



GOVERNOR'S OFFICE OF ENERGY

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

AFN 18-1119SPV, 18-1120SPV and 18-1121SPV
Techren Solar III, IV and V, LLC
March 7, 2019

The Governor's Office of Energy held a public meeting on March 7, 2019, beginning at 11 AM. at the following location:

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

Present at the hearing:

David Bobzien, Director of the Governor's Office of Energy
Laura Wickham, Governor's Office of Energy
Bryce Alstead, Counsel for Techren Solar III, IV and V, LLC
Lawrence Greene, Techren Solar III, IV and V, LLC
Sorin Popa, Nevada Department of Taxation
John Schillo, Nevada Department of Taxation
Craig Burkett, Counsel for the Governor's Office of Energy

1. Call to order: The meeting was called to order at 11 AM by Director David Bobzien. The Director stated that this was a hearing on the merits of the applications for partial abatement of property taxes originally filed by Techren Solar III, IV & V, LLC on November 19, 2018. Application filing numbers 18-1119SPV, 18-1120SPV and 18-1121SPV. These are applications for 3 solar facilities 25 MW, 25 MW and 50 MW respectively located in Clark 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 the Exhibits, 3 packets of documents consisting of: Exhibit 1 – Notice of Public Hearing, dated February 7, 2019; Exhibit 2 – A redacted Application as filed with the Governor's Office of Energy on November 19, 2018; Exhibit 3 – Fiscal Impact of the partial abatement of Property Tax as required by NRS 701A.375-1 by the Nevada Department of Taxation, received on December 17, 2018; Exhibit 4 – 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 December 5, 2018; Exhibit 5 – Fiscal Impact of the partial abatement as provided by the Governor's Office of Finance, required by NRS 701A.375-1, received

on December 5, 2018; Exhibit 6 – Pre-filed Testimony of Lawrence Greene. The Director admitted the Exhibits into evidence in this matter.

The parties present introduced themselves. The Director asked if Techren Solar III, IV and V, LLC intended to call a witness to testify, Laurence Greene provided additional testimony. He stated that the construction schedule has changed from the application because NV Energy under their rights exercised their interest in right of first offer on acquisition of the project. The process should be completed sometime in May and thus the construction process is on hold, this is only related to Techren III and IV. Techren III, IV and V will all be constructed on the same timeline which means they will all have an average hourly wage of \$45/hour for construction employees. The oath was administered, and Mr. Green stated it applied to all of his previous comments. A break was taken to calculate the new hourly wage.

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.

(1) As to NRS 701A.360 (1), I find that the applicant intends to locate within this State 3 facilities for the generation of solar renewable energy, thus meeting the intent of the statute.

(2) As to NRS 701A.360(2), I find that the facilities are not owned, operated, leased, or controlled by a government agency, thus meeting the requirement of the statute.

(3) I find that NRS 701A.365(1)(a)(1) has been met by these renewable energy projects, as the facilities are expected to continue in operation in this State for a period of at least 10 years and are expected to continue to meet the eligibility requirements for the abatement.

(4) 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.

(5) As to NRS 701A.365(1)(c), the applicant has provided testimony that no funding for the facilities is or will be provided by any governmental entity in this State for the acquisition, design or construction of the facilities or for the acquisition of any land, thus meeting the requirement of the statute.

(6) As to NRS 701A.365(1)(d)(1), the application states that the construction of the facilities will employ the following: Techren Solar III 75 **full-time employees** during the second quarter of construction of which at least 50% will be Nevada residents; Techren Solar IV 75 **full-time employees** during the second quarter of construction of which at least 50% will be Nevada residents; Techren Solar V 120 **full-time employees** during the second quarter of construction of which at least 50% will be Nevada residents. This meets the requirement of this statute.

(7) As to NRS 701A.365(1)(d)(2), I find the total capital investment in the facilities to be approximately as follows: Techren Solar III \$11,725,000; Techren Solar IV \$11,725,000; Techren Solar V \$16,800,000 thus exceeding the \$10,000,000 capital investment required by the statute.

(8) As to NRS 701A.365(1)(d)(3), I find that this statute is met as the filed applications state 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 \$23.83, which is at least 110% of the average statewide hourly wage currently set by Department of Employment Training and Rehabilitation of \$21.66.

(9) As to NRS 701A.365 (1)(d)(4), I find that this statute is met as the testimony presented here today states that the average hourly wage paid by the facilities to all of its construction employees working on the facilities, excluding management and administrative employees, will be approximately \$45 for Techren Solar III, IV and V which is at least 175% of the average statewide hourly wage currently posted by Department of Employment Training and Rehabilitation, of \$21.66. Required wage as used in this finding is defined in NRS 338.010.

(10) As to NRS 701A.365(1)(d)(4)(I) and (II), the applications state that the health insurance provided to the construction employees on the facilities 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.

(11) As to NRS 701A.365(1)(f), I find that the benefits that will result to this State from the employment by the facilities of the residents of this State and from capital investment by the facilities in this State exceeds the loss of tax revenue that will result from the abatements, 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 Sunshine Techren Solar I, 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: 11:33 AM.