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FISCAL IMPACT
Renewable Energy Partial Abatement Of Property Taxes
McGinness Hills Geothermal Project, Phase III
Orni 41, LLC (Ormat Nevada, Inc.)

This report was prepared to fulfill the requirements of NRS 701A.375 to indicate an estimate of the fiscal impact of the partial property tax abatement on the State and on each affected local government.

Background

This fiscal note relates to Phase III of the McGinness Hills Geothermal Project, which is owned by ORNI 41, LLC. ORNI 41, LLC is wholly owned by Ormat Nevada, Inc. ("ONI") and 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". The Phase III of the project is expected to deliver a generating capacity of 48.5 MW, which is in addition to the total of 86 MW provided cumulatively by Phase I and Phase II. The facility is located on public and private land in southern Grass Valley, 11 miles Northeast of Austin, in Lander County.

The geothermal facility will include five new production wells, two injection wells, and two Ormat Energy Converters, as well as auxiliary equipment, pipelines, office and ancillary facilities. The project connects to the existing NV Energy 230 kV Frontier substation, 39° 30' North, 116° 51' West, North of Highway 50.

Property Tax Analysis

Geothermal power plants are valued by the Department of Taxation (Department) under the authority of NRS 362.100(1)(b), which states that "the Department shall appraise and assess all reduction, smelting and milling works, plants and facilities, *whether or not associated with a mine*, all drilling rigs, and all supplies, machinery, equipment, apparatus, facilities, buildings, structures and other improvements used in connection with any mining, drilling, reduction, smelting or milling operation as provided in chapter 361 of NRS."

There are two valuation methodologies available in NRS chapter 361. One method is replacement cost new less statutory depreciation, and is generally governed by NRS 361.227. Replacement cost new of the improvements, less depreciation at the rate of 1-1/2% per year for a maximum of 50 years, is added to the full cash value of the improved land. Personal property is valued based on acquisition cost less depreciation identified in the Personal Property Manual approved by the Nevada Tax Commission.

The second methodology is reserved for property of an interstate or inter-county nature, and is generally called "unitary" valuation. NRS 361.320(1) states that the Nevada Tax Commission shall establish the valuation of any property of an interstate or inter-county nature used directly in the operation of all interstate or inter-county "electric light and power companies." NRS 361.320(11) defines a "company" as "any person, company, corporation or association engaged in the business

described.” An “electric light and power” business, however, is not defined in NRS or NAC Chapter 361. In lieu of a definition, the Department presumes that licensure or permits granted by FERC or the PUCN is prima facie evidence that the company is in the business of providing electric light and power. In addition, NRS 361.320(6) applies if two or more persons perform separate functions that collectively are needed to deliver electric service to the final customer and the property used in performing the functions would be centrally assessed if owned by one person. Given that the project will take place entirely within the county of Landers and that no other qualifiers for unitary valuation are present, the Department considers that the project qualifies to be valued by the Department using replacement cost new less statutory depreciation valuation methodology.

The Taxpayer reported four leases of land, two of which are with the BLM and two are on private land. BLM lease no. NVN-38966 consists of 5,120 acres and lease no. NVN-38967 consists of 2,340 acres. The private land lease is about 220 acres each. For purposes of this analysis, no value for land was included since it was already subject to the abatement afforded in Phase I and II.

The Taxpayer reported all components as real property. Real property is defined as “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 property of this state or of the United States, or of any municipal or other corporation, or of any county, city or town in this state.” See *NRS 361.035(1)(a)*.

Designation of the facility’s property as real property by the Taxpayer is consistent with the Department’s understanding of the typical components of a geothermal generation facility. Components include site preparation activities, including construction survey, grading, trenching, drainage features, diversion channels, detention ponds, culverts for road crossings, containment berms, and firebreaks. Other components include access roads and utilities such as telecommunication lines, foundations for generator step-up transformers, steam turbine generation, ancillary foundations in the power block, operations and maintenance buildings, electrical equipment enclosures; water delivery systems including pumps, wells, water storage tanks, waste and wastewater management; fire protection systems, including piping systems, fire hydrants, and sprinkler deluge systems; electronic systems to control equipment and facilities operations; lighting systems; fencing, controlled access gates, switchyard and substations; geothermal wells, injection wells, drill pads, wellhead, production pumps, injection pumps, flash tanks, pre-heaters, vaporizers, and gathering pipes. The Project will utilize converter binary technology to reduce the impact of changes in resource temperature and pressure on plant performance compared to other technologies.

The Department’s understanding is that the power block consists of components either attached to the land or “so essential to the land or improvement that the land or improvement cannot perform its desired function without the nonattached item,” for example, cooling tower foundations. In addition, as evidenced by a purchase power agreement that has been signed for a period of 20 years from the commencement of production, this generation facility appears to be intended as a permanent installation. For purposes of this fiscal note, all property was treated as real property.

Also for purposes of this fiscal note, the Department did not adjust upward the reported acquisition cost to reflect any appreciation of improvements over the twenty year period. In addition, the Department did not include property, if any, known as Contributions in Aid of Construction. Capital invested as a contribution in aid of construction (CIAC) is not eligible for a renewable energy abatement by the contributor of the capital because taxable property is assessed to the owner and not the contributor of the property. CIAC are either cash or utility type property *contributed to the utility* by a customer to assist the utility in providing utility service to the customer and are non-refundable to the customer.

The Department used the current tax rate of \$3.3552 per hundred (0.033552) for Tax District 0060, 0070 (Unincorporated Lander County) without further adjustment. Under current law, the maximum tax rate could go up to \$3.66; however, the project is also subject to the tax abatement afforded under NRS 361.4722, which limits tax dollar increases to no more than 8% per year.

The calculation of the renewable energy abatement contained in the attached spreadsheets takes into account the required distribution of remaining taxes after abatement to local governments in Lander County, including a distribution to the State Debt Fund. Since the application was submitted on October 12, 2017 after the effective date for AB 239 (2013) which amended NRS 701A.385, this fiscal note assumes no distribution will be made to the State Renewable Energy Fund.

Estimate of Tax Abatement

Lander County:	
Total Taxes Due, First Year After Completion:	\$ 1,260,609
Total Renewable Energy Abatement, First Year:	\$ 693,335
Total Taxes Available to Local Governments and State Debt after abatement:	\$ 567,274

The amount of the abatement for each year thereafter approximates the amount obtained in the first year and continues during the period of abatement as follows:

Lander County:	
Total Taxes Due during Period of Abatement (20 years):	\$ 21,540,969
Total Renewable Energy Abatement, 20 years:	\$ 11,847,533
Total Taxes Available to Local Governments after abatement:	\$ 9,693,436

See attached spreadsheets for the amounts by year and by local government entity.

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 20 Year Summary

McGuiness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	21,540,968.58	(11,847,532.72)	9,693,435.86	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	1,091,429.62	(600,286.29)	491,143.33	5.067%
Lander County School District	0.007500	1	4,815,130.67	(2,648,321.87)	2,166,808.80	22.353%
Lander County	0.019243	1	12,354,341.29	(6,794,887.71)	5,559,453.58	57.353%
Lander County Hospital District	0.005109	1	3,280,067.00	(1,804,036.85)	1,476,030.15	15.227%
	0.000000	1	-	-	-	

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
76,753,821	55.0%	100.0%	55.0%	(11,847,532.72)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	76,753,821	55.00%	100.00%	55.00%	(11,847,532.72)

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2018-19

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,260,609.04	(693,334.97)	567,274.07	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	63,872.06	(35,129.63)	28,742.43	5.067%
Lander County School District	0.007500	1	281,788.50	(154,983.68)	126,804.82	22.353%
Lander County	0.019243	1	722,994.15	(397,646.78)	325,347.37	57.353%
Lander County Hospital District	0.005109	1	191,954.33	(105,574.88)	86,379.45	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
107,348,000	55.0%	100.0%	55.0%	(693,334.97)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	107,348,000	55.00%	100.00%	55.00%	(693,334.97)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2019-20**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,241,699.91	(682,934.95)	558,764.96	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	62,913.98	(34,602.69)	28,311.29	5.067%
Lander County School District	0.007500	1	277,561.68	(152,658.92)	124,902.76	22.353%
Lander County	0.019243	1	712,149.24	(391,682.08)	320,467.16	57.353%
Lander County Hospital District	0.005109	1	189,075.01	(103,991.26)	85,083.75	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
105,737,781	55.0%	100.0%	55.0%	(682,934.95)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	105,737,781	55.00%	100.00%	55.00%	(682,934.95)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2020-21**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,222,494.33	(672,371.88)	550,122.45	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	61,940.88	(34,067.48)	27,873.40	5.067%
Lander County School District	0.007500	1	273,268.58	(150,297.72)	122,970.86	22.353%
Lander County	0.019243	1	701,134.31	(385,623.87)	315,510.44	57.353%
Lander County Hospital District	0.005109	1	186,150.56	(102,382.81)	83,767.75	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
104,102,317	55.0%	100.0%	55.0%	(672,371.88)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	104,102,317	55.00%	100.00%	55.00%	(672,371.88)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2021-22**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,203,014.80	(661,658.14)	541,356.66	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	60,953.90	(33,524.65)	27,429.25	5.067%
Lander County School District	0.007500	1	268,914.25	(147,902.84)	121,011.41	22.353%
Lander County	0.019243	1	689,962.26	(379,479.24)	310,483.02	57.353%
Lander County Hospital District	0.005109	1	183,184.39	(100,751.41)	82,432.98	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
102,443,525	55.0%	100.0%	55.0%	(661,658.14)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	102,443,525	55.00%	100.00%	55.00%	(661,658.14)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2022-23**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,183,295.83	(650,812.71)	532,483.12	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	59,954.78	(32,975.13)	26,979.65	5.067%
Lander County School District	0.007500	1	264,506.40	(145,478.52)	119,027.88	22.353%
Lander County	0.019243	1	678,652.89	(373,259.09)	305,393.80	57.353%
Lander County Hospital District	0.005109	1	180,181.76	(99,099.97)	81,081.79	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
100,764,343	55.0%	100.0%	55.0%	(650,812.71)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	100,764,343	55.00%	100.00%	55.00%	(650,812.71)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2023-24**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,166,063.36	(641,334.84)	524,728.52	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	59,081.66	(32,494.91)	26,586.75	5.067%
Lander County School District	0.007500	1	260,654.36	(143,359.90)	117,294.46	22.353%
Lander County	0.019243	1	668,769.59	(367,823.27)	300,946.32	57.353%
Lander County Hospital District	0.005109	1	177,557.75	(97,656.76)	79,900.99	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
99,296,901	55.0%	100.0%	55.0%	(641,334.84)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	99,296,901	55.00%	100.00%	55.00%	(641,334.84)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2024-25**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,147,154.24	(630,934.83)	516,219.41	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	58,123.58	(31,967.97)	26,155.61	5.067%
Lander County School District	0.007500	1	256,427.54	(141,035.15)	115,392.39	22.353%
Lander County	0.019243	1	657,924.68	(361,858.57)	296,066.11	57.353%
Lander County Hospital District	0.005109	1	174,678.44	(96,073.14)	78,605.30	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
97,686,681	55.0%	100.0%	55.0%	(630,934.83)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	97,686,681	55.00%	100.00%	55.00%	(630,934.83)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2025-26**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,128,245.09	(620,534.80)	507,710.29	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	57,165.49	(31,441.02)	25,724.47	5.067%
Lander County School District	0.007500	1	252,200.71	(138,710.39)	113,490.32	22.353%
Lander County	0.019243	1	647,079.77	(355,893.87)	291,185.90	57.353%
Lander County Hospital District	0.005109	1	171,799.12	(94,489.52)	77,309.60	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
96,076,461	55.0%	100.0%	55.0%	(620,534.80)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	96,076,461	55.00%	100.00%	55.00%	(620,534.80)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2026-27

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,109,335.96	(610,134.78)	499,201.18	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	56,207.41	(30,914.08)	25,293.33	5.067%
Lander County School District	0.007500	1	247,973.88	(136,385.63)	111,588.25	22.353%
Lander County	0.019243	1	636,234.86	(349,929.17)	286,305.69	57.353%
Lander County Hospital District	0.005109	1	168,919.81	(92,905.90)	76,013.91	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
94,466,241	55.0%	100.0%	55.0%	(610,134.78)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	94,466,241	55.00%	100.00%	55.00%	(610,134.78)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2027-28**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,090,426.81	(599,734.75)	490,692.06	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	55,249.33	(30,387.13)	24,862.20	5.067%
Lander County School District	0.007500	1	243,747.05	(134,060.88)	109,686.17	22.353%
Lander County	0.019243	1	625,389.94	(343,964.47)	281,425.47	57.353%
Lander County Hospital District	0.005109	1	166,040.49	(91,322.27)	74,718.22	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
92,856,021	55.0%	100.0%	55.0%	(599,734.75)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	92,856,021	55.00%	100.00%	55.00%	(599,734.75)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2028-29**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,071,517.69	(589,334.74)	482,182.95	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	54,291.25	(29,860.19)	24,431.06	5.067%
Lander County School District	0.007500	1	239,520.23	(131,736.13)	107,784.10	22.353%
Lander County	0.019243	1	614,545.03	(337,999.77)	276,545.26	57.353%
Lander County Hospital District	0.005109	1	163,161.18	(89,738.65)	73,422.53	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
91,245,801	55.0%	100.0%	55.0%	(589,334.74)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	91,245,801	55.00%	100.00%	55.00%	(589,334.74)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2029-30**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,052,608.55	(578,934.70)	473,673.85	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	53,333.17	(29,333.24)	23,999.93	5.067%
Lander County School District	0.007500	1	235,293.40	(129,411.37)	105,882.03	22.353%
Lander County	0.019243	1	603,700.12	(332,035.07)	271,665.05	57.353%
Lander County Hospital District	0.005109	1	160,281.86	(88,155.02)	72,126.84	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
89,635,581	55.0%	100.0%	55.0%	(578,934.70)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	89,635,581	55.00%	100.00%	55.00%	(578,934.70)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2030-31

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,033,699.42	(568,534.68)	465,164.74	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	52,375.09	(28,806.30)	23,568.79	5.067%
Lander County School District	0.007500	1	231,066.57	(127,086.61)	103,979.96	22.353%
Lander County	0.019243	1	592,855.21	(326,070.37)	266,784.84	57.353%
Lander County Hospital District	0.005109	1	157,402.55	(86,571.40)	70,831.15	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
88,025,361	55.0%	100.0%	55.0%	(568,534.68)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	88,025,361	55.00%	100.00%	55.00%	(568,534.68)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2031-32

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	1,014,790.27	(558,134.66)	456,655.61	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	51,417.01	(28,279.36)	23,137.65	5.067%
Lander County School District	0.007500	1	226,839.74	(124,761.86)	102,077.88	22.353%
Lander County	0.019243	1	582,010.29	(320,105.66)	261,904.63	57.353%
Lander County Hospital District	0.005109	1	154,523.23	(84,987.78)	69,535.45	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
86,415,141	55.0%	100.0%	55.0%	(558,134.66)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	86,415,141	55.00%	100.00%	55.00%	(558,134.66)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2032-33**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	995,881.15	(547,734.64)	448,146.51	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	50,458.93	(27,752.41)	22,706.52	5.067%
Lander County School District	0.007500	1	222,612.92	(122,437.11)	100,175.81	22.353%
Lander County	0.019243	1	571,165.38	(314,140.96)	257,024.42	57.353%
Lander County Hospital District	0.005109	1	151,643.92	(83,404.16)	68,239.76	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
84,804,921	55.0%	100.0%	55.0%	(547,734.64)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	84,804,921	55.00%	100.00%	55.00%	(547,734.64)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2033-34**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	976,972.01	(537,334.61)	439,637.40	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	49,500.85	(27,225.47)	22,275.38	5.067%
Lander County School District	0.007500	1	218,386.09	(120,112.35)	98,273.74	22.353%
Lander County	0.019243	1	560,320.47	(308,176.26)	252,144.21	57.353%
Lander County Hospital District	0.005109	1	148,764.60	(81,820.53)	66,944.07	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
83,194,701	55.0%	100.0%	55.0%	(537,334.61)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	83,194,701	55.00%	100.00%	55.00%	(537,334.61)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2034-35

McGuiness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	958,062.88	(526,934.58)	431,128.30	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	48,542.77	(26,698.52)	21,844.25	5.067%
Lander County School District	0.007500	1	214,159.26	(117,787.59)	96,371.67	22.353%
Lander County	0.019243	1	549,475.56	(302,211.56)	247,264.00	57.353%
Lander County Hospital District	0.005109	1	145,885.29	(80,236.91)	65,648.38	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
81,584,481	55.0%	100.0%	55.0%	(526,934.58)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	81,584,481	55.00%	100.00%	55.00%	(526,934.58)
		55.00%	0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2035-36

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	939,153.73	(516,534.55)	422,619.18	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	47,584.69	(26,171.58)	21,413.11	5.067%
Lander County School District	0.007500	1	209,932.43	(115,462.84)	94,469.59	22.353%
Lander County	0.019243	1	538,630.64	(296,246.85)	242,383.79	57.353%
Lander County Hospital District	0.005109	1	143,005.97	(78,653.28)	64,352.69	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
79,974,261	55.0%	100.0%	55.0%	(516,534.55)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	79,974,261	55.00%	100.00%	55.00%	(516,534.55)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT 0060, 0070

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC 2036-37

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	920,244.60	(506,134.53)	414,110.07	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	46,626.60	(25,644.63)	20,981.97	5.067%
Lander County School District	0.007500	1	205,705.61	(113,138.09)	92,567.52	22.353%
Lander County	0.019243	1	527,785.73	(290,282.15)	237,503.58	57.353%
Lander County Hospital District	0.005109	1	140,126.66	(77,069.66)	63,057.00	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
78,364,041	55.0%	100.0%	55.0%	(506,134.53)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	78,364,041	55.00%	100.00%	55.00%	(506,134.53)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-

NEVADA DEPARTMENT OF TAXATION

LANDER COUNTY

RENEWABLE ENERGY ABATEMENT WORKSHEET

DISTRICT **0060, 0070**

EXCLUDES STATE RENEWABLE ENERGY FUND

ORNI 41, LLC **2037-38**

McGuinness Hills Project Phase III

COMBINED TAX RATE	TOTAL TAXES DUE	TOTAL RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TAXES AFTER ABATEMENT
0.033552	901,335.46	(495,734.51)	405,600.95	100.000%

TAXING ENTITY	TAX RATE	SCHOOL SWITCH	TOTAL TAXES DUE	RENEW ABATEMENT	TAXES AFTER ABATEMENT	PERCENT TOTAL TAXES
State of Nevada	0.001700	1	45,668.52	(25,117.69)	20,550.83	5.067%
Lander County School District	0.007500	1	201,478.78	(110,813.33)	90,665.45	22.353%
Lander County	0.019243	1	516,940.82	(284,317.45)	232,623.37	57.353%
Lander County Hospital District	0.005109	1	137,247.34	(75,486.04)	61,761.30	15.227%
	0.000000	1	-	-	-	0.000%

NET TAXABLE VALUE	AVERAGE ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
76,753,821	55.0%	100.0%	55.0%	(495,734.51)

ASSET	TOTAL TAXABLE VALUE	ABATEMENT PERCENTAGE	TAXABLE VALUE PERCENTAGE	WEIGHTED RENEW ABATEMENT PERCENTGE	CURRENT YEAR ABATEMENT
Geothermal facility	76,753,821	55.00%	100.00%	55.00%	(495,734.51)
		55.00%	0.00%	0.00%	-
		55.00%	0.00%	0.00%	-
			0.00%	0.00%	-