



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

November 13, 2017

Billy Collins
Superintendent
Borden County Independent School District
Box 95
Gail, Texas 79738

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Borden County Independent School
District and BNB Long Draw Solar LLC, Application 1215

Dear Superintendent Collins:

On October 4, 2017, the Comptroller issued written notice that BNB Long Draw Solar LLC (applicant) submitted a completed application (Application 1215) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on August 28, 2017, to the Borden County Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

Determination required by 313.025(h)

Sec. 313.024(a) Applicant is subject to tax imposed by Chapter 171.
Sec. 313.024(b) Applicant is proposing to use the property for an eligible project.

¹ All Statutory references are to the Texas Tax Code, unless otherwise noted.

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1215.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2017.

Note that any building or improvement existing as of the application review start date of October 4, 2017, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

 for Mike Reissig
Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of BNB Long Draw Solar LLC (project) applying to Borden County Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of BNB Long Draw Solar LLC.

Applicant	BNB Long Draw Solar LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Borden County ISD
Estimated 2015-2016 Average Daily Attendance	240
County	Borden
Proposed Total Investment in District	\$180,000,000
Proposed Qualified Investment	\$180,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	*2
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,144
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,144
Minimum annual wage committed to by applicant for qualified jobs	\$59,487
Minimum weekly wage required for non-qualifying jobs	\$519
Minimum annual wage required for non-qualifying jobs	\$27,002
Investment per Qualifying Job	\$90,000,000
Estimated M&O levy without any limit (15 years)	\$8,448,323
Estimated M&O levy with Limitation (15 years)	\$4,610,854
Estimated gross M&O tax benefit (15 years)	\$3,837,468

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of BNB Long Draw Solar LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	100	119	219	\$4,300,000	\$10,082,000	\$14,382,000
2019	152	192	343.697	\$6,568,974	\$17,512,026	\$24,081,000
2020	2	38	40	\$118,974	\$4,989,026	\$5,108,000
2021	2	16	18	\$118,974	\$3,166,026	\$3,285,000
2022	2	1	3	\$118,974	\$1,726,026	\$1,845,000
2023	2	(8)	-6	\$118,974	\$756,026	\$875,000
2024	2	(11)	-9	\$118,974	\$171,026	\$290,000
2025	2	(11)	-9	\$118,974	-\$86,974	\$32,000
2026	2	(9)	-7	\$118,974	-\$135,974	-\$17,000
2027	2	(6)	-4	\$118,974	-\$52,974	\$66,000
2028	2	(3)	-1	\$118,974	\$102,026	\$221,000
2029	2	(1)	1	\$118,974	\$287,026	\$406,000
2030	2	2	4	\$118,974	\$489,026	\$608,000
2031	2	3	5	\$118,974	\$669,026	\$788,000
2032	2	5	7	\$118,974	\$819,026	\$938,000
2033	2	5	7	\$118,974	\$936,026	\$1,055,000
2034	2	6	8	\$118,974	\$1,012,026	\$1,131,000

Source: CPA REMI, BNB Long Draw Solar LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives								
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Borden County ISD I&S Tax Levy	Borden County ISD M&O Tax Levy	Borden County ISD M&O and I&S Tax Levies	Borden County Tax Levy	Estimated Total Property Taxes
				0.2800	1.0400		0.7700	
2020	\$124,740,000	\$124,740,000		\$349,272	\$1,297,296	\$1,646,568	\$960,498	\$2,607,066
2021	\$106,029,000	\$106,029,000		\$296,881	\$1,102,702	\$1,399,583	\$816,423	\$2,216,006
2022	\$90,124,650	\$90,124,650		\$252,349	\$937,296	\$1,189,645	\$693,960	\$1,883,605
2023	\$76,605,953	\$76,605,953		\$214,497	\$796,702	\$1,011,199	\$589,866	\$1,601,064
2024	\$65,115,060	\$65,115,060		\$182,322	\$677,197	\$859,519	\$501,386	\$1,360,905
2025	\$55,347,801	\$55,347,801		\$154,974	\$575,617	\$730,591	\$426,178	\$1,156,769
2026	\$47,045,631	\$47,045,631		\$131,728	\$489,275	\$621,002	\$362,251	\$983,254
2027	\$39,988,786	\$39,988,786		\$111,969	\$415,883	\$527,852	\$307,914	\$835,766
2028	\$33,990,468	\$33,990,468		\$95,173	\$353,501	\$448,674	\$261,727	\$710,401
2029	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2030	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2031	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2032	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2033	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2034	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
			Total	\$2,274,548	\$8,448,323	\$10,722,871	\$6,255,008	\$16,977,880

Source: CPA, BNB Long Draw Solar LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Borden County, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought								
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Borden County ISD I&S Tax Levy	Borden County ISD M&O Tax Levy	Borden County ISD M&O and I&S Tax Levies	Borden County Tax Levy	Estimated Total Property Taxes
				0.2800	1.0400		0.7700	
2020	\$124,740,000	\$30,000,000		\$349,272	\$312,000	\$661,272	\$384,199	\$1,045,471
2021	\$106,029,000	\$30,000,000		\$296,881	\$312,000	\$608,881	\$326,569	\$935,451
2022	\$90,124,650	\$30,000,000		\$252,349	\$312,000	\$564,349	\$277,584	\$841,933
2023	\$76,605,953	\$30,000,000		\$214,497	\$312,000	\$526,497	\$235,946	\$762,443
2024	\$65,115,060	\$30,000,000		\$182,322	\$312,000	\$494,322	\$200,554	\$694,877
2025	\$55,347,801	\$30,000,000		\$154,974	\$312,000	\$466,974	\$255,707	\$722,681
2026	\$47,045,631	\$30,000,000		\$131,728	\$312,000	\$443,728	\$217,351	\$661,079
2027	\$39,988,786	\$30,000,000		\$111,969	\$312,000	\$423,969	\$184,748	\$608,717
2028	\$33,990,468	\$30,000,000		\$95,173	\$312,000	\$407,173	\$157,036	\$564,209
2029	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$133,481	\$514,854
2030	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2031	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2032	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2033	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
2034	\$28,891,898	\$28,891,898		\$80,897	\$300,476	\$381,373	\$222,468	\$603,841
			Total	\$2,274,548	\$4,610,854	\$6,885,403	\$3,485,514	\$10,370,917
			Diff	\$0	\$3,837,468	\$3,837,468	\$2,769,495	\$6,606,963

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, BNB Long Draw Solar LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that BNB Long Draw Solar LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$312,000	\$312,000	\$985,296	\$985,296
	2021	\$312,000	\$624,000	\$790,702	\$1,775,998
	2022	\$312,000	\$936,000	\$625,296	\$2,401,294
	2023	\$312,000	\$1,248,000	\$484,702	\$2,885,996
	2024	\$312,000	\$1,560,000	\$365,197	\$3,251,192
	2025	\$312,000	\$1,872,000	\$263,617	\$3,514,810
	2026	\$312,000	\$2,184,000	\$177,275	\$3,692,084
	2027	\$312,000	\$2,496,000	\$103,883	\$3,795,968
	2028	\$312,000	\$2,808,000	\$41,501	\$3,837,468
	2029	\$300,476	\$3,108,476	\$0	\$3,837,468
Maintain Viable Presence (5 Years)	2030	\$300,476	\$3,408,951	\$0	\$3,837,468
	2031	\$300,476	\$3,709,427	\$0	\$3,837,468
	2032	\$300,476	\$4,009,903	\$0	\$3,837,468
	2033	\$300,476	\$4,310,379	\$0	\$3,837,468
	2034	\$300,476	\$4,610,854	\$0	\$3,837,468
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$300,476	\$4,911,330	\$0	\$3,837,468
	2036	\$300,476	\$5,211,806	\$0	\$3,837,468
	2037	\$300,476	\$5,512,282	\$0	\$3,837,468
	2038	\$300,476	\$5,812,757	\$0	\$3,837,468
	2039	\$300,476	\$6,113,233	\$0	\$3,837,468
	2040	\$291,461	\$6,404,695	\$0	\$3,837,468
	2041	\$282,718	\$6,687,412	\$0	\$3,837,468
	2042	\$274,236	\$6,961,648	\$0	\$3,837,468
	2043	\$266,009	\$7,227,657	\$0	\$3,837,468
	2044	\$258,029	\$7,485,686	\$0	\$3,837,468

\$7,485,686

is greater than

\$3,837,468

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, BNB Long Draw Solar LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant’s decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the BNB Long Draw Solar LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per BNB Long Draw Solar LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Depending on the ability to generate cost-effective electricity for regional consumers, [BNB Renewable Energy Holdings LLC] BNB has the ability to allocate or reallocate investments to another state, another region of Texas, or another region of the world. BNB Long Draw Solar, LLC believes, however, that the proposed site in Borden County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers, and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential solar energy facilities that can be built in West and Central Texas given the newly constructed transmission capacity.”
 - B. “Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project with other projects currently being developed in Texas by BNB and by others.”
- BNB Renewable Energy Holdings, LLC, the applicant’s parent company, website features a dedicated page to the project. According to the site:
 - A. “BNB is developing the utility-scale Long Draw Solar project on range land three miles east of BNB’s Mesquite Creek Wind farm and directly adjacent to then Long Draw Substation, an

ERCOT node with capacity for up to 4,000MW of injection. Long Draw allows the export of energy through three 345kVA transmission lines to the east, south, and southwest. Increasing local load from the nearby expanding oil and gas operations of the Permian Basin combined with a CREZ interconnection at the new substation make Long Draw well-suited for a utility-scale solar plant in Texas.”

- B. “In 2006, BNB was one of the 11 original interveners in the Texas Public Utility Commission's CREZ proceedings. In April 2008, the PUC approved what would become a \$7 billion upgrade consisting of new lines dedicated to carrying wind and solar energy from West Texas to load centers in Dallas, San Antonio, and Austin. As a result of these proceedings, the new Long Draw substation has been constructed adjacent to BNB's leases, allowing an injection of renewable generation.”
- C. Project stats: size – 200MW, technology - Ground-mounted single-axis tracker PV and status – Mid-stage development
- Supplemental information provided by the applicant indicated the following:
 - A. The project is only known as BNB Long Draw Solar LLC
 - B. When the applicant was asked if the project applied to ERCOT and to provide the project's GINR number, the applicant replied “Yes. GINR 18INR0055”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab

5

of the Application for a
Limitation on Appraised
Value

TAB 5

Documentation to assist in determining if limitation is a determining factor.

BNB Renewable Energy Holdings LLC (BNB) is the parent company of BNB Long Draw Solar LLC. Founded in 2004, BNB develops renewable energy projects, both wind and solar, in the US market. Based on their success with two Texas wind farms, the 180MW Bull Creek and the 200MW Mesquite Creek projects, and the 9.8MW solar project at the Campbell's Soup plant located in Napoleon, Ohio, BNB is actively developing a select group of renewable energy projects in Connecticut, New Jersey, New Mexico, Ohio, and Texas where BNB has leased over 200,000 acres. In Texas, BNB was one of the eleven original interveners who petitioned the PUC for new transmission upgrades. Those upgrades comprise \$5.2 billion dollars of new transmission lines dedicated to carry wind and solar energy from West Texas to load centers in Dallas, San Antonio and Austin. On its Texas acreage, BNB has plans to construct one new wind farm of 250 MW and two solar projects totaling in excess of 550 MW. BNB is executing its five-year goal of developing an additional gigawatt of renewable generation in the USA. As part of this goal, BNB is also active in the development of "inside the fence" renewable energy generation projects and is working with schools, Universities, and Fortune 500 companies on various sites across the US.

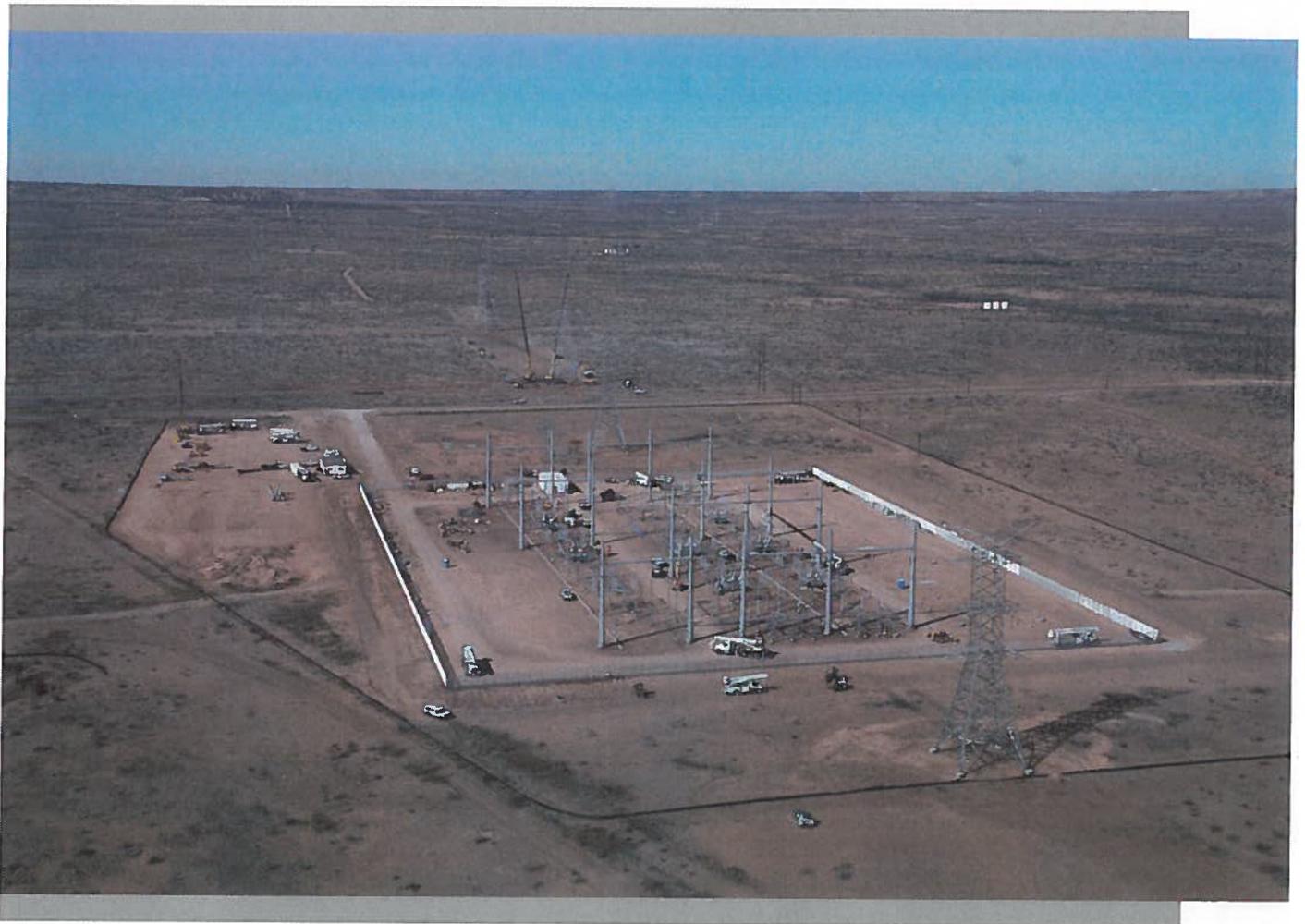
Depending on the ability to generate cost-effective electricity for regional consumers, BNB has the ability to allocate or reallocate investments to another state, another region of Texas, or another region of the world. BNB Long Draw Solar, LLC believes, however, that the proposed site in Borden County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers, and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential solar energy facilities that can be built in West and Central Texas given the newly constructed transmission capacity. Receiving the Appraised Value Limitation from the school district is vital to obtaining long-term financing and to maintaining the economic competitiveness of the project with other projects currently being developed in Texas by BNB and by others.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

BNB RENEWABLE ENERGY HOLDINGS LLC

PROJECTS OUR SERVICES ABOUT BNB TEAM PRESS CONTACT

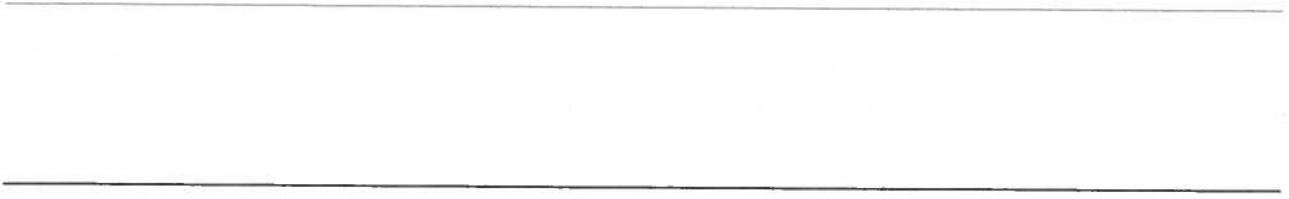


Long Draw Solar

BNB is developing the utility-scale Long Draw Solar project on range land three miles east of BNB's Mesquite Creek Wind farm and directly adjacent to the Long Draw Substation, an ERCOT node with capacity for up to 4,000MW of injection. Long Draw allows the export of energy through three 345kVA transmission lines to the east, south, and southwest. Increasing local load from the nearby expanding oil and gas operations of the Permian Basin combined with a CREZ interconnection at the new substation make Long Draw well-suited for a utility-scale solar plant in Texas.

Project Stats:

- Location: Borden County, Texas
- Size: 200MW
- Technology: Ground-mounted single-axis tracker PV
- Status: Mid-stage development



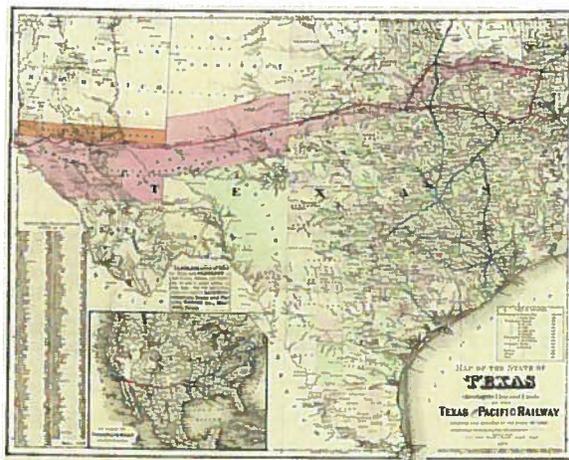
BNB RENEWABLE ENERGY HOLDINGS LLC

PROJECTS OUR SERVICES ABOUT BNB TEAM PRESS CONTACT

Past

Jonathan Butcher, Matthew Baird, and Jos Nicholas founded BNB Renewable Energy Holdings in 2004 to develop clean-energy power plants in the United States and Canada. Stephen Westerberg joined the team in 2008, becoming a partner in 2009.

Initially, BNB focused on acquiring acreage for wind farming in West Texas, where Matthew Baird and Co., the family holding company that Baird also manages, has maintained real estate interests dating back to the construction of the Texas and Pacific Railway, in 1871. It was on that land, in Borden County, that we began efforts to construct our first project, Bull Creek Wind farm, in 2005. Over the following 15 months, BNB leased 60,000 acres of land, erected five meteorological towers, secured interconnection rights-of-way and transmission easements, filed for tax abatement, and retained all necessary permits for a 184MW wind farm. BNB sold Bull Creek, which came online in December 2008, to Tokyo Electric Power through its subsidiary Eurus Energy America. BNB retained a gross proceeds interest in the project and continues to be closely involved in Bull Creek.



In summer 2008, in the midst of the financial crisis and in an environment of restricted credit for U.S. utility-scale renewable energy projects, BNB launched its distributed generation efforts to pursue onsite renewable energy development with quality-rated Fortune 500 companies. In January 2009, BNB was retained by Campbell Soup Co. to analyze its U.S. facilities and help determine which ones were suited to onsite renewable generation. We identified six potential sites, and Campbell prioritized one of them for immediate development: its production facility at Napoleon, Ohio, the largest food-production plant in the world. BNB subsequently developed a 9.8MW solar array on that property. At the time it was commissioned, in December 2011, it was the largest inside-the-fence solar array built for any U.S. corporation, supplying 15 percent of the plant's annual energy needs.

The ground-mounted, single-axis tracking system was manufactured by San Jose-based SunPower, which also provided engineering, procurement and construction services. Shortly after commencement of construction, BNB executed a co-development agreement with Enfinity America Corp., which, along with Wells Fargo, provided term financing for the project. FirstEnergy Solutions, of Akron, Ohio, purchased all of the Solar Renewable Energy Credits (SRECs) produced by the array, and Campbell Soup Co., through a 20-year power purchase agreement (PPA), acquired 100 percent of the power generated. Based on U.S. Department of Energy projections, Campbell estimates that, over the course of the PPA, it will save about \$4 million on electricity costs and eliminate 250,000 metric tons of CO2 that would have otherwise been emitted by fossil fuel generation.



Present

The deployment of the 9.8MW array at Napoleon, Ohio, marked a significant milestone for BNB, launching its distributed generation initiative. We began building upon our success at Napoleon almost immediately. In May 2012, after a competitive request for proposals, Campbell Soup Co. — which hopes to source 40 percent of its energy use from renewables by 2020 — awarded BNB the right to develop 16 renewable energy projects at 14 of its North American facilities. That portfolio, which we are in the process of developing, includes five solar arrays, two wind farms, and, with our partner, CH4 Biogas, up to eight biogas facilities.

BNB and CH4 are currently constructing the first of these biogas projects: a 2.8MW generator adjacent to Campbell's Napoleon solar array. BNB, recognizing the importance of a diversity of generation types, has embraced a renewable energy strategy that includes wind, solar, and biogas. CH4, whose team has built 40 facilities worldwide, has the most efficient technology available for electric generation from biogas.

Work continues on BNB's Texas acreage. Since May 2006, BNB has been collecting wind data in Borden, Lynn, Dawson, and Garza counties, with 11 meteorological towers on various leases. On that property, we are developing two wind farms, each of 250MW, and two solar arrays, together totaling in excess of 200MW. Those development activities are located in Competitive Renewable Energy Zone (CREZ) 9A, encompassing two of the top 25 sites in Texas for wind development, as identified by the Texas Public Utility Commission (PUC). BNB is also developing a massive solar site in the far western tip of the ERCOT grid.

In 2006, BNB was one of the 11 original interveners in the Texas Public Utility Commission's CREZ proceedings. In April 2008, the PUC approved what would become a \$7 billion upgrade consisting of new lines dedicated to carrying wind and solar energy from West Texas to load centers in Dallas, San Antonio, and Austin. As a result of these proceedings, the new Long Draw substation has been constructed adjacent to BNB's leases, allowing an injection of renewable generation.



Future

In 2009, BNB established a five-year goal of bringing an additional gigawatt of renewable energy to the U.S. market, and we have made significant progress in that regard. BNB projects already generate in excess of 200MW of renewable energy, and, with projects in construction and projects in development in Ohio, New Jersey, Connecticut, Pennsylvania, North Carolina, Florida, Utah, Illinois, and Texas, we have an additional 1,200MW in the pipeline. With the installed cost of solar continuing to fall as electricity rates rise, "grid parity" may be around the corner for those areas of the country with a strong solar resource. With its development efforts in Mexico and Texas, BNB is committed to participating in this sea change in the way electricity is generated, priced, and consumed. Further, because reducing carbon and combating climate change ultimately have no borders, BNB has plans to spread their influence internationally, starting with the formation of BNB Mexico Holdings LLC. The constitutional reforms now being enacted in Mexico will significantly grow the renewable energy market for independent power producers, and BNB Mexico is currently in talks with industry partners and landowners to acquire sites for the development of renewable energy in Mexico in the next three years.

Based on a successful and fruitful partnership with Campbell, BNB's interest in distributed generation has intensified. We are currently working with several Fortune 500 companies to develop user-hosted, utility-scale renewable plants on sites across the country, deploying wind, solar, and biogas generators at no capital expenditure to the host company. With distributed generation, host companies get the benefits of renewable energy — in particular long-term price stabilization and savings — without having to shoulder its inherent financial and operational risks. Our process is completely transparent. We work closely with our host companies' engineering groups to develop systems that match the specific needs of any given site.

In our 10 years developing renewable energy projects, we have become known for our reliability and performance, delivering turnkey, utility-grade plants on time and on budget and at grid-parity pricing.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Borden County ISD – BNB Long Draw Solar LLC App. #1215 –

Comptroller Questions (via email on October 16, 2017):

- 1) *Is the BNB Long Draw Solar LLC project currently known by any other project names?*
- 2) *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number.*

Applicant Response (via email on October 16, 2017):

- 1) *The project is only known as BNB Long Draw Solar LLC.*
- 2) *Yes. GINR 18INR0055*