

Application No. AFN 16-0328SPV

Direct Testimony of

Andrew Hamilton

on behalf of

SUNPOWER CORPORATION AND BOULDER SOLAR II, LLC

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Andrew Hamilton, and my business address is 1414 Harbour Way South, Richmond, CA 94804.

Q. BY WHOM AND WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed by SunPower Corporation (“SunPower”) as Manager, Origination and Development.

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

A. I am testifying on behalf of SunPower and its subsidiary Boulder Solar II, LLC (“BS II”).

Q. DOES ATTACHMENT 1 TO THIS DIRECT TESTIMONY 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 BS II's request for partial tax abatement for its new 50 megawatt (“MW”) solar photovoltaic (“PV”) electric generating and transmission facility in Boulder City, Nevada (the “Boulder Solar II Project” or “Project”). I will also demonstrate that the Boulder Solar Project meets all criteria to qualify for the requested partial tax abatement by providing an overview of BS II, its business operations, and the success of its parent corporation, SunPower, in developing and operating solar generating and transmission facilities, as well as specific information related to the Boulder Solar II Project.

Q. ARE YOU FAMILIAR WITH THE APPLICATION FOR PARTIAL ABATEMENTS, AND ANY AMENDMENTS OF SUPPLEMENTS THERETO, FILED ON BEHALF OF THE 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. PLEASE PROVIDE AN OVERVIEW OF BS II AND SUNPOWER.

A. BS II is a subsidiary of SunPower and it will develop, own and operate a 50 MW solar photovoltaic electric generating facility in Boulder City, Nevada.

Q. HAVE YOU REVIEWED BS II'S APPLICATION FOR THE PARTIAL ABATEMENTS?

A. Yes.

Q. WHAT TYPES OF ABATEMENTS IS BOULDER SOLAR PROJECT REQUESTING?

A. As provided in NRS Chapter 701A, BS II is requesting partial abatements on the sales and use tax for personal property purchased to construct Boulder Solar II Project and the property tax levied pursuant to Chapter 361 of NRS for the portions of the real and personal property used for generation and transmission of electricity produced from solar energy.

Q. WILL ANY FUNDING BE PROVIDED BY ANY GOVERNMENTAL ENTITY IN THIS STATE FOR THE ACQUISITION, DESIGN OR CONSTRUCTION OF BOULDER SOLAR II PROJECT OR FOR THE ACQUISITION OF THE LAND?

A. No.

Q. WILL THE BOULDER SOLAR II PROJECT BE OWNED, OPERATED, LEASED OR OTHERWISE CONTROLLED, EVEN IN PART, BY A GOVERNMENT AGENCY?

A. No.

Q. WILL ANY PUBLIC LAND OR PUBLIC FINANCING BE USED FOR THE PROJECT?

A. The Boulder Solar II Project is located on land owned by the City of Boulder City, Nevada, and a portion of the transmission line is located on land within Boulder City over which the federal government (through the U.S. Bureau of Land Management) asserts an interest as a transmission utility corridor. No public financing will be used for the Project.

Q. HAVE YOU APPLIED FOR OR ARE YOU RECEIVING ANY OTHER TAX ABATEMENT OR EXEMPTION FOR THE BOULDER SOLAR II PROJECT?

A. No, although BS II intends to rely on the Federal Investment Tax Credit.

Q. PLEASE DESCRIBE THE PROJECT.

A. The Project is a 50 MW solar photovoltaic electric generating facility which will be located on municipally-owned land in Boulder City, Nevada, approximately 25 miles southeast of Las Vegas, nine miles south/southwest of the intersection of Highways 93 and 95 within the Boulder City Solar Energy Zone.

Q. HOW LONG WILL BOULDER SOLAR PROJECT BE IN OPERATION?

A. BS II has a twenty-year power purchase agreement (“PPA”) with Nevada Power Company d/b/a NV Energy for the output of the Project. It has executed a twenty-year lease with Boulder City, with two additional twenty-year extension options. SunPower warrants its modules for twenty-five years, and studies suggest a useful life exceeding forty years. BS II believes the Project will be an operating asset for many years following the expiry of the PPA and the property tax abatement.

Q. WHY IS BS II REQUESTING PARTIAL TAX ABATEMENTS FOR THE PROJECT?

A. The availability of property and sales tax abatements was an important factor in SunPower’s decision to develop a solar power plant in Nevada, and the financial incentives provided under Nevada law permitted the power from the Boulder Solar Project to be offered at a significantly lower price than would otherwise be possible. The requested partial abatements were factored into the pricing of the PPA for the Project and critical to the successful construction and completion of the Project.

Q. HOW MUCH CAPITAL WILL BE INVESTED IN THE PROJECT?

A. The Boulder Solar II Project will result in a capital investment in excess of \$100,000,000.

Q. HOW MANY PEOPLE WILL BE EMPLOYED DURING CONSTRUCTION OF THE PROJECT?

A. While exact numbers are not yet known, based upon previous experience of SunPower in the construction of similar projects, it is estimated that the Project will create approximately 120 full-time construction jobs.

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

A. During the second quarter of construction, it is estimated that 75% of the full-time construction employees will be Nevada residents. Compliance with Nevada Revised Statutes (“NRS”) 701.365(1)(d)(1), Nevada Administrative Code (“NAC”) 701A.590(2),

and Nevada Energy Commissioner Regulation R094-10 Sec. 23(5) will be a requirement of the vendor for construction labor for the Project.

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 equal to or greater than \$36.09 per hour to be adjusted as required to comply with minimum wage levels.

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

A. The construction labor contractor for the Project has not yet been finalized. The benefits for construction workers and their dependents will be determined by vendors, but the contractor will be contractually required by BS II to meet or exceed the requirements of NRS 701A.365(1)(d)(4)(I) & (II), NAC 701A.590(5) and the Regulation of the Nevada Energy Commissioner R094-10 Sec. 23(5). This is a mandatory requirement for vendors.

Q. WILL BOULDER SOLAR NOTIFY THE NEVADA OFFICE OF ENERGY ONCE VENDORS ARE SELECTED SO THAT COMPLIANCE WITH NRS 701A CAN BE VERIFIED?

A. Yes; once vendors are selected, BS II will notify the State Office of Energy 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 PROJECT FOR OPERATIONS AND MAINTENANCE?

A. BS II estimates that one full-time employee will be utilized for operation and maintenance of the operational facility.

Q. WHAT WILL THE AVERAGE HOURLY WAGE BE?

A. The average hourly wage of the full-time employee will be \$45.00 per hour, adjusted as necessary to comply with minimum wage levels.

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

A. Yes. The capital investment, wages and taxes paid and jobs created will exceed the loss of tax revenue resulting from the partial tax abatements.

Q. CAN YOU PLEASE PROVIDE AN OVERVIEW OF SUNPOWER?

A. Founded in 1985, SunPower Corporation is a leading solar technology and energy solutions provider, delivering unmatched reliability, efficiency, and guaranteed performance. Through design, manufacturing, installation, ongoing maintenance and monitoring, SunPower provides its proprietary, high-performance solar technology to residential, commercial and utility customers worldwide.

Q. WHAT IS SUNPOWER'S EXPERIENCE IN DEVELOPING AND OPERATING POWER PLANTS?

A. SunPower's global project portfolio has grown to include over 800 commercial and solar power plant systems with today's largest government organizations, utilities and Fortune 100 companies.

SunPower has a demonstrated track record of developing, constructing and operating utility-scale solar power plants around the world. SunPower has manufactured and deployed over 2.5 GW of solar PV cells and panels and has over 1.5 GW of utility solar PV power plants in operation, in construction, or under contract.

Q. WHAT IS THE RELATIONSHIP BETWEEN SUNPOWER AND BS II?

A. BS II is a wholly-owned subsidiary of SunPower.

Q. HAS THE BOULDER SOLAR II PROJECT BEEN KNOWN BY ANY OTHER NAMES?

A. No.

Q. IS BS II QUALIFIED TO DO BUSINESS IN NEVADA AND DOES IT HOLD A NEVADA BUSINESS LICENSE?

A. Yes.

Q. HAS BS II OBTAINED ALL REQUIRED PERMITS TO CONSTRUCT THE PROJECT?

A. BS II has been working with the U.S. Bureau of Land Management ("BLM"), State of Nevada, Clark County and Boulder City to obtain the permits and approvals required to construct the Project. All necessary permits and approvals have been obtained for the solar electric generation portion of the Project and BS II anticipates obtaining the BLM

right-of-way grant for the Project gen-tie, the only outstanding permit for that portion of the Project, during the second quarter of 2016.

Q. WILL BS II OBTAIN AND MAINTAIN ALL REQUIRED LICENSES AND PERMITS TO CONSTRUCT AND OPERATE THE PROJECT?

A. Yes.

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

A. BS II will invest over one hundred million dollars (\$100,000,000) in private money in the State of Nevada and will create 120 construction jobs, at least 90 of which will be filled by Nevada residents.

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 THE 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 BS II's application for partial abatement of sales and use taxes and property taxes be granted. BS II has demonstrated that the Project has or will meet all of the requirements for approval of the partial tax abatements as set forth in NRS Chapter 710A. In addition, the Project will result in economic, employment and environmental benefits to the State that exceed the loss in tax revenue associated with the abatements requested by BS II.

SunPower is a world leader in solar development, and has the experience and ability to design, develop, construct and operate solar facilities. The State can be confident that the Project will be completed and will deliver the benefits described in BS II's application and in this testimony.

Attachment 1

SUNPOWER®

Andrew Hamilton is a Business Development Manager for the Americas Power Plants group at SunPower Corporation. He is responsible for power purchase and EPC contracts, as well as the entitlement and development of large-scale solar power projects. Andrew is currently a lead developer on the Boulder Solar Power project, a 100MW greenfield power plant located outside Boulder City; his team has also been responsible for 220 megawatts in Nevada. Prior to joining SunPower, Andrew worked at Perennial Power, a subsidiary of Sumitomo Corporation, as a Business Development Associate focused on power plant acquisitions. He also spent four years at Goldman Sachs, working in institutional sales and investment research for the electric utility and merchant power industry. He holds a Master of Business Administration from the Haas School at the University of California at Berkeley and a Bachelor of Arts dual-degree in Political Science and History from the University of Pennsylvania.