Data Request 81:

Please provide the amount of state and local taxes projected to be paid during the construction period.

Response:

The requested information was previously provided in the Beacon Solar Energy Project (BSEP) Application for Certification (AFC) submitted in March 2008 in Section 5.11.3.2 – Construction: Fiscal Resources (page 5.11-26). Below is a summary of the response:

Based on local construction expenditures of $14.5 million, the sales tax generated for the State is estimated at $0.9 million; Kern County operations would receive approximately $109,000; and County Transportation Fund sales tax revenues are estimated at approximately $36,000.

Data Request 82:

Please provide the tax rate.

Response:

The requested information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.2 – Construction: Fiscal Resources (page 5.11-26). Below is a summary of the response:

The 7.25 percent Kern County sales tax rate is divided into 6.25 percent for the State; 0.75 percent for Kern County operations, and 0.25 percent goes to the Kern County Transportation Fund.

Data Request 83:

Please provide an estimate of taxes projected to be paid for the life of plant and the tax rate on which the estimate was based.

Response:

The information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.3 – Operations: Fiscal Resources (page 5.11-28). Below is a summary of the response:

Applying the Kern County sales tax rate of 7.25 percent, approximately $435,000 would be generated annually in local sales tax as a direct result of the Project, or approximately $8.7 million for the life of the project (until year 2030).

Data Request 84:

> Please provide the valuation year of dollars on which amounts are based or in constant dollars.

Response:

2006 dollars.

Data Request 85:

> Please provide the amount of indirect and induced revenues resulting from the operation of the plant over the life of the project.

Response:

The information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.3 – Operation: Employment (page 5.11-27). Below is a summary of the response:

For the purpose of the input-output model, the annual expenditures that would benefit local economies were assumed to be $6 million annually; and this figure was used as an input into the model to predict employment and economic impacts.

The following information was not previously provided in the BSEP AFC:

Indirect Regional Revenues - $649,000
Induced Regional Revenues - $950,000

Data Request 86:

> Please provide the amount of the gas franchise fee to be paid to SoCalGas during the operation of the project.

Response:

The gas franchise fee is based on the following calculation:

Volume of gas used X Market price of gas (per therm) X 1.5%.

It is not possible to provide the exact gas franchise fee to be paid to SoCalGas during the operation of the project because of the varying cost and demand (volume) for gas to the project. However, in a hypothetical situation, if the plant plans to use 50 million cubic square feet per year (MMcf/yr), that is equivalent to (500,000 * 1.03) therms/year or approximately 515,000 therms/year. With a current gas rate of 1.489 cents per therm[1], an estimate of the annual gas franchise fee to be paid is:

515,000 therms X 1.489 cents X 1.5% = $11,503

Over the 30 year expected operations phase, this would total $345,090.

Data Request 87:

Please provide the amount of the gas franchise fee surcharge.

Response:

The gas franchise fee surcharge is based on the following calculation:

Volume of gas used X Market price of gas (per therm) X 1.462%.

Similar to the response above, it is not possible to provide the exact gas franchise fee surcharge to be paid to SoCalGas during the operation of the project because of the varying cost and demand (volume) for gas to the project. However, in a hypothetical situation, if the power plant plans to use 50 million cubic square feet per year (MMcf/yr), that is equivalent to (500,000 * 1.03) therms/year or approximately 515,000 therms/year. With a current gas rate of 1.489 cents per therm, an example of the gas franchise fee surcharge to be paid is:

515,000 therms X 1.489 cents X 1.462% = $11,211

Over the 30 year expected operations phase, this would total $336,330.

[1] Southern California Gas, GT-3FT Tier II pricing, Oct. 1, 2008.

Data Request 88:

Please provide the valuation year of dollars on which amounts are based or in constant dollars.

Response:

The above example calculations are based on 2008 dollars (pricing as of Oct. 1, 2008).

Data Request 89:

Please provide the projected dollar amount of property tax without the exemption.

Response:

The information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.3 – Operations: Fiscal Resources (page 5.11-28). Below is a summary of the response:

At present, there is no property tax on solar components (mirrors, solar boiler, heat exchangers) improvements by law (Section 73 of the California Taxation and Revenue Code). Components included under the exemption include storage device, power conditioning equipment, transfer equipment, and parts. The proposed project property value is estimated at roughly $1 Billion. After applying the California solar equipment property tax exemption, the taxable portion of the property value would be approximately $40 Million. Assuming a Kern County rate of 1.1 percent, the beginning year (year 2010) property tax for the proposed project would be an estimated $440,000.

The following information was not previously provided in the BSEP AFC:

The capital costs for the combined-cycle component of the Project are estimated at $385 million to $445 million (2008 dollars), and thus, using a Kern County tax rate of 1.1 percent, approximately $4.24-$4.90 million would be generated in property tax revenue.

Data Request 90:

Please provide the tax rate.

Response:

The information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.3 – Operations: Fiscal Resources (page 5.11-28). This section indicates that a Kern County rate of 1.1 percent was assumed.

Data Request 91:

Please provide an estimate of taxes for the life of plant, tax rate on which the estimate is based, and valuation year of dollars or in constant dollars.

Response:

The information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.3 – Operations: Fiscal Resources (page 5.11-28). Below is a summary of the response:

Accounting for depreciation during the 20-year life of the project (through year 2030), (and assuming the salvage value would be 50 percent of present value after 20 years) the total property taxes which would be paid to Kern County during the operation phase (2010 to 2030) would be approximately $630 million (all in 2006 dollars).

Data Request 92:

Please provide the projected total amount of capital costs associated with this project.

Response:

The information was previously provided in the BSEP AFC submitted in March 2008 in Section 5.11.3.2 – Construction: Employment and Economy (page 5.11-24). Below is a summary of the response:

The following project expenditures were projected for capital costs associated with construction of the facility:

1. Total Craft Payroll - $151,000,000
2. Total Staff Payroll - $14,500,000
3. Local Expenditures - $14,500,000

Total $180,000,000