

**ORNI 43 LLC/Ormat Nevada Inc.**  
**State of Nevada Renewable Energy**  
**Tax Abatement Application (Redacted)**  
**Tungsten Project**

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Application Checklist  
Tungsten Geothermal Project

A. Business License

# SECRETARY OF STATE



## NEVADA STATE BUSINESS LICENSE

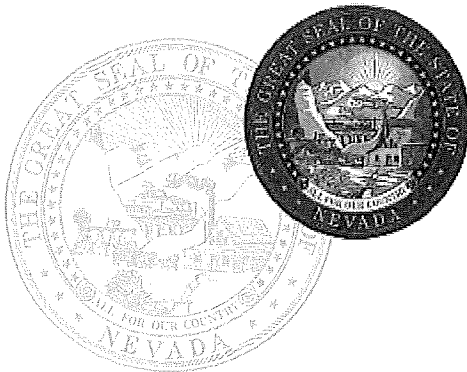
**ORNI 43 LLC**

Nevada Business Identification # NV20101211484

**Expiration Date: March 31, 2016**

In accordance with Title 7 of Nevada Revised Statutes, pursuant to proper application duly filed and payment of appropriate prescribed fees, the above named is hereby granted a Nevada State Business License for business activities conducted within the State of Nevada.

Valid until the expiration date listed unless suspended, revoked or cancelled in accordance with the provisions in Nevada Revised Statutes. License is not transferable and is not in lieu of any local business license, permit or registration.



IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Great Seal of State, at my office on March 26, 2015

*Barbara K. Cegavske*

BARBARA K. CEGAVSKE  
Secretary of State

***You may verify this license at [www.nvsos.gov](http://www.nvsos.gov) under the Nevada Business Search.***

License must be cancelled on or before its expiration date if business activity ceases.  
Failure to do so will result in late fees or penalties which by law cannot be waived.

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B. Facility Information Form

State of Nevada  
Renewable Energy Tax Abatement Application  
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Facility Information	
Date of Submittal to GOE:	
Type of Incentives (Please check all that the company is applying for on this application)	
<input checked="" type="checkbox"/> Sales & Use Tax Abatement	<input checked="" type="checkbox"/> Property Tax Abatement
Company Information (Legal name of company under which business will be transacted in Nevada.)	
Company Name: <b>ORNI 43 LLC (owned by Ormat Nevada, Inc.)</b>	
Department of Taxation's Tax Payer ID number: <b>1002193540 (ONI)</b>	
Federal Employer ID number (FEIN, EIN or FID): <b>88-0278853 (ONI)</b>	
NAICS Code: <b>187-221119 (ONI)</b>	
Description of Company's Nevada Operations: <b>ORNI 43 LLC owns the Project. The Company plans to develop the Tungsten geothermal power plant in Churchill County, NV that is expected to deliver a generating capacity of 24 MW at design conditions. Ormat currently has thirteen (15) geothermal power plants in Nevada, located in Washoe, Churchill, Pershing, Mineral, Lander, and Elko counties including Steamboat Hills, Steamboat 2, Steamboat 3, Steamboat 1A, Burdette, Galena 2, Galena 3, Brady, Desert Peak, Jersey Valley, McGinness Hills Phase I, Tuscara, Don A. Campbell, Don A. Campbell Phase II and McGinness Hills Phase II.</b>	
Percentage of Company's Market Inside Nevada:	50%
Mailing Address: <b>6225 Neil Rd.</b>	
City: <b>Reno</b>	Zip: <b>89511-1136</b>
Phone: <b>775-356-9029</b>	
APN: <b>003-931-01</b>	
Taxation District where facility is located:	<b>Churchill County</b>
Nevada Facility	
Type of Facility (please check all that are relevant to the facility)	
<input checked="" type="checkbox"/> Geothermal <input type="checkbox"/> Process Heat from Solar Energy <input type="checkbox"/> Solar PV <input type="checkbox"/> Solar Thermal <input type="checkbox"/> Wind <input type="checkbox"/> Biomass <input type="checkbox"/> Waterpower <input type="checkbox"/> Fuel Cells <input checked="" type="checkbox"/> Transmission that is interconnected to a renewable energy or geothermal <input type="checkbox"/> Transmission that contributes to the capability of the electrical grid to accommodate and transmit electricity produced from Nevada renewable	
Name Plate Production Capacity of the Facility: <b>33.5MW</b>	

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Net Output Production Capacity of the Facility in MW: 24MW	
Annual Net Production Capacity of the Facility in MWh (or other appropriate unit): 202,000MWh	
Estimated total capital investment:	\$ 94,400,000
Percent of total estimated capital investment expended in Nevada: <b>100%</b>	
Anticipated date or time range for the start of construction: <b>March 31, 2016</b>	
Anticipated date for the Commercial Operation Date (COD) of the facility: <b>March 31, 2017</b>	
Address of the Real Property for the Generation Facility: T21N R38E, MBM Section 22, portion of. Churchill County, Nevada.	
City: T21N R38E, Section 22	

Size of the total Facility Land (acre): Lease 1 (BLM) 400 acres; Lease 2 (BLM) 320 acres; Lease 3 (BLM) 560 acres; Lease 4 (BLM) 75 acres
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Are you required to file any paper work with the PUC and/or FERC? <span style="float: right;"><b>Yes</b></span>		
If yes,	Purpose of the Filing with PUC: <b>Utility Environmental Protection Act (UEPA) permit</b>	Filing Date OR Anticipated filing Date: <b>Q2, 2016</b>
If yes,	Purpose of the Filing with FERC: <b>QF self-certification Market-based rate authorization</b>	Filing Date OR Anticipated filing Date: <b>Q1, 2017</b>

List All the county(s), Cities, and Towns where the facility will be	
1	T21N R38E, MBM Section 22, portion of. Churchill County, Nevada.
2	
3	
4	
5	
6	
7	
8	
9	

List of Required Permits or Authorizations for the Proposed Facility

Permit or Authorization Title	Issuing Agency	Project Circumstance Requiring Permit or Authorization	Steps to Obtain Permit	Application Date	Approval Date or Expected Approval Date
<b>I. Federal Permits or Authorizations</b>					
Plan of Operations	Bureau of Land Management (BLM)	Local State and Federal regulatory framework	Environmental Assessment for Operations Plan	1/5/2011 revised 3/8/2011	3/28/2012
Environmental Assessment - Exploration	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	N/A	3/28/2012
Exploration EA DR/FONSI	BLM	Local State and Federal regulatory framework	Environmental Assessment for Utilization Plan	N/A	3/28/2012
Plan of Utilization	BLM	Local State and Federal regulatory framework	Environmental Assessment for Utilization Plan	3/13/2014 revised 6/30/2014	Q1, 2016
Environmental Assessment - Utilization	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	N/A	Q1, 2016
Site License	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Facility Construction Permit	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Commercial Use Permit	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q4, 2016	Q1, 2017
Qualifying Small Generator	Federal Energy Regulatory Commission	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2017	N/A
Risk Management Plan Filing	US Environmental Protection Agency	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2017	N/A
BLM Geothermal drilling permit - well 45A-22	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	9/18/2015	Q4, 2015
BLM Geothermal drilling permits - as needed	BLM	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	as needed	N/A

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<b>II. State of Nevada Permits or Authorizations</b>					
CAPP Permit to Construct	Nevada Division of Environmental Protection (NDEP) Bureau of Air Pollution Control (BAPC)	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
CAPP Permit to Operate	NDEP BAPC	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Continuation of construction permit	
Surface Area Disturbance Permit	NDEP BAPC	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Class II AQ Permit to Operate	NDEP BAPC	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Construction Stormwater Permit/SWPPP	NDEP Bureau of Water Pollution Control (BWPC)	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
On-Site Sewage Disposal (General) Permit	NDEP BWPC	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Underground Injection Control Permit (UIC)	NDEP BWPC	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q3, 2016	Q1, 2017
Geothermal Project Area Permit	Nevada Division of Minerals (NDOM)	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	4/18/2012	4/26/2012
Geothermal Resource Development Permit - Well 45A-22	Nevada Division of Minerals (NDOM)	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	10/8/2015	Q4, 2015
Geothermal Resource Development Permits - as needed	Nevada Division of Minerals (NDOM)	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	as needed	N/A
Hazardous Materials Permit	Nevada State Fire Marshall	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q4, 2016	Q1, 2017
UEPA Permit to Construct (230 kV gen-tie line)	Nevada Public Utilities Commission	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Boiler Pressure Vessel Construction Permits	Nevada Division of Industrial Relations	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q2, 2016	Q2, 2016
Boiler Pressure Vessel Operating Permits	Nevada Division of Industrial Relations	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q4, 2016	Q1, 2017



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<b>III. County Permits or Authorizations</b>					
Special Use Permit	Churchill County	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q1, 2016
Building Permit(s)	Churchill County	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q1, 2016	Q2, 2016
Certificate of Occupancy (provisional)	Churchill County	Local State and Federal regulatory framework	Analysis, documentation, and Application necessary to fulfill regulatory requirements	Q4, 2016	Q1, 2017
<b>IV. City Permits or Authorizations</b>					

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C. Employment Information

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Employment Information

**Employment**

**New Operations or Expansion**

<b>CONSTRUCTION EMPLOYEES</b>		<b>Full Time</b>	<b>Part Time</b>
Number of anticipated construction employees who will be employed during the <b>entire construction phase</b> ?		At least 50 FTE's	
Average anticipated hourly wage of construction employees, excluding management and administrative employees:		\$41.05/hr	
Number of anticipated construction employees who will be employed during the <b>second-quarter of construction</b> ?		At least 50 FTE's	
Percentage of anticipated <b>second-quarter</b> construction employees who will be <b>Nevada Residents</b> ?		At least 50%	
Number of anticipated <b>second-quarter</b> construction employees who will be <b>Nevada Residents</b> ?		At least 25 FTE's	
<b>PERMANENT EMPLOYEES</b>			
Number of anticipated permanent employees who will be employed as of the end of its first fourth-quarter of new operations or expansion?		4	
Average anticipated hourly wage of permanent employees, excluding management and administrative employees:		\$ 33.60	
Number of permanent employees who were employed prior to the expansion?		0	
Average hourly wage of current permanent employees, excluding managements and administrative employees		\$ -	

**Employee Benefit Program for Construction Employees**

**Health insurance for construction employees and an option for dependents must be offered upon employment**

List Benefits Included (medical, dental, vision, flex spending account, etc):

**Determined by vendors - met qualifications of AB 239 as outlined in Minimum Requirement Criteria.**

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Name of Insurer: **Determined by vendor**

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Cost of Total Benefit Package: <b>Estimated \$600,000</b>	Cost of Health Insurance for Construction Employees: <b>Estimated at 8% of salaries</b>
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## Construction Employee Schedule

List all anticipated construction employees and associated wages for all persons who will be working on the construction of the facility during the entire construction period.

### **FULL TIME EMPLOYEES**

		(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) x (d)	(f) = Σ(e) / Σ(c)
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Hourly Wage	Total Hourly Wage per category (\$)	Average Hourly Wage (\$)
<b>Construction Employees, excluding</b>							
<b>Management and Administrative Employees</b>							
1	Civil Construction Employees	15	10	25	\$ 40.00	\$1,000.00	
2	Fire Construction Employees	5	0	5	\$ 33.00	\$165.00	
3	Mechanical Employees	15	15	30	\$ 40.00	\$1,200.00	
4	Electrical Employees	10	15	25	\$ 40.00	\$1,000.00	
5	T-Line	5	10	15	\$ 60.00	\$900.00	
6	Buildings	4	4	8	\$ 25.00	\$200.00	
7	Gathering System	10	15	25	\$ 40.00	\$1,000.00	
8	Ormat	5	0	5	\$ 40.00	\$200.00	
<b>TOTAL</b>		<b>69</b>	<b>69</b>	<b>138</b>		<b>\$ 5,665.00</b>	<b>\$41.05</b>
<b>TOTAL CONSTRUCTION PAYROLL</b>		<b>\$5,665,000.00</b>					

## Second Quarter Construction Employee Schedule

List all anticipated construction employees and associated wages for all persons who will be working on the construction of the facility during the second quarter of construction.

### FULL TIME EMPLOYEES

		(a)	(b)	(c) = (a)+(b)	(d)	(e) = (c) x (d)	(f) = Σ(e) / Σ(c)
#	Job Title	# of Nevada Employees	# of Non-Nevada Employees	Total # of Employees	Hourly Wage	Total Hourly Wage per job title (\$)	Average Hourly Wage (\$)
	<b>Construction Employees, excluding</b>						
	<b>Management and Administrative Employees</b>						
1	Civil Construction Employees	10	5	15	\$ 40.00	\$600.00	
2	Fire Construction Employees	3	0	3	\$ 33.00	\$99.00	
3	Mechancial Employees	8	8	16	\$ 40.00	\$640.00	
4	Electrical Employees	5	10	15	\$ 40.00	\$600.00	
5	T-Line	3	5	8	\$ 60.00	\$480.00	
6	Buildings	2	2	4	\$ 25.00	\$100.00	
7	Gathering System	5	8	13	\$ 40.00	\$520.00	
8	Ormat	2	0	2	\$ 40.00	\$80.00	
	<b>TOTAL</b>	<b>38</b>	<b>38</b>	<b>76</b>		<b>\$ 3,119.00</b>	<b>\$41.04</b>
<b>TOTAL CONSTRUCTION PAYROLL</b>		<b>\$1,497,120.00</b>					

### Permanent Employee Schedule

List all anticipated permanent employees who will be employed by the Nevada Facility as of the end of its first fourth-quarter of new operations or expansion and the employment per job title will continue next 20 years

**FULL TIME EMPLOYEES**

#	Job Title	# of Employees	Average Hourly Wage (\$)
1	Management and Administrative Employees	1	
2	Permanent Employees, excluding Management and Administrative Employees	4	
<b>TOTAL</b>		<b>5</b>	<b>\$33.60</b>

<b>TOTAL ANNUAL PAYROLL</b>	<b>\$349,440.00</b>
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Application Checklist  
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D. Supplement Information

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**Supplemental Information**

**Please respond to each question. Answers to the questions will assist Department of Taxation staff in determining whether the facility should be locally or centrally assessed. Other questions will assist staff in understanding whether the reported replacement costs capture all aspects of taxable value.**

**1) Will you have a possessory interest in any governmentally owned property for this facility? Please describe if yes.**

The Company plans to develop the geothermal power plant on BLM land. Land acreage and Lease fee is provided in the Facility Information portion of the application.

**2) Will the facility, including generation, transmission, or distribution cross state or county boundaries? If yes, please describe.**

No

**3) Is the facility owned by a subsidiary of a company that is interstate or intercounty in nature? Name and location of the subsidiary company, if yes.**

Orni 43 LLC (the "Company") is owned by Ormat Nevada, Inc. ("ONI"). ONI headquarters is located in the State of Nevada and owns LLC's and subsidiaries that own and operate geothermal and recoverd energy power plants in Nevada, California, Hawaii, Colorado, Minnesota, Montana, North Dakota and South Dakota. ONI is a fully owned subsidiary of Ormat Technologies Inc. which is traded on the NYSE under "ORA".

**4) At what physical point is the ownership of energy transferred? Describe the location and nature of the connection to the transmission grid.**

The Point of Change of Ownership will be where the 230 kV transmission line from the Tungsten Generation Substation intersects the Utility (NVE) new 230 kV Alpine Switching Station on the existing #2309 Line approximately 39° 28' North, 117° 49' West

**5) Will the facility be eligible for other abatements or exemptions such as pollution control exemptions? Please describe if yes**

No

**6) Has your company applied and/or been approved for any abatements or exemptions for this facility or any other facility by the State of Nevada and/or local governments? If yes, list the abatements awarded, name and location of the project, name of the awarder, date of approval, amounts and status of the accounts.**

ORNI 43 LLC previously has not applied for state or local abatements in the State of Nevada and/or local governments.



Application Checklist  
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E. Tax Summary Report

**State of Nevada**  
**Renewable Energy Tax Abatements Application**  
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**Summary Report**  
**Schedules 1 through 8**

**Company: ORNI 43 LLC**

**Division:**

Line No.	Schedule	Total Estimated RCNLD or Transaction Cost	Department Use Only
1	Sch. 1 Personal Property - Property Tax - Total from Col. J.	0	
2	Sch. 2 Real Property - Improvements - Total from Col. F.	94,400,000	
3	Sch. 3 Real Property - Land - Total from Col. I	621,694	
4	Sch. 4 Operating Leases - Total from Col. F	0	
5	Sch. 5 Contributions in Aid of Construction - Total from Col. F	0	
6	Sch. 6 First Year Estimated Sales & Use Tax - Total from Col. J	3,932,240	
7	Sch. 7 Second Year Estimated Sales & Use Tax - Total from Col. J	0	
8	Sch. 8 Third Year Estimated Sales & Use Tax - Total from Col. J	0	

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**Property Tax: Personal Property  
Schedule 1**

Company: ORNI 43 LLC

Division: \_\_\_\_\_

**Instructions:**

- (1) List each item of personal property subject to property tax in Col. A. Pursuant to NRS 361.030, personal property includes stocks of goods on hand; any vehicle not included in the definition of vehicle in NRS 371.020; all machines and machinery, all works and improvements, and all property of whatever kind or nature not included in the term "real estate" as that term is defined in NRS 361.035.
- (2) For each item in Col. A, complete the requested information in Col. B and Col. D (if applicable), Col. C and Col. D through Col. J.
- (3) The total estimated cost reported in Col. H should include estimated or actual costs of installation and costs of transportation per NAC 361.1351 and NAC 361.1355. Costs of installation include the costs of direct labor, direct overhead and the capitalized expense of interest or imputed charges for interest which are necessary to make the property operational.
- (4) Use the Personal Property Manual published by the Department of Taxation to determine the Cost Less Depreciation in Column (J). Select the Life Schedule that is closest to the estimated life of the personal property listed in Col. I. See <http://tax.state.nv.us>. Then select: *Publications/Locally Assessed Properties/Personal Property Manual*.

(5) Attach additional sheets as necessary.

A	B	C	D	E	H	I	J
Personal Property Itemized Description	G/L Account No. (if applicable)	Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	Date Purchased (if applicable)	Date Received or Estimated Date of Receipt in Nevada	Estimated Total Acquisition Cost	Estimated Life of Personal Property	Estimated Acquisition Cost Less Depreciation
Included under Sch 2 - Real Property/Improvements							
<b>Grand Total</b>							

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**Property Tax: Real Property Improvements  
Schedule 2**

Company: ORNI 43 LLC  
Division: \_\_\_\_\_

**Instructions:**

- (1) List each item of real property improvements subject to property tax in Col. A. Pursuant to NRS 361.035, real property includes all houses, buildings, fences, ditches, structures, erections, railroads, toll roads and bridges, or other improvements built or erected upon any land, whether such land is private property or public property; as well as mobile or manufactured
- (2) For each item in Col. A, complete the requested information in Col. B (if applicable), and Col. C through Col. F.
- (3) The total estimated cost reported in Col. F should include estimated or actual costs of labor, materials, supervision, contractors' profit and overhead, architects' plans and specifications, engineering plans, building permits, site preparation costs, sales taxes and insurance; costs of buying or assembling land such as escrow fees, legal fees, right of way costs, demolition, storm drains, rough grading or other land improvement costs, yard improvements including septic systems, signs, landscaping, paving, walls, yard lighting; off-site costs including roads, utilities, park fees, jurisdictional hookup, tap-in, impact
- (4) Use Schedule 3 to report land; Schedule 4 to report operating leases; and Schedule 5 to report contributions in aid of
- (5) Attach additional sheets as necessary.

A	B	C	F
Real Property Improvements Itemized Description	G/L Account No. (if applicable)	Estimated Date of Completion	Estimated Total Construction Cost
Project Management		March 31, 2016	
Project Engineering		March 31, 2016	
Project Construction and Fees		March 31, 2016	
OEC Unit		March 31, 2016	
Geothermal System		March 31, 2016	
Water Cooling System		March 31, 2016	
Fire Fighting System		March 31, 2016	
Auxiliary System		March 31, 2016	
Electrical System		March 31, 2016	
Vacuum System/Other Mechanical Equipment		March 31, 2016	
Transportation		March 31, 2016	
Transmission Line		March 31, 2016	
Gathering System		March 31, 2016	
Building		March 31, 2016	
Spare Parts/Supplies		March 31, 2016	
Field Development		March 31, 2016	
<b>Grand Total</b>			<b>94,400,000</b>

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**Property Tax: Real Property Land  
Schedule 3**

Company: ORNI 43 LLC

Division: \_\_\_\_\_

Show the requested data for all land, owned or leased, in Nevada.

A Line #	B County	C Where Situated		D Tax District	E Brief Description, Size of the Land (acre), Date Acquired	F Assessor's Parcel Number (APN)	G Owned (O) Leased (L) Rented (Rtd)	H G/L Account Number (if applicable)	I Purchase Price (if applicable)	Assessor's Taxable Value
		City or Town								
1	Churchill				BLM NV-86897-Acq. September 2009, 400 acres	003-931-01	L			
2	Churchill				BLM NV-88428-Acq. June 2010, 320 acres	003-931-01	L			
3	Churchill				BLM NV-90744-Acq. April 2012, 560 acres	003-931-01	L			
4	Churchill				BLM NV-92480-Acq. December 2013, 75 acres	003-931-01	L			
5										
6										
7										
8										
9										
10										
11										
12	<b>Grand Total</b>									\$ 621,694

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Property Tax: Operating Leases  
Schedule 4

Company: ORNI 43 LLC

Division: \_\_\_\_\_

**Instructions:**

- (1) List each operating lease for real or personal property. Designate whether the lease is for real or personal property in Col. C.
- (2) For each item in Col. A, complete the requested information in Col. B (if applicable), and Col. C through Col. F.
- (3) The total estimated cost reported in Col. E and Col. F should contain the costs appropriate to real or personal property. For definitions, please refer to Schedule 1 for personal property and Schedule 2 for Improvements.
- (4) Report the Annual Lease Payment in Col. G; the term of the lease in Col. H; and any residual value at the end of the lease term in Col. I.
- (5) Attach additional sheets as necessary.

A	B	C	E	F	G	H	I
Operating Lease Itemized Description	G/L Account No. (if applicable)	Real or Personal Property?	Lessor's Replacement Cost Per Unit	Estimated Total Replacement Cost	Annual Lease payment	Lease Years Remaining	Residual Value
BLM NV-86897-Acq. September 2009, 400 acres		Real			\$ 1,200	35	
BLM NV-88428-Acq. June 2010, 320 acres		Real			\$ 960	35	
BLM NV-90744-Acq. April 2012, 560 acres		Real			\$ 1,680	35	
BLM NV-92480-Acq. December 2013, 75 acres		Real			\$ 225	35	
<b>Grand Total</b>							

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**Property Tax: Contributions in Aid of Construction  
Schedule 5**

Company: ORNI 43 LLC  
Division: \_\_\_\_\_

**Instructions:**

- (1) List all contributions in aid of construction (CIAC). CIAC is defined in NAC 361.260 as property which has been contributed to a utility by a prospective customer or which has been constructed by the utility and paid for by the prospective customer for which no reimbursement is required to be made by the utility to the prospective customer as a prerequisite to obtaining service.
- (2) For each item in Col. A, complete the requested information in Col. B (if applicable), and Col. C through Col. F.
- (3) The total estimated cost reported in Col. E and Col. F should contain the costs appropriate to real or personal property. For definitions, please refer to Schedule 1 for personal property and Schedule 2 for improvements.
- (4) Attach additional sheets as necessary.

A Contributions in Aid of Construction (CIAC) Itemized Description	B G/L Account No. (if applicable)	C Real or Personal Property?	D Number of Units	E Replacement Cost Per Unit	F Estimated Total Replacement Cost
<b>Grand Total</b>					

**State of Nevada**  
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Company: ORNI 43 LLC

**Sales and Use Tax**

**First Year of Eligible Abatement**  
**Schedule 6**

Division: \_\_\_\_\_

**Instructions:**

- (1) Column A: List each item of personal property or materials and supplies subject to sales and use tax (please include leases. Refer to NRS Chapter 372 for taxable events.
- (2) Column B: For each item in column A, list applicable account number.
- (3) Column C: List the Facility Owner, Contractor or Subcontractor that will be purchasing the personal property or materials and supplies subject to sales and use tax.
- (4) Column D: List the date the personal property or materials and supplies were purchased.
- (5) Column E: List the date that possession of the personal property or materials and supplies will be taken.
- (6) Column F: List the cost of the personal property or materials and supplies.
- (7) Column G: List the county where possession will be taken and the applicable sales tax rate of that county. Find the appropriate sales/use tax rate on the Department of Taxation's website at <http://tax.state.nv.us>. Then scroll to "Quick Links" and select "Sales/Use Tax Rate Map".
- (8) Column H: Multiply Column F by the Sales Tax Rate in Column G.
- (9) Attach additional sheets as necessary.

A	B	C	D	E	F	G	H
Personal Property or Materials and Supplies Itemized Description	Account No. (if applicable)	Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	Date Purchased	Date of Possession	Total Transaction Cost	County and Applicable Sales Tax Rate	Estimated Sales Tax Paid or to be Paid
OEC Unit		C - ONI			\$ -	0.076	\$ -
Geothermal System		C - ONI/SC			\$ -	0.076	\$ -
Water Cooling System		C - ONI/SC			\$ -	0.076	\$ -
Fire Fighting System		C - ONI/SC			\$ -	0.076	\$ -
Auxiliary System		C - ONI/SC			\$ -	0.076	\$ -
Electrical System		C - ONI/SC			\$ -	0.076	\$ -
Vacuum System/Other Mechanical Equipment		C - ONI/SC			\$ -	0.076	\$ -
Transportation		C - ONI/SC			\$ -	0.076	\$ -
Transmission Line		C - ONI/SC			\$ -	0.076	\$ -
Gathering System		C - ONI/SC			\$ -	0.076	\$ -
Spare Parts		C - ONI/SC			\$ -	0.076	\$ -
Drilling		C - ONI/SC			\$ -	0.076	\$ -
<b>Grand Total</b>							\$ -





**State of Nevada  
Renewable Energy Tax Abatements Application  
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**Sales and Use Tax  
Third Year of Eligible Abatement  
Schedule 8**

Company: ORNI 43 LLC  
Division: \_\_\_\_\_

**Instructions:**

- (1) Column A: List each item of personal property or materials and supplies subject to sales and use tax (please include leases. Refer to NRS Chapter 372 for taxable events.
- (2) Column B: For each item in column A, list applicable account number.
- (3) Column C: List the Facility Owner, Contractor or Subcontractor that will be purchasing the personal property or materials and supplies subject to sales and use tax.
- (4) Column D: List the date the personal property or materials and supplies were purchased.
- (5) Column E: List the date that possession of the personal property or materials and supplies will be taken.
- (6) Column F: List the cost of the personal property or materials and supplies.  
*http://tax.state.nv.us. Then scroll to "Quick Links" and select "Sales/Use Tax Rate Map".*
- (7) Column H: Multiply Column F by the Sales Tax Rate in Column G.
- (8) Attach additional sheets as necessary.

A	B	C	D	E	F	G	H
Personal Property or Materials and Supplies Itemized Description	G/L Account No. (if applicable)	Purchased by Facility Owner (FO) Contractor (C) Subcontractor (SC)	Date Purchased	Date of Possession	Total Transaction Cost	County and Applicable Sales Tax Rate	Estimated Sales Tax Paid or to be Paid
<b>Grand Total</b>							

Application Checklist  
Tungsten Geothermal Project

F. Contractors and Subcontractors List

State of Nevada  
Renewable Energy Tax Abatement Application  
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**NOTE:** Project contractors, subcontractors, and other entities including owner that will be purchasing goods and equipment for the construction of the Facility are entitled to claim or receive the sales and use tax abatement

Contractors and Subcontractors List	
<b>Vendor 1</b>	A&K Earth Movers, Inc.
<b>Tax ID</b>	88-0097157
<b>Contact</b>	Kelly Workman
<b>Mailing Address</b>	P.O. Box 1059, Fallon, NV 89407-1059
<b>E-Mail</b>	<a href="mailto:kworkman@akearthmovers.com">kworkman@akearthmovers.com</a>
<b>Vendor 2</b>	ABC Fire and Cylinder Service
<b>Tax ID</b>	88-0221330
<b>Contact</b>	
<b>Mailing Address</b>	1025 Telegraph Street, Reno, NV 89502
<b>E-Mail</b>	<a href="mailto:karla@abcfireco.com">karla@abcfireco.com</a>
<b>Vendor 3</b>	Advanced Communication Technology Services
<b>Tax ID</b>	20-5836656
<b>Contact</b>	
<b>Mailing Address</b>	10 Greg Street, Suite 124, Sparks, NV 89431
<b>E-Mail</b>	<a href="mailto:invoice@actsreno.com">invoice@actsreno.com</a>
<b>Vendor 4</b>	Applied Mechanical, Inc.
<b>Tax ID</b>	88-0445910
<b>Contact</b>	
<b>Mailing Address</b>	2010 Kleppe Lane, Sparks, NV, 89431
<b>E-Mail</b>	<a href="mailto:phess@applied-mech.com">phess@applied-mech.com</a>
<b>Vendor 5</b>	Bruce MacKay Pump
<b>Tax ID</b>	88-0208794
<b>Contact</b>	
<b>Mailing Address</b>	1600 Mt. Rose Hwy, Reno, NV 89511-6009
<b>E-Mail</b>	
<b>Vendor 6</b>	GeoDrill, LLC
<b>Tax ID</b>	10-6220269
<b>Contact</b>	Bonnie Wiewel
<b>Mailing Address</b>	4782 Hwy 111, Brawley, CA 92227
<b>E-Mail</b>	<a href="mailto:tderosier@ormat.com">tderosier@ormat.com</a>
<b>Vendor 7</b>	Glacier Construction, Inc.
<b>Tax ID</b>	20-3334106
<b>Contact</b>	
<b>Mailing Address</b>	P.O. Box 1181, Fallon, NV 89407
<b>E-Mail</b>	<a href="mailto:info@glacierconst.com">info@glacierconst.com</a>
<b>Vendor 8</b>	Hammond Homes & Const. LLC
<b>Tax ID</b>	20-8314936
<b>Contact</b>	
<b>Mailing Address</b>	1780 Lattin Road, Fallon, NV 89406
<b>E-Mail</b>	<a href="mailto:hammond5@phonewave.net">hammond5@phonewave.net</a>
<b>Vendor 9</b>	McKay Drilling, Inc.
<b>Tax ID</b>	88-0146113
<b>Contact</b>	
<b>Mailing Address</b>	4850 Joule Street A-5, Reno, NV 89502
<b>E-Mail</b>	<a href="mailto:gord@mckaydrilling.com">gord@mckaydrilling.com</a>

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<b>Vendor 10</b>	Merit Electric Company
<b>Tax ID</b>	14-1857182
<b>Contact</b>	
<b>Mailing Address</b>	14830 Kivett Lane, Reno, NV 89521
<b>E-Mail</b>	<a href="mailto:dholbrook@meritelectricreno.com">dholbrook@meritelectricreno.com</a>
<b>Vendor 11</b>	Northern Sierra Construction, Inc.
<b>Tax ID</b>	88-0311255
<b>Contact</b>	
<b>Mailing Address</b>	P.O. Box 18980, Reno, NV 89511
<b>E-Mail</b>	<a href="mailto:patti@nsci.com">patti@nsci.com</a>
<b>Vendor 12</b>	NV Energy
<b>Tax ID</b>	88-0044418
<b>Contact</b>	
<b>Mailing Address</b>	P.O. Box 30065, Reno, NV 89520-0400
<b>E-Mail</b>	<a href="mailto:kcrews@nvenergy.com">kcrews@nvenergy.com</a>
<b>Vendor 13</b>	Oasis Air Conditioning, Heating & Sheet Metal, Inc.
<b>Tax ID</b>	001-tx 1001025725
<b>Contact</b>	Summer Shuey
<b>Mailing Address</b>	1931 Grimes St., Fallon NV 89406
<b>E-Mail</b>	<a href="mailto:summer@oasishvacnv.com">summer@oasishvacnv.com</a>
<b>Vendor 14</b>	Ormat Nevada, Inc.
<b>Tax ID</b>	88-0278853
<b>Contact</b>	
<b>Mailing Address</b>	6225 Neil Road, Reno 89511-1136
<b>E-Mail</b>	
<b>Vendor 15</b>	PAR Electrical Contractors
<b>Tax ID</b>	10-1194357
<b>Contact</b>	Marilyn Demarest
<b>Mailing Address</b>	1465 W. 4th Street, Reno, NV 89503
<b>E-Mail</b>	<a href="mailto:mdemarest@parelectric.com">mdemarest@parelectric.com</a>
<b>Vendor 16</b>	The Best Company, Inc. dbaColorado TBC, Inc. (Fallon)
<b>Tax ID</b>	84-0958392
<b>Contact</b>	
<b>Mailing Address</b>	3263 Monte Vista Cir., Montrose, CO 81401
<b>E-Mail</b>	<a href="mailto:bob.clark49@msn.com">bob.clark49@msn.com</a>
<b>Vendor 17</b>	Tholl Fence Inc.
<b>Tax ID</b>	88-0085584
<b>Contact</b>	Shawna Downs
<b>Mailing Address</b>	PO Box 855, Sparks, NV 89432
<b>E-Mail</b>	<a href="mailto:shawna@tholfence.com">shawna@tholfence.com</a>
<b>Vendor 18</b>	Western Industrial Insulation, Inc.
<b>Tax ID</b>	1002548195-001
<b>Contact</b>	Dave Aldrich
<b>Mailing Address</b>	PO Box 367, Bloomfield, NM 87413
<b>E-Mail</b>	<a href="mailto:westerndavea@qwestoffice.net">westerndavea@qwestoffice.net</a>

Application Checklist  
Tungsten Geothermal Project

G. Letter from the utility or describing the highlights  
of PPA, LOI, or MOU

[REDACTED]

[REDACTED]

June 16, 2015

Rahm Orenstein  
VP, Business Development  
Ormat Nevada Inc.  
6225 Neil Road  
Reno, NV 89511-1136

Subject: Non-binding Letter of Intent for Tungsten Geothermal Energy Project

This non-binding letter of intent ("LOI") is entered into by the [REDACTED] and Ormat Nevada Inc., on behalf of itself and its affiliates ("Ormat") as of the date of the last signature below, and is intended to confirm the Parties' understanding with respect to preliminary discussions and will serve to further summarize the intent and scope of their potential relationship with respect to the above-referenced complex (the "Project").

[REDACTED] and Ormat have engaged in various non-binding discussions concerning the Project. Having participated in those discussions, Ormat and [REDACTED] (each individually, a "Party" and together, the "Parties") desire to continue to explore the potential for a transaction involving entering into a power purchase and/or other definitive agreement (s) (collectively, with any related documents, a "Definitive Agreement") for the provision by Ormat to [REDACTED] of geothermal power from the Project .

Except as provided in the next paragraph, neither Party shall have any obligation or liability to the other Party unless and until (i) the governing bodies of [REDACTED] have duly approved such Definitive Agreement and (ii) each Party's authorized representatives have approved and executed such Definitive Agreement. The terms to be exchanged between the Parties are non-binding for all purposes unless and until they are included in a Definitive Agreement that has been duly approved and executed by both Parties. Either Party, through written notice to the other, can end these discussions at any time, at its sole discretion for any reason or no reason at all, and without liability to the other Party. Further, this LOI does not obligate the Parties to participate in any particular collaboration or project, conduct negotiations, or undertake any specific action with respect to the Project or otherwise.

Notwithstanding anything to the contrary in this LOI, the Parties shall be bound by the Exclusivity Agreement executed and delivered concurrently herewith, which shall be enforceable according to its terms.

Each Party shall be responsible for its own expenses and costs, including without limitation attorneys' fees, if any, related to prior and ongoing discussions and any continuing negotiations related to the Project or otherwise arising under this LOI. Neither Party is authorized to make any commitments or statements on behalf of the other Party.

Rahm Orenstein  
Ormat Nevada Inc.  
Re: LOI for Tungsten Geothermal Energy Project  
June 24, 2015  
Page 2

Any business decision or expenditure made by either Party in anticipation of a Definitive Agreement or otherwise related to the Project at any stage of negotiations between the Parties is at the sole risk of the Party making the decision or expenditure, even if the other Party is aware of, or has indicated approval of, such a decision or expenditure. Further, should Ormat enter into, modify or attempt to modify, supplement or amend any arrangement, instrument, lease, contract or other Project related agreement (collectively "Project Agreements") in anticipation of entering into a Definitive Agreement, and should such a Definitive Agreement be delayed or is never achieved, any actions or expenses incurred by Ormat relating to such Project Agreements shall be at its sole risk and expense, even if such actions were taken at the recommendation or urging of [REDACTED]. Also, any obligations or responsibilities associated with any communications or representations made by Ormat to any other party, whether oral or written, under the Project Agreements, or otherwise, shall be at the sole risk and exclusive liability of Ormat.

Neither Party shall identify, either expressly or by implication, the relationship between, or the identity of, the Parties, or use the other Party's names, trademarks, trade names, service marks, or other proprietary marks in any marketing material, advertising, or other promotional materials without the prior written approval of the other Party.

Ormat acknowledges that some of the major considerations related to [REDACTED] willingness to enter into a Definitive Agreement include (i) the ability of the Project to deliver energy to a point where the energy can be easily transmitted by [REDACTED] into their respective Balancing Authorities, and (ii) that energy from the Project qualifies as a Portfolio Content Category 1 (i.e. "bucket 1") resource under the California's Renewable Portfolio Standards Program and similar applicable legislations or regulations as amended from time to time and any successor legislation or regulations.

The Parties' discussions to date have been based on a proposal submitted by Ormat to [REDACTED], an excerpt of which is attached as Exhibit A. The Parties agree that these terms are non-binding and, notwithstanding any matter or term set forth in Exhibit A, each Party reserves the right to modify the proposed structure and to add or change such terms during the course of the negotiations as either Party deems to be in its best interest with respect to the Project.

[SIGNATURE PAGE FOLLOWS]

The Parties indicate their agreement to the terms of this LOI by signing below:



Rahm Orenstein  
Ormat Nevada Inc.  
Re: LOI for Tungsten Geothermal Energy Project  
June 24, 2015  
Page 3

[Redacted]

[Redacted]

6/24/15  
Date

**Ormat Nevada Inc.**



Ram (Rahm) Orenstein  
2015.06.24 14:23:53  
+03'00'

\_\_\_\_\_  
RAHM ORENSTEIN  
VP, Business Development

\_\_\_\_\_  
Date

**Exhibit A**

**PROJECT OVERVIEW:**

**Energy Price (fixed):** [REDACTED] MWh

Term: 25 years

Capacity: 18MW (approximately 150GWh annually at 95% capacity factor)

Delivery Commencement Date: August 1, 2017

**Energy Availability:**

Month	Maximum Capacity Factor	Minimum Capacity Factor
January	127.36%	113.41%
February	119.52%	102.71%
March	116.90%	94.08%
April	113.82%	88.31%
May	108.55%	75.31%
June	101.19%	60.56%
July	92.20%	45.01%
August	95.69%	48.36%
September	103.85%	58.42%
October	111.63%	81.34%
November	118.67%	98.77%
December	128.35%	114.98%

Minimum expected availability: 95%  
Ramp-up rate (MW per minute): 5  
Ramp-down rate (MW per minute): 5  
Minimum up time (minutes): 60  
Minimum down time (minutes): 0  
Maximum # of starts from Minimum: 6

Rahm Orenstein  
Ormat Nevada Inc.  
Re: LOI for Tungsten Geothermal Energy Project  
June 24, 2015  
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Application Checklist  
Tungsten Geothermal Project

H. Attestation and Signature

State of Nevada  
Renewable Energy Tax Abatements Application  
AFN:

**Attestation and Signature**

I, Barbara Allen, by signing this Application, I do hereby attest and affirm under penalty of perjury the following:

- (1) I have the legal capacity to submit this Application on behalf of the applicant;
- (2) I have prepared and personally knowledgeable regarding the contents of this Application; and
- (3) The content of this Application are true, correct, and complete.

Barbara Allen

Name of person authorized for signature:

VP, Finance and Corporate Services

Title:



Signature:

1-11-16

Date:

Application Checklist  
Tungsten Geothermal Project

I. Confidentiality Statement Certification

State of Nevada  
Renewable Energy Tax Abatement Application  
AFN:16-0125G

This Application contains confidential information: Yes  No

If yes, please identify any information in the within Application or documents submitted herewith, which Applicant considers confidential or trade secret information. Further, identify: (1) the applicable statutory authority or agreement preventing public disclosure of the information; and (2) Applicant's rationale underlying non-disclosure of the information or document(s).

Applicant acknowledges that the burden of demonstrating confidentiality or trade secret status lies with the Applicant, and Applicant agrees to defend and indemnify the State and its agencies for honoring such designation. Notwithstanding, Applicant understands that the over-inclusive designation of information or documents as confidential or trade secret may cause the Nevada State Office of Energy to conduct further inquiry of the Applicant into the confidentiality of the information, potentially delaying submission of the Application to the Nevada Energy Director.

*Material for which confidentiality is claimed :*

*As Marked*

*Basis for claims of confidentiality :*

The information redacted contains cost information that is proprietary and its release would benefit competitors of Ormat