

**BEFORE THE NEVADA ENERGY DIRECTOR
NEVADA STATE OFFICE OF ENERGY**

EXHIBIT I

12-1120PV
Renewable Energy Tax Abatement Application
for partial sales and use tax abatement
NRS 701A.300-390
R094-10

By

K Road Moapa Solar, LLC

Public Hearing
Thursday, April 18, 2013
10:00 AM
Nevada State Office of Energy
Room 202
755 North Roop Street
Carson City, Nevada 89701

To Participate via Telephone:
Conference Dial-In Number: (641) 715-3200
NSOE Access Code: 649969*
Participant Access Code: 649969#

TABLE OF CONTENTS

K Road Moapa Solar, LLC

Solar Photovoltaic Energy Project

- Exhibit A Notice of Public Hearing, dated March 27, 2013.
- Exhibit B K. Road Moapa Solar, LLC, Pre-Application filed with the Director on November 19, 2012.
- Exhibit C K. Road Moapa Solar, LLC, Application (Redacted) as filed with the Nevada State Office of Energy on February 19, 2013.
- Exhibit 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 March 25, 2013.
- Exhibit E Fiscal Impact Renewable Energy Partial Abatement of Sales and Use Tax as required by NRS 701A.375-1(b) by the Nevada Department of Taxation, received on February 28, 2013.
- Exhibit F Pre Filed Testimony of Sean Gallagher with K. Road Moapa Solar, LLC
- Exhibit G Letter of support from Clark County Board of Commissioners dated March 14, 2013
- Exhibit H K. Road Moapa Solar financial benefits and abatement worksheet providing examples of future financial benefit scenarios based on delivery location of taxable purchases.

Exhibit (A) – Notice of Public Hearing, dated March 27, 2013.

BEFORE THE NEVADA ENERGY DIRECTOR
NEVADA STATE OFFICE OF ENERGY

In the Matter of the Application of:)
)
K Road Moapa Solar, LLC)
)
_____)

AFN: 12-1120PV

March 27, 2013

NOTICE OF PUBLIC HEARING

PLEASE TAKE NOTICE that a public hearing will be held before the Nevada Energy Director ("Director") regarding the above application at the following date, time, and location:

Thursday, April 18, 2013
10:00 A.M.
Nevada State Office of Energy
755 N. Roop Street, Suite 202
Carson City, NV 89701

To Participate via Telephone:
Conference Dial-in Number: (605) 562-3000
NSOE Access Code: 876064*
Participant Access Code: 876064#

The hearing is being held pursuant to NRS 701A.360 (5) to determine whether the Application filed by K Road Moapa Solar, LLC, with the Nevada State Office of Energy ("NSOE") on February 19, 2013 for the construction of a Solar Facility, meets the tax abatement criteria established in NRS 701A.300 through 701A.390 and adopted regulation LCB File No. R094-10 and is, therefore, entitled to partial abatement of sales and use taxes and/or property tax as provided in NRS 701A.300 through 701A.390. The hearing shall be considered a contested case pursuant to NRS chapter 233B and shall be held and decided openly and publicly. K Road Moapa Solar, LLC, and all other parties are entitled to present testimony of witnesses, to introduce evidence, and to cross-examine witnesses. K Road Moapa Solar, LLC and other parties may be represented by legal counsel of their choice.

Pursuant to Section 23 of the applicable but as yet uncodified regulations (presently known as LCB File No. R094-10), the following entities or people may participate in this hearing as a party: (1) The Director of NSOE; (2) The Chief of the Budget Division of the Nevada Department of Administration; (3) The Nevada Department of Taxation; (4) The Board of County Commissioners of the county in which the project or facility will be located; (5) The County Assessor of the county in which the project or facility will be located; (6) The County Treasurer of the county in which the project or facility will be located; (7) the governing body of any city or town in which the project or facility is located; and (8) Governor's Office of Economic Development. Any person or entity that desires to participate as a party in the hearing of this matter must file with the Director a notice of its intention to participate in a form as described in Section 23 of LCB File No. R094-10.

If the person or entity is a **state entity**, it must file the notice of intent to participate in a form with the Director, Re: **AFN 12-1120PV** by e-mail to at slinfinte@energy.nv.gov.

If the person or entity is or represents a **county, city, or township**, it must file the notice of intent in a form to participate with the Director, Re: **AFN 12-1120PV** by e-mail to at slinfinte@energy.nv.gov.

The Director shall also allow public comment at a time appropriate to the conduct of the hearing.

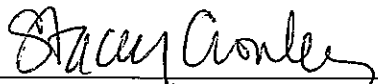
To facilitate the expeditious and efficient consideration of the K Road Moapa Solar, LLC application, the Director directs K Road Moapa Solar, LLC **and any party wishing** to participate in the hearing to file any written testimony they would like the Director to consider to be received by the Director at slinfinte@energy.nv.gov **no later than 5:00 p.m. on Thursday, April 4, 2013**. K Road Moapa Solar, LLC and participating parties wishing to **respond** to the written testimony must file responsive testimony with the Director at slinfinte@energy.nv.gov **no later than 5:00 p.m. on Thursday, April 11, 2013**.

The notice of intent to participate in a form and all written testimonies will be made available on the Director's website.

Copies of the public records related to K Road Moapa Solar, LLC's application are available upon request to the Director by fax at (775) 687-1869, by e-mail addressed to slinfinte@energy.nv.gov or by mail addressed to: Nevada State Office of Energy, 755 North Rook Street, Suite 202, Carson City, Nevada 89701.

Members of the public who are disabled and require special accommodations or assistance at the hearing should notify the Director in writing by mail addressed to: Nevada State Office of Energy, 755 North Rook Street, Suite 202, Carson City, NV 89701, by fax at (775) 687-1869, or by e-mail addressed to slinfinte@energy.nv.gov, no later than 7 business days prior to the hearing.

By the Nevada State Office of Energy Director,



Stacey Crowley

Dated: Carson City, Nevada March 27, 2013

This Notice of Public Hearing posted at the Nevada State Capitol's public notice posting board, Nevada State Office of Energy Web Page <http://www.energy.nv.gov> and the following locations:

Attn: Public Posting
Churchill County Library

5553 S. Maine Street
Fallon, NV 89406

Attn: Public Posting
Tonopah Public Library

PO Box 449
Tonopah, NV 89049

Attn: Public Posting
Las Vegas / Clark County Library

833 Las Vegas Blvd, N.
Las Vegas, NV 89101

Attn: Public Posting
Pershing County Library

PO Box 781
Lovelock, NV 89419

Attn: Public Posting
Elko County Library

720 Court Street
Elko, NV 89801

Attn: Public Posting
Storey County Library

PO Box 14
Virginia City, NV 89449

Attn: Public Posting
Esmeralda County Library

PO Box 430
Goldfield, NV 89316

Attn: Public Posting
Washoe County Library

PO Box 2151
Reno, NV 89505

Attn: Public Posting
Humboldt County Library

85 East Fifth Street
Winnemucca, NV 89445

Attn: Public Posting
White Pine County Library

950 Campton Street
Ely, NV 89301

Attn: Public Posting
Lyon County Library

20 Nevin Way
Yerington, NV 89447

Attn: Public Posting
Carson City Library

900 N. Roop Street
Carson City, NV 89701

Attn: Public Posting
Mineral County Library

PO Box 1390
Hawthorne, NV 89415

Attn: Public Posting
Douglas County Library

PO Box 337
Minden, NV 89423

Attn: Public Posting
Nevada State Library

100 Stewart Street
Carson City, NV 89701

Attn: Public Posting
Eureka County Public Library

210 South Monroe St.
Eureka, NV 89316

Attn: Public Posting
Legislative Building

401 South Carson St.
Carson City, NV 89701

Attn: Public Posting
Lander County Library

PO Box 141
Battle Mtn, NV 89820

Attn: Public Posting
Lincoln County Library

PO Box 330
Pioche, NV 89043

Exhibit (B) – K. Road Moapa Solar, LLC, Pre-Application filed with the Director on
November 19, 2012.



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: November 19, 2012

2. Applying for:

Sales and Use Tax Abatement Only Property Tax Abatement Only Both

Note: Project is located on the Moapa River Indian Reservation and is not subject to Nevada property tax.

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

4. Name of the proposed facility: K Road Moapa Solar Plant

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

Process Heat from Solar Energy

Geothermal

Solar PV

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 transmitted 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:

The facility will be built on the Moapa River Indian Reservation in Clark County, Nevada

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

Solar Photovoltaics

8. Nameplate production capacity of the facility: 250 MW AC**9. Anticipated capital investment amount:** Approximately \$500 million**10. Describe how the facility will be financed:** A combination of sponsor equity and third - party non-recourse project finance.**11. Will the facility or any portion of the facility be located on residential property?**

Yes No (Please describe in 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: The solar facility will be constructed on the Moapa River Indian Reservation, on land held in trust for the Tribe by the United States. The generation tie-line connecting the facility to the Crystal Substation will cross approximately ½ mile of BLM land.

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)

16. How long is it anticipated that the facility will be operational? 50 years.

17. Name of the utility of 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): Los Angeles Department of Water and Power

18. Anticipated first date of purchasing tangible personal property for the project:
June 2013

19. Anticipated date or time range for the start of construction: June 2013

20. Anticipated date or time range for the commencement of operation of the facility:
February 2014 for first 20 MW block.

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

See Chart in the back of the application.

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?

400 Full time construction jobs
Majority of the employees will be Nevada residents.

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)

(Q3 2013): 150 full time/ 40 Part time jobs.
(Q4 2013): 400 full time/ 40 Part time jobs

(Q1 2014): 500 full time / 100 Part time jobs
(Q2 2014): 500 full time / 100 Part time jobs
(Q3 2014): 500 full time / 100 Part time jobs
(Q4 2014): 500 full time / 50 Part time jobs

(Q1 2015): 200 full time / 40 Part time jobs

Majority of the employees will be 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: \$32.86/hr

25. How many full-time employees will be employed once the facility is operational?
8 to 10 employees

26. Anticipated average hourly wage paid to the operational employees of the facility¹:
\$30/hr

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)

EPC Contractor will offer health care consistent with the statute.

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)

Sean Gallagher
1 Embarcadero Center
Suite 360
San Francisco, CA 94111
415-799-4095
Seang@kroadpower.com


Amine Alami
1 Embarcadero Center
Suite 360
San Francisco, CA 94111
415-799-4091
aminca@kroadpower.com

Jesse Salveson
8316 Spinnaker Cove
Las Vegas, NV. 89128
510.260.4529
jesses@kroadpower.com

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

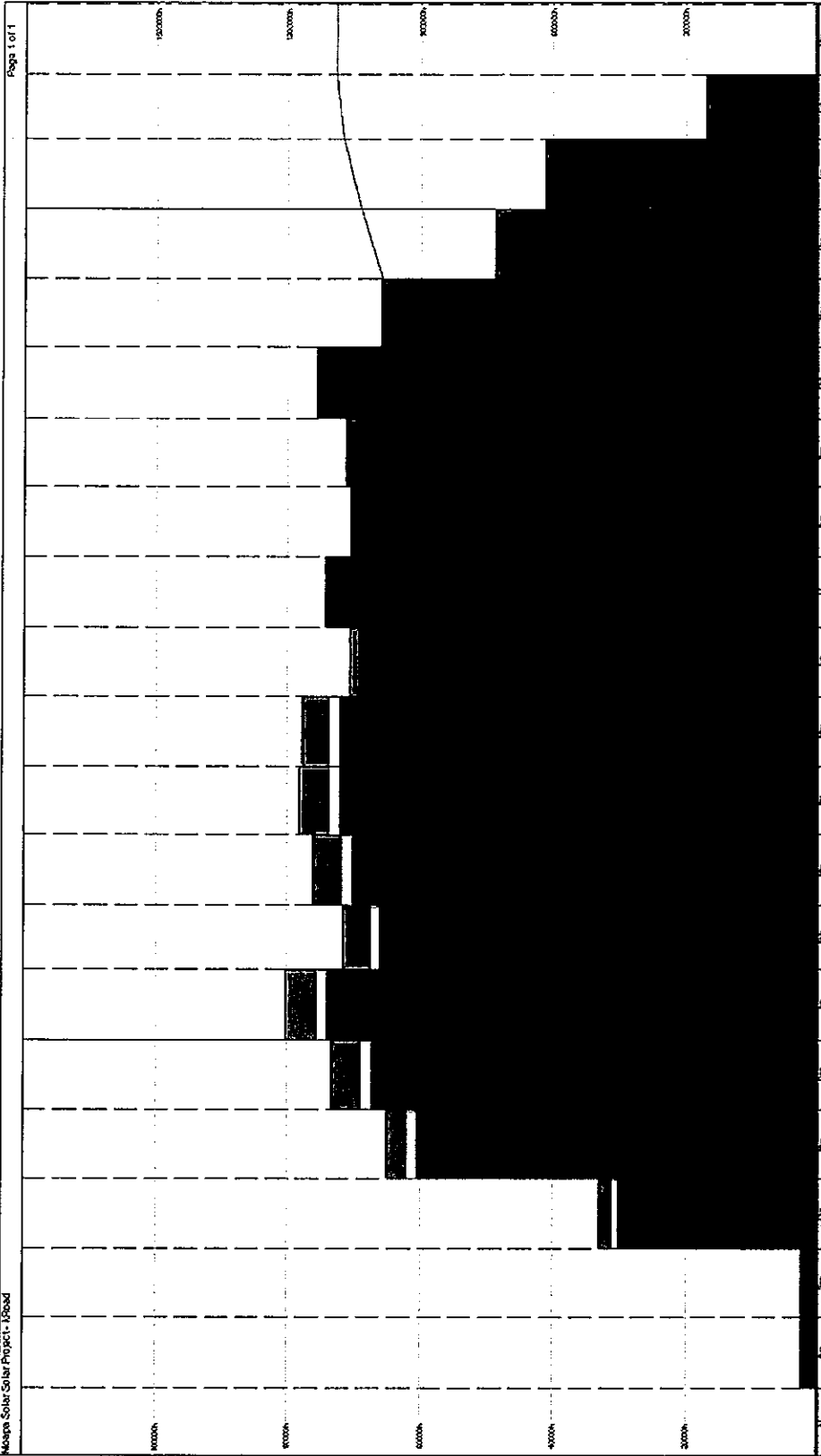
I, Sean Gallagher, by signing this Pre-Application do hereby attest and affirm under penalty of perjury to the following:

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


SIGNATURE

11/19/12
DATE

SEAN GALLAGHER, MANAGING DIRECTOR
NAME AND TITLE (Please print)



<p>Moapa Solar Project Preliminary Schedule</p>	<p>Date: 01-Nov-12 Run Date: 01-Nov-12 © Primavera Systems, Inc.</p>	<p> <input checked="" type="checkbox"/> Civil Work <input checked="" type="checkbox"/> Pile Work <input checked="" type="checkbox"/> Piling Work <input checked="" type="checkbox"/> Module/Equipment/Wiring Work <input checked="" type="checkbox"/> Substation Work <input checked="" type="checkbox"/> Transmission Line Work </p>	<p> <input type="checkbox"/> Approved <input type="checkbox"/> Disclad <input type="checkbox"/> Review <input type="checkbox"/> Data </p>
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Exhibit (C) – K. Road Moapa Solar, LLC, Application (Redacted) as filed with the Nevada State Office of Energy on February 19, 2013.

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

Facility Information K Road Moapa Solar Facility	
Date of Submittal to NSOE:	February 5, 2013
<input checked="" type="checkbox"/> Sales & Use Tax Abatement <input type="checkbox"/> Property Tax Abatement	
Company Name: K Road Moapa Solar LLC	
Department of Taxation's Tax Payer ID number: NV Business license # NV20101561376	
Federal Employer ID number (FEIN, EIN or FID): 27-2995257.	
NAICS Code: 22114 (Solar Electric Power Generation)	
Description of Company's Nevada Operations: K Road Moapa Solar is developing and will own and operate the K Road Moapa Solar Facility on the Moapa River Indian Reservation, approximately 30 miles northeast of Las Vegas.	
Percentage of Company's Market Inside Nevada: Power from the K Road Moapa Solar Facility will be sold to the Los Angeles Department of Water and Power.	
Mailing Address: 1 Embarcadero Center, Suite 360	
City:	San Francisco, CA 9411
Phone:	415-799-4090
APN:	
Taxation District where facility is located:	Clark County
Type of Facility (please check all that are relevant to the facility)	
<input type="checkbox"/> Geothermal <input type="checkbox"/> Process Heat from Solar Energy <input checked="" type="checkbox"/> Solar PV <input type="checkbox"/> Solar Thermal <input type="checkbox"/> Wind <input type="checkbox"/> Biomass <input type="checkbox"/> Waterpower <input type="checkbox"/> Fuel Cells <input type="checkbox"/> Transmission that is interconnected to a renewable energy or geothermal facility <input type="checkbox"/> Transmission that contributes to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable energy facilities and/or	
Name Plate Production Capacity of the Facility: 250 MW	
Net Output Production Capacity of the Facility in MW: 250 MW	
Annual Net Production Capacity of the Facility in MWh (or other appropriate unit): ~500,000 MWh in year 1	

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

Estimated total capital investment:	Approximately \$420 million
Percent of total estimated capital investment expended in Nevada:	100%
Anticipated first date of purchasing tangible personal property for the project:	May 2013
Anticipated date or time range for the start of construction:	June 2013
Anticipated date or time range for the commencement of operation of the facility:	Approximately February 2014 for the first 20 MW block. Full COD in 2015.
Address of the Real Property for the Generation Facility:	The facility will be built on currently undeveloped land on the Moapa River Indian Reservation in Clark County, Nevada.
City:	The closest city is Moapa, NV

Size of the total Facility Land (acre): 2,000 acres permitted for development by Bureau of Indian Affairs (BIA)

Are you required to file any paper work with the PUC and/or FERC?		
If yes,	Purpose of the Filing with PUC: UEPA filing with PUCN for the ½ mile portion of the generation tie-line which is on BLM land, between the Reservation boundary and Crystal Substation.	Filing Date OR Anticipated filing Date: Initial Application filed June 11, 2012. Order issued 9/4/12.
If yes,	Purpose of the Filing with FERC: Market based rate application	Filing Date OR Anticipated filing Date: 2013

1	Moapa River Indian Reservation
2	BLM land in Clark County, NV (portion of generation tie-line)
3	
4	
5	
6	
7	
8	
9	

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

1	Description of the Technology and Complete Facility including generation, transmission or distribution, the physical point at which the ownership of energy is transferred and nature of the connection to the transmission grid. See Attachment 3.
2	Complete and legal description of the location of the proposed facility, including a regional facility map that identifies the location, county boundaries and state boundaries of the proposed facility or a reference to any such map of appropriate scale. See Attachment 2.
3	Description of any natural or nonrenewable resources that will be affected by or required to be used in the construction or operation of the proposed facility, including statement of any areas of mitigation, controversy, issue or concern. See Attachment 3.
4	Summary of the PUC and FERC Dockets if any PUC and FERC filing have started. See Attachment 4.
5	Copy of the Business Plan for the Nevada Facility. See Attachment 5.
6	For Expansion Applications, Copy of the most recent assessment schedule and tax bill from the County Assessor's Office or the Department of Taxation
7	Website link to company profile. See Attachment 7.
8	Copy of the Current Nevada State Business License. See Attachment 8.
9	Facility Information Form
10	Employment Information, construction, and permanent employee salary schedules
11	Supplemental Information Form
12	Taxation Reporting Forms (Summary Sheet and Schedules 1 through 8)
13	Names and contact information for construction company, contractors, subcontractors
14	Letter from the utility or company describing the highlights of PPA, LOI, or MOU. See Attachment 5.
15	Confidential Information Identification Form

List of Required Permits or Authorizations for the Proposed Facility

Permit or Authorization Title	Issuing Agency	Project Circumstance Requiring Permit or Authorization	Steps to Obtain Permit	Application Date	Approval Date or Expected Approval Date
Final Environmental Impact Statement	BIA	NEPA review	Completed	NOI February 2011	FEIS March 2012
Federal Record of Decision	DOI BLM	NEPA review, approval of Lease with Tribe, approval of BLM ROW	Completed	NOI February 2011	ROD June 21, 2012
Right of Way Grant	DOI BLM	NEPA review, approval of Lease with Tribe, approval of BLM ROW	Completed	NOI February 2012	August 10, 2012
Construction General Permit	EPA	National Pollutant Discharge Elimination System requires permitting for construction activities that disturb one or more acres. EPA regulates in this case because of tribal land.	Completed. SWPPP will be updated to support the permit for each phase of construction.	Nov-12	Nov-12
ESA Section 7 Consultation	USFWS	Endangered Species Act consultation	Completed	NOI February 2011	Biological Opinion March 2012
Section 106 Consultation	SHPO	Cultural Resources consultation	Completed	NOI February 2011	November 8, 2011
Section 404 Permit	USACE	Fill to Waters of the US	Completed	PCN Filed August 2012	September 17, 2012
Section 401 Water Quality Certification	EPA	Granted via EPA under Section 404 Permit	Completed	PCN Filed August 2012	September 17, 2012
UEPA	PUCN	Portion of generation tie-line off the Reservation, 1/2 mile between Reservation boundary and Crystal Substation	Completed	Initial Application June 2012	Order issued September 2012
Temporary Groundwater Discharge Permit	NDEP	Quality of Return Water to Aquifer	Completed	9-Aug-12	August 13, 2012
Permanent Groundwater Discharge Permit	NDEP	Quality of Return Water to Aquifer	Pending Issuance		
NDOT Traffic Control Permit	NDOT	State Requirement to minimize traffic impacts	Will be submitted prior to full construction		
Special Use Permit	NDOW	Handling of threatened and endangered species on state regulated land			

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

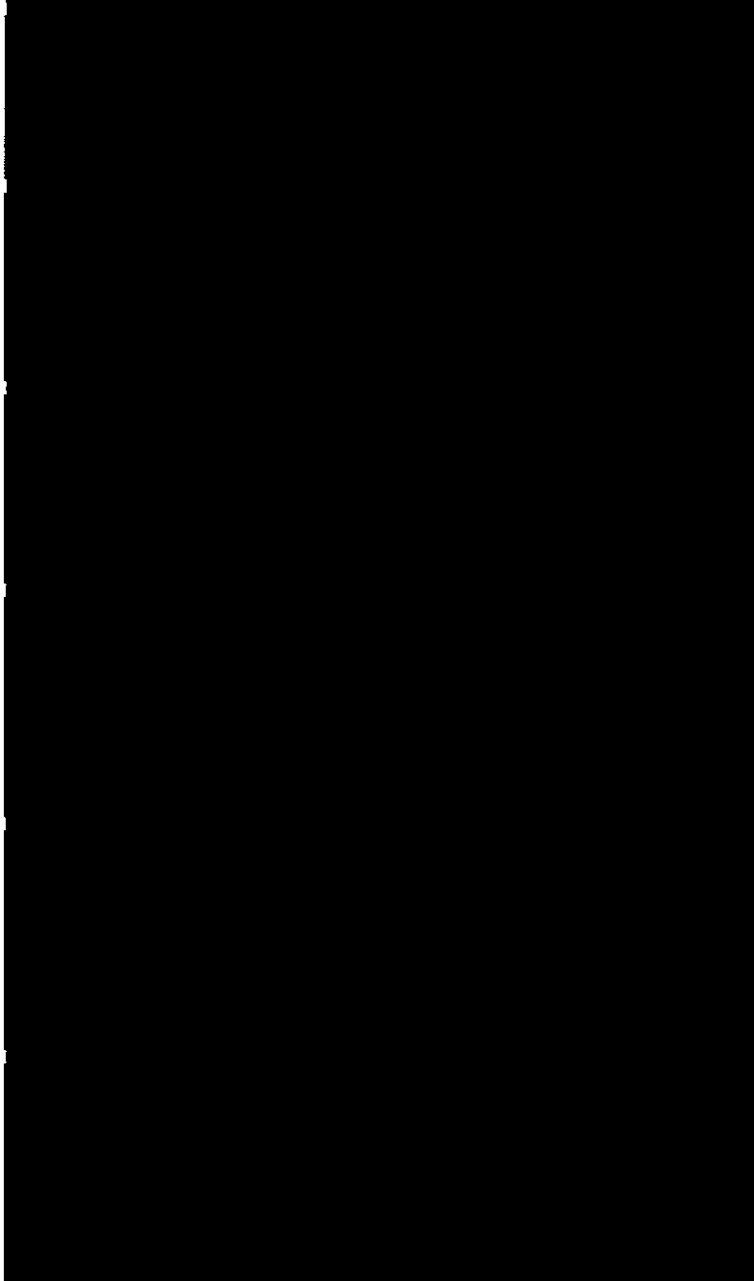
III. County Permits or Authorizations	County	Description of Permit or Authorization	Start Date	End Date
Dust Control Permit	Clark County	County Requirement for construction of off-reservation portions of the access road.	August 9, 2012	August 23, 2012
Grading Permit	Clark County	Road improvements on off-reservation portion of access road.		
IV. City Permits or Authorizations				

State of Nevada
Renewable Energy Tax Abatement Application

AFN:

NOTE: Project contractors, subcontractors, and other entities including owner that will be purchasing goods and equipment for the construction of the Facility are entitled to claim or receive the sales and use tax abatement

Contractors and Subcontractors List



State of Nevada
Renewable Energy Tax Abatement Application
AFN:



**State of Nevada
Renewable Energy Tax Abatement Application**

AFN:

Employment Information

New Operations or Expansion

CONSTRUCTION EMPLOYEES	Full Time	Part Time
Number of anticipated construction employees who will be employed during the entire construction phase (FTE)?	456	
Percentage of anticipated construction employees who will be Nevada Residents?	94.3%	
Average anticipated hourly wage of construction employees, excluding management and administrative employees:	\$32.81	
Number of anticipated construction employees who will be employed during the second-quarter of construction?	183	
Number of anticipated second-quarter construction employees who will be Nevada Residents?	172	
PERMANENT EMPLOYEES		
Number of anticipated permanent employees who will be employed as of the end of its first fourth-quarter of new operations or expansion?	4	0
Average anticipated hourly wage of permanent employees, excluding management and administrative employees:	\$40.87	
Number of permanent employees who were employed prior to the expansion?	0	
Average hourly wage of current permanent employees, excluding managements and administrative employees	\$0.00	

Health insurance for construction employees and an option for dependents must be offered upon employment

List Benefits Included (medical, dental, vision, flex spending account, etc):	
Various vendors will provide construction labor on the project. Names of those vendors are included in this application. Benefits for construction employees and their dependents will be determined by vendors and will be required to meet or exceed the requirements of NRS 701A.365(1)(d)(4)(I)&(II) and Regulation of the Nevada Energy Commissioner R094-10 Sec. 24(5). Compliance with these requirements is mandatory for vendors and will be so stated in the contracts entered into with vendors.	
Name of Insurer: TBD, depends on vendor.	
Cost of Total Benefit Package: TBD	Cost of Health Insurance for Construction Employees: TBD

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

Construction Employee Schedule

List all anticipated construction employees and associated wages for all persons who will be working on the construction of the facility during the entire construction period.

FULL TIME EMPLOYEES

		(a)	(b)	(c) = (a)+(b)	(e) = (c) x (d)	(f) = $\Sigma(e) / \Sigma(c)$
#	Job Title	# of Nevada Employees (FTE)	# of Non-Nevada Employees (FTE)	Total # of Employees (FTE)	Total Hourly Wage per category (\$)	Average Hourly Wage (\$)
Construction Employees, excluding Management and Administrative Employees						
1	Earthwork	17	1	18		
2	Boring	13	1	14		
3	Post Install	39	3	42		
4	Racking Install	87	5	92		
5	Concrete	8	1	9		
6	Electrical	234	13	247		
7	Transmission	16	1	17		
8	Substation	16	1	17		
	TOTAL	430	26	456		\$32.81
TOTAL CONSTRUCTION PAYROLL						\$29,620,265

Second Quarter Construction Employee Schedule

List all anticipated construction employees and associated wages for all persons who will be working on the construction of the facility during the second quarter of construction.

FULL TIME EMPLOYEES

		(a)	(b)	(c) = (a)+(b)	(e) = (c) x (d)	(f) = $\Sigma(e) / \Sigma(c)$
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Total Hourly Wage per job title (\$)	Average Hourly Wage (\$)
Construction Employees, excluding Management and Administrative Employees						
1	Earthwork	5	1	6		
2	Boring	5	1	6		
3	Post Install	18	1	19		
4	Racking Install	36	2	38		
5	Concrete	2	1	3		
6	Electrical	95	6	101		
7	Transmission	4	1	5		
8	Substation	4	1	5		
TOTAL		169	14	183		\$32.48
TOTAL CONSTRUCTION PAYROLL					\$11,769,318	

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

Permanent Employee Schedule

List all anticipated permanent employees who will be employed by the Nevada Facility as of the end of its first fourth-quarter of new operations or expansion and the employment per job title will continue next 20 years

FULL TIME EMPLOYEES

		(c)		(f) = $\Sigma(e) / \Sigma(c)$
#	Job Title	# of Employees	Total Hourly Wage per job title (\$)	Average Hourly Wage (\$)
1	Management and Administrative Employees (Management and admin employees will be off-site)	0		
2	Permanent Employees, excluding Management and Administrative Employees	4		
TOTAL		4		\$40.87
TOTAL ANNUAL PAYROLL				\$323,654

**State of Nevada
Renewable Energy Tax Abatement Application
AFN:**

Supplemental Information

Please respond to each question. Answers to the questions will assist Department of Taxation staff in determining whether the facility should be locally or centrally assessed. Other questions will assist staff in understanding whether the reported replacement costs capture all aspects of taxable value.

1) Will you have a possessory interest in any governmentally owned property for this facility? Please describe if yes.

No.

2) Will the facility, including generation, transmission, or distribution cross state or county boundaries? If yes, please describe.

The facility will not cross state or county boundaries. The energy generated by the facility will be sold and delivered to Los Angeles Department of Water and Power.

3) Is the facility owned by a subsidiary of a company that is interstate or intercounty in nature? Name and location of the subsidiary company, if yes.

The facility will be owned by K Road Moapa Solar, LLC, which is a subsidiary of K Road Power Holdings, LLC (KRPH). KRPH is headquartered in New York, NY. K Road Moapa Solar is headquartered in New York, NY.

4) At what physical point is the ownership of energy transferred? Describe the location and nature of the connection to the transmission grid.

Ownership of energy is transferred at the project's Point of Interconnection to LADWP's transmission facilities, which will be located at or near the high side of the Moapa project collector substation. K Road will build a 500kV generation tie line from the Moapa substation to the Crystal substation. Prior to energization of the facility, K Road will transfer ownership of the line to LADWP, which incorporate the line into its Transmission System.

5) Will the facility be eligible for other abatements or exemptions such as pollution control exemptions? Please describe if yes

No.

6) Has your company applied and/or been approved for any abatements or exemptions for this facility or any other facility by the State of Nevada and/or local governments? If yes, list the abatements awarded, name and location of the project, name of the awarder, date of approval, amounts and status of the accounts.

No.

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:**

**Summary Report
Schedules 1 through 8**

Company:

Division:

Line No.	Schedule	Total Estimated RCNLD or Transaction Cost	Department Use Only
1	Sch. 1 Personal Property - Property Tax - Total from Col. J.		
2	Sch. 2 Real Property - Improvements - Total from Col. F.		
3	Sch. 3 Real Property - Land - Total from Col. I		
4	Sch. 4 Operating Leases - Total from Col. F		
5	Sch. 5 Contributions in Aid of Construction - Total from Col. F		
6	Sch. 6 First Year Estimated Sales & Use Tax - Total from Col. J	\$ 30,988,730.24	
7	Sch. 7 Second Year Estimated Sales & Use Tax - Total from Col. J	\$ 645,994.53	
8	Sch. 8 Third Year Estimated Sales & Use Tax - Total from Col. J	\$ -	

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:**

**Property Tax: Personal Property
Schedule 1**

Company Name: _____
Division: _____

Instructions:

- (1) List each item of personal property subject to property tax in Col. A. Pursuant to NRS 361.030, personal property includes stocks of goods on hand; any vehicle not included in the definition of vehicle in NRS 371.020; all machines and machinery, all works and improvements, and all property of whatever kind or nature not included in the term "real estate" as that term is defined in NRS 361.035.
- (2) For each item in Col. A, complete the requested information in Col. B and Col. D (if applicable), Col. C and Col. D through Col. J.
- (3) The total estimated cost reported in Col. H should include estimated or actual costs of installation and costs of transportation per NAC 361.1351 and NAC 361.1355. Costs of installation include the costs of direct labor, direct overhead and the capitalized expense of interest or imputed charges for interest which are necessary to make the property operational.
- (4) Use the Personal Property Manual published by the Department of Taxation to determine the Cost Less Depreciation in Column (J). Select the Life Schedule that is closest to the estimated life of the personal property listed in Col. I. See <http://tax.state.nv.us>. Then select: *Publications/Locally Assessed Properties/Personal Property Manual*.

(5) Attach additional sheets as necessary.

A	B	C	D	E	H	I	J
Personal Property Itemized Description	GI/L Account No. (if applicable)	Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	Date Purchased (if applicable)	Date Received or Estimated Date of Receipt in Nevada	Estimated Total Acquisition Cost	Estimated Life of Personal Property	Estimated Acquisition Cost Less Depreciation
Grand Total							

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:**

**Property Tax: Real Property Improvements
Schedule 2**

Company Name: _____
Division: _____

Instructions:

- (1) List each item of real property improvements subject to property tax in Col. A. Pursuant to NRS 361.035, real property includes 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 public property; as well as mobile or manufactured
- (2) For each item in Col. A, complete the requested information in Col. B (if applicable), and Col. C through Col. F.
- (3) The total estimated cost reported in Col. F should include estimated or actual costs of labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, engineering plans, building permits, site preparation costs, sales taxes and insurance; costs of buying or assembling land such as escrow fees, legal fees, right of way costs, demolition, storm drains, rough grading or other land improvement costs, yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting; off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact
- (4) Use Schedule 3 to report land; Schedule 4 to report operating leases; and Schedule 5 to report contributions in aid of
- (5) Attach additional sheets as necessary.

A	B	C	F
Real Property Improvements Itemized Description	G/L Account No. (if applicable)	Estimated Date of Completion	Estimated Total Construction Cost
Grand Total			

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:**

**Property Tax: Real Property Land
Schedule 3**

Company: _____
Division: _____

Show the requested data for all land, owned or leased, in Nevada.

A Line #	B Where Situated		D Tax District	E Brief Description, Size of the Land (acre), Date Acquired	F Assessor's Parcel Number (APN)	G Owned (O) Leased (L) Rented (Rtd)	H G/L Account Number (if applicable)	I Purchase Price (if applicable)	J Assessor's Taxable Value
	C City or Town	D County							
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12	Grand Total								

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:**

Company Name: _____
Division: _____

**Property Tax: Contributions in Aid of Construction
Schedule 5**

Instructions:

- (1) List all contributions in aid of construction (CIAC). CIAC is defined in NAC 361.260 as property which has been contributed to a utility by a prospective customer or which has been constructed by the utility and paid for by the prospective customer for which no reimbursement is required to be made by the utility to the prospective customer as a prerequisite to obtaining service.
- (2) For each item in Col. A, complete the requested information in Col. B (if applicable), and Col. C through Col. F.
- (3) The total estimated cost reported in Col. E and Col. F should contain the costs appropriate to real or personal property. For definitions, please refer to Schedule 1 for personal property and Schedule 2 for improvements.
- (4) Attach additional sheets as necessary.

A	B	C	D	E	F
Contributions in Aid of Construction (CIAC) Itemized Description	G/L Account No. (if applicable)	Real or Personal Property?	Number of Units	Replacement Cost Per Unit	Estimated Total Replacement Cost
Grand Total					

**State of Nevada
Renewable Energy Tax Abatements Application
AFN: _____**

Company Name: K Road Moapa Solar **Sales and Use Tax**
 Division: _____ **Second Year of Eligible Abatement**
 _____ **Schedule 7**

Instructions:

- (1) Column A: List each item of personal property or materials and supplies subject to sales and use tax (please include leases. Refer to NRS Chapter 372 for taxable events.
- (2) Column B: For each item in column A, list applicable account number.
- (3) Column C: List the Facility Owner, Contractor or Subcontractor that will be purchasing the personal property or materials and supplies subject to sales and use tax.
- (4) Column D: List the date the personal property or materials and supplies were purchased.
- (5) Column E: List the date that possession of the personal property or materials and supplies will be taken.
- (6) Column F: List the cost of the personal property or materials and supplies.
- (7) Column G: List the county where possession will be taken and the applicable sales tax rate of that county. Find the appropriate sales/use tax rate on the Department of Taxation's website at <http://tax.state.nv.us>. Then scroll to "Quick Links" and select "Sales/Use Tax Rate Map".
- (8) Column H: Multiply Column F by the Sales Tax Rate in Column G.
- (9) Attach additional sheets as necessary.

A	B	C	D	E	F	G	H
Personal Property or Materials and Supplies Itemized Description	G/L Account No. (if applicable)	Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	Date Purchased	Date of Possession	Total Transaction Cost	County and Applicable Sales Tax Rate	Estimated Sales Tax Paid or to be Paid
Solar Panels						8.10%	
Inverters						8.10%	
SCADA						8.10%	
Security						8.10%	
Substation						8.10%	
Transmission Line						8.10%	
DC / AC Collection						8.10%	
Fence						8.10%	
Foundations						8.10%	
O&M Building						8.10%	
Racking						8.10%	
Equipment Rental						8.10%	
Grand Total							\$645,995

**State of Nevada
Renewable Energy Tax Abatements Application
AFN:**

Company Name: _____ **Third Year of Eligible Abatement**
Division: _____ **Schedule 8**

Instructions:

- (1) Column A: List each item of personal property or materials and supplies subject to sales and use tax (please include leases. Refer to NRS Chapter 372 for taxable events.
- (2) Column B: For each item in column A, list applicable account number.
- (3) Column C: List the Facility Owner, Contractor or Subcontractor that will be purchasing the personal property or materials and supplies subject to sales and use tax.
- (4) Column D: List the date the personal property or materials and supplies were purchased.
- (5) Column E: List the date that possession of the personal property or materials and supplies will be taken.
- (6) Column F: List the cost of the personal property or materials and supplies.
<http://tax.state.nv.us>. Then scroll to "Quick Links" and select "Sales/Use Tax Rate Map".
- (7) Column H: Multiply Column F by the Sales Tax Rate in Column G.
- (8) Attach additional sheets as necessary.

A Personal Property or Materials and Supplies Itemized Description	B G/L Account No. (if applicable)	C Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	D Date Purchased	E Date of Possession	F Total Transaction Cost	G County and Applicable Sales Tax Rate	H Estimated Sales Tax Paid or to be Paid
Solar Panels					\$0	8.10%	\$0
Inverters					\$0	8.10%	\$0
SCADA					\$0	8.10%	\$0
Security					\$0	8.10%	\$0
Substation					\$0	8.10%	\$0
Transmission Line					\$0	8.10%	\$0
DC / AC Collection					\$0	8.10%	\$0
Fence					\$0	8.10%	\$0
Foundations					\$0	8.10%	\$0
O&M Building					\$0	8.10%	\$0
Racking					\$0	8.10%	\$0
Equipment Rental					\$0	8.10%	\$0
Grand Total							\$0

State of Nevada
Renewable Energy Tax Abatements Application
AFN:

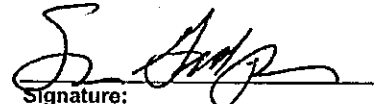
[REDACTED]

I, Sean Gallagher, by signing this Application, I do hereby attest and affirm under penalty of perjury the following:

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

Sean Gallagher
Name of person authorized for signature:

Managing Director
Title:


Signature:
2/5/13
Date:

State of Nevada
Renewable Energy Tax Abatement Application
AFN:

This Application contains confidential information: Yes No

If yes, please identify any information in the within Application or documents submitted herewith, which Applicant considers confidential or trade secret information. Further, identify: (1) the applicable statutory authority or agreement preventing public disclosure of the information; and (2) Applicant's rationale underlying non-disclosure of the information or document(s).

Applicant acknowledges that the burden of demonstrating confidentiality or trade secret status lies with the Applicant, and Applicant agrees to defend and indemnify the State and its agencies for honoring such designation. Notwithstanding, Applicant understands that the over-inclusive designation of information or documents as confidential or trade secret may cause the Nevada State Office of Energy to conduct further inquiry of the Applicant into the confidentiality of the information, potentially delaying submission of the Application to the Nevada Energy Director.

Material for which confidentiality is claimed :

- 1 *Contractors and subcontractors list*
- 2 *Hourly Wage information*
- 3 *Equipment transaction information other than total estimated sales tax*

Basis for claims of confidentiality :

This application includes confidential and proprietary trade secret and economic information as defined by Nevada law. Prohibitions on the public disclosure of such information is provided in the Uniform Trade Secrets Act (NRS Chapter 600A), NRS 49.325, NRS 360.247, NRS 360.250, NRS 361.044, NRS 372.750, NRS 703.190, NRS 793.196, NRS 239.010 et. seq., NRS 241.020, and Regulation of the Nevada Energy Commissioner R094-10; NAC 239.699 and NAC 360.182. The confidential and proprietary trade secret and economic information has been obscured in the redacted version of this application.

Exhibit (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 March 25, 2013.



DEPARTMENT OF ADMINISTRATION

209 E. Musser Street, Room 200
Carson City, Nevada 89701-4298
(775) 684-0222
Fax (775) 684-0260
<http://www.nevadabudget.org>

BUDGET DIVISION
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE
FOR
K Road Moapa Solar Facility, LLC
as required by NRS 701A.375-1(a)

March 5, 2013

Prepared by: Janet Rogers for Jeff Mohlenkamp, Budget Division Director

Based on the information submitted by the applicant and provided to the Department of Administration by the Nevada State Office of Energy, the Budget Division estimates that the energy-related sales and use tax incentives provided to K Road Moapa Solar Facility, LLC for the construction and operation of a 250 MW photovoltaic solar generation facility to be built on currently undeveloped land on the Moapa River Indian Reservation in Clark County, Nevada will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

The Mountain View Solar, LLC solar project application indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$390,552,158. Given this information, the General Fund will be impacted by an abatement totaling \$7,811,043, less any applicable collection allowance.

<u>Fiscal Year</u>	<u>Expenditure Subject to Abatement</u>	<u>Amount Abated</u>
FY 2013	\$ 382,576,917	\$ 7,651,538
FY 2014	\$ 7,975,241	\$ 159,505
FY 2015	\$ 0	\$ 0
Total	\$ 390,552,158	\$ 7,811,043

Exhibit (E) – Fiscal Impact Renewable Energy Partial Abatement of Sales and Use Tax as required by NRS 701A.375-1(b) by the Nevada Department of Taxation, received on February 28, 2013.



**STATE OF NEVADA
DEPARTMENT OF TAXATION**
Web Site: <http://tax.state.nv.us>

1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

BRIAN SANDOVAL
Governor
ROBERT R. BARENGO
Chair, Nevada Tax Commission
CHRISTOPHER G. NIELSEN
Interim Executive Director

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

**FISCAL IMPACT
Renewable Energy Partial Abatement Of Sales/Use Taxes**

K Road Moapa Solar LLC

In accordance with the provisions NRS 701A of the Nevada Revised Statutes, K Road Moapa Solar, LLC has requested a Sales and Use Tax Abatement for their Renewable Energy Project. This project is located in Clark County. Upon approval, this project would be granted a partial abatement of Sales and Use Tax for a period of three years, commencing on the date of approval.

The Nevada State Office of Energy has provided to the Department of Taxation a completed copy of the Renewable Energy Tax Abatements Application for this project. According to Schedule 6 of this application, K Road Moapa Solar, LLC will purchase a total of \$382,576,916.00 worth of tangible, personal property subject to Sales and/or Use Tax during the first year of the abatement period. At the current Sales or Use Tax rate for Clark County, the full Sales Tax for these purchases would be \$30,988,730.20 less any applicable collection allowance.

According to Schedule 7 of this application form, K Road Moapa Solar, LLC will purchase \$7,975,240.00 worth of tangible, personal property subject to Sales and/or Use Tax during the second year of the abatement period. Schedule 8 shows no purchases of tangible, personal property subject to Sales/and or Use Tax purchased during the third year.

Based on this information, the Department of Taxation projects the following Sales Tax related fiscal impact for the three years of the abatement period.

Sales Tax Component	Tax Rate	First Year	Second Year	Third Year	TOTAL
	8.10%	JUL 1, 2013 - DEC 30, 2013	JAN 1, 2014 - DEC 30, 2014	JAN 1, 2014 - DEC 30, 2014	
Sales/Use Tax (General Fund)	2.00%	\$7,651,538.32	\$159,504.80	\$0.00	\$7,811,043.12
Local School Support Tax	2.25%	\$8,607,980.61	\$179,442.90	\$0.00	\$8,787,423.51
Basic City Relief	0.50%	\$1,912,884.58	\$39,876.20	\$0.00	\$1,952,760.78
Supp. City County Relief	1.75%	\$6,695,096.03	\$139,566.70	\$0.00	\$6,834,662.73
County Option	1.60%	\$6,121,230.66	\$127,603.84	\$0.00	\$6,248,834.50

*Local School Support Tax Rate paid at time of purchase is subject to current rate in Statute

**Total Amount
Abated
(State & Local/County):**

1st year	\$22,380,749.59
2nd year	\$466,551.54
3rd year	\$0.00
Total	<u>\$22,847,301.13</u>

**Total Amount
Abated
(Local/County Only):**

1st year	\$14,729,211.27
2nd year	\$307,046.74
3rd year	\$0.00
Total	<u>\$15,036,258.01</u>

Exhibit (F) – Pre Filed Testimony of Sean Gallagher with K. Road Moapa Solar, LLC

Application No. 12-1120PV

Direct Testimony of

SEAN GALLAGHER

on behalf of
K ROAD MOAPA SOLAR LLC

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

My name is Sean Gallagher and my business address is 1 Embarcadero Center, Suite 360, San Francisco, California 94111.

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

A. I am Managing Director of Government Affairs for K Road Power Holdings LLC ("K Road Power") and its subsidiary, K Road Moapa Solar, LLC ("K Road Moapa").

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. K Road Moapa.

Q. DOES ATTACHMENT 1 ACCURATELY DESCRIBE YOUR BACKGROUND AND EXPERIENCE?

A. Yes.

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

A. The purpose of my testimony is to support K Road Moapa's requests for partial tax abatements for the K Road Moapa Solar project ("K Road Moapa Solar Project" or "the Project") located primarily on the Moapa River Indian Reservation in Clark County, Nevada by providing an overview of the K Road Moapa Solar Project as well as K Road Moapa and its business operations.

Q. ARE YOU FAMILIAR WITH THE APPLICATION FOR PARTIAL ABATEMENTS, AND ANY AMENDMENTS OR SUPPLEMENTS THERETO, FILED ON BEHALF OF THE K ROAD MOAPA SOLAR PROJECT?

A. Yes.

Q. IS THE INFORMATION IN THAT APPLICATION, AND IN ANY AMENDMENTS OR SUPPLEMENTS THERETO, TRUE AND CORRECT TO THE BEST OF YOUR KNOWLEDGE AND BELIEF?

A. Yes.

Q. WHAT TYPE OF ABATEMENT IS K ROAD MOAPA REQUESTING FOR THE K ROAD MOAPA SOLAR PROJECT?

A. As provided in NRS Chapter 701A, K Road Moapa is requesting a partial abatement with respect to the sales and use tax for property purchased to construct the K Road Moapa Solar Project.

**Q. PLEASE DESCRIBE THE K ROAD MOAPA SOLAR PROJECT IN MORE
DETAIL.**

A. The K Road Moapa Solar Project is a solar photovoltaic project being developed by K Road Moapa Solar on the Moapa River Indian Reservation (the Reservation), 30 miles northeast of Las Vegas. Moapa Solar is the most advanced on-reservation solar project in the country and the first on-reservation solar project to be designated a Renewable Energy Priority Project (2012 list). K Road and the Moapa Band of Paiutes (Moapa or the Tribe) have agreed to a 50-year lease for 2,000 acres. The Bureau of Indian Affairs (BIA) completed its NEPA review for up to 350 MW and Secretary Salazar approved the project's lease from the tribe in June 2012. The Project will advance tribal economic competitiveness and job creation, serve as an example of tribal energy self-sufficiency and sustainability, and encourage further renewable energy projects on tribal land.

K Road and the Los Angeles Department of Water & Power ("LADWP") have negotiated a Power Purchase Agreement (PPA) for 250 MW of "bucket 1" RPS energy for 25 years. Interconnection is via a five mile long line to LADWP's Crystal Substation outside of Las Vegas. The unconstrained LADWP 500 kV Navajo-McCullough transmission line that crosses the Moapa reservation can bring renewable energy directly to the Southern California region without the need for new transmission. Power from the Project will support LADWP's goal to exit its participation in the Navajo coal plant, which uses the same transmission line.

Q. WILL ANY PUBLIC LAND OR PUBLIC FINANCING BE USED FOR THE K ROAD MOAPA SOLAR PROJECT?

A. The generation tie line connecting the K Road Moapa Solar Project to the existing Crystal substation will be partly located on Bureau of Land Management land. K Road Moapa has received all necessary federal permits and will comply with any existing conditions required. However, K Road Moapa has not received any public financing, nor does it anticipate receiving any in the future.

Q. WILL THE K ROAD MOAPA SOLAR PROJECT BE OWNED OR OPERATED BY A GOVERNMENTAL ENTITY?

A. No.

Q. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING ANY OTHER TAX ABATEMENT OR EXEMPTION FOR THE K ROAD MOAPA SOLAR PROJECT?

A. No.

Q. PLEASE DESCRIBE THE K ROAD MOAPA SOLAR PROJECT.

A. The K Road Moapa Solar Project is a 250 megawatt ("MW") AC solar photovoltaic ("PV") facility. The facility will be constructed using proven, bankable photovoltaic technology using a fixed-tilt, ground-mounted plant design. K Road Moapa has selected Swinerton Renewable Energy ("Swinerton") as the Engineering, Procurement, and Construction (EPC) contractor for the Project.

Large arrays of PV modules will be arranged throughout the solar field. The PV modules will convert sunlight directly into direct current (“DC”) electricity via the photoelectric effect.

The DC output from multiple rows of PV modules will be collected through one or more combiner boxes and directed to an inverter.

Inverters convert the DC power to AC power, which will then flow to a medium-voltage transformer which “steps up” the power to the 34.5 kilovolt (“kV”) collection system voltage. Multiple medium-voltage transformers will be connected in parallel in a daisy chain configuration to the K Road Moapa Solar Project substation, at which point, the power will be delivered to the transmission grid.

Q. HOW LONG WILL THE K ROAD MOAPA SOLAR PROJECT BE IN OPERATION?

A. K Road Moapa has a 25-year power purchase agreement (“PPA”) with the Los Angeles Department of Water & Power (“LADWP”) and the K Road Moapa Solar Project facility will be operational for at least the term of the PPA.

Q. WHY IS K ROAD MOAPA SOLAR REQUESTING PARTIAL TAX ABATEMENTS FOR K ROAD MOAPA SOLAR PROJECT?

A. The availability of sales tax abatements was a significant factor in K Road Moapa’s decision to develop a solar power plant in Nevada. Assumptions regarding the continued availability of the financial incentives provided under Nevada law allowed K Road Moapa to offer a significantly lower price to LADWP for renewable power.

Q. HOW MUCH CAPITAL WILL BE INVESTED IN THE K ROAD MOAPA SOLAR PROJECT?

A. The K Road Moapa Solar Project will result in a capital investment of over \$420,000,000 in Nevada.

Q. HOW MANY PEOPLE WILL BE EMPLOYED DURING CONSTRUCTION OF THE K ROAD MOAPA SOLAR PROJECT?

A. K Road Moapa's selected EPC Contractor, Swinerton, estimates that that the K Road Moapa Solar Project will create an average of approximately 450 construction jobs. About 450 workers will be needed this summer, with many jobs starting in June and a maximum of 600 jobs in late 2013 or early 2014. Regardless of the total number of construction jobs that actually are created, K Road Moapa commits to employing more than 75 full-time employees by and during the second quarter of construction.

Q. WHAT PERCENTAGE OF THE CONSTRUCTION EMPLOYEES WILL BE NEVADA RESIDENTS?

A. During the second quarter of construction, at least 30% of the full-time construction employees will be Nevada residents. Throughout construction, we estimate that an average of 430 of 456 full-time construction employees will be Nevada residents. Our selected EPC contractor, Swinerton, has studied the Nevada Revised Statutes ("NRS") 701A.365(1)(d)(1) and the Nevada Energy Commissioner's Regulation R094-10 Sec. 24(2) in detail and EPC contract pricing is based on obtaining the partial sales tax

exemption. Swinerton has committed to ensuring compliance with the worker number, Nevada resident, wage, and health benefits requirements.

Q. WHAT WILL BE THE AVERAGE HOURLY WAGE FOR CONSTRUCTION EMPLOYEES, EXCLUDING MANAGEMENT AND ADMINISTRATIVE EMPLOYEES?

A. The average hourly wage for construction employees, excluding management and administrative employees will be approximately \$32.81 per hour based on Swinerton's prior experience and preliminary subcontractor bidding, which exceeds 150% of the average state wage. Our selected EPC contractor has studied the Nevada Revised Statutes ("NRS") 701A.365(1)(d)(1) and the Nevada Energy Commissioner's Regulation R094-10 Sec. 24(2) in detail and EPC contract pricing is based on obtaining the partial sales tax exemption. Swinerton has committed to ensuring compliance with the worker number, Nevada resident, wage, and health benefits requirements.

Q. WILL CONSTRUCTION EMPLOYEES BE PROVIDED A HEALTH INSURANCE PLAN WITH AN OPTION FOR COVERAGE OF THE DEPENDENTS OF EMPLOYEES?

A. Yes. Benefits for construction employees and their dependents will be determined by vendors and will be required to meet or exceed the requirements of NRS 701A.365 (1) (d) (4) R094-10 Sec. 24(5).

Q. WILL K ROAD MOAPA SOLAR NOTIFY THE NEVADA ENERGY COMMISSIONER ONCE VENDORS ARE SELECTED SO THAT COMPLIANCE WITH NRS 701A CAN BE VERIFIED?

A. Yes. Once vendors are selected, K Road Moapa will notify the Nevada Energy Commissioner so that compliance with the wage, benefit, residency and other requirements of NRS Chapter 701A can be verified.

Q. HOW MANY EMPLOYEES WILL BE EMPLOYED BY THE K ROAD MOAPA SOLAR PROJECT FOR OPERATIONS AND MAINTENANCE?

A. K Road Moapa Solar estimates there will be at least four full time employees for operations and maintenance.

Q. WHAT WILL THE AVERAGE HOURLY WAGE BE?

A. They will have an average hourly wage estimated at \$40.87.

Q. WILL THE FINANCIAL AND EMPLOYMENT BENEFITS THE STATE OF NEVADA AND ITS RESIDENTS RECEIVE FROM THE K ROAD MOAPA SOLAR PROJECT EXCEED THE LOSS OF TAX REVENUE THAT WILL RESULT IF THE PARTIAL ABATEMENTS ARE GRANTED?

A. Yes. Taken together, the capital investment amount, wages paid, jobs created and taxes paid will exceed the loss of tax revenue that will result from the tax abatement. We expect most of the taxes due on this project to be paid to the Moapa Band of Paiutes, but

this fact will not impact any determination that the financial benefits of this project will outweigh any abated tax revenue.

Q. CAN YOU PLEASE PROVIDE AN OVERVIEW OF K ROAD POWER AND K ROAD MOAPA SOLAR?

A. Headquartered in New York city, K Road Power and its affiliate, K Road Moapa Solar, is an independent power developer focused on developing, financing, owning and operating utility-scale solar projects in the southwest United States, primarily on tribal lands. K Road senior management is made up of long time power sector professionals, along with a senior executive with a multi-decade history of helping advance the legal and economic interests of Indian Tribes. In August 2011, K Road announced a partnership with Barclays Capital for the continued development, construction and operation of K Road's utility scale solar power portfolio.

K Road Moapa has the core competencies to fully develop, design, construct and operate a solar project. Led by William Kriegel, K Road's senior management is composed of long time power sector professionals from Sithe Energies and Goldman Sachs, and includes experienced sector professionals from AES Solar, Calpine, PG&E, Tessera Solar, and Solar Millennium. K Road, together with its principals, has over 100 years of cumulative experience successfully developing and safely operating approximately 20,000 MW of conventional and renewable power assets, creating exceptional value for both shareholders and project stakeholders. Leveraging its experience in global power

generation, K Road promotes sustainable energy development with a focus on reliability and efficiency in concert with environmental and social responsibility.

Through their experience at Ssthe, AES and PG&E, members of the K Road team have developed and/or operated a range of power generating facilities that include:

- Run-of-the-river hydro in the United States,
- Large scale hydroelectric facilities in the Philippines,
- 25 MWs of solar thermal projects in the Mojave desert,
- Small scale gas CCGT to serve the U.S Navy,
- 2,000 MW of conventional oil and gas projects in Europe, and
- Large scale CCGT projects, including 600 MW in California and several well in excess of 1,000 MW with state of the art emissions controls.

K Road will apply its proven power industry experience and history of structuring non-recourse financings for utility scale power generation facilities to successfully finance, construct, and deliver the Project.

Q. WHAT IS THE RELATIONSHIP BETWEEN K ROAD POWER AND K ROAD MOAPA SOLAR?

A. K Road Moapa Solar is a fully-owned subsidiary of K Road Power. K Road Moapa Solar was created specifically for the purpose of developing, financing, owning and operating the K Road Moapa Solar Project.

Q. HAS THE K ROAD MOAPA SOLAR PROJECT BEEN KNOWN BY ANY OTHER NAMES?

A. No.

Q. IS K ROAD MOAPA SOLAR QUALIFIED TO DO BUSINESS IN NEVADA AND DOES IT HOLD A NEVADA BUSINESS LICENSE?

A. Yes.

Q. HAS K ROAD MOAPA SOLAR OBTAINED ALL REQUIRED PERMITS TO CONSTRUCT THE K ROAD MOAPA SOLAR PROJECT?

A. Yes. K Road Moapa Solar has received all of the following permits: the Record of Decision from the Secretary of the Interior, approving both the Project's Lease with the Moapa Band of Paiute Indians and the Right of Way Grant from the Bureau of Land Management; the Special Use Permit from Clark County, Nevada; and the Utility Environmental Protection Act Permit from the Public Utilities Commission of Nevada. K Road Moapa Solar is in the process of obtaining construction permits, including a Grading Permit from Clark County. K Road Moapa Solar expects to have approval from all agencies prior to June 2013.

Q. WILL K ROAD MOAPA SOLAR OBTAIN AND MAINTAIN ALL REQUIRED LICENSES AND PERMITS TO CONSTRUCT AND OPERATE THE K ROAD MOAPA SOLAR PROJECT?

A. Yes.

Q. WHAT BENEFITS DO K ROAD MOAPA SOLAR'S SOLAR ENERGY FACILITIES BRING TO THE STATE AND COUNTIES?

- A.** K Road Moapa Solar will invest over \$420,000,000 of private money in the State of Nevada. The K Road Moapa Solar Project will also create approximately 450 construction jobs, of which approximately 430 positions will be filled by Nevada residents.

Even after the application of the tax abatements requested in this proceeding, K Road Moapa Solar will pay approximately \$10 million in sales and use taxes, assuming that the applicable tax rate remains 2.6% rather than 2.25%. Although as noted above we expect most of the taxes due on this project to be paid to the Moapa Band of Paiutes, the capital contribution, job creation, and added revenues from taxes after abatement will nonetheless result in substantial, net-positive benefits to Nevada that far outweigh the value of revenues not recognized because of the abatement.

In addition to economic benefits, this project will be the first utility-scale solar project ever constructed on an Indian Reservation. As such, it will serve as a template for future projects in Indian Country. The Project will also generate clean, renewable energy in Nevada, promote Nevada's policy goal of exporting power to California; and advance Nevada towards regional leadership in the development of renewable energy resources.

Q. HAS K ROAD MOAPA SOLAR MET WITH CLARK COUNTY TO DISCUSS THE K ROAD MOAPA SOLAR PROJECT AND ITS REQUEST FOR PARTIAL TAX ABATEMENTS?

A. Yes.

Q. DO YOU AWARE OF CLARK COUNTY'S POSITION WITH RESPECT TO THE K ROAD MOAPA SOLAR PROJECT?

A. Yes.

Q. WHAT IS THE COUNTY'S POSITION?

A. Clark County Commissioner Collins has provided a letter memorializing the County's support for the project, which is included as an exhibit to K Road Moapa Solar's hearing packet. The County Administrator has advised K Road Moapa Solar that the County will not participate in the hearing process.

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

A. Yes.

Q. DO YOU BELIEVE THAT THE K ROAD MOAPA SOLAR PROJECT MEETS ALL OF THE CRITERIA REQUIRED BY CHAPTER 701A OF THE NEVADA

REVISED STATUTES TO QUALIFY FOR THE PARTIAL ABATEMENTS YOU ARE REQUESTING?

A. Yes.

Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS AND CONCLUSIONS.

A. I recommend that K Road Moapa Solar's application for the partial abatement of sales and use tax and property tax be granted. K Road Moapa Solar has demonstrated that the K Road Moapa Solar Project has met or will meet all the requirements for approval of the partial tax abatements set forth in NRS Chapter 710A. Moreover, Clark County Commissioner Collins, in whose district the Project is located, has publicly voiced his support for the Project. Lastly, the K Road Moapa Solar Project brings economic, employment, environmental and social benefits to the state of Nevada that far outweigh the loss in tax revenue associated with the requested abatements. K Road Moapa Solar has the core competencies to develop, design, and construct, and operate a solar project. The State of Nevada can be confident that K Road Moapa Solar will complete the project and deliver the benefits described in K Road Moapa Solar's application and in the foregoing testimony.

ATTACHMENT 1

Sean Gallagher

805 Contra Costa Avenue
Berkeley, CA 94707
415-261-7198
Sean_gallagher@mindspring.com

Education

University of California, Berkeley (Boalt Hall), J.D.

University of California, Berkeley (Boalt Hall), M.A. Jurisprudence & Social Policy

University of Virginia, B.A. (High Honors), Philosophy; B.A. (High Honors), Psychology

Experience

2011 – present **K Road Power**, San Francisco, CA

Managing Director, Government Relations

- Create an effective representation of the company and its solar power development projects in the appropriate governmental, regulatory and public affairs forums
- Plan and execute on legislative, regulatory and public affairs objectives at state and federal levels
- Leverage knowledge of western market, policymakers and market participants to develop and execute the company's development & acquisition strategy

2008 – 2010 **Tessera Solar North America & Stirling Energy Systems**, Berkeley, CA

Vice-President, Market Strategy & Regulatory Affairs

- Responsible for creating an effective representation of TSNA & SES in particular and the CSP industry in general in the appropriate governmental, regulatory and public affairs forums
- Set and execute on legislative, regulatory and public affairs objectives
- Oversee public and media relations and marketing
- Leverage knowledge of California market, policymakers and market participants to develop and execute development strategy

1998 – 2008 **California Public Utilities Commission**, San Francisco, CA

2005 – 2008 *Director, Energy Division*

- Advised Commissioners, the Legislature, the Administration, and other public and private officials on high-level policy development and strategic issues
- Implemented California's Energy Action Plan, developed energy policy and rates, and planned infrastructure
- Directed the strategic response to Commission-sponsored initiatives on Energy Efficiency, Demand Response, Solar, and Renewable Energy
- Led a staff of over 100 analysts, auditors, accountants, and engineers

1998 – 2004 *Senior Attorney*

- Prosecuted the California energy crisis refund cases at the Federal Energy Regulation Commission (FERC) and in the courts; negotiated energy crisis settlements worth billions of dollars to California ratepayers; and articulated California Public Utility Commission (CPUC) policy on California electricity market redesign
- Advised Commissioners, Administrative Law Judges, and staff on electricity policy and litigation
- Represented the CPUC in regulatory proceedings in the U.S. Courts of Appeals, and before the state Legislature, with a focus on market structure, resource adequacy, market redesign, and market power issues

1997 – 1998 **Arter & Hadden**, San Francisco, CA

Senior Associate

- Prepared for and tried civil actions

1991 – 1997 **Sedgwick, Detert, Moran & Arnold**, San Francisco, CA

Senior Litigation Associate

- Represented plaintiffs and defendants in employment, insurance, and environmental litigation matters, through jury trial

Exhibit (G) – Letter of support from Clark County Board of Commissioners dated March 14,
2013

RECEIVED

MAR 21 2013

NEVADA STATE OFFICE
OF ENERGY

TOM COLLINS
Commissioner



Board of County Commissioners

CLARK COUNTY GOVERNMENT CENTER
500 S GRAND CENTRAL PKY
BOX 551601
LAS VEGAS NV 89155-1601
(702) 455-3500 FAX: (702) 383-6041

March 14, 2013

Stacey Crowley, Director
Nevada State Office of Energy
755 North Roop Street, Suite 202
Carson City, Nevada 89701

RE: K Road Moapa Solar Tax Abatement Application

Dear Ms. Crowley:

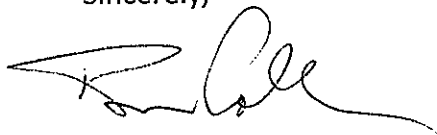
I am writing to offer my support for the K Road Moapa Solar project.

The Project is being developed on the reservation of the Moapa Band of Paiute Indians (the "Tribe") 30 miles northeast of Las Vegas by K Road Moapa Solar LLC ("K Road"). With the approval last summer by the Department of Interior and the Bureau of Indian Affairs of the Project's lease with the Tribe and all federal environmental permitting, and the approval by the Los Angeles City Council of the Power Purchase Agreement ("PPA") negotiated with the Department of Water and Power ("LADWP"), the Project is shovel-ready.

The Project will benefit the environment, the Tribe, local workers, and the economy of Southern Nevada. The K Road Project is an environmentally and economically viable way for LADWP to meet its 33% renewable portfolio standard ("RPS") requirement. It will provide rental income to the Tribe now and will also provide substantial employment opportunities for both tribal and non-tribal members. It will create over 450 jobs, diversifying Nevada's economy, and advance Nevada and California's movement towards a clean energy economy. I am advised that the local electrical workers union will provide an innovative training program for tribal members that will

support the creation of a diverse, well-trained, union workforce whose skills can be transferred to meeting regional and national renewable energy goals.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Collins', with a long horizontal flourish extending to the right.

Tom Collins
County Commissioner

cc: Sean Gallagher, K Road Moapa Solar

Exhibit (H) – K. Road Moapa Solar financial benefits and abatement worksheet providing examples of future financial benefit scenarios based on delivery location of taxable purchases.

Scenario 1 - Cap Invest, S&U tax proportional and jobs 100% benefits			
	100% of sales subject to state sales tax	90% of Sales subject to Indian Sales tax	95% of Sales subject to Indian Sales tax
Financial Benefits		10%	5%
Capital Investment subject to tax	\$ 390,552,157	\$ 39,055,216	\$ 19,527,608
Total School Support Tax Paid Over 3 years	\$ 8,787,424	\$ 878,742	\$ 439,371
Nevadans Construction Payroll (12 months @\$32.81/hr)	\$ 29,345,264	\$ 29,345,264	\$ 29,345,264
Operational Payroll (assumed Nevadans - 24 months @\$40.87/hr)	\$ 680,077	\$ 680,077	\$ 680,077
Total Benefits to NV over 3 year abatement period	\$ 429,364,921	\$ 69,959,299	\$ 49,992,320
Amounts Abated			
Total Sales & Use Tax Abated (3 years)	\$ 22,847,301	\$ 2,284,730	\$ 1,142,365
Benefits less (-) Abatement	\$ 406,517,620	\$ 67,674,569	\$ 48,849,955