

Application No. **26-0814G**

Direct Testimony of

Rob Beveridge

on behalf of

ORNI 56 LLC

Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.

A. My name is Rob Beveridge. My business address is 6884 Sierra Center Pkwy,
Reno, NV 89511.

Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?

A. I am employed as the Tax Manager for Ormat Technologies, Inc. (“Ormat Technologies”). ORNI 56 LLC (the “Company”) is an indirect wholly-owned subsidiary of Ormat Nevada Inc. (“ONI”). ONI is a wholly-owned subsidiary of Ormat Technologies. In this role, I serve as the tax lead for the ORNI 56 LLC Project (the “Project”) described in the tax abatement application, and have been involved in the following activities with respect to the Project: compiling and confirming the data provided by ONI project personnel and preparing and filing the abatement application.

Q. ON WHOSE BEHALF ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of ORNI 56 LLC.

Q. DOES ATTACHMENT 1 TO YOUR TESTIMONY ACCURATELY DESCRIBE YOUR BACKGROUND AND EXPERIENCE?

A. Yes, the overview of my experience is outlined on Attachment #1.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING?

A. The purpose of my Direct Testimony is to support the Company's application for a partial abatement of property, sales, and use tax under the Nevada Governor's Office of Energy Renewable Energy Tax Abatement Program. My testimony will demonstrate that the Project meets all the criteria to qualify for the requested partial tax abatements by providing an overview of the Project; its business operations; and ONI's success in developing and operating other facilities, as well as specific information related to the Project. I will also address the environmental and economic development, and other benefits that the Project will provide to the State of Nevada, Lander County, and its residents. Finally, I will address issues relating to the construction of the Project and the number, wages, and residency of construction employees.

Q. HAVE YOU REVIEWED THE PROJECT'S APPLICATION FOR THE PARTIAL ABATEMENTS?

A. Yes.

Q. IS ALL OF THE INFORMATION IN THE APPLICATION STILL ACCURATE?

A. Yes, except as stated below:

- The anticipated time range for start of construction has been moved to Q1 2027. This shifts the anticipated date for Commercial Operation (COD) to Q3 2028. See attachment #2.

Q. PLEASE PROVIDE A BRIEF SUMMARY OF THE CONSTRUCTION OF THE PROJECT.

A. Foundation construction is planned to commence Q1 2027. It will commence after completion of the permitting process. Construction is anticipated to be completed by Q3 2028.

Q. PLEASE PROVIDE AN UPDATED LIST OF CONTRACTORS AND SUBCONTRACTORS.

A. No changes from the original listing.

Q. HOW MANY EMPLOYEES WILL WORK ON CONSTRUCTION OF THE PROJECT?

A. 211 employees are anticipated to work on the construction of the Project over the entire construction period.

Q. HOW MANY FULL-TIME EMPLOYEES WILL BE WORKING ON THE PROJECT DURING THE SECOND QUARTER OF CONSTRUCTION?

A. 155 employees are anticipated to work on the construction of the Project during the second quarter of construction.

Q. HOW MANY OF THOSE EMPLOYEES WILL BE RESIDENTS OF NEVADA?

A. 116 construction employees are forecasted for the full construction period; 87 Nevada construction employees are forecasted for the 2nd quarter.

Q. EXCLUDING MANAGEMENT AND ADMINISTRATIVE EMPLOYEES, WHAT WILL BE THE AVERAGE WAGE OF THE EMPLOYEES WORKING ON THE CONSTRUCTION OF THE PROJECT?

A. The average wage is forecasted at \$60.00 per hour.

Q. WILL EMPLOYEES WORKING ON CONSTRUCTION OF THE PROJECT BE PROVIDED A HEALTH INSURANCE PLAN, PROVIDED BY A THIRD-PARTY ADMINISTRATOR THAT INCLUDES COVERAGE FOR DEPENDENTS OF THE EMPLOYEES?

A. Yes.

Q. WILL THE HEALTH INSURANCE PLAN OFFERED TO EMPLOYEES COMPLY WITH THE REQUIREMENTS OF NRS 701A.365(1)(d)(4) AND ALL APPLICABLE REGULATIONS?

A. Yes.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

Attachment 1

Overview of Experience

(ROB) PATRICK BEVERIDGE, CPA

Work Experience

Ormat Technologies, Inc

January 2022 - Current

Indirect Tax Manager

Ormat is a leading vertically integrated renewable energy company specializing in geothermal power, recovered energy generation, and energy storage. They are a public company (NYSE: ORA) with ~\$1B Revenue. They design, build, own, and operate power plants, providing clean, low-emission energy globally, with significant operations in the US, Latin America, and Kenya.

Responsibilities

- Manage and maintain all property taxes, including filings, assessments, billings, audits, and planning.
 - Updated Ormat's property tax system to track all filings and billings
 - This file was also used for forecasts and comparisons to prior years
 - Implemented procedures and workpapers for property tax forecasts
 - Manage and perform property tax accruals; reconcile accounting accruals for SOX compliance as well as P&L expenses for operation's budgeting
- Coordinate and execute Nevada RETA tax abatement applications for geothermal and battery storage locations
- Manage, prepare and file Nevada Net Proceeds Tax Returns and Projections. Maintain and supervise audits.
- Manage, prepare and file Nevada Modified Business Tax returns, Nevada Commerce Tax returns, Unclaimed Property Reports, and Nevada Pollution Control Reports
- Manage sales & use tax filings, billings, and audits
- Coordinate with Ormat staff in various departments to meet, and prepare for, required filings

Accomplishments

- Obtained almost \$2M in refunds after review and appeal of property tax filings performed prior to my tenure at Ormat
- Executed and spearheaded applications for Nevada tax abatements on geothermal, solar, and battery storage programs. These produced millions of dollars in tax savings.
- Fully revised the property tax program to match the needs of accounting and operations
- Reduced a property tax audit payable by > \$1M through appeals
- Reduced property taxes payable for a Nevada location by \$20k per year through appeal

- Reviewed and improved sales & use tax procedures after the implementation of SAP; this involved tax code and tax jurisdiction issues

Hecla Mining Company

August 2017 – December 2021

Senior Tax Manager

November 2020 – December 2021

Tax Manager

August 2017 – November 2020

Hecla is a mid-tier gold and silver mining company with mining operations in Nevada, Canada and Mexico. They are a public company (NYSE: HL) with ~\$650M Revenue. I was originally hired by Klondex Mines; Hecla acquired Klondex Mines in June 2018 and I was hired by Hecla.

Responsibilities

- Manage and prepare quarterly tax provisions and financial statement footnotes
- Coordinate, plan and prepare federal and state income tax returns
- Research and apply principles of ASC 740
- Prepare annual UNICAP (Section 263A) calculations
- Review and respond to IRS and State tax notices
- Manage, prepare and file Nevada Net Proceeds Tax Returns and Projections. Supervise Audits
- Calculate federal estimated tax payments and Nevada Excise Taxes (Bill AB 495)
- Manage, prepare and file Nevada Modified Business Tax returns, Commerce Tax returns, Unclaimed Property Reports, Pollution Control Reports, real and personal property declarations, and sales & use tax returns
- Conduct research and monitor tax law changes. Apply findings to tax provisions and tax returns
- Manage asset database and prepare monthly reports and journal entries for fixed assets (FAS and IFS) and depletion for mineral reserves
- In charge of construction-in-progress, including additions, transfers and reconciliations
- File annual business licenses for all Nevada entities
- Review and approve Canada GST/HST/RST/PST returns
- Establish and implement internal controls for accounting, tax processes and filings

Accomplishments

- Implemented Corptax in the Company database and prepared the 2020 Federal tax form 1120 in-house instead of outsourcing the work to consultants
- Took over Tax Director responsibilities for one year while the Director was on medical leave
- Revised the tax provision for 2017 Tax Cuts and Jobs Act (TCJA)
- Updated asset listings, filed tax returns, and assisted accounting with the Purchase Price Allocation when Hecla Mining acquired Klondex Mines June, 2018
- 2017 onwards, began preparing Annual Nevada Net Proceeds Tax returns and projections instead of outsourcing the work
- Updated work templates to reduce preparation time and improve accuracy
- Updated personal property tax asset listing and amended recent filings. Reduced the reported taxable values by approximately \$15M

Sierra Nevada Corporation

July 2015 – August 2017

Senior Tax Accountant

A privately held (S Corporation) electronic systems provider and systems integrator with Contracts with the United States Armed Forces, NASA and private spaceflight companies.

Responsibilities

- Federal and state tax compliance and audits
- Supervised personal property and sales & use tax returns
- Managed annual Domestic Production Activities Deduction
- Oversaw tax depreciation
- Controlled US Census reporting
- Maintained business licenses and annual report filings
- Managed PAC (political action committee) finances and FEC/State compliance requirements

Accomplishments

- Revised personal property tax preparation and review methods to reduce preparation and review time and increase accuracy of property tax asset listings
- Created a template to use for preparing PAC monthly and annual reports filed with the FEC to reduce prep and review time, improve accuracy, and assist with budgeting PAC donations

International Game Technology, Inc

June 2010 – July 2015

Senior Tax Analyst

A \$4B Multinational public gaming company (NYSE:IGT) that produces slot machines and other gaming technology

Responsibilities

- Prepared quarterly tax provisions
- Conducted tax research; prepared memorandums to support conclusions and recommended actions to take
- Managed tax depreciation
- Managed §199 Domestic Production Activities Deduction (DPAD)
- Worked on R&D tax credit calculations
- Participated in IRS tax audits
- Calculated Uniform Capitalization (UNICAP) inventory adjustments
- Prepared quarterly estimated tax payments

Freeman & Williams, LLP

January 2008 – June 2010

Senior Accountant

- Complex/advanced preparation and review of corporate, partnership, estate, trusts, and individual tax returns
- Audited, reviewed, and compiled financial statements
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Cupit, Milligan, Ogden & Williams, CPAs

January 2007 – January 2008

Staff Accountant

- Basic and intermediate tax return preparation for C-corporations, S-corporations, partnerships and individuals
- Audited, reviewed, and compiled financial statements

Education

University of Nevada, Reno

B.S. in Business Administration, Accounting Major

- Cumulative GPA: 3.7; graduated with distinction. Dean's List, College of Business Administration

Attachment 2

ORNI 56 LLC, LONE MOUNTAIN GEOTHERMAL POWER
PROJECT SCHEDULE

- Project release – Q1 2026
- Permits on hand to start construction – Q1 2027
 - Construction break ground –Q1 2027
 - Drilling completion – Q3 2027
- Power plant construction Completion – Q1 2028
 - T-line construction Completion – Q1 2028
 - Target COD – Q3 2028