



DEPARTMENT OF ADMINISTRATION

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**BUDGET DIVISION
ENERGY-RELATED TAX INCENTIVE FISCAL NOTE
FOR ORNI 39, LLC
McGuinness Hills Geothermal Project
as required by NRS 701A.375-1(a)**

April 14, 2011

Prepared by: Janet Rogers for Andrew Clinger, Budget Division Chief

Based on the information submitted by the applicant and provided to the Department of Administration by the Nevada State Office of Energy, the Budget Division estimates that the energy-related tax incentives provided to ORNI 39, LLC for developing, owning, and operating a geothermal power generation facility in Lander County, Nevada, will result in the State foregoing the following revenues:

STATE SALES AND USE TAX ABATED —

ORNI 39, LLC indicates they will purchase items subject to Nevada's 2.0% state sales and use tax totaling \$109,680,000. Given this information, the General Fund will be impacted by an abatement totaling \$2,229,823 less any applicable collection allowance.

Fiscal Year	Expenditure Subject to Abatement	Amount Abated
FY 2011	\$106,680,000	\$2,133,600
FY 2012	\$1,500,000	\$30,000
FY 2013	\$1,500,000	\$30,000
Total	\$109,680,000	\$2,229,823