The Brattle Group

Economic and Fiscal Impacts of the Desert Sunlight Solar Farm

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EXECUTIVE SUMMARY

This report calculates the estimated economic and fiscal impacts of First Solar, Inc.'s proposed Desert Sunlight Solar Farm Project (Project), a 550 megawatt (MW) solar photovoltaic plant to be built in Riverside County and its associated generation interconnection line. Based on the estimated value of the proposed Project, $254 million is projected to be spent locally on materials and labor over the construction period and minimum 25 year operating period. Note that this figure includes both the generation project and the associated transmission project.

Table E1 below presents the direct, indirect and induced impacts associated with local spending on the Desert Sunlight Solar Farm Project. The entries in the table include only the benefits resulting from local spending on labor, materials and services and do not include any additional benefits resulting from the value of the energy created.

The *direct impact* reflects the initial change in economic activity from local payroll and construction expenditures over the construction and operation periods. The *indirect impact* results from local "business-to-business" transactions necessary to support the direct activity, for instance local purchase of building materials, engineering and consulting services, and other goods purchased from supporting industries. The *induced impact* results when the increased earnings generated by the direct and indirect economic activity is spent on local goods and services, for example when workers at the facility spend their income on food, clothing, automobiles, real estate, and education, health and social services.

Table E1. Local Economic Impact and Tax Benefits of the Desert Sunlight Solar Farm and Gen-Tie Transmission Line

Impact	Economic Activity	Job Years (FTEs)	Employee Compensation	Economic Output
Direct	Project Development	*1,353*	$197,000,000	$254,000,000
Indirect	Local Supply Chain	175	$10,000,000	$28,000,000
Induced	Employee Spending	385	$20,000,000	$54,000,000
Total Economic Impact		**1,913**	**$227,000,000**	**$336,000,000**
Tax Revenue				$27,000,000
Government Expenditures				$0 to $5,000,000
Net Fiscal Impact				**$22,000,000 to $27,000,000**

[1] Impacts here represent the undiscounted total over the 26 month and 20 month construction periods for the solar farm and transmission line, respectively, and the minimum 25 year operating period of the facility.
[2] Job estimates include part-time and full-time employment.
[3] Employee compensation includes wages and fringe benefits paid for by employers.
[4] Economic output includes all local spending on labor, materials, and services, and does not include the value of the energy created.
[5] Employee compensation and output numbers are approximate and rounded to the nearest million.

Based on the projected need for direct employment of 440 workers on average per year during the 26 month construction of the generating facility, 25 workers during the 20 month construction of the transmission interconnection, and 15 full-time employees for annual operations thereafter, it is estimated that the Desert Sunlight Solar Farm Project would create up

to 1,448 job-years over the construction period and up to 465 job-years over the 25 year operating period in the County.[1]

The Brattle Group estimates that the total local economic impact of the Desert Sunlight Solar Farm will be approximately $336 million in additional economic output. Of this total, over three quarters of the total impact or $261 million measured as economic output will be generated during the construction period, with the remainder arising during the operating period. A substantial portion of the local economic impact reported in the table is projected to arise in Riverside County. The remaining local benefit will spill into the other counties that comprise the surrounding area.

In addition to the $336 million local economic impact, the Project is expected to produce a net fiscal benefit for the County of at least $22 million that could reach approximately $27 million if no substantial government infrastructure or service costs are incurred.[2] The net fiscal impact on Riverside County includes approximately $15 million in sales and use tax revenues, $12 million in property tax revenues, and $0 to $5 million in government expenses. These fiscal impacts are conservative. Additional sales and land tax revenues may accrue. The Desert Sunlight Solar Farm will also pay an as yet undetermined annual transmission line franchise fee to the County of Riverside. In addition, First Solar expects to pay a land tax of at least $10 million over the 25 year operating life of the plant based on the Project's possessory interest in the BLM federal land. However, this land tax is excluded from the bottom line fiscal impacts to be conservative.

Figure E1 provides a breakdown of induced spending by Desert Sunlight Solar Farm Project workers. The majority of induced spending is projected to occur in the services, retail trade, and finance, insurance, and real estate sectors of the local economy.

The estimates presented in this report are approximate and based on IMPLAN modeling assumptions and First Solar estimates of project costs that are subject to change. As such, the values and conclusions of this report should be considered representative of the anticipated economic outcomes. *Brattle* has not conducted any independent cost analysis.

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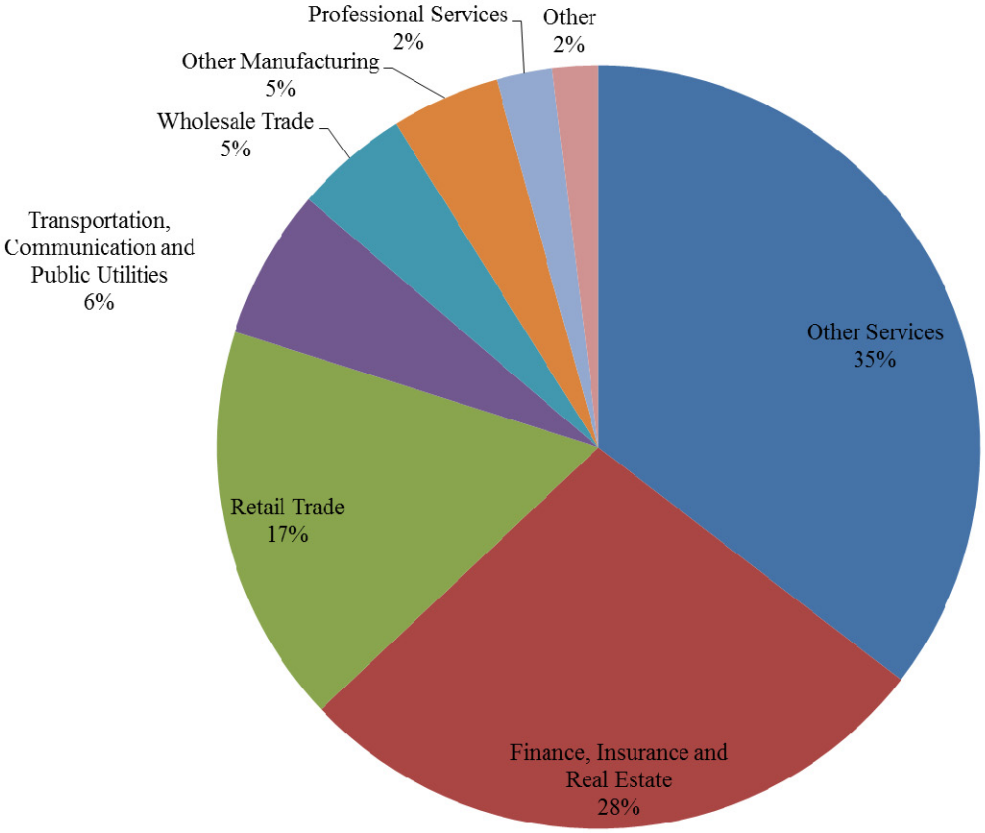
[1] A job-year or full-time equivalent (FTE) represents the equivalent of a single person employed for an entire fiscal year.

[2] At this time, no specific infrastructure or public service demands have been attributed to the project.

Figure E1. Induced Spending by DSSF and Gen-Tie Project Workers



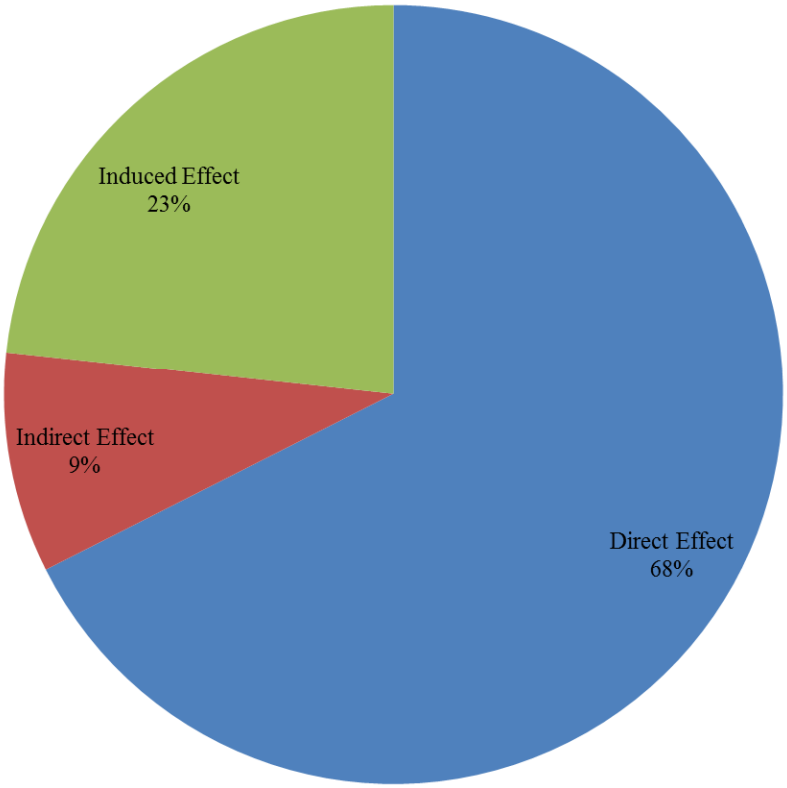
[1] Other includes Agriculture, Construction, Government, Fabricated Metals, Mining, Electrical Equipment and Machinery.
[2] Other Manufacturing comprises all manufacturing industries not included in Electrical Equipment, Machinery and Fabricated Metals manufacturing.
[3] Other Services comprises all other service industries besides Professional Services.

I. INTRODUCTION

This report details the economic and fiscal impacts of First Solar, Inc.'s proposed Desert Sunlight Solar Farm Project (Project), a 550 megawatt (MW) solar photovoltaic plant to be built in Riverside County and its associated generation interconnection line (Gen-Tie Line).[3] Based on the estimated value of the proposed Project, $254 million is projected to be spent locally on materials and labor over the construction period and minimum 25 year operating period. Note that this figure includes both the generation project and the associated transmission project. *Brattle* estimates that that the proposed Project will create up to 1,448 job-years[4] over the construction period and up to 465 job-years over the 25 year operating period in the County.

Figure 1.1 presents a breakdown of the construction period employment created by round of spending in the local economy.

Figure 1.1 Construction Period FTE Job Creation by Round of Spending



[1] Includes construction period employment creation from both the DSSF and transmission investment.

[3] The estimates presented in this report are approximate and based on IMPLAN modeling assumptions and First Solar estimates of project costs that are subject to change. As such, the values and conclusions of this report should be considered representative of the anticipated economic outcomes. *Brattle* has not conducted any independent cost analysis.

[4] A job-year or full-time equivalent (FTE) represents the equivalent of a single person employed for the entire fiscal year, for instance 12 workers employed in one month or one worker employed an entire year.

In total, employment generated by the Project corresponds to the creation of approximately $199 million in employee compensation and $261 million in output during the construction period (concurrently, 26 months for the solar farm and 20 months for the Gen-Tie Line) and over $27 million in employee compensation and $75 million in output during the subsequent 25 year operating period. Employee compensation and output from the operating period will be larger in the event that the plant remains operational beyond the minimum 25 year period that frames the study.

II. BACKGROUND

Desert Sunlight Solar Farm is a 550 megawatt photovoltaic power plant currently being developed by First Solar, Inc. (First Solar). The proposed plant is located on approximately 4,000 acres in the Chuckwalla Valley of the Sonoran Desert in eastern Riverside County California.[5] First Solar estimates that the plant will produce power output for about 160,000 average California homes.[6] Based on a projected annual output level of 1.2 gigawatt-hours of renewable energy, the Desert Sunlight Solar Farm is capable of producing the equivalent of the demand for approximately 85 percent of the 1.4 gigawatt-hours of annual energy consumption in Riverside County.[7] The energy generated by the plant will be sold to Southern California Edison (SCE) and Pacific Gas & Electric (PG&E) under a long-term contract to help SCE and PG&E meet California's Renewable Portfolio Standard (RPS), which requires investor-owned utilities, electric service providers and community choice aggregators to increase procurement from eligible renewable energy resources by at least 1 percent of their retail sales annually to 33 percent by 2020.[8] The Desert Sunlight Solar Farm relies on First Solar's technology for thin film cadmium telluride (CdTe) PV modules.[9] The energy produced at the plant will require a power conversion station (PCS) with PV inverters to convert the DC electric input into grid-quality AC electric output.[10] The final project site will include the solar arrays, as well as an electric substation, visitor center, and maintenance facilities. First Solar will construct a 220 kV transmission line approximately 12 miles long, the Gen-Tie project, to route electrical output from the onsite substation to the Red Bluff substation.[11] The Red Bluff substation will be constructed by SCE and is not included in this study.

Construction of the Desert Sunlight Solar Farm is scheduled to take place over a 26 month period. Subsequent to the construction period, the plant "has a minimum expected lifetime of 30 years, with an opportunity of 50 years or more with equipment replacement and repowering."[12] This report considers a minimum operating life of 25 years, which results in a conservative lower-bound on the economic benefits that will arise over the operating period of the project.

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5 BLM; Desert Sunlight Solar Farm Project Final EIS, Chapter 1.

6 First Solar, Inc.; http://desertsunlight.com/overview.php

7 California Energy Commission; http://www.ecdms.energy.ca.gov/elecbycounty.aspx. Based on 2009 electricity consumption levels.

8 California Public Utility Commission; http://www.cpuc.ca.gov/PUC/energy/Renewables/index.htm.

9 BLM; Desert Sunlight Solar Farm Project Final EIS, p. 2-6.

10 *Ibid.,* p. 2-1.

11 *Ibid.,* p. 2-11.

12 *Ibid.,* p. 2-1.

III. METHODOLOGY

The economic analysis relies on IMPLAN (Impact Analysis for Planning), an input-output model developed and maintained by the Minnesota IMPLAN Group ("MIG") that is used for economic impact analysis by over 2,000 public and private institutions.[13] The analysis draws on data collected from numerous state and federal sources, including the Bureau of Economic Analysis, Bureau of Labor Statistics (BLS), and the U.S. Census Bureau.

a. Description of IMPLAN

The IMPLAN modeling system relies on a matrix representation of the economy that describes the relationships among industries, consumers, government and foreign suppliers in order to derive the economy-wide impacts of changes in a specific industry. This matrix representation is the so-called Leontief matrix, which contains average input (purchase) coefficients that describe the mix of goods, services and labor that are required to produce a unit of output; that is, how the output of one industry is used as an input in other related industries. The resulting input-output coefficients represent what economists refer to as production functions.[14] The basic input-output model can be expressed in a straightforward equation: $X= (I-A)^{-1} *dY$ where (I-A) is the inverse of the Leontief matrix, dY is a change in final demand and X is output.

The IMPLAN model refines the U.S. economy into 440 unique sectors and allows for regional disaggregation down to the county level. The model can be used to estimate the direct, indirect and induced impacts on employment, employee compensation and output as a result of final demand changes that result from a new investment in a particular industry or compilation of industries.[15] The *direct effect* captures the initial change in economic activity resulting from the new investment. The *indirect effect* reflects new economic activity that is stimulated by the direct investment in industries that supply inputs to the sector of initial change. For example, increased spending on engineering consulting services to support the construction industry would be an indirect effect that arises during the construction phase of the plant. The *induced effect* captures the economic activity that results when the increased earnings generated by the direct and indirect economic activity is spent on local goods and services, for instance when construction workers hired to build the plant spend income on groceries, clothing, financial services, real estate, and healthcare. The economic impact of the project is the sum of these direct, indirect and induced effects. IMPLAN is capable of quantifying economic impacts in terms of employment, employee compensation and output. Employee compensation is the total

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[13] MIG; http://implan.com/V4/index.php?option=com_content&view=article&id=282:what-is-implan&catid=152:implan-appliance-&Itemid=2.

[14] The production functions used in IMPLAN are based on the U.S. Bureau of Economic Analysis' (BEA's) Benchmark Input-Output Accounts.

[15] *Final Demand* is the demand of units external to the industrial sectors that constitute the producers in the economy, *e.g.,* households, government and foreign trade. (Miller and Blair, 1985) Output represents the value of industry production.

payroll cost of the employee paid by the employer, including wage and salary, all benefits, and employer paid payroll taxes. Output represents the value of industry production.[16]

b. IMPLAN Inputs

The county-level economic impacts of the proposed 550 MW Desert Sunlight Solar Farm and Gen-Tie Line are estimated using IMPLAN version 3. To maintain consistency with the National Renewable Energy Laboratory's (NREL's) Jobs and Economic Development Impact (JEDI) model, the 440 IMPLAN industries are aggregated into 14 sectors that correspond to distinct areas of investment related to power generation projects.[17] The aggregated sectors are as follows: Agriculture; Construction; Electrical Equipment; Fabricated Metals; Finance, Insurance and Real Estate; Government; Machinery; Mining; Other Manufacturing; Other Services; Professional Services; Retail Trade; Transportation, Communication and Public Utilities; and Wholesale Trade.

The JEDI framework provides guidance as to the breakdown of components that comprise a solar photovoltaic system. Specifically, for the construction and operating periods, materials and equipment for the solar farm are broken down into the following categories: Mounting (rails, clamps, fittings, etc.); Modules; Electrical (wire, connectors, breakers, etc.); and Inverters. In addition to these categories, economic value is generated from the Gen-Tie Line capital investment and the direct labor requirement for both construction and O&M of the facility and transmission interconnection. Estimates provided by First Solar indicate that roughly $193 million will be spent in the local economy during the construction period, with an additional $2 million of local spending per annum during the operating period.

The economic impact analysis considers the effect of construction and O&M spending on the local economy defined as Riverside County. The construction and O&M period inputs outlined by these scenarios are summarized in Table 3.1.

Table 3.1 Desert Sunlight Solar Farm and Gen-Tie Transmission Line Project Spending

Phase	Total
Construction (Aggregate)	$193,000,000
O&M (Annual)	$2,000,000

Numbers are approximate and rounded to the nearest million.

Source: Data provided by First Solar, Inc.

After consulting with First Solar about the economic make-up of Riverside County and surveying current trends in the solar PV industry, it was determined that in terms of capital expenditure, mounting (predominantly fencing, posts and concrete) and electrical wiring are likely to be sourced locally for the solar farm while steel structures and raw construction materials (such as concrete and gravel) are likely to be sourced locally for the transmission line.

[16] MIG; www.implan.com. For manufacturers this would be sales plus/minus change in inventory. For service sectors production = sales. For retail and wholesale trade, output = gross margin and not gross sales.

[17] NREL (2010), JEDI Photovoltaic Model PV1.10.03.

Accordingly, it is assumed that local spending on materials and supplies for the solar farm is split among mounting and electrical materials through the construction and O&M phases. For the transmission line, it is assumed that 35 percent of the total investment goes towards overhead wires, transformer, converter station and engineering and design, all of which are sourced out of County. The remainder is spent directly on steel structures, raw materials, construction labor and business support services in Riverside County.

c. Fiscal Inputs

The fiscal impact analysis quantifies the impact/benefit of a new business for revenue calculations on a government municipality. These studies allow government officials to effectively evaluate or plan for a new development or project that affects tax revenue, service fees, or the cost of providing services. The fiscal impact analysis is a narrow concept that measures only the direct, public (governmental) costs and public revenues associated with the project over a specific time period such as sales and use tax, property tax, licenses and permits, and other charges for services.

The fiscal impacts resulting from the Project are derived using a standard net present value (NPV) calculation that relies on prevailing tax rates[18] and tax-based information provided by First Solar. This includes revenues subject to sales and use taxes as well as property acquisition costs. A discount rate of 2 percent is used to convert future revenues (in real dollars) into present value terms (2011 dollars). For the purposes of the analysis there is no direct land sale pricing.

The majority of the Desert Sunlight Solar Farm Project falls within Federal Bureau of Land Management Land stewardship. Published lease rates for these lands are available publicly. "Base Rent" for the acreage of public land is included within the right-of-way authorization. The "Base Rent" will be paid upon the date of issuance of the right-of-way authorization and will be paid on a continuing annual basis during the term of the authorization. The "Base Rent" is a per-acre rental fee that varies from county to county, based on the different average rural land values for each county published by the National Agricultural Statistics. The 2010 "Base Rent" for the Desert Sunlight Solar Farm Project in Riverside County is $313.88 per acre. In addition to "Base Rent" there are additional "capacity charges" that are triggered during phases of the project. The current rents range from $1.38 million annually in the initial months to $4.85 million at full capacity. These rents currently do not support local or state governments or agencies; however, property tax assessment on the possessory interest in this land is expected to generate property tax revenue of at least $10 million during the life of the project.

[18] Tax rates and assumptions from Riverside County TLMA Land Information System, Riverside County Office of the Treasurer and California State Board of Equalization. Under Proposition 13 general property tax is limited to 1 percent of assessed value. California Assembly Bill 1451 allows a 100 percent property tax exclusion for new active solar equipment and a 75 percent abatement on dual use equipment. The sales and use tax rate used is calculated only on significant original equipment purchases. Sales and use tax owed on replacement equipment could amount to a few hundred thousand dollars per year.

IV. RESULTS

a. Economic Impacts

The results of modeling the inputs described in Table 3.1 in IMPLAN are displayed in Tables 4.1-4.3. Tables 4.1 and 4.2, respectively, show the indirect and induced impacts of the Desert Sunlight Solar Farm Project on employment across the aggregated sectors underlying the study.

Table 4.1 Indirect Employment Generated by Direct Spending

	Desert Sunlight Solar Farm				Gen-Tie Transmission Line	
	Construction Phase		Operation Phase		Construction Phase	
Industry/Sector	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total
Agriculture	1	1%	0	1%	0	1%
Mining	0	0%	0	0%	0	0%
Transportation, Communication and Public Utilities	8	7%	3	7%	1	8%
Construction	1	1%	0	1%	0	2%
Other Manufacturing	7	5%	2	6%	1	5%
Fabricated Metals	3	2%	1	2%	0	2%
Machinery	0	0%	0	0%	0	0%
Electrical Equipment	0	0%	0	0%	0	0%
Wholesale Trade	12	10%	4	10%	1	8%
Retail Trade	34	28%	11	27%	2	17%
Finance, Insurance and Real Estate	7	6%	3	6%	1	10%
Professional Services	27	22%	9	22%	2	21%
Other Services	21	17%	8	18%	3	24%
Government	0	0%	0	0%	0	0%
Total Indirect Employment	121	100%	43	100%	12	100%

Source: IMPLAN v3 and The Brattle Group

Table 4.2 Induced Employment Generated by Direct Spending

	Desert Sunlight Solar Farm				Gen-Tie Transmission Line	
	Construction Phase		Operation Phase		Construction Phase	
Industry/Sector	Jobs	% of Total	Jobs	% of Total	Jobs	% of Total
Agriculture	3	1%	0	1%	0	1%
Mining	0	0%	0	0%	0	0%
Transportation, Communication and Public Utilities	11	3%	2	3%	0	3%
Construction	1	0%	0	0%	0	0%
Other Manufacturing	5	2%	1	2%	0	2%
Fabricated Metals	0	0%	0	0%	0	0%
Machinery	0	0%	0	0%	0	0%
Electrical Equipment	0	0%	0	0%	0	0%
Wholesale Trade	13	4%	2	4%	1	4%
Retail Trade	83	26%	12	26%	3	26%
Finance, Insurance and Real Estate	42	13%	6	13%	2	13%
Professional Services	8	2%	1	2%	0	2%
Other Services	158	49%	23	49%	6	49%
Government	1	0%	0	0%	0	0%
Total Induced Employment	324	100%	48	100%	13	100%

Source: IMPLAN v3 and The Brattle Group

Note that the employment figures generated by IMPLAN are converted into full-time equivalent jobs to facilitate the comparison of employment effects across sectors for different compositions of part-time and full-time employees. The employment effects reported for the operating period represent the aggregate impacts of the project on local job creation in Riverside County over the 25 year minimum operating horizon. Ultimately, the share of employment realized by the County depends on the distribution of direct employment within the Greater Los Angeles Area, as the indirect and induced effects generated by employee purchases and spending tend to arise in workers' home counties. Current labor market conditions in Riverside County suggest that surplus labor conditions currently exist to support direct employment in the initial construction phase. The most recent employment statistics indicate an unemployment rate in Riverside County of 14.1 percent in 2011.[19] The Desert Sunlight Solar Farm Project will provide head-of-household jobs in the construction and services industries. Surplus labor conditions in the County indicate the potential to fully accommodate the employment of 440 full-time construction workers (with a monthly peak of 630) on average per year over the 26 month construction phase of the generating facility and 25 full-time construction workers (with a monthly peak of 60) over the 20 month construction phase of the Gen-Tie Line.[20]

[19] State of California, Employment Development Department; http://www.labormarketinfo.edd.ca.gov.

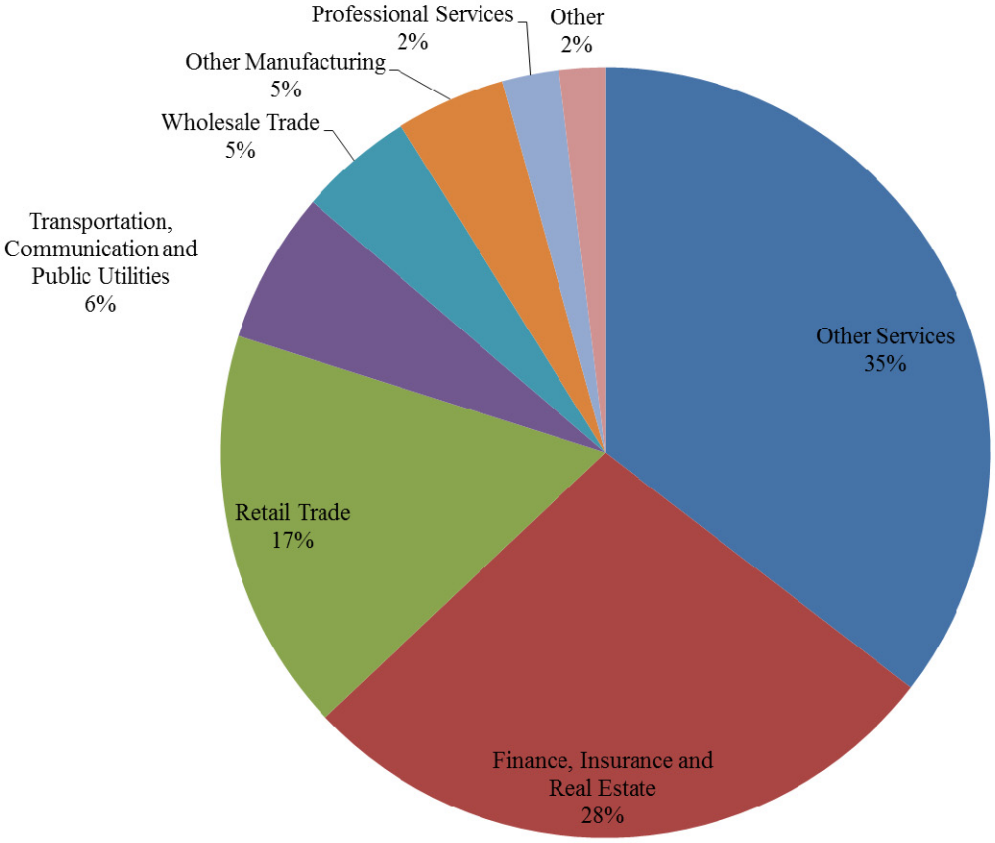
[20] Data from First Solar, Inc. and Final EIS.

Table 4.3 depicts the local economic impact of the Project in terms of employment, employee compensation, and total economic output.[21] Employee compensation and economic output are presented in undiscounted 2011 dollars. Note that output represents the value of goods and services produced. Consequently, to the extent that the value of the Project includes the cost of labor used to manufacture key inputs, to install the components, and to operate equipment then employee compensation can be viewed as a subcomponent of economic output. Note that employee compensation includes compensation to workers in a myriad of positions as well as the overhead paid by employers and so is not a direct measure of worker wages.

The entries in the table indicate that the proposed Project will create 1,448 job-years over the construction period and an additional 465 job-years over the minimum 25 year operating period in the local economy. It is likely that 100 percent of the impacts shown in Table 4.3 will occur within the Greater Los Angeles Area. The bulk of employment creation for both phases of the project arises through direct employment at the Desert Sunlight facility, with the largest share of job creation encompassed by the construction industry.

[21] Local economic impacts reflect the assumption that all of the direct construction and O&M employment requirements are met by workers located in Riverside County. First Solar plans to encourage this with a transportation program. To the extent that workers commute from other counties in the Greater Los Angeles Area, the reduction will be roughly proportional to the share of workers from outside Riverside County although differences in county-level economic structure will lead to deviations from exact proportionality.

Figure 4.1 Induced Spending by DSSF and Gen-Tie Project Workers



[1] Other includes Agriculture, Construction, Government, Fabricated Metals, Mining, Electrical Equipment and Machinery.
[2] Other Manufacturing comprises all manufacturing industries not included in Electrical Equipment, Machinery and Fabricated Metals manufacturing.
[3] Other Services comprises all other service industries besides Professional Services.

Table 4.3 Local Economic Impact of the Desert Sunlight Solar Farm and Gen-Tie Transmission Line

Impact	Economic Activity	Job Years (FTEs)	Employee Compensation	Economic Output
Direct	Project Development	*1,353*	$197,000,000	$254,000,000
Indirect	Local Supply Chain	175	$10,000,000	$28,000,000
Induced	Employee Spending	385	$20,000,000	$54,000,000
Total Economic Impact		**1,913**	**$227,000,000**	**$336,000,000**

[1] Impacts here represent the undiscounted total over the 26 month and 20 month construction periods for the solar farm and transmission line, respectively, and the minimum 25 year operating period of the facility.
[2] Job estimates include part-time and full-time employment.
[3] Employee compensation includes wages and fringe benefits paid for by employers.
[4] Economic output includes all local spending on labor, materials, and services, and does not include the value of the energy created.
[5] Employee compensation and output numbers are approximate and rounded to the nearest million.
Source: IMPLAN v3 and The Brattle Group

Between the construction period and the O&M period, the project will create over $53 million in induced spending. Figure 4.1 details the distribution of induced spending across industries. The largest share of induced spending is projected to occur in the service, retail trade, and finance,

insurance and real estate industries, where service industries include administrative and waste services, educational services, health and social services, entertainment and recreation, and accommodation and food services.

b. Fiscal Impacts

The results from the fiscal impact analysis are displayed in Table 4.5. All values in the table are in 2011 dollars, with revenues discounted at a net rate of 2 percent per annum. For the purposes of the fiscal impact analysis references to the Desert Sunlight Solar Farm also include the Gen-Tie interconnection effort.

The development of the proposed Desert Sunlight Solar Farm will lead to sales and use tax revenues of $15 million over the construction period including $10 million of sales taxes and $5 million from assessments for transportation projects.[22] A breakdown of sales tax allocation is provided in Table 4.4 to further delineate state and local benefit.[23]

Table 4.4 Detailed Description of Sales and Use Tax Rate

Rate	Jurisdiction	Purpose
4.75%	State	Goes to State's General Fund
0.25%	State	Goes to State's General Fund
1.00%	State	Goes to State's General Fund
0.25%	State	Goes Towards State's Fiscal Recovery Fund, to pay off Economic Recovery Bonds (2004)
0.50%	State	Goes to Local Public Safety Fund to support local criminal justice activities (1993)
0.50%	State	Goes to Local Revenue Fund to support local health and social services programs (1991 Realignment)
1.00%	Local	0.25% goes to county transportation funds, 0.75% goes to city and county operations
0.50%	Local	0.50% goes to Riverside County Transportation Commission

Source: California State Board of Equalization.

The vast majority of sales tax liability is sourced to the material required in the construction of the utility-scale solar facility. Sales and use tax on the original equipment purchased and construction would likely comprise more than 90 percent of sales and use tax paid over the life of the Desert Sunlight Solar Farm.

This analysis assumes negligible sales and use tax throughout the operating life of the solar energy facility. However, this could be a non-trivial source of revenue for local/state jurisdictions, on the order of several million dollars over the life of the plant.

The addition of improvements on this property would increase its value and the associated Riverside County property tax revenue, which are expected to total $12 million over the first 25 years[24] of Desert Sunlight Solar Farm's lifespan.[25]

Non-reimbursed government expenditures are likely to be modest. To date, no substantial costs for government infrastructure or services have been identified. To be conservative, a ceiling of $5 million in government expenses has been included here, although there is no indication that

[22] Final EIS.
[23] California State Board of Equalization.
[24] U.S. Department of Energy (2010).
[25] Final EIS.

existing government infrastructure cannot accommodate the Desert Sunlight Solar Farm Project in Riverside County.

The Desert Sunlight Solar Farm will also pay an annual transmission line franchise fee to the County of Riverside. This calculation is based on a charge per linear foot. The amount of this fee is to be determined and hence has not been included in the fiscal analysis.

In addition, the County is expected to assess property tax on Desert Sunlight Solar Farm's possessory interest in the federal land. First Solar estimates that this land tax will accrue to at least $10 million over the Project life. To be conservative, this land tax does not enter into the fiscal analysis.

As shown in Table 4.5, the net fiscal impact of the Desert Sunlight Solar Farm Project on Riverside County is expected to be positive. The County will benefit from at least $22 million in net income over the first 25 years of the project life, and as much as $27 million.

Table 4.5 Net Fiscal Impact

Fiscal Category	Present Value
Sales & Use Tax Revenues	$15,000,000
Property Tax Revenues	$12,000,000
Total Revenues	**$27,000,000**
Government Expenditures	$0 to $5,000,000
Net Fiscal Impact	**$22,000,000 to $27,000,000**

Numbers are approximate and rounded to the nearest million.

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