
6								
7								
8								
9								
10								
11								
12	Grand Total							243,840

State of NevadaRenewable Energy Tax Abatements ApplicationAFN: 14-0104GMHSales and Use Tax First Year of 2011

AbatementSchedule 6

Company Name: ORNI 39 LLC
 Division: _____

Instructions:

- (1) Column A: List each item of personal property or materials and supplies subject to sales and use tax (please include leases. Refer to NRS Chapter 372 for taxable events.
- (2) Column B: For each item in column A, list applicable account number.
- (3) Column C: List the Facility Owner, Contractor or Subcontractor that will be purchasing the personal property or materials and supplies subject to sales and use tax.
- (4) Column D: List the date the personal property or materials and supplies were purchased.
- (5) Column E: List the date that possession of the personal property or materials and supplies will be taken.
- (6) Column F: List the cost of the personal property or materials and supplies.
- (7) Column G: List the county where possession will be taken and the applicable sales tax rate of that county. Find the appropriate sales/use tax rate on the Department of Taxation's website at <http://tax.state.nv.us>. Then scroll to "Quick Links" and select "Sales/Use Tax Rate Map".
- (8) Column H: Multiply Column F by the Sales Tax Rate in Column G.
- (9) Attach additional sheets as necessary.

A	B	C	D	E	F	G	H
Personal Property or Materials and Supplies Itemized Description	G/L Account No. (if applicable)	Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	Date Purchased	Date of Possession	Total Transaction Cost	County and Applicable Sales Tax Rate	Estimated Sales Tax Paid or to be Paid
OEC Unit		C - ONI	Nov., 2010	Jan., 2011-Mar	\$ 40,100,000	0.071	\$ 2,847,100
Geothermal System		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 2,700,000	0.071	\$ 191,700
Water Cooling System		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 2,000,000	0.071	\$ 142,000
Fire Fighting System		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 600,000	0.071	\$ 42,600
Auxillary System		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 1,400,000	0.071	\$ 99,400
Electrical System		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 3,600,000	0.071	\$ 255,600
Vacuum System/Other Mechanical Equipment		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 2,700,000	0.071	\$ 191,700
Transportation		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 4,700,000	0.071	\$ 333,700
Transmission Line		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 12,500,000	0.071	\$ 887,500
Gathering System		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 18,900,000	0.071	\$ 1,341,900
Spare Parts		C - ONI/SC	Nov., 2010	Jan., 2011-Mar	\$ 2,000,000	0.071	\$ 142,000
Drilling		C - ONI/SC	Various	Various	\$ 15,480,000	0.071	\$ 1,099,080
Grand Total							\$ 7,574,280

State of Nevada
Renewable Energy Tax Abatements Application
AFN: 14-0104GMH


Attestation and Signature

I, David O'Neill, 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.

David O'Neill
Name of person authorized for signature:

Accounting Manager
Title:


Signature:
01/10/14
Date:

This Application contains confidential information: Yes No

If yes, please identify any information in the within Application or documents submitted herewith, which Applicant considers confidential or trade secret information. Further, identify: (1) the applicable statutory authority or agreement preventing public disclosure of the information; and (2) Applicant's rationale underlying non-disclosure of the information or document(s).

Applicant acknowledges that the burden of demonstrating confidentiality or trade secret status lies with the Applicant, and Applicant agrees to defend and indemnify the State and its agencies for honoring such designation. Notwithstanding, Applicant understands that the over-inclusive designation of information or documents as confidential or trade secret may cause the Nevada State Office of Energy to conduct further inquiry of the Applicant into the confidentiality of the information, potentially delaying submission of the Application to the Nevada Energy Director.

Material for which confidentiality is claimed :

As Marked

Basis for claims of confidentiality :

The information redacted contains cost information that is proprietary and its release would benefit competitors of Ormat

ORNI 39 LLC

Application Checklist Requirement Addendum
McGinness Hills Geothermal Project
Lander County, Nevada
(Redacted)

COVER PAGE

Corporate Profile:

ORNI 39 LLC (“the Company”) is 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 include, Brady (NV), Desert Peak 2 (NV), Steamboat Complex (NV), Wild Rose (NV), Jersey Valley (NV), Tuscarora (NV) Mammoth Complex (CA), Heber Complex (CA), Ormesa Complex (CA), Brawley (CA), Puna (HI), and owns and is developing REG plants 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, 2012, the electricity segment was approximately 64% of revenues and the product segment was approximately 36% of revenues. The U.S. business represents approximately 75% of the electricity revenues and 11% of the product revenues.

Summary of Domestic Projects:

Brady Complex: Located in Churchill County, NV consists of two (2) power plants including Brady and Desert Peak 2. The combined current generating capacity is approximately 20 MW. The Brady complex operates using 14 full-time employees, excluding administration.

Steamboat Complex: Located in Washoe County, NV consists of seven (7) power plants including Steamboat 1A project, Steamboat 2 and 3 projects, Burdette project, Steamboat Hills project, Galena 2 project and Galena 3 project. The combined current generating capacity is approximately 83 MW. The Steamboat Complex operates using 45 full-time employees, excluding administration.

Wild Rose Project: Located in Mineral County, NV consists of one (1) plant and has a current generating capacity of 16 MW. The Wild Rose Project operates using 8 full-time employees, excluding administration.

Jersey Valley Project: Located in Pershing County, NV consists of one (1) plant and has a current generating capacity of 12 MW. The Jersey Valley Project operates using 4 full-time employees, excluding administration.

Tuscarora Project: Located in Elko County, NV consists of one (1) plant and has a current generating capacity of 18 MW. The Tuscarora Project operates using 11 full-time employees, excluding administration.

Mammoth Complex: Located in Mono County, CA consists of three (3) plants and has a current 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 54 MW.

Puna Project: Located in the Puna district, Hawaii County, 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 27 MW.

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 53 MW.

Description of Proposed Project:

The Company has developed a geothermal power plant in Lander County, NV (“The Project”) that is expected to deliver a generating capacity of 33.7 MW under a 20-year power purchase agreement (“PPA”) with Nevada Power Company, a subsidiary of NV Energy. The Project is in addition to Ormat’s twelve (12) existing plants in the State of Nevada.

The Company has obtained two (2) leases through an agreement with the Bureau of Land Management (“BLM”) and a Private lease as part of the Project. The legal descriptions of the land leases are included in the body of the application. In addition, the Company paid an upfront lease payment to the BLM of approximately \$3.1 million as a result of the bidding process used to obtain the leases. The Parcel number for the BLM leased land is APN 005-037-01 and the Parcel number for the Private leased land is APN 005-370-02.

The Project consists of five (5) production wells, three (3) injection wells, and three (3) Ormat Energy Converters (“OEC”) that produce energy from hydrothermal reservoirs containing water which is heated by hot rock located deep within the earth’s surface. The geothermal fluid is pumped to the surface where heat is extracted for commercial use, after which the geothermal fluid is injected back into the hydrothermal reservoir where it is reheated. The OEC units are produced by an Ormat subsidiary company. The energy changes ownership to NV Energy after the step-up transformer in the plant’s switchyard, located in Lander County.

The Project consumed approximately 6 MWh of diesel fuel power generation during construction. The Project used energy from the power grid for start-up and commissioning activities. The project operates on the Organic Rankine Cycle (ORC), using an organic fluid (pentane), which is vaporized by heat from the geothermal fluid, and is used to drive the turbines. The pentane is then condensed and recycled back to the heat exchanger to be reused in a closed loop.

The Company started construction of the facility on March 1, 2011 and began operations in the 1st Quarter, 2012.

Abatement Request and Summary of Financial Impact:

The Company is requesting abatement for Property Tax.

The PPA terms have been established assuming approval of the partial sales/use tax and property tax abatements. 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.

Nevada’s estimated net gain as a result of providing abatements for this Project is as follows:

Portions Redacted

In addition, the State of Nevada also benefits 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
- Stabilized local labor market (50% of construction employees were 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 worked 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

Abatement Qualifications:

- Redacted

The general contractor for the Project is ONI. ONI hired construction and drilling personnel through vendors including (but not limited to) Nevada based vendors. A partial list of Nevada vendors is as follows:

Nevada vendors include:

7Q10, Inc. ,Reno
Aaron Patrick Zabarte ,Duckwater
ABC Fire & Cylinder Service ,Reno
Advanced Communication Technology Services ,Sparks
Ahern Rentals Inc. ,Las Vegas
Airgas NCN, Pasadena
Allied Sanitation Service ,Fernley
Applied Mechanical, Inc. ,SPARKS
Applied Staffing Solutions ,Reno
BellFire, Inc. ,Elko
Black Eagle Consulting, Inc. ,Reno
Bruce MacKay Pump & Well Service, Inc. ,RENO
ChemTreat, Inc. ,Minden
Chicken Hawk Transport ,SPARKS
Comstock Inspection, LLC ,Reno
Darlene R Dewey ,Austin
Ferguson Enterprises, Inc. ,Reno/San Fran#3210
Flyers Energy, LLC ,Auburn
Glacier Construction ,Fallon
Grandinetti Trucking Inc. ,Yerington

Grass Valley Ranch LLC ,Austin
Great Basin Ecology, Inc. ,Elko
Great Basin Welding Services, LLC ,Reno
Gregory Ralph Bryan ,Austin
Grove Madsen Industries ,Reno
H&E Equipment ,Dallas
Hammond Homes and Construction LLC ,Fallon
High Sierra Communications, Inc. ,Reno
Hood-EIC, LLC ,Sparks
JBR Environmental Consultants ,Elko
JP Engineering ,Reno
Julie's Sign Shoppe, Inc. ,Reno
Kelly Pipe Co., LLC , Las Vegas
McKay Drilling, Inc. ,Reno
Merit Electric Company ,Reno
Nerissa Dyer ,Austin
Nevada Energy Systems Inc. ,Reno
Northern Sierra Construction Inc. ,Reno
NV Energy ,RENO
Pro Fire Pro Design ,Reno
Quick Space ,Sparks
Reed Electric & Field Service ,Reno
Reno Windustrial Company ,Reno
Robison Engineering Company, Reno
Ruby Mountain Natural Spring Water ,Spring Creek
Sierra Electronics ,SPARKS
Soil Tech, Inc. ,Las Vegas
Steamboat Services, LLC ,Lovelock
Suburban Propane ,Ely
The Best Company Inc. dba Colorado TBC, Inc., Fallon
Titan Wire & Cable LLC ,Sparks
Tobey-Wade Consulting ,Reno
Tri Sage Consulting, Reno
US Geomatics ,RENO
Wedco Inc. ,Reno
Western Cultural Resource Management, Inc. ,Sparks
Western Energetix, LLC ,Auburn
Western Nevada Supply - Sparks
WetLab Western Environmental Testing Laboratory ,Sparks
Wolf Machine, Inc. ,Sparks
WWW CONSTRUCTION INC ,RENO
Zonge Geosciences, Inc. ,Reno

ONI used outside vendors who ensured that:

- 50 full-time employees worked on the construction of the facility during the 2nd quarter of construction with at least 50% being Nevada residents.
- The average construction labor costs was at least 175% of the average hourly statewide hourly rate
- Health insurance benefits were offered to the construction employees and their dependents

Annual Report: ORNI 39LLC is a new entity and no financial data is available at this time. Ormat's 2012 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: See attached PUC document which references an existing Power Purchase Agreement with local power company.

Business Plan: Redacted

PUC Docket: See attached

List of Permits: Redacted

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: Redacted