



STATE OF NEVADA

JOE LOMBARDO
Governor

DEPARTMENT OF TAXATION

GEORGE KELESIS
Chair, Nevada Tax
Commission
SHELLIE HUGHES
Executive Director

MAIN OFFICE
3850 Arrowhead Drive
Carson City, Nevada 89706

FISCAL IMPACT
Renewable Energy Partial Abatement of Property Taxes
Yellow Pine Solar III, LLC - AFN 26-0401 SPV

This report was prepared to fulfill the requirements of NRS 701A.375 to indicate an estimate of the fiscal impact of the partial property tax abatement on the State and on each affected local government.

Background

The project, known as the Yellow Pine Solar III, LLC, will be owned and operated by Yellow Pine Solar III, LLC, a subsidiary of NextEra Energy Resources located at 700 Universe Boulevard, Juno Beach, Florida 33408. The solar photovoltaic facility will have a net output production capacity of 225 MW and an annual net production capacity of 305,000 MWh. The project is expected to be in commercial operation by June 30, 2027.

The Yellow Pine Solar facility will be located at 6901 Tecopa Springs Rd., Las Vegas, NV 89124. The 1,008.94 total leased BLM acres that the facility will reside on are identified by portions of the following Clark County Assessor Parcel Numbers (APN): 171-00-001-007, 171-00-001-006, 171-00-001-005, 171-00-001-010, 171-00-001-011, 171-00-001-012, 171-00-001-008, 171-00-001-009, 171-00-001-004, 168-00-002-024, and 168-00-002-025.

The property components of the facility will consist of photovoltaic modules, DC wiring, DC/AC inverters, step-up transformers, AC cabling, battery storage equipment and a collector substation with a high voltage step-up transformer, connecting to the GridLiance West Trout Canyon Substation (TCS) owned by GridLiance West, LLC. Ownership of energy Power Purchase Agreements have been executed with San Jose Clean Energy, San Diego Gas & Electric, San Diego Community Power and Silicon Valley Clean Energy

Analysis

Determination of Central or Local Assessment

Generally, electric light and power companies that are located completely within a county, with no transmission lines carrying power across county lines, are locally assessed. NRS 361.320(7). Facilities that own transmission lines or other property that traverse county boundary lines are centrally assessed. NRS 361.320(1).

NRS 361.320(6) adds an exception to the general rule expressed above. It states:

If two or more persons perform separate functions that collectively are needed to deliver electric service to the final customer and the property used in performing the functions would be centrally assessed if owned by one person, the Nevada Tax Commission shall establish its valuation and apportion the valuation among the

several counties in the same manner as the valuation of other centrally assessed property.

Based on the location of the facility assets in Clark County and the interchange substation belonging to GridLiance West, LLC, also located in the same county, the property appears to qualify for local assessment.

Description of Replacement Cost New Methodology and Tax Calculation

In general, locally assessed real property must be valued according to the requirements of NRS 361.227. Replacement cost new of the improvements, less depreciation at the rate of 1-1/2% per year for a maximum of 50 years, is added to the full cash value of the improved land. The land value was estimated using the Clark County Assessor's land value of \$22,356 per acre. Personal property is valued based on acquisition cost less depreciation identified in the Personal Property Manual approved by the Nevada Tax Commission. The Department did not adjust upward the reported acquisition cost of improvements or personal property to reflect any appreciation, based on the assumption that the cost of development will go down over time, as indicated by recent industry reports regarding declining costs of utility scale solar PV projects.¹

Prior to improvement of the land, the county assessor established a taxable value of about \$22,356 per acre. For the balance of the 20 years for which the abatement may be granted, an appreciation factor of 2.5% per year was applied to the value of the land for each year of the abatement period.

The Taxpayer also reported several project cost areas as "personal" property (modules, inverters, racking, a substation and electrical system material) rather than real property. The Department used the cost reported by the Taxpayer for each cost center but determined that all components were real property when operated as a unit. The Department based its determination of real property on NRS 361.035, which requires all buildings, fences, ditches, structures, erections, or other improvements built or erected upon any land to be classified as real property, as well as NAC 361.1127, 361.1133, and 361.11715, NAC 361.11745, as well as the 2019-20 Personal Property Manual, Appendix E.

The Department's understanding is that the solar field consists of components either attached to the land and foundations, or "so essential to the land or improvement that the land or improvement cannot perform its desired function without the nonattached item," for example, the solar array foundations, underground cabling, substations, and transmission lines. At the time this fiscal note was produced, the Taxpayer had not submitted any information regarding the exception to the fixture test in NAC 361.1127 and NAC 361.11745 with regard to whether solar modules and other components are installed non-permanently and not for the enhancement of the real property to which it is attached; and had not shown whether the property has a unique identity and function distinct from the real property to which it is attached. The list of construction permits obtained by Yellow Pine Solar III, LLC from Clark County and listed in the application are also an objective indication of the permanent nature of the facility.

The Taxpayer listed \$29,000 property as Contributions in Aid of Construction. Capital invested as a contribution in aid of construction (CIAC) is not eligible for a renewable energy abatement by the contributor of the capital because taxable property is assessed to the owner and not the contributor of the property. CIAC are either cash or utility type property *contributed to the utility* by a customer to assist the utility in providing utility service to the customer and are non-refundable to the customer. The utility which might have received any CIAC, in this case GridLiance West, LLC would be the owner of any contributed plant.²

¹ <http://energy.gov/maps/falling-price-utility-scale-solar-photovoltaic-pv-projects>

² NRS 361.260 requires the county assessor to "ascertain all real and secured personal property that is in the county on July 1 which is subject to taxation, and also the names of all persons, corporations, associations, companies or firms *owning* the property. The county assessor shall then determine the taxable value of all such property, and shall then list and assess it to the person, firm, corporation, association or company *owning* it on July 1 of that fiscal year."

The Department also used the 2025-26 tax rate of \$2.5017 per hundred (0.025017) for Clark County Tax District 100 without further adjustment. Under current law, the maximum tax rate could go up to \$3.66; however, the project is also subject to the tax abatement afforded under NRS 361.4722, which limits tax dollar increases to no more than 8% per year.

The calculation of the renewable energy abatement contained in the attached spreadsheets considers the required distribution of remaining taxes after abatement to local governments in Tax District 100 in Clark County, including a distribution to the State Debt Fund. Since the application was submitted on April 1, 2026, after the effective date for AB 239 (2013), this fiscal note assumes no distribution will be made to the State Renewable Energy Fund.

Estimate of Property Tax Abatement

Based on the assumptions and conditions noted above, the estimated fiscal impact for the duration of the abatement for 20 years is as follows:

Total Taxable Value of the Project in 2027:	\$ 499,337,492
Total Taxable Value of the Project in 2047:	\$ 374,758,346
Estimated capital cost per kW (499,337,492/225,000)	\$2219/kW
Total Taxes Due, First Year After Completion:	\$ 4,372,174
Total Renewable Energy Abatement, First Year:	\$ 2,404,696
Total Taxes Available to Local Governments after abatement:	\$ 1,967,478

The amount of the abatement for each year thereafter approximates the amount obtained in the first year and continues during the period of abatement as follows:

Total Taxes Due during Period of Abatement (20 years):	\$ 76,479,807
Total Renewable Energy Abatement, 20 years:	\$ 42,063,894
Total Taxes Available to Local Governments after abatement:	\$ 34,415,913

See attached spreadsheets for the amounts by year and by local government entity.



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