



NEVADA GOVERNOR'S OFFICE OF ENERGY

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

AFN 15-0917SPV
Luning Energy, LLC

January 22, 2016

The Governor's Office of Energy held a public meeting on January 22, 2016, beginning at 11:00 AM. at the following location:

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

Present at the hearing:

Angie Dykema, Director of the Governor's Office of Energy
Steve Henricksen, Deputy Director of the Governor's Office of Energy
Suzanne Linfante, Governor's Office of Energy
Harry Ward, Deputy Attorney General for the Governor's Office of Energy
Laura Miner, Business Development Manager for Luning Energy, LLC
Josh Hicks, Attorney for Luning Energy, LLC

1. Call to order: The meeting was called to order at 11:00 AM by Director Angie Dykema.

2. Director's comment: Director Dykema stated that this was a hearing on the merits of Luning Energy, LLC. The application for partial abatement of taxes is for the operation of a 50 MW solar facility located in Mineral County, Nevada.

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

4. Presentation of Evidence and Testimony: Director Dykema submitted Exhibit 1, a packet of documents consisting of the Notice of Public Hearing, dated December 30, 2015; A redacted Application as filed with the Governor's Office of Energy on September 24, 2015; Mineral County Letter of Support of the project, dated September 2, 2015; Fiscal Impact of partial abatement of Property Tax as required by NRS 701A.375 by the Nevada Department of Taxation received on December 28, 2015; 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 October 13, 2015; Fiscal Impact of the partial abatement as provided by the Department of Administration, required by NRS 701A.375-1, received on September 30, 2015; Pre Filed Testimony of Laura Miner; Exhibit 1 was entered into evidence.

The parties present introduced themselves and Laura Miner made an opening statement. Director Dykema asked if Luning Energy, LLC intended to call a witness to testify. Luning Energy, LLC called no witnesses for testimony.

Director Dykema asked if any other person wanted to be heard in regards to the matter to which she received no response. The Director administered the oath to Laura Miner. Director Dykema asked if any person wished to add any closing remarks to which she received no response. Director Dykema asked if Luning Energy, LLC could confirm that there was a decision made by the CPUC on January 14, 2016 to approve the Purchase and Sale Agreement between Liberty Utilities and Luning Energy, LLC and whether they knew when the final, signed decision might be released. Laura Miner confirmed this and stated that they expect a final decision at any time. Josh Hicks stated they would let the Governor's Office of Energy know as soon as the decision was final.

Josh Hicks asked to admit an additional item into evidence; it consisted of an update to the contractor and sub-contractor list on page 5 of the original application marked as Exhibit B. A request was made to keep all vendor information confidential. Director Dykema admitted the list as evidence and marked it Exhibit 2.

5. 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 solar 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 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, 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 50 full-time employees during the second quarter of construction of which at least 50% will be Nevada residents. This meets the requirement of the statute. As to NRS 701A.365(1)(d)(2), the Director found that the total capital investment in the facility is estimated to be \$ 110,000,000, thus exceeding the \$3,000,000 capital investment required by the statute. As to NRS 701A.365(1)(d)(3), the Director found that this statute is met as the application states that the average hourly wage that will be paid by the facility to its employees in this State, excluding management and administrative

employees, is approximately \$23.00, which is at least 110% of the average statewide hourly wage currently posted by the Department of Employment Training and Rehabilitation, of \$20.62. 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 \$36.09, which is at least 175% of the average statewide hourly wage, as defined by NRS 338.010 and currently posted by Department of Employment Training and Rehabilitation, of \$20.62. 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 \$115,571,280.00 and the total abatement is \$17,857,270.00

The Director found that the partial abatement of sales and use tax and property tax did not apply during a time in which the facility was receiving an abatement for the same.

6. Approval of Application.

7. Explanation of Process: 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 Luning Energy, LLC may meet face-to-face to go over the terms and conditions of the Abatement Agreement and after that meeting, she will execute the Abatement Agreement.

The Director stated 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.

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

7. Adjournment: 11:18 AM