

Jeff,

I would like to recommend the following changes for consideration during the workshop.

1. Under the 2<sup>nd</sup> paragraph of page 1 the first sentence is that 10 acres per MW or 10 acres per MW faceplate.
2. Rather than referring the user back to the PP Manual for Appendix E would it be possible to include it as an appendix to the Renewable Energy Manual?
3. Would it be possible to add the WhiteCo test as an appendix to the Renewable Energy Manual?
4. Would it be possible to expand the section on Obsolescence that starts on page 5 of the Renewable Energy Manual to include what the Department of Taxation feels are valid methodologies for calculation obsolescence and how to do those calculations?
5. On page 10, paragraph 1, Sentence 3 “Some internal combustion engines and **may** gas turbine...”, should “may” be many?
6. On page 1, under Land would it be possible to broaden the discussion on the rent capitalization to include being cautious when using it to ensure that you are not only calculating the possessory interest value but the actual fair market value of the land. NRS 361.227 (3) states, “The taxable value of a leasehold interest, possessory interest, beneficial interest or beneficial use for the purpose of NRS 361.157 or 361.159 must be determined in the same manner as the taxable value of the property would otherwise be determined if the lessee or user of the property was the owner of the property and it was not exempt from taxation,...”.
7. In addition, the third paragraph of Page 1 should be completely restated. It refers to BLM regulation from 2017 that was completely revised and superseded as of July 1, 2022. The following is suggested:
8. “Land value for property included in a BLM Right-of-Way program for renewable energy may be determined by capitalizing the rental payments made to BLM at an appropriate capitalization rate as authorized by ~~NAC 336.1198~~ NAC 361.1198 as an alternate approach to value. The BLM ~~Linear Rent Schedule~~ Reduced Per-Acre Rental Rate Schedule For Solar Energy Authorizations On Public Land (there is a separate table for wind energy) may be used to calculate the rent. ~~The rent depends on the “zone” where the operation is located.~~ The Reduced Per-Acre Rental Rate Schedule For Solar Energy Authorizations On Public Land (or for wind) schedules are adjusted annually based on inflation (the Implicit Price Deflator Index). ~~The BLM has developed separate calculations for contract rent for wind and solar rights-of-way. Their Linear Rate Schedule, right-of-way lease valuation and Mw fee forms can be found at: BLM Renewable Energy Lease Forms (2016–2021).~~ These per-acre rate schedules, MW rate schedules, methodology and examples can be found at: [MS-2806 rel 2-307 Chapter 6.pdf \(blm.gov\)](#).
9. It is important to note that NAC 361.1198 2.b.2, indicates that if a lease, “is outdated or no longer representative of current market rents, a county assessor must reject the lease or adjust the lease to current market conditions using verifiable market data.”
10. The removal of the second paragraph under the heading “Obsolescence” on page 5 of the manual. This makes it sound like the federal Investment Tax Credit and/or grant cause obsolescence. The federal Income Tax Credit and/or grant has nothing to do with value it is only a reduction in federal income taxes. Furthermore, it appears that if the federal income tax

credit and/or grant is used to reduce value, thus taxes, the entity would not qualify for the renewable energy abatement during that time period.