



GOVERNOR'S OFFICE OF ENERGY

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

AFN 20-0909G
ORNI 32, LLC
Dixie Meadows

December 15, 2020

The Governor's Office of Energy held a public meeting on December 15, 2020 beginning at 10:00 AM. at the following location:

Via Videoconference – Zoom:
Meeting ID: 932 343 7543
Meeting Password: 9PRmfe
Via Phone Conference:
Conference Call Number: 605-472-5430
Access Code: 349735

Present at the hearing:

David Bobzien, Director of the Governor's Office of Energy
Laura Wickham, Energy Program Manager, Governor's Office of Energy
Lezlie Helget, Management Analyst, Governor's Office of Energy
Anthony Walsh, Deputy Attorney General
James Bergstrom, Senior Tax Analyst ORNI 32, LLC
Nicole Scott, Associate, Lewis Roca Rothgerber Christie LLP

1. Call to order: The meeting was called to order at 10:03 AM by Director David Bobzien. The Director stated that this was a hearing on the merits of the application for partial abatement of property taxes originally filed by ORNI 32, LLC on September 9, 2020. Application filing number 20-0909G. This is an application for a 19 MW geothermal facility located in Churchill County, NV.

2. 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.

3. Presentation of Evidence and Testimony: The Director submitted Exhibits A-F, a packet of documents consisting of: Exhibit A – Notice of Public Hearing, dated November 17, 2020; Exhibit B – A redacted application as filed with the Governor's Office of Energy on September 9, 2020;

Exhibit C – Fiscal Impact of the partial abatement of Property Tax as required by NRS 701A.375-1 by the Nevada Department of Taxation, received on November 2, 2020; Exhibit D – Fiscal Impact of the partial abatement of Sales and Use Tax as required by NRS 701A.375-1 by the Nevada Department of Taxation received on October 12, 2020; Exhibit E – Fiscal Impact of the partial abatement as provided by the Governor’s Finance Office, required by NRS 701A.375-1, received on October 8, 2020; Exhibit F – Pre-filed Testimony of James Bergstrom.

The parties present introduced themselves.

The Director admitted Exhibits A-F into evidence in this matter.

Director Bobzien asked whether the applicant had any additional information they would like to add. No additional information was added.

Nicole Scott: For the Director's note, we have received the updated wage requirements, which were recently released by DETR, and ORNI 32, LLC will adhere to those new wage requirements. To that end, we note that Mr. Bergstrom's pre-filed testimony indicated the previous wage requirements, and we are clarifying that we will meet the new \$42.28 requirement.

The Director asked if there was any other person who would like to be heard in this matter. No one asked to be heard in this matter.

The Director asked whether anyone would like to make a closing statement, there were no closing statements.

The Director closed the evidentiary portion of the hearing and thanked everyone for their testimony.

4. 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 geothermal 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 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)(e)(2), the Director found that the total capital investment in the facility is estimated to be approximately \$49,136,918 thus exceeding the \$3,000,000 capital investment required by the statute.

As to NRS 701A.365(1)(e)(3), the Director found that this statute is met as the application states that the average hourly wage paid by the facility to its operational employees, excluding management and administrative employees, will be approximately \$36.66, which is at least 110% of the average statewide hourly wage set by DETR of \$24.16.

As to NRS 701A.365 (1)(e)(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 \$42.28, which is at least 175% of the average statewide hourly wage set by DETR of \$24.16.

As to NRS 701A.365(1)(e)(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 \$54,413,488 and the total abatement is \$6,279,264.

Director Bobzien found NRS 701A.365(1)(g) to be met as the facility is consistent with the State Plan for Economic Development developed by the Executive Director of the Office of Economic Development pursuant to subsection 2 of [NRS 231.053](#).

As to NRS 701A.370(1)(a)(3), The 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, other than any partial abatement provided pursuant to NRS 361.4722.

As to NRS 701A.370(1)(b)(1)(III), The Director found that the abatement will not apply during any period in which the facility was receiving another abatement or exemption from local sales and use taxes, thus meeting the requirement of the statute.

5. Approval of Application. The Director approved the application for the partial abatement of property taxes. 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 ORNI 32, LLC may meet to go over the terms and conditions of the Abatement Agreement and after that meeting, we will execute the Abatement Agreement.

The Director stated that 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.

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

7. Adjournment: 10:15 AM.