

**BEFORE THE NEVADA ENERGY DIRECTOR
GOVERNOR'S OFFICE OF ENERGY**

EXHIBIT I

14-0529SPV

Renewable Energy Tax Abatement Application
for partial sales and use tax and property tax abatement
NRS 701A.300-390
R094-10

By

Searchlight Solar, LLC

Public Hearing
Thursday, July 31, 2014
2:00 P.M.
Nevada State Office of Energy
Room 202
755 North Roop Street
Carson City, Nevada 89701

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Searchlight Solar LLC

Solar Photovoltaic Energy Project

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Exhibit F - Packet of Letters received by the county offices of Clark County, Nevada, waiving the right to a 15-business day period to file an Intent to Participate.

Exhibit G - Pre Filed Testimony of Thomas A. Anderson

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Office of the County Manager

500 S Grand Central Pky 6th Fl • Box 551111 • Las Vegas NV 89155-1111
(702) 455-3530 • Fax (702) 455-3558

Donald G. Burnette, County Manager

Yolanda T. King, Chief Financial Officer

Jeffrey M. Wells, Assistant County Manager • Randall J. Tarr, Assistant County Manager

Sabra Smith Newby, Chief Administrative Officer

July 22, 2014

Paul Thomsen, Director
Nevada Office of Energy
755 North Roop Street, Suite 202
Carson City, Nevada 89701


RE: American Capital Energy – Searchlight Solar, LLC – Application for Property and Sales Tax Abatements (14-0529SPV)

Dear Director Thomsen:

I am writing with regard to the above-referenced application for sales and property tax abatements related to a proposed solar photovoltaic facility to be constructed in Searchlight, Nevada. We understand that pursuant to Section 23 of the Regulations of the Nevada State Office of Energy (R094-10), we are entitled to 15 business days notice to determine whether we will intervene in the abatement hearing.

We have received various materials related to the project, including the application for the abatements and relevant fiscal notes and have determined that we will not intervene in the hearing with regard to the abatement application of American Capital Energy – Searchlight Solar, LLC. We hereby waive our right to 15 business days' notice of the hearing and do not object to the hearing being scheduled with less than 15 business days' notice.

Sincerely,


DONALD G. BURNETTE
County Manager



Office of the County Treasurer

Laura B. Fitzpatrick, CPA
County Treasurer

Rebecca L. Coates, MPA
Assistant Treasurer

Phone: (702) 455-4323
Fax: (702) 455-5969

July 21, 2014

Paul Thomsen, Director
Nevada Office of Energy
755 North Rook Street, Suite 202
Carson City, NV 89701

Re: American Capital Energy - Searchlight Solar, LLC - Application for Property and
Sales Tax Abatements (14-0529SPV)

Dear Director Thomsen:

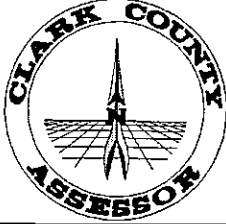
This letter is in regard to the above-referenced application for sales and property tax abatements related to a proposed solar photovoltaic facility to be constructed in Searchlight, Nevada. We understand that pursuant to Section 23 1. (f) of the Regulations of the Nevada State Office of Energy (R094-10), we may be a party to a hearing on this application.

We have received various materials related to the project, including the application for the abatements and relevant fiscal notes, and have determined that we do not intend to participate in the hearing with regard to the abatement application of American Capital Energy - Searchlight Solar, LLC. As such, we hereby waive our right to fifteen (15) business days' notice of the hearing, and do not object to the hearing being scheduled with less than fifteen (15) business days' notice.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura B. Fitzpatrick".

Laura B. Fitzpatrick
Clark County Treasurer



MICHELE W. SHAFE

Clark County Assessor

APPRAISAL DIVISION

500 S. Grand Central Pkwy, PO Box 561401, Las Vegas NV 89155-1401

Telephone: 702-455-4997 • Fax 702-455-0191

www.clarkcountynv.gov/assessor



July 18, 2014

Paul Thomsen, Director
Nevada Office of Energy
755 North Roop Street, Suite 202
Carson City, NV 89701

Re: American Capital Energy – Searchlight Solar, LLC – Application for Property and Sales Tax Abatements (14-0529SPV)

Dear Director Thomsen:

I am writing with regard to the above-referenced application for sales and property tax abatements related to a proposed solar photovoltaic facility to be constructed in Searchlight, Nevada. We understand that pursuant to Section 23 of the Regulations of the Nevada State Office of Energy (R094-10), we are entitled to fifteen (15) business days notice to determine whether we will intervene in the abatement hearing.

We have received various materials related to the project, including the application for the abatements and relevant fiscal notes and have determined that we will not intervene in the hearing with regard to the abatement application of American Capital Energy – Searchlight Solar, LLC. We hereby waive our right to fifteen (15) business days' notice of the hearing and do not object to the hearing being scheduled with less than fifteen (15) business days' notice.

Sincerely,

A handwritten signature in cursive script that reads "Doug Scott".

Doug Scott
Deputy Assessor

Exhibit G - Pre Filed Testimony of Thomas A. Anderson

Application No. 14-0529SPV

Direct Testimony of

THOMAS A. ANDERSON

On behalf of

American Capital Energy – Searchlight Solar, LLC

July 28, 2014

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS

A. My name is Thomas A. Anderson and my business address is 2116 Paseo Primero, Santa Fe, NM 87501

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed by American Capital Energy, Inc, in the capacity of development project manager for the American Capital Energy – Searchlight Solar, LLC, solar project located near Searchlight, NV.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING?

A. I am testifying on behalf of American Capital Energy – Searchlight Solar, LLC.

Q. PLEASE PROVIDE AN OVERVIEW OF THE PROJECT.

A. American Capital Energy – Searchlight Solar, LLC, a special purpose company that will be constructing a 17.5 MWac solar photovoltaic (PV) energy facility to deliver solar PV energy to the NV Energy (NVE) grid in southern Clark County, NV. The American Capital Energy – Searchlight Solar PV facility will interconnect to the NVE distribution system near the town of Searchlight, NV via a point of interconnection on a NVE 69 kV distribution line located on the project property approximately 1 mile northwest of the interconnection of Hwy 95 and Nipton Rd.

American Capital Energy – Searchlight Solar, LLC, has entered into the *Long-Term Non-Firm Portfolio Energy Credit and Renewable Power Purchase Agreement* with Nevada Power Company dated May 28, 2009 (PPA). Under the PPA, the American Capital Energy – Searchlight Solar project will sell to NVE all renewable energy generated by the system for a period of 20 years starting January 1 following the commercial operation date. The Nevada Public Utilities Commission approved the PPA under Docket 09-08020.

In addition, American Capital Energy – Searchlight Solar, LLC, executed an *Amended and Restated Small Generator Interconnection Agreement Service Agreement NO. #10-01254* with NV Energy dated August 22, 2013, for interconnection of the Project to NV Energy’s transmission system.

The project is to be constructed on private property located in Clark County, NV, that will be purchased and owned by ACE Searchlight Solar, LLC, as part of the transaction. All appropriate zoning approvals (i.e. Clark County Special Use Permits) have been received to construction the solar project on these parcels.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my testimony is to support American Capital Energy – Searchlight Solar, LLC’s request for partial tax abatement for its 17.5 MW AC solar generating facility in Clark County, Nevada.

Q. ARE YOU FAMILIAR WITH THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR APPLICATION FOR PARTIAL ABATEMENTS?

A. Yes.

Q. IS ALL OF THE INFORMATION IN THE APPLICATION STILL ACCURATE?

A. All of the information is accurate with the exception of project ownership. Since the application was submitted, American Capital Energy, Inc. formally completed the sale of a majority interest in American Capital Energy – Searchlight Solar, LLC, to D.E. Shaw Renewable Investments (DESRI), a subsidiary of D.E. Shaw. American Capital Energy, Inc., remains an active minority owner-partner and continues to provide development and project execution support to the project. DESRI is now the majority owner in American Capital Energy – Searchlight Solar, LLC. In its capacity as senior member of the partnership, DESRI is responsible for financing and operating the project. In conjunction with the completion of the membership interest purchase transaction, D.E. Shaw closed on construction funding for the project.

Q. WHAT TYPES OF ABATEMENT IS AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR REQUESTING?

A. American Capital Energy – Searchlight Solar, LLC, is applying for partial tax abatements available under NRS Chapter 701A for sales and use tax for personal property purchased to construct the American Capital Energy – Searchlight Solar project and the property tax levied under NRS Chapter 361 for the real and personal property used for the generation of electricity produced from solar energy.

Q. WHY IS AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR REQUESTING PARTIAL TAX ABATEMENTS FOR THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT?

A. The availability of the abatements available under NRS 701A, and our related assumptions regarding the continued availability of the financial incentives provided under Nevada law, were a significant factor in developing a solar energy project in Nevada, and ultimately enabling the creation of a project that could be financed and constructed to deliver clean, renewable energy in Nevada.

Q. WILL ANY STATE OR LOCAL FUNDING BE PROVIDED FOR THE ACQUISITION, DESIGN OR CONSTRUCTION OF THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT?

A. No.

Q. WILL THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT BE OWNED OR OPERATED, EVEN IN PART, BY A GOVERNMENTAL AGENCY?

A. No.

Q. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING ANY OTHER TAX ABATEMENT OR EXEMPTION FOR THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT?

A. No.

Q. HOW LONG WITH THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT BE IN OPERATION?

A. American Capital Energy – Searchlight Solar, LLC, has a 20 year power purchase agreement with Nevada Power Company d/b/a NV Energy and will operate the project for at least the term of the PPA.

Q. HOW MANY PEOPLE WILL BE EMPLOYED DURING CONSTRUCTION OF THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT?

A. American Capital Energy – Searchlight Solar project anticipates employing 200 full time employees during construction of the project; at least 90 full time construction workers will be employed during the second quarter of construction.

Q. WILL AT LEAST 50% OF THE CONSTRUCTION EMPLOYEES BE NEVADA RESIDENTS?

- A. Yes.
- Q. **WHAT WILL BE THE AVERAGE HOURLY WAGE FOR CONSTRUCTION EMPLOYEES, EXCLUDING MANAGEMENT AND ADMINISTRATIVE EMPLOYEES?**
- A. The estimated average wage is \$36.25 to be adjusted as required to comply with minimum wage levels.
- Q. **WILL CONSTRUCTION EMPLOYEES BE PROVIDED A HEALTH INSURANCE PLAN?**
- A. Yes. American Capital Energy – Searchlight Solar, LLC, is ensuring that our contractor and subcontractors are providing health insurance plans that meet or exceed the abatement requirements under NRS 701A.365 (1) (d) (4).
- Q. **HOW MANY EMPLOYEES WILL BE WORKING AT THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT AFTER IT IS FULLY OPERATIONAL?**
- A. There will be two full time permanent employees at an average hourly wage greater than or equal to \$23 per hour, which is to be adjusted as required to comply with minimum wage levels.
- Q. **HOW MUCH CAPITAL WILL BE INVESTED IN CONNECTION WITH THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT?**
- A. We have estimated a total of \$45,000,000 in capital investment for the development and construction of the American Capital Energy – Searchlight Solar project.
- Q. **IS AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR QUALIFIED TO DO BUSINESS IN NEVADA AND DOES IT HOLD A NEVADA BUSINESS LICENSE?**
- A. Yes.

Q. HAS AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR APPLIED FOR ALL REQUIRED PERMITS TO CONSTRUCT THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT?

A. Yes.

Q. PLEASE PROVIDE AN UPDATED LIST OF CONTRACTORS AND SUBCONTRACTORS.

A. An up-to-date list will be provided at the hearing.

Q. WHAT BENEFITS WILL THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT BRING TO THE STATE AND CLARK COUNTY?

A. The American Capital Energy – Searchlight Solar project will provide valuable full time construction jobs for electricians, labors, and other construction-related workers; these jobs are in addition to the many engineering and permitting consultants from within Clark County and other parts of Nevada who were hired to assist with the development of the project. In addition, the project will deliver approximately 46,000,000 kWh per year of clean solar energy to the Nevada grid, helping the state meet its clean energy goals by providing enough solar energy to power more than 5000 homes.

Q. DO YOU BELIEVE THE FINANCIAL AND EMPLOYEMTN BENEFITS THE STATE OF NEVADA AND ITS RESIDENTS RECEIVE FROM THE AMERICAN CAPITAL ENERGY – SEARCHLIGHT SOLAR PROJECT EXCEED THE LOSS OF TAX REVENEU THAT WILL RESULT IF THE PARTIAL ABATEMENTS ARE GRANTED?

A. Yes. The capital investment, wages paid, and taxes paid both during construction and on an ongoing basis during the life of the project will far exceed the loss of tax revenue due to the partial abatement.

Q. ARE YOU FAMILIAR WITH THE CRITERIA IN CHAPTER 701A OF THE NEVADA REVISED STATUTES FOR A PROJECT TO BE ELIGIBLE FOR PARTIAL ABATEMENT OF TAXES?

A. Yes.

Q. DO YOU BELIEVE THAT THE AMERICAN CAPITAL ENERGY - SEARCHLIGHT SOLAR PROJECT MEETS ALL OF THE CRITERIA REQUIRED BY CHAPTER 701A OF THE NEVADA REVISED STATUTES TO QUALIFY FOR THE PARTIAL ABATEMENTS YOU BEING REQUESTED?

A. Yes.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

ATTACHMENT 1

Thomas A. Anderson

2116 Paseo Primero

Santa Fe, NM 87501

Phone: office: 505.999.1166; cell: 505.490.9877

e-mail: tanderson@americancapitalenergy.com

Education:

M.S. Environmental Science and Engineering, Colorado School of Mines, 1998

B.S. Geology/Geography, Denison University, 1987

Experience:

American Capital Energy – Searchlight Solar, LLC – November 2012 - Present

Development Project Manager

Manage the completion of the development of the American Capital Energy – Searchlight Solar project – a 17.5 MWac solar energy project to be designed, permitted, constructed and operated near Searchlight, NV. Responsible for maintaining compliance with power purchase agreement and interconnection agreement contracts; and managing the completion of project technical development, including securing and maintaining development-related permits (e.g. zoning and environmental, as needed), assisting with financial close due diligence, and providing oversight support during project construction.

American Capital Energy, Inc. – September 2008 - November 2012

October 2009 – October 2012: Chief Operations Officer

Guided the development, construction, commissioning, operation and maintenance for more than 25 large-scale commercial and small utility rooftop and ground mount projects in 7 states, ranging in size from <100 kW to 6.16 MW and totaling >40 MW installed; negotiated and secured dozens of MW of Power Purchase Agreements with both commercial and utility clients. During this time, American Capital Energy's Operations division grew from 5 to 25 engineers, project managers, construction managers, and technical support staff, while executing on more than \$155,000,000 in contract revenue.

September 2008 – October 2009: Director of Southwest Operations

Built ACE's business and operational presence in New Mexico; oversaw the award and construction of the first large-scale direct grid-tied, multi-site, utility PV program in New Mexico (Kit Carson Electric Cooperative); the largest rooftop project at the time in New Mexico (200 kW on LEED Gold building); and development, construction and delivery of PV power under one of the first commercial PPAs in New Mexico (Buckman Direct Diversion, Santa Fe Water Division).

Qinetiq North America (previously Apogen Technologies) – January 2005 – September 2008

Senior Project Manager and Environmental Science and Engineering Directorate Manager

Managed multidisciplinary technical staff of 30 engineers, geologists and skilled technicians completing projects focused on characterization and remediation of hazardous and radioactive contamination originating from Department of Energy waste sites.

Concurrent Technologies Corporation – November 2000 – December 2004

Senior Environmental Scientist/Engineer, Denver, Colorado

Project management support to Department of Energy (DOE) and Department of Defense (DOD) sites for challenging groundwater, surface water and soil characterization, and remediation problems.

March 2000 – November 2000

Stone & Webster Engineering, Inc., Denver, Colorado, Environmental Division, Hydrogeologist. Project manager responsible for conducting hydrogeological field investigations, remedial alternative analyses, and exposure assessments for DOD environmental restoration projects.

July 1998 – March 2000

Advanced Integrated Management Services, Inc., Rocky Flats Environmental Technology Site, Golden, Colorado, Environmental Scientist/Engineer. Managed demonstration projects involving innovative characterization and remediation alternatives for organic and radionuclide contaminated soil and groundwater, and alternative landfill cover design strategies. Served as a team member for development of the DOE Subsurface Contaminants Focus Area Alternative Landfill Cover Design Guidance Document.

May 1997 – September 1998

Colorado School of Mines, Environmental Science and Engineering Department, Graduate Program, Research Assistant. Performed research into the validation and reliability of multimedia fate and transport and risk assessment models, with a focus on the variability of sampling and analytical data.

October 1994 – December 1995

Advanced Sciences, Inc., Los Alamos, New Mexico, Project Geologist. Support to the Los Alamos National Laboratory Environmental Restoration Program.

January 1993 – September 1994

Fernald Environmental Management Company, Fernald, Ohio, Department of Energy, Fernald Environmental Management Project (FEMP), Environmental Scientist II. Provided support toward the completion of the Operable Unit 5 RI/FS.

August 1991 – January 1993

Advanced Sciences, Inc., Fernald, Ohio, Site Characterization Department, FEMP, Project Geologist. Managed field teams characterizing site geology and hydrogeology, installing and developing wells, and sampling groundwater, surface water, soil/sediment, and conducting aquifer parameter testing.

September 1989 – July 1991

Foppe Thelen Group, Inc. Cincinnati, Ohio, Staff Geologist. Conducted all aspects of phase I and II environmental site assessment investigations and performed closure activities and installed remediation systems at leaking underground storage tank (LUST) sites.