

**BEFORE THE NEVADA ENERGY DIRECTOR  
GOVERNOR'S OFFICE OF ENERGY**

**In the Matter of the Application of:**            )  
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**COPPER MOUNTAIN SOLAR 4, LLC**            )  

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**Application Filing No. 15-0218SPV**

**FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

A hearing was held before the Deputy Director (Director) of the Governor's Office of Energy (Office) on June 12, 2015 regarding Application Filing Number 15-0218SPV. At the hearing, applicant Copper Mountain Solar 4, LLC, (CMS4) was represented by Kevin Wilson and Travis Jones. John Matt Tapp of AMEC Foster Wheeler E&C Services, the prime contractor for the facility, also appeared in support of the application. Scott Scherer and Brandon Sendall of Holland & Hart LLP, counsel for CMS4, were also present. Based upon the CMS4 application and evidence presented at the hearing, the Director makes the following findings of fact, conclusions of law, and order in this matter.

**FINDINGS OF FACT**

1. At the hearing of the matter, CMS4 presented the testimony of John Matt Tapp and Travis Jones. The Office Director admitted into evidence as Exhibit 1 a packet that contained seven subparts: (A) Notice of Public Hearing, May 19, 2015; (B) CMS4 Application filed with the Director on February 18, 2015; (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 May 18, 2015; (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 March 3, 2015; (E) Fiscal Impact of the partial abatement as provided by the Department of Administration, required by

NRS 701A.375(1), received on March 3, 2015; (F) Pre-Filed Testimony of John Matt Tapp of AMEC Foster Wheeler E & C Services; (G) Pre-Filed testimony of Travis Jones of Copper Mountain Solar 4, LLC. At the hearing, all of the subparts of Exhibit 1 were admitted into evidence.

2. CMS4 presented an updated business license which was marked as Exhibit 2.

3. The Director asked CMS4 to clarify the capital investment which was stated in testimony at the full amount and in the application as a percentage of the full amount. CMS4 stated that the panels would be manufactured outside of the state of Nevada.

Based upon the testimony of the witnesses and the evidence presented, the Director finds the following to be the facts in this matter.

4. CMS4 is a subsidiary of Sempra Energy. CMS4 is a limited liability company with a current Nevada State Business License from the Nevada Secretary of State.

5. On February 18, 2015, CMS4 submitted its Application seeking partial abatement of sales and use taxes and property taxes for the construction and operation of a facility for the generation of solar renewable energy ("Facility") that would be located in Boulder City, Clark County, Nevada, Clark County Assessor's Parcel Number 213-00-001-031, 213-00-001-027, 213-00-001-010, 213-00-001-011 (Application Filing Number (AFN) 15-0218SPV). The Application described a solar photovoltaic electric generating facility that would generate 93.6 Nameplate megawatts (MW) that would be sold for a period of 20 years pursuant to a Power Purchase Agreement.

6. Pre-filed testimony from John Matt Tapp and Travis Jones supported that CMS4 was properly licensed and qualified to do business in Nevada; that CMS4 had obtained all required discretionary state and local licenses and permits, with the remaining permits to be obtained prior to start of construction, expected December, 2015, and intended to maintain all of the required

licenses and permits for the Facility; that CMS4 had all necessary approvals for the Facility; that the Facility would have an AC nameplate rating of 94MW and was anticipated to produce 92 MW net; that CMS4 had entered into a 20-year power purchase agreement with Southern California Edison; that the Facility was anticipated to be at least partially operational sometime during the fourth quarter of 2016; that the total capital investment of the Facility will be approximately \$236,000,000; that the Facility would create approximately three full-time operational jobs which would pay an average of approximately \$31.00 per hour; and that the Facility would create approximately 200 full-time construction jobs over the course of construction which would pay an average hourly wage of \$64 per hour.

7. The Director took notice that CMS4 stated it would pay 110% of the average hourly wage for the fiscal year 2015, to its employees in this state, excluding management and administrative employees, and 175% of the average hourly wage for the fiscal year 2015, to its construction employees, excluding management and administrative employees, as set by the Department of Employment Training and Rehabilitation (DETR).

8. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the sales and uses taxes related to the Facility:

Total Amount Abated (Year 1)	\$8,113,494.79
Total Amount Abated (Year 2)	\$31,405.00
Total Amount Abated (Years 3)	\$11,000.00
<b>TOTAL AMOUNT ABATED</b>	<b>\$8,155,899.79</b>
Total Amount Abated by Local Government (Year 1)	\$5,163,133.02
Total Amount Abated by Local Government (Year 2)	\$19,985.00
Total Amount Abated by Local Government (Year 3)	\$7,000.00
<b>TOTAL AMOUNT ABATED BY LOCAL GOVERNMENT</b>	<b>\$5,190,118.05</b>
<b>TOTAL LOCAL SCHOOL SUPPORT TAX GAIN</b>	<b>\$3,855,516.26</b>

9. The Fiscal Impact statement produced by the Department of Taxation shows the following estimated figures regarding the property taxes related to the Facility over the abatement period (20 years):

Total Property Taxes Due Before Abatement	\$25,436,899
Total Property Taxes Abated Over Abatement Period	\$13,990,294
Total Taxes to Local Government Over Abatement Period	\$11,446,605

10. The Fiscal Note produced by the Budget Division shows that the State General Fund will be impacted for a total of approximately \$2,965,782 abated over the period of the abatement (2015 through 2018).

11. Synthesizing the figures in evidence in this matter, the total estimated benefit pursuant to NRS 701A.365(1)(f) to the state and local governments in Nevada is \$258,067,065 and the total estimated amount of property taxes and sales and use taxes abated in this matter is \$22,146,193.79. Thus, the benefits to the state and local governments in Nevada exceeds the total amount of abated taxes. The estimated benefits and amounts abated over the applicable periods of abatement are calculated as follows:

Financial Benefits

Capital Investment in Nevada	\$236,112,000
Construction Payroll in Nevada residents	\$18,279,705
Operational Payroll in Nevada:	\$3,675,360
<b>TOTAL BENEFITS OVER ABATEMENT PERIODS</b>	<b>\$258,067,065</b>

Amounts Abated

Total Sales and Use Taxes Abated (3 Years)	\$8,155,899.79
Total Property Taxes Abated (20 Years)	\$13,990,294
<b>TOTAL TAXES ABATED</b>	<b>\$22,146,193.79</b>

12. That all of the evidence discussed in the preceding paragraphs was supported by the substantial, reliable, and probative evidence taken from the record as a whole produced at the hearing of this matter.

### **CONCLUSIONS OF LAW**

1. The Director has the jurisdiction and authority to adjudicate this matter because the Application is within the scope of NRS 701A.300 through 701A.390 and the Director is required by law to hold the hearing in this matter pursuant to NRS 701A.360(5).

2. The substantial, reliable, and probative evidence in the record of this matter shows that the CMS4 Application for the construction and operation of the Facility satisfies the following statutory requisites:

(a) NRS 701A.320(1)(a) – The primary source of energy to operate the Facility will be the Facility itself, thus meeting the statutory standard.

(b) NRS 701A.320(1)(b) – The Facility will generate 94 MW AC Nameplate, thus exceeding the statutory standard.

(c) NRS 701A.320(2) – The Facility is not located on residential property, thus meeting the statutory standard.

(d) NRS 701A.360(2) – The Facility is not owned, operated, leased, or controlled by a government agency, thus meeting the statutory standard.

(e) NRS 701A.365(1)(a)(1) – The Facility is anticipated to be operational for at least 20 years, thus exceeding the statutory standard.

(f) NRS 701A.365(1)(b) – The Facility has all the necessary state and local permits and licenses to operate, thus meeting the statutory standard.

(g) NRS 701A.365(1)(c) - No funding for the 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, except any private activity bonds as defined in 26 U.S.C. §141, thus meeting the statutory standard.

(h) NRS 701A.365(1)(d)(1) – The construction of the Facility will employ at least 85 full-time employees during the second quarter of construction and 200 full-time employees over the course of construction. CMS4 anticipates that at least 50% of those employees will be Nevada residents, thus meeting the statutory standard.

(i) NRS 701A.365(1)(d)(2) – The capital investment in Nevada for the Facility is estimated to be approximately \$236,000,000, thus exceeding the statutory standard.

(j) NRS 701A.365(1)(d)(3) – The average hourly wage paid to the operational employees of the Facility will be approximately \$31.00, which is more than 110% of the average hourly wage set by DETR, thus exceeding the statutory standard.

(k) NRS 701A.365(1)(d)(4) – The average hourly wage paid to the construction employees on the Facility will be approximately \$64.00, which is more than 175% of the average hourly wage set by DETR, thus exceeding the statutory standard.

(l) NRS 701A.365(1)(e)(4)(I) and (II) – The health insurance provided to the construction employees on the Facility was represented to allow for the coverage of the dependents of the employees and will meet or exceed the standards established by the Director, thus meeting the statutory standard.

(m) NRS 701A.365(1)(f) – 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 statutory standard.

(n) NRS 701A.370(1)(a)(3) – The abatement granted by this Order will not apply during any period in which the Facility is receiving another abatement or exemption from property taxes

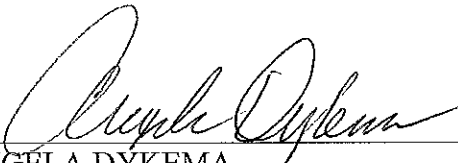
imposed pursuant to chapter 361 of NRS, other than any partial abatement provided pursuant to NRS 361.4722, thus meeting the statutory standard.

(o) NRS 701A.370(1)(b)(1)(III) – The abatement granted by this Order will not apply during any period in which the Facility is receiving another abatement or exemption from local sales and use taxes, thus meeting the requirement of the statute.

**ORDER**

Based upon the foregoing, the Director orders that CMS4 Application Filing No. 15-0218SPV related to the construction and operation of the Facility is hereby **GRANTED**. CMS4 and the Director may execute an Abatement Agreement as soon as practicable that will satisfy the requisites of NRS 701A.300 through NRS 701A.390. CMS4 sales and use tax abatement will terminate three years from the effective date of the Abatement Agreement. CMS4 real property tax abatement, which applies to the aforementioned Assessor's Parcel Numbers, and CMS4 personal property tax abatement will terminate 20 years from the effective date of the Abatement Agreement.

SIGNED this 16<sup>th</sup> day of June, 2015.

  
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ANGELA DYKEMA  
Deputy Director  
Governor's Office of Energy