

**BEFORE THE NEVADA ENERGY ACTING DIRECTOR  
NEVADA RENEWABLE ENERGY AND  
ENERGY EFFICIENCY AUTHORITY**

**In the Matter of the Application of:**            )  
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**EGP STILLWATER SOLAR, LLC**                    )  
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**Application Filing No. 11-0412SPV**

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

A hearing was held before the Director of the Nevada State Office Of Energy (NSOE) on August 8, 2011 regarding Application Filing Number 11-0412SPV. At the hearing, applicant EGP STILLWATER SOLAR, LLC (EGP Stillwater) was represented by Bill Kockenmeister. The Director was advised by Cassandra Joseph of the Attorney General’s Office. Based upon EGP Stillwater’s application and evidence presented at the hearing, the Director makes the following findings of fact, conclusions of law, and order in this matter.

**FINDINGS OF FACT**

1. At the hearing of the matter, EGP Stillwater presented the testimony of William Price, Vice President, Engineering and Construction of EGP Stillwater Green Power North America, Inc. The Director admitted into evidence as Exhibit 1 a packet that contained eight subparts: (A) Notice of Public Hearing, dated July 22, 2011; (B) EGP Stillwater’s Pre-Application filed with the Nevada Energy Director on March 2, 2011; (C) EGP Stillwater’s Application (redacted) as filed with the Nevada State Office of Energy on June 20, 2011; (D) Energy Related Tax Incentive Fiscal Note as required by NRS 701A.375-1(a) by the Budget Division of the State of Nevada Department of Administration, received on August 3, 2011; (E) Fiscal Impact Renewable Energy Partial Abatement of Sales/Use and Property Taxes as required by NRS 701A. 375-1(b) by the State of Nevada Department of Taxation, received on July 29, 2011; (F)

Prefiled Testimony of William Price; (G) Churchill County's Intent to Participate

correspondence; (H) Response to questions posed by Churchill County dated August 1, 2011.

In addition, Mr. Brad Goetsch on behalf of Churchill County testified during the hearing. Based upon the testimony of the witnesses and the evidence presented, the Director finds the following to be the facts in this matter.

2. EGP Stillwater is a wholly owned subsidiary of Enel Green Power North America, Inc. EGP Stillwater is a Delaware limited liability company with a current business license from the Nevada Secretary of State.

3. On March 2, 2011, EGP Stillwater submitted its Pre-application in this matter.

4. On June 20, 2011, EGP Stillwater submitted its Application seeking partial abatement of sales and use taxes for the construction and operation of a concentrated solar facility called Stillwater Solar facility that would be located on approximately 120 acres of land in Churchill County, Nevada (Application Filing Number (AFN) 11-0412SPV). The Application described a solar power plant that would generate 23.8 megawatts (MW/DC) nameplate that would be sold to NV Energy for a period of 18 years pursuant to a power purchase agreement.

5. At the hearing, Mr. Price provided oral and written testimony that EGP Stillwater was properly licensed and qualified to do business in Nevada; that EGP Stillwater had obtained all required state and local licenses and permits and intended to maintain all of the required licenses and permits to operate the Stillwater Solar facility; that the Stillwater Solar facility would produce 23.8 MW/DC or 20 MW/AC; that a power purchase agreement between EGP Stillwater and NV Energy, by which NV Energy would purchase all the power produced by the Stillwater Solar facility, was in effect until 2029; that the capital investment of the project will be approximately \$70,000,000.00; that the project would create approximately 3-4 full-time operational jobs which would pay an average of approximately \$30.00 per hour; and that the

project would create 109 full-time construction jobs which would pay an average hourly wage of \$33.00 per hour. Mr. Price further testified that at least 50% of the construction employees would be Nevada residents, but that EGP Stillwater would seek to employ Nevada residents for 100% of the construction employees.

6. At the hearing, Mr. Goetsch testified that he and other Churchill County representatives had met with representatives from EGP Stillwater to discuss the Stillwater Solar project; that EGP Stillwater Solar answered questions posed by Churchill County; and that Churchill County supported the tax abatement. However, Mr. Goetsch noted Churchill County's objection to future tax abatements, explaining that Churchill County was bearing too much of the burden of abatements offered under the Renewable Energy Abatement Program.

7. The Director took notice that the statewide average hourly rate as determined by the Department of Employment, Training, and Rehabilitation (hereinafter "DETR") for fiscal year 2011 was \$19.93. Thus 110% of the wage for fiscal year 2011 was \$21.92, and 150% of the wage for fiscal year 2011 was \$29.90.

8. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the sales and uses taxes related to the Stillwater Solar facility:

Total Amount Abated (Year 1)	\$3,121,702.26
Total Amount Abated (Year 2)	\$0
Total Amount Abated (Years 3)	\$0
<b>TOTAL AMOUNT ABATED</b>	<b>\$3,121,702.26</b>
Total Amount Abated by Local Government (Year 1)	\$1,873,018.36
Total Amount Abated by Local Government (Year 2)	\$0
Total Amount Abated by Local Government (Year 3)	\$0
<b>TOTAL AMOUNT ABATED BY LOCAL GOVERNMENT</b>	<b>\$1,873,018.36</b>

Total Local School Support Tax Gain	\$1,623,285.17
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9. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the property taxes related to the Stillwater Solar facility:

Total Property Taxes Due Over Abatement Period	\$12,015,492.00
Total Property Taxes Abated Over Abatement Period	\$6,608,521.00
Total Taxes to Local Government Over Abatement Period	\$2,973,834.00
Total Taxes to Renewable Energy Fund Over Abatement Period	\$2,433,137.00
Total Taxes to Local Government and Renewable Energy Fund Over Abatement Period	\$5,406,971.00

10. The Fiscal Note produced by the Budget Division shows that the \$1,248,680.90 in sales and use taxes will be abated from the State General Fund over the period of the abatement (2011 through 2014).

11. Synthesizing the figures in evidence in this matter, the total estimated financial benefit pursuant to NRS 701A.365(1)(f) to the state and local governments in Nevada is \$31,982,082.17 and the total estimated amount of property taxes and sales and use taxes abated in this matter is \$9,730,223.26. Thus, the benefits to the state and local governments in Nevada exceed the total amount of abated taxes. The estimated benefits and amounts abated over the applicable periods of abatement are calculated as follows:

Financial Benefits

Estimated Capital Investment in Nevada (30% of total investment)	\$18,730,213.00
Total School Support Tax Over Abatement Period	\$1,623,285.17
Total Property Taxes to Local Government and Renewable Energy Fund Over Abatement Period	\$5,406,971.00
Construction Payroll in Nevada (50% x \$2,459,225)	\$1,229,612.50
Operational Payroll (4 employees @ \$30 avg/hr 20 years):	\$4,992,000.00
<b>TOTAL BENEFITS OVER ABATEMENT PERIODS</b>	<b>\$31,982,082.17</b>

Amounts Abated

Total Sales and Use Taxes Abated (3 Years)	\$3,121,702.26
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Total Property Taxes Abated (20 Years)	\$6,608,521.00
<b>TOTAL TAXES ABATED</b>	<b>\$9,730,223.26</b>

12. That all of the evidence discussed in the preceding paragraphs was supported by the substantial, reliable, and probative evidence taken from the record as a whole produced at the hearing of this matter.

**CONCLUSIONS OF LAW**

1. The Director has the jurisdiction and authority to adjudicate this matter because the Application is within the scope of NRS 701A.300 through 701A.390 and the Director is required by law to hold the hearing in this matter pursuant to NRS 701A.360(5).

2. The substantial, reliable, and probative evidence in the record of this matter shows that EGP Stillwater’s Application for the construction and operation of the Stillwater Solar facility satisfies the following statutory requisites:

(a) NRS 701A.320(1)(a) – The primary source of energy to operate the Stillwater Solar facility will be the facility itself, thus meeting the statutory standard.

(b) NRS 701A.320(1)(b) – The Stillwater Solar facility will generate 125 MW nameplate, thus exceeding the statutory standard.

(c) NRS 701A.320(2) – The Stillwater Solar facility is not located on residential property, thus meeting the statutory standard.

(d) NRS 701A.360(2) – The Stillwater Solar facility is not owned, operated, leased, or controlled by a government agency, thus meeting the statutory standard.

(e) NRS 701A.365(1)(a)(1) – The Stillwater Solar facility is anticipated to be operational for at least 25 years, thus exceeding the statutory standard.

(f) NRS 701A.365(1)(b) – The Stillwater Solar facility has all the necessary state and local permits and licenses to operate, thus meeting the statutory standard.

(g) NRS 701A.365(1)(c) - No funding for the Stillwater Solar 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, except any private activity bonds as defined in 26 U.S.C. §141, thus meeting the statutory standard.

(h) NRS 701A.365(1)(e)(1) – The construction of the Stillwater Solar facility will employ at least 30-50 full-time employees during the second quarter of construction. At least 50% of those employees will be Nevada residents, thus exceeding the statutory standard.

(i) NRS 701A.365(1)(e)(2) – The capital investment in the Stillwater Solar facility is estimated to be \$70,000,000.00, thus exceeding the statutory standard.

(j) NRS 701A.365(1)(e)(3) – The average hourly wage paid to the operational employees of the Stillwater Solar facility will be approximately \$30.00, which is more than 110% of the average hourly wage set by DETR of \$21.92, thus exceeding the statutory standard.

(k) NRS 701A.365(1)(e)(4) – The average hourly wage paid to the construction employees on the Stillwater Solar facility will be approximately \$33.00, which is more than 150% of the average hourly wage set by DETR of \$29.90, thus exceeding the statutory standard.

(l) NRS 701A.365(1)(e)(4)(I) and (II) – The health insurance provided to the construction employees on the Stillwater Solar facility was represented to allow for the coverage of the dependents of the employees and will meet or exceed the standards established by the Director, thus meeting the statutory standard.

(m) NRS 701A.365(1)(f) – 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 Stillwater Solar facility in this State exceeds the loss of tax revenue that will result from the abatement, thus meeting the statutory standard.


(n) NRS 701A.370(1)(a)(3) – The abatement granted by this Order will not apply during any period in which the facility is receiving another abatement or exemption from property taxes imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722, thus meeting the statutory standard.

(o) NRS 701A.370(1)(b)(1)(III) – The abatement granted by this Order will not apply during any period in which the Stillwater Solar facility is receiving another abatement or exemption from local sales and use taxes, thus meeting the requirement of the statute.

### **ORDER**

Based upon the foregoing, the Director orders that EGP STILLWATER ENERGY, LLC'S Application Filing No. 11-04012SPV related to the construction and operation of the Stillwater Solar facility is hereby **GRANTED**. EGP Stillwater and the Director may execute an Abatement Agreement as soon as practicable that will satisfy the requisites of NRS 701A.300 through NRS 701A.390. EGP Stillwater's sales and use tax abatement will terminate three years from the effective date of the Abatement Agreement. EGP Stillwater's property tax abatement will terminate 20 years from the effective date of the Abatement Agreement.

SIGNED this 16th day of August, 2011.

  
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STACEY CROWLEY  
Director  
Nevada Office of Energy