

STATE OF NEVADA



NEVADA ENERGY COMMISSIONER
RENEWABLE ENERGY AND ENERGY EFFICIENCY AUTHORITY

Nevada Renewable Energy Tax Abatement Pre-Application Form
(Please refrain from making any changes to this form)

1. Pre-application Filing Date: 01/31/11

2. Applying for:

Sales and Use Tax Abatement only Property Tax Abatement only Both

3. Name of the business applying for abatement (Please attach a copy of Nevada State Business License issued by the Secretary of the State):

Patua Project, LLC

4. Name of the proposed facility:

Patua 1 Geothermal Power Plant

5. Type of Nevada Facility (please check all that are relevant to the proposed facility):

- Process Heat from Solar Energy
- Geothermal
- Solar PV
- Solar Thermal
- Wind
- Biomass
- Waterpower
- Fuel Cells
- Transmission that is interconnected to a renewable energy or geothermal facility (please include an attachment that describes the transmission facility and its function)
- Transmission that contributes to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable energy facilities and/or geothermal facilities (please include an attachment that describes the transmission facility, anticipated capacity of the transmission allocated for the electricity transmit from the Nevada Renewable Energy and/or Geothermal Facilities, and the possible Nevada renewable energy and/or geothermal facilities that will be connected to the proposed transmission facility)

6. List each county, city, and/or town in which the facility will be built:

Churchill County

7. Describe the primary and other sources of energy for the operation the facility:

Geothermal power

8. Nameplate production capacity of the facility:

60 MW

9. Anticipated capital investment amount:

\$302,066,000

10. Describe how the facility will be financed:

Bank financed

11. Will the facility or any portion of the facility be located on residential property?:

Yes No (Please describe in an attachment if yes)

12. Will the facility be built on (please check all that are relevant to the proposed facility):

- Private land
 BLM Land
 Other Governmental Entity Land
 Other

Please describe each selected:

Gradient will own and operate the facilities on a mixture of owned and leased ground. The geothermal power plant will be constructed on privately owned land while the geothermal wells are on private land and other governmental entity land. The Federal government owns a portion of the geothermal minerals that will be produced; the leases for which are managed by the Bureau of Land Management. 4

13. Will the facility or any portion of the facility be owned, operated, or otherwise controlled by a governmental entity?

Yes No (Please describe in an attachment if yes)

14. Will funding be provided by a Nevada governmental entity for the acquisition, design, or construction of the facility or for the acquisition of any land ?

Yes No (Please describe in an attachment if yes)

15. Will the facility be receiving or be awarded other abatements or exemptions from the sale/use taxes and property taxes?

Yes No (Please describe in an attachment if yes)

Ver. 10/2010

16. How long is it anticipated that the facility will be operational?

At least 20 years

17. Name of the utility or company with which the applicant has a long-term power purchase agreement (PPA) and the length of the agreement (if there is no existing PPA, please include an attachment that describes the plan and phase for the PPA):

Sacramento Municipal Utility District - 20 years

18. Anticipated first date of purchasing tangible personal property for the project:

Ordering May 2011 for long lead time items

19. Anticipated date or time range for the start of construction (Please be realistic):

June 2011

20. Anticipated date or time range for the commencement of operation of the facility (Please be realistic):

October 2012

21. Attach a chart or table for the project phases and provide a short description and timeline for each phase

Attached

22. How many full-time construction employees will be employed during the second quarter of the construction and how many of them will be residents of Nevada?

At least 50 full time employees, at least 30% will be NV residents. See attached breakdown.

23. How many full-time and part-time construction employees are anticipated to be employed during the entire construction phase and how many of them will be residents of Nevada? (Please provide estimated break down for each quarter)

See attached quarterly breakdown. Will have at least 30% Nevada residents.

24. Anticipated average hourly wage paid to the employees working on the construction of the facility during the entire construction period (excluding management and administrative employees)¹:

\$30.25

25. How many full-time employees will be employed once the facility is operational?

22

26. Anticipated average hourly wage paid to the operational employees of the facility¹:

\$30.79

¹ Statewide wage thresholds available at <https://www.nevadaworkforce.com/article.asp?ARTICLEID=2786>

27. Will health insurance plan for construction employees with an option for dependents be offered to all construction employees?

Yes No (Please describe if yes)

Health insurance plan will include at least: 1) Emergency Care 2) Inpatient & Outpatient hospital services 3) Physician's services 4) Outpatient medical services 5) Laboratory Services 6) X-ray services 7) Minimum employer contribution at the level of 80% of medical expenses after the employee paid deduction is met

28. Name, address, telephone number and e-mail of a designated representative(s)
(please list at least one technical person who is familiar with the proposed facility)


Michael Collins
9670 Gateway Drive
Reno, NV 89521
mcollins@gradientresources.com
(775) 284-8842

29. Name, address, telephone number and e-mail of a designated attorney (if any):

James Bowen
9670 Gateway Drive
Reno, NV 89521
jbowen@gradientresources.com
(775) 284-8842

I, Richard Atkinson, by signing this Pre-Application, I do hereby attest and affirm under penalty of perjury the following:

- (1) I have the legal capacity to submit this Pre-Application on behalf of the applicant;
- (2) I have prepared and personally knowledgeable regarding the contents of this Pre-Application; and
- (3) The content of this Pre-Application are true, correct, and complete.



SIGNATURE 01/31/11 DATE

Richard Atkinson, Chief Financial Officer

NAME & TITLE (Please print)