



**GOVERNOR'S OFFICE OF ENERGY**

**MINUTES  
Of the Renewable Energy Tax Abatement Hearing of the  
GOVERNOR'S OFFICE OF ENERGY**

**AFN 12-0622G  
ORNI 47, LLC**

January 30, 2014

The Governor's Office of Energy held a public meeting on January 30, 2014, beginning at 2:01PM. at the following location:

Governor's Office of Energy, 755 North Roop Street, Suite 202, Carson City, Nevada

Present at the hearing:

Brita Tryggvi, Deputy Director of the Governor's Office of Energy

Suzanne Linfante, Governor's Office of Energy

Eyal Hen, Ormat

Luke Welmerink, Ormat

Tim Clausen, Lewis Roca Rothgerber

**1. Call to order:** The meeting was called to order at 2:01 PM by Deputy Director (Deputy Director) Brita Tryggvi.

**2. Deputy Director's comment:** The Deputy Director stated that this was a hearing on the merits of the ORNI 47 LLC application. The application for partial abatement of taxes is for the operation of a geothermal facility located on 13,800 acres of BLM land in Mineral County.

**3. Public comment and discussion** (1st period): The Deputy Director asked if anyone from the public sought to make a comment on the matter. There was no public comment.

**4. Presentation of Evidence and Testimony:** The Deputy Director submitted Exhibit 1, a packet of documents consisting of the Notice of Public Hearing, dated January 7, 2014, the ORNI 47, LLC Pre-Application filed with the Director on June 22, 2012, the ORNI 47, LLC Application (Redacted) as filed with the Nevada State Office of Energy on October 23, 2013, the Fiscal Impact Renewable Energy Partial Abatement of Property Tax as required by NRS 701A.375-1(b) by the Nevada Department of Taxation, and pre Filed Testimony of Mr. Eyal Hen or Ormat Nevada, Inc.

into evidence and asked the representatives for the applicant to introduce themselves which they did.

Tim Clausen made an opening statement as thanked the office of energy for their efforts and consideration.

The Deputy Director asked for witnesses to provide testimony in regards to the matter. Tim Clausen asked Eyal Hen if the written testimony supplied was correct and based on the best of his knowledge in which he said it was.

The Deputy Director asked if any other person wanted to be heard in regards to the matter to which she received no response. The Deputy Director asked if any person wished to add any closing remarks to which she received no response.

**5. The Deputy Director stated her findings and conclusions** based upon the substantial, reliable, and credible evidence presented in the exhibits and testimony.

As to NRS 701A.360 (1), the Deputy Director found that the applicant intends to locate within this State a facility for the generation of geothermal renewable energy, thus meeting the intent of the statute. As to NRS 701A.360(2), the Deputy Director found that the facility is not owned, operated, leased, or controlled by a government agency, thus meeting the requirement of the statute. The Deputy Director found that NRS 701A.365(1)(a)(1) has been met by this renewable energy project, as the facility is expected to continue in operation in this State for a period of at least 10 years and is expected to continue to meet the eligibility requirements for the abatement. As to NRS 701A.365(1)(b), the applicant has provided information supporting testimony that all the necessary state and local permits and licenses to construct and operate will be received, thus meeting the requirement of the statute. As to NRS 701A.365(1)(c), the applicant has provided testimony that no funding for facility is or will be provided by any governmental entity in this State for the acquisition, design or construction of the facility or for the acquisition of any land therefore, thus meeting the requirement of the statute. As to NRS 701A.365(1)(d)(1), the application states that the construction of the facility will employ 50 full-time employees during the second quarter of construction of which at least 50% will be Nevada residents. As to NRS 701A.365(1)(d)(2), the Deputy Director found that the total capital investment in the facility is estimated to be \$ 84,000,000, thus exceeding the \$3,000,000 capital investment required by the statute. As to NRS 701A.365(1)(d)(3), the Deputy Director found that this statute is met as the application states that the average hourly wage that will be paid by the facility to its employees in this State, excluding management and administrative employees, is approximately \$25.00, which is at least 110% of the average statewide hourly wage set by DETR. As to NRS 701A.365 (1)(d)(4), the Deputy Director found that this statute is met as the application states that the average hourly wage that will be paid by the facility to all of its construction employees working on the facility, excluding management and administrative employees, will be approximately \$41.05, which is at least 175% of the average statewide hourly wage set by DETR. As to NRS 701A.365(1)(d)(4)(I) and (II), the application states that the health insurance provided to the construction employees on the facility allows for the coverage of the dependents of the employees and will meet or exceed the standards established by the Director, thus meeting the requirement of the statute. As to NRS 701A.365(1)(f), the Deputy Director found that the benefits that will result to this State from the employment by the facility of

the residents of this State and from capital investments by the facility in this State exceeds the loss of tax revenue that will result from the abatement, thus meeting the requirement of the statute. The Deputy Director found that the financial benefits to the state exceeded the abated amounts and provided each figure. The total benefits to the state of Nevada are \$101, 738, 889.50 inclusive of amounts previously used to approve the sales and use tax abatement, and the total abatement is \$12,640,650.50 inclusive of amounts used to approve the sales and use tax abatement.

The Deputy Director found that the partial abatement of property tax did not apply during a time in which the facility was receiving an abatement for the same.

#### **6. Approval of Application.**

**7. Explanation of Process:** The Deputy Director explained that after today's hearing, she will produce a written Findings of Fact, Conclusions of Law, and Order. Once the Order is issued, the Deputy Director or her representative, representatives from the Nevada Department of Taxation, and appropriate representatives of your company will meet face-to-face to go over the terms and conditions of the Abatement Agreement and after that meeting, we will execute the Abatement Agreement.

As a reminder, pursuant to NRS 701A.380, a partial abatement approved by the Deputy Director will terminate upon any determination by the Director or his/her representative that the facility has ceased to meet any eligibility requirements for the abatement.

**8. Public comment and discussion (2nd period):** The Deputy Director asked if anyone had any public comment to which there was no response.

**7. Adjournment:** 2:20 PM.