

Statement of Dita Bronicki

Chief Executive Officer, Ormat Technologies, Inc.

**Before the Subcommittee on Regulatory Affairs, Stimulus Oversight and
Government Spending,**

**United States House of Representatives, Committee on Oversight and Government
Reform**

June 19, 2012

Mr. Chairman, Ranking Member Kucinich, and members of the Subcommittee:

My name is Dita Bronicki, and I am the Chief Executive Officer of Ormat Technologies, Inc., a New York Stock Exchange listed company. Ormat, which has been headquartered in Nevada since 1984, is the only vertically-integrated company primarily engaged in the geothermal power business. We design, develop, own, and operate power plants around the world, using our state-of-the-art technology. We are not new to this business. Ormat was founded in 1965, and we have more than four decades of experience in the development of environmentally-sound power. We currently own and operate power plants totaling 586 megawatts around the world, with 470 megawatts in the western United States. We employ over 1000 people worldwide, with more than 500 employees domestically. I appreciate the opportunity to testify here today about our business and the Department of Energy's 1705 loan guarantee program.

First, a word about geothermal energy. Geothermal energy is heat energy that comes from the Earth's molten interior. In a geothermal power plant, steam or hot water are captured and directed to drive the power unit. The advantages of geothermal energy are many. It harnesses a naturally available energy source, it offers base load electricity year-round with high

reliability, and it provides an environmentally friendly alternative to fossil-fuel power generation.

Ormat participated not only in the current Department of Energy loan guarantee program, but also with its predecessor program almost thirty years ago. In the 1980s, Ormat obtained a \$50 million loan guarantee for our Ormesa geothermal project. At that time, the DOE loan guarantee program was a needed catalyst to encourage commercial lenders to participate in such new projects, and additional geothermal plants -- totaling hundreds of megawatts of capacity -- followed. That project paved the way for the growth of the geothermal industry in the United States, and helped the financial community on the path to accepting the viability of geothermal energy projects.

In July 2010, John Hancock Life Insurance Company submitted an application to the DOE to participate in the current 1705 loan guarantee program along with our subsidiary. The proposed project, known as "OFC 2," involved a portfolio of three different geothermal power facilities in the State of Nevada: Tuscarora, McGinness Hills, and Jersey Valley. All three facilities would provide power pursuant to 20-year power purchase agreements with Nevada Power Company, using our proprietary technology. That technology has been installed and used in multiple geothermal power plants and other electricity generating systems around the world. The project was designed to proceed in two stages, which, upon completion, would generate a combined total of over 120 megawatts of clean power. We were offered a conditional commitment from the DOE for our partial guarantee just under one year later, in June 2011.

We believe that this project is a strong fit with the objectives of the 1705 program. Economic conditions at the time of our application made it difficult to secure the commercial

debt to develop these three facilities. The DOE loan guarantee enabled us to deploy more plants and create more jobs than we would have been able to achieve without it. The two phase portfolio approach also mitigated the risk of the investment, as its overall success did not hinge entirely on the success of one facility.

A total of up to \$350 million in debt financing has been approved by our financial partner, John Hancock. Our first draw on the guaranteed funds occurred in October 2011, of approximately \$151 million -- which is only a portion of the total budget for the projects. Indeed, as of the second quarter of 2010, before our application was submitted to the DOE, the projects had been funded by Ormat in the amount of \$117 million. In short, we have dedicated substantial equity to the project and are committed to its success. I am pleased to report that the Tuscarora facility has already reached commercial operation, and we expect the McGinness facility to reach that milestone very soon.

Mr. Chairman, Ormat has been in the business of developing geothermal power for close to thirty years. We have expertise in designing and developing geothermal power plants, as well as designing, manufacturing, and selling geothermal power equipment. Our products and systems are covered by 80 U.S. patents. This deep experience enabled us to propose a solid commercial renewable energy power project to the Department of Energy. Thank you for the opportunity to speak here today about Ormat and its geothermal energy projects. I welcome any questions that the Committee may have.

DITA BRONICKI
Chief Executive Officer / Director
Ormat Technologies, Inc.

Mrs. Dita Bronicki co-founded the Ormat Group of Companies in 1965 together with her husband, Mr. Lucien Y. Bronicki. Her energy, enterprise and talent have helped make the Ormat Group a leader in the field of renewable energy production, in line with the most advanced and largest energy companies in the world.

Mrs. Bronicki has been the Chief Executive Officer and a member of the Board of Directors of Ormat Industries Ltd since 1991. Mrs. Bronicki is also a member of the Board of Directors and the CEO of Ormat Technologies, Inc. and a variety of its subsidiaries.

Ormat Technologies, Inc., a NYSE listed company (symbol ORA), is engaged in the geothermal and recovered energy power business. Ormat designs, develops, builds, owns and operates geothermal and recovered energy power plants using Organic Rankine Cycle (ORC) technology and manufactures the power generating equipment for these power plants. Ormat is a pioneer and a leader in the manufacture of ORC power equipment.

In addition to serving on the Board of the Ormat Group of Companies, Mrs. Bronicki was a director of Bet Shemesh Engines, a manufacturer of jet engines. In addition, Mrs. Bronicki was a member of the Board of Directors of OPTI Canada Inc. (Toronto Stock Exchange), and is a member of the Board of Orbotech Ltd., a NASDAQ-listed manufacturer of equipment for inspecting and imaging circuit boards and display panels. From 1994 to 2001, Mrs. Bronicki was on the Advisory Board of the Bank of Israel.

Mrs. Bronicki earned a Bachelor of Arts in Social Sciences and Public Administration from Hebrew University in 1965 and advanced studies in the field of management, finance and marketing. In the year 2007 Mrs. Bronicki received a Ph.D. Honoris Causa from the Technion – Israel Institute of Technology.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI (Clause 2)(g)(5)

Name: Dita Breunlich

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2009. Include the source and amount of each grant or contract.

None

2. List any entity you are testifying on behalf of and briefly describe your relationship with these entities.

Ormat Technologies, Inc., member of the Board of Directors and CEO

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2009 by the entity(ies) you listed above. Include the source and amount of each grant or contract.

1) September 2011 loan agreement with John Hancock for up to \$350,000,000 in aggregate principal amount guaranteed by the U.S. Department of Energy

2) See attached

I certify that the above information is true and correct.
Signature

Date: June 14, 2012

Ormat Technologies, Inc.

Project	Source	Grant amount
Wister	Dept. of Energy (R&D)	4,475,015.00
Maui	Dept. of Energy (R&D)	4,911,330.00
Glass Buttes	Dept. of Energy (R&D)	4,377,000.00
Brady EGS	Dept. of Energy (R&D)	4,482,796.00
DP	Dept. of Energy (R&D)	4,953,982.91
Brawley	Dept. of Treasury (ITC cash grant)	108,285,626.00
Puna	Dept. of Treasury (ITC cash grant)	13,821,143.00
Jersey Valley	Dept. of Treasury (ITC cash grant)	34,608,728.00
Tuscarora	Dept. of Treasury (ITC cash grant)	23,822,345.00