



**GOVERNOR'S OFFICE OF ENERGY**

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

**AFN 14-0529SPV**  
**American Capital Energy - Searchlight Solar, LLC**

July 31, 2014

The Governor's Office of Energy held a public meeting on July 31, 2014, beginning at 2:03 PM at the following location:

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

Present at the hearing:

Paul Thomsen, Director of the Governor's Office of Energy  
Suzanne Linfante, Governor's Office of Energy  
Tom Anderson, American Capital Energy Searchlight Solar  
Rusty Sage, American Capital Energy Searchlight Solar  
Kim Kobriger, Nevada State Department of Taxation  
Terry Rubald, Nevada State Department of Taxation  
Jan Kelley, Nevada State Department of Taxation  
Mitsuyo Maser, Nevada State Department of Taxation  
Melanie Brooks, Nevada State Department of Taxation

**1. Call to order:** The meeting was called to order at 2:03 PM by Director Paul Thomsen.

**2. Director's comment:** The Director stated that this was a hearing on the merits of Searchlight Solar LLC. The application for partial abatement of taxes is for the operation of a 17.5 MW nameplate solar facility located on 270 acres of private land in Clark County.

**3. Public comment and discussion (1st period):** The 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 Director submitted Exhibit 1, a packet of documents consisting of the pre-application of Searchlight Solar, LLC, Exhibit A - Notice of Public Hearing, dated July 21, 2014; Exhibit B - Searchlight Solar LLC Application (Redacted) as filed

with the Governor's Office of Energy on June 13, 2014; Exhibit C - Fiscal Impact of Renewable Energy Partial Abatement of Property Tax as required by NRS 701A.375-1(b) by the Nevada Department of Taxation, received on July 16, 2014; Exhibit D – Fiscal Impact of 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 June 18, 2014; Exhibit E - Fiscal Impact to the state general fund budget by the Nevada Department of Administration, received June 25, 2014; 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.

The Director asked for introductions of those that wished to speak. Tom Anderson of American Capital Energy Searchlight Solar introduced himself, Rusty Sage of American Capital Energy Searchlight Solar introduced himself, and Terry Rubald of the Nevada State Department of Taxation introduced herself.

Tom Anderson submitted an updated list of contractors and the Director marked it as exhibit 2.

The Director asked for witnesses to provide testimony in regards to the matter. Tom Anderson verified he had filed testimony and that it was unchanged. Terry Rubald spoke regarding the valuation method in determining property taxable values. She stated the applicant had made an assertion in the application that some of the property that is typically classified as real property should be classified as personal property and explained how the valuation is handled. Tom Anderson thanked Terry for her analysis and felt the situation had been addressed.

The Director asked if any other person wanted to be heard in regards to the matter to which he received no response. The Director asked if any person wished to add any closing remarks to which Tom Anderson thanked the Office of Energy.

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

As to NRS 701A.360 (1), the Director found that the applicant intends to locate within this State a facility for the generation of solar renewable energy, thus meeting the intent of the statute. As to NRS 701A.360(2), the Director found that the facility is not owned, operated, leased, or controlled by a government agency, thus meeting the requirement of the statute. The 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 90 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 Director found that the total capital investment in the

facility is estimated to be \$45,000,000, thus exceeding the \$10,000,000 capital investment required by the statute. As to NRS 701A.365(1)(d)(3), the 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 \$23.00, which is at least 110% of the average statewide hourly wage set by DETR. As to NRS 701A.365 (1)(d)(4), the 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 \$36.25, 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 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 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 \$50,079,880 and the total abatement is as follows:

Based on the assumptions and conditions as if all cost components except the data acquisition system, were real property, the estimated fiscal impact for the duration of the abatement for 20 years is \$4,691,084.78. Based on the assumptions and conditions as if cost components including the tracker system, solar modules, inverter power stations, combiner boxes, low voltage DC electrical wiring, and data acquisition system were personal property, the estimated fiscal impact for the duration of the abatement for 20 years is \$4,089,037.78.

The Director found that the partial abatement of sales and use tax and 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 Director explained that after today's hearing, he will produce a written Findings of Fact, Conclusions of Law, and Order. Once the Order is issued, the Director or his 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 Director will terminate upon any determination by the Director that the facility has ceased to meet any eligibility requirements for the abatement. The Director asked if there were any questions.

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

**7. Adjournment:** 2:25PM.