



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

May 29, 2018

Janet Hunt
Superintendent
Crane Independent School District
511 W. 8th Street
Crane, Texas 79731

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Crane Independent School District and Crane I Solar Electric LLC, Application 1234

Dear Superintendent Hunt:

On March 19, 2018, the Comptroller issued written notice that Crane I Solar Electric LLC (applicant) submitted a completed application (Application 1234) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on October 12, 2017, to the Crane 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 1234.

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, 2018.

Note that any building or improvement existing as of the application review start date of March 19, 2018, 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,

A handwritten signature in black ink, appearing to read "Mike Rejssig". The signature is stylized and written over the printed name and title.

Mike Rejssig
Deputy Comptroller

Enclosure

cc: Will Counihan

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Crane I Solar Electric LLC (project) applying to Crane 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 Crane I Solar Electric LLC.

Applicant	Crane I Solar Electric LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Crane ISD
Estimated 2016-2017 Average Daily Attendance	1,004
County	Crane County
Proposed Total Investment in District	\$289,400,000
Proposed Qualified Investment	\$289,400,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2019-2020
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	\$59,500
Minimum weekly wage required for non-qualifying jobs	\$1,049
Minimum annual wage required for non-qualifying jobs	\$54,536
Investment per Qualifying Job	\$144,700,000
Estimated M&O levy without any limit (15 years)	\$19,850,832
Estimated M&O levy with Limitation (15 years)	\$5,183,400
Estimated gross M&O tax benefit (15 years)	\$14,667,432

* 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 Crane I Solar Electric LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	100	89	189	\$4,860,000	\$7,102,891	\$11,962,891
2019	302	274	576.172	\$14,699,000	\$23,997,289	\$38,696,289
2020	2	21	23	\$119,000	\$5,496,234	\$5,615,234
2021	2	10	12	\$119,000	\$3,787,250	\$3,906,250
2022	2	(4)	-2	\$119,000	\$2,200,336	\$2,319,336
2023	2	(6)	-4	\$119,000	\$1,223,773	\$1,342,773
2024	2	(8)	-6	\$119,000	\$613,422	\$732,422
2025	2	(2)	0	\$119,000	\$247,211	\$366,211
2026	2	(8)	-6	\$119,000	\$3,070	\$122,070
2027	2	(4)	-2	\$119,000	-\$119,000	\$0
2028	2	(4)	-2	\$119,000	\$125,141	\$244,141
2029	2	(6)	-4	\$119,000	-\$119,000	\$0
2030	2	(2)	0	\$119,000	-\$363,141	-\$244,141
2031	2	(4)	-2	\$119,000	-\$363,141	-\$244,141
2032	2	(4)	-2	\$119,000	-\$363,141	-\$244,141
2033	2	(4)	-2	\$119,000	-\$363,141	-\$244,141
2034	2	(8)	-6	\$119,000	-\$363,141	-\$244,141

Source: CPA REMI, Crane I Solar Electric LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
2020	\$289,000,000	\$289,000,000		\$195,075	\$3,063,400	\$3,258,475	\$2,254,200	\$1,062,826	\$999,940	\$6,575,501
2021	\$242,760,000	\$242,760,000		\$163,863	\$2,573,256	\$2,737,119	\$1,893,528	\$892,774	\$839,950	\$5,523,421
2022	\$219,640,000	\$219,640,000		\$148,257	\$2,328,184	\$2,476,441	\$1,713,192	\$807,748	\$759,954	\$4,997,381
2023	\$193,630,000	\$193,630,000		\$130,700	\$2,052,478	\$2,183,178	\$1,510,314	\$712,094	\$669,960	\$4,405,586
2024	\$167,620,000	\$167,620,000		\$113,144	\$1,776,772	\$1,889,916	\$1,307,436	\$616,439	\$579,965	\$3,813,791
2025	\$141,610,000	\$141,610,000		\$95,587	\$1,501,066	\$1,596,653	\$1,104,558	\$520,785	\$489,971	\$3,221,996
2026	\$112,710,000	\$112,710,000		\$76,079	\$1,194,726	\$1,270,805	\$879,138	\$414,502	\$389,977	\$2,564,446
2027	\$86,700,000	\$86,700,000		\$58,523	\$919,020	\$977,543	\$676,260	\$318,848	\$299,982	\$1,972,650
2028	\$69,360,000	\$69,360,000		\$46,818	\$735,216	\$782,034	\$541,008	\$255,078	\$239,986	\$1,578,120
2029	\$60,690,000	\$60,690,000		\$40,966	\$643,314	\$684,280	\$473,382	\$223,194	\$209,987	\$1,380,855
2030	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2031	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2032	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2033	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2034	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
			Total	\$1,264,086	\$19,850,832	\$21,114,918	\$14,607,216	\$6,887,115	\$6,479,611	\$42,609,249

Source: CPA, Crane I Solar Electric LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Crane County, Crane Memorial Hospital District and, Crane County Water District 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 abatements with the county, hospital district and water district.

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*	Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
			0.0675	1.0600			0.7800	0.3678	0.3460	
2020	\$289,000,000	\$20,000,000		\$195,075	\$212,000	\$407,075	\$225,420	\$0	\$99,994	\$632,495
2021	\$242,760,000	\$20,000,000		\$163,863	\$212,000	\$375,863	\$189,353	\$0	\$83,995	\$565,216
2022	\$219,640,000	\$20,000,000		\$148,257	\$212,000	\$360,257	\$171,319	\$0	\$75,995	\$531,576
2023	\$193,630,000	\$20,000,000		\$130,700	\$212,000	\$342,700	\$151,031	\$0	\$66,996	\$493,732
2024	\$167,620,000	\$20,000,000		\$113,144	\$212,000	\$325,144	\$130,744	\$0	\$57,997	\$455,887
2025	\$141,610,000	\$20,000,000		\$95,587	\$212,000	\$307,587	\$165,684	\$0	\$73,496	\$473,270
2026	\$112,710,000	\$20,000,000		\$76,079	\$212,000	\$288,079	\$131,871	\$0	\$58,496	\$419,950
2027	\$86,700,000	\$20,000,000		\$58,523	\$212,000	\$270,523	\$101,439	\$0	\$44,997	\$371,962
2028	\$69,360,000	\$20,000,000		\$46,818	\$212,000	\$258,818	\$81,151	\$0	\$35,998	\$339,969
2029	\$60,690,000	\$20,000,000		\$40,966	\$212,000	\$252,966	\$71,007	\$0	\$31,498	\$323,973
2030	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2031	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2032	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2033	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
2034	\$57,800,000	\$57,800,000		\$39,015	\$612,680	\$651,695	\$450,840	\$212,565	\$199,988	\$1,315,100
			Total	\$1,264,086	\$5,183,400	\$6,447,486	\$3,673,219	\$1,062,826	\$1,629,402	\$11,183,531
			Diff	\$0	\$14,667,432	\$14,667,432	\$10,933,997	\$5,824,289	\$4,850,209	\$31,425,718

Assumes School Value Limitation and Tax Abatements with the County, Hospital District and Water District.

Source: CPA, Crane I Solar Electric 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 Crane I Solar Electric 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 and direct, indirect and induced tax effects from project employment 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	\$212,000	\$212,000	\$2,851,400	\$2,851,400
	2021	\$212,000	\$424,000	\$2,361,256	\$5,212,656
	2022	\$212,000	\$636,000	\$2,116,184	\$7,328,840
	2023	\$212,000	\$848,000	\$1,840,478	\$9,169,318
	2024	\$212,000	\$1,060,000	\$1,564,772	\$10,734,090
	2025	\$212,000	\$1,272,000	\$1,289,066	\$12,023,156
	2026	\$212,000	\$1,484,000	\$982,726	\$13,005,882
	2027	\$212,000	\$1,696,000	\$707,020	\$13,712,902
	2028	\$212,000	\$1,908,000	\$523,216	\$14,236,118
	2029	\$212,000	\$2,120,000	\$431,314	\$14,667,432
Maintain Viable Presence (5 Years)	2030	\$612,680	\$2,732,680	\$0	\$14,667,432
	2031	\$612,680	\$3,345,360	\$0	\$14,667,432
	2032	\$612,680	\$3,958,040	\$0	\$14,667,432
	2033	\$612,680	\$4,570,720	\$0	\$14,667,432
	2034	\$612,680	\$5,183,400	\$0	\$14,667,432
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$612,680	\$5,796,080	\$0	\$14,667,432
	2036	\$612,680	\$6,408,760	\$0	\$14,667,432
	2037	\$612,680	\$7,021,440	\$0	\$14,667,432
	2038	\$612,680	\$7,634,120	\$0	\$14,667,432
	2039	\$612,680	\$8,246,800	\$0	\$14,667,432
	2040	\$612,680	\$8,859,480	\$0	\$14,667,432
	2041	\$612,680	\$9,472,160	\$0	\$14,667,432
	2042	\$612,680	\$10,084,840	\$0	\$14,667,432
	2043	\$612,680	\$10,697,520	\$0	\$14,667,432
	2044	\$612,680	\$11,310,200	\$0	\$14,667,432

\$11,310,200

 is less than

\$14,667,432

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?	No

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, Crane I Solar Electric LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	100	89	189	\$4,860,000	\$7,102,891	\$11,962,891	610351.6	-343322.8	\$953,674
2019	302	274	576.172	\$14,699,000	\$23,997,289	\$38,696,289	1960754.4	-923156.7	\$2,883,911
2020	2	21	23	\$119,000	\$5,496,234	\$5,615,234	267028.8	549316.4	-\$282,288
2021	2	10	12	\$119,000	\$3,787,250	\$3,906,250	175476.1	511169.4	-\$335,693
2022	2	(4)	-2	\$119,000	\$2,200,336	\$2,319,336	76293.9	473022.5	-\$396,729
2023	2	(6)	-4	\$119,000	\$1,223,773	\$1,342,773	61035.2	411987.3	-\$350,952
2024	2	(8)	-6	\$119,000	\$613,422	\$732,422	38147	350952.1	-\$312,805
2025	2	(2)	0	\$119,000	\$247,211	\$366,211	15258.8	289917	-\$274,658
2026	2	(8)	-6	\$119,000	\$3,070	\$122,070	-7629.4	236511.2	-\$244,141
2027	2	(4)	-2	\$119,000	-\$119,000	\$0	-22888.2	144958.5	-\$167,847
2028	2	(4)	-2	\$119,000	\$125,141	\$244,141	-15258.8	99182.1	-\$114,441
2029	2	(6)	-4	\$119,000	-\$119,000	\$0	-15258.8	76293.9	-\$91,553
2030	2	(2)	0	\$119,000	-\$363,141	-\$244,141	-22888.2	15258.8	-\$38,147
2031	2	(4)	-2	\$119,000	-\$363,141	-\$244,141	-76293.9	-30517.6	-\$45,776
2032	2	(4)	-2	\$119,000	-\$363,141	-\$244,141	-68664.6	-53405.8	-\$15,259
2033	2	(4)	-2	\$119,000	-\$363,141	-\$244,141	-76293.9	-129699.7	\$53,406
2034	2	(8)	-6	\$119,000	-\$363,141	-\$244,141	-99182.1	-152587.9	\$53,406
2035	2	(6)	-4	\$119,000	-\$363,141	-\$244,141	-152587.9	-190734.9	\$38,147
2036	2	(6)	-4	\$119,000	-\$1,339,703	-\$1,220,703	-198364.3	-267028.8	\$68,665
2037	2	(8)	-6	\$119,000	-\$1,583,844	-\$1,464,844	-221252.4	-297546.4	\$76,294
2038	2	(12)	-10	\$119,000	-\$1,827,984	-\$1,708,984	-244140.6	-335693.4	\$91,553
2039	2	(14)	-12	\$119,000	-\$1,583,844	-\$1,464,844	-228881.8	-389099.1	\$160,217
2040	2	(14)	-12	\$119,000	-\$2,804,547	-\$2,685,547	-289917	-457763.7	\$167,847
2041	2	(16)	-14	\$119,000	-\$3,048,688	-\$2,929,688	-274658.2	-503540	\$228,882
2042	2	(18)	-16	\$119,000	-\$2,316,266	-\$2,197,266	-259399.4	-549316.4	\$289,917
2043	2	(20)	-18	\$119,000	-\$2,560,406	-\$2,441,406	-198364.3	-549316.4	\$350,952
2044	2	(16)	-14	\$119,000	-\$2,560,406	-\$2,441,406	-213623	-579834	\$366,211
2045	2	(14)	-12	\$119,000	-\$2,560,406	-\$2,441,406	-213623	-648498.5	\$434,876
Total							\$305,176	-\$3,242,493	\$3,547,669
							\$14,857,869	is greater than	\$14,667,432
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									

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 Crane I Solar Electric 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 Crane I Solar Electric LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “While the project entity, Crane I Solar Electric LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. The economic return is a primary input for this decision, and state and local incentives contribute to that economic return Crane Solar Electric is evaluating for potential other projects in similar stages of development outside of Texas. Many of the potential locations in competing states offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.”
 - B. “Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. If Crane I Solar Electric LLC was not able to obtain a value limitation agreement, the project would most likely be terminated and resources would be allocated to projects with more favorable economics.”
- Per Crane I Solar Electric LLC in Tab 3 of their Application, the main reporting entity listed in the latest combined group franchise tax filing is David H. Arrington Oil & Gas, Inc. Per Tab 4 of their Application, the project “...will be an approximately 200 MW AC photovoltaic solar power generation facility.”
- A March 2018 *Generator Interconnection Status Report* issued by ERCOT reported those projects, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of March 31, 2018.
 - A. Soda Lake Solar 1 and 2 (Project Name); Arrington Solar (Interconnecting Entity); Tap 138kV 6601 Rio Pecos - 60014 Spudder (Point of Interconnection); Solar (Fuel) 400 MW (Capacity to

Grid); 6/2019 (Projected Commercial Operations Date); Complete (Full Interconnect Study Status)

- Supplemental information provided by the applicant indicated the following:
 - A. "Crane I and Crane II [Crane II Solar Electric LLC] were formerly known as Soda Lake A and Soda Lake B respectively."
 - B. "In response to question #2, the ERCOT Generation Interconnection Request # for both projects is 18INR0040."

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

Crane I Solar Electric LLC
Chapter 313 Application to Crane ISD

TAB #5

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Crane I Solar Electric LLC has begun typical due course, early stage due diligence to explore feasibility of constructing a solar facility at this site. As such, certain contracts have been executed, including agreements to site and install meteorological monitoring equipment, lease and easement agreements with landowners, contracts with environmental contractors to explore environmental impacts of the proposed project, and an Interconnection Agreement with the transmission provider. None of these contracts obligate Crane I Solar Electric LLC to construct the project.

Section 8, #7 & #10: Is the applicant evaluating other locations not in Texas for the proposed project?

Crane Solar Electric's development team is made of professionals with significant experience in the renewable energy sector across the country. While the project entity, Crane I Solar Electric LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. The economic return is a primary input for this decision, and state and local incentives contribute to that economic return Crane Solar Electric is evaluating for potential other projects in similar stages of development outside of Texas. Many of the potential locations in competing states offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.

Without the available tax incentives, the economics of the project become far less attractive and the likelihood of completing the project and selling the electricity at competitive prices becomes unlikely. If Crane I Solar Electric LLC was not able to obtain a value limitation agreement, the project would most likely be terminated and resources would be allocated to projects with more favorable economics.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Texas Franchise Tax Affiliate Schedule

Tcode 13253 Annual

■ Reporting entity taxpayer number	■ Report year	Reporting entity taxpayer name
17520602230	2017	David H. Arrington Oil & Gas, Inc.

Reporting entity must be included on Affiliate Schedule. Affiliate reporting period dates must be within combined group's accounting period dates.

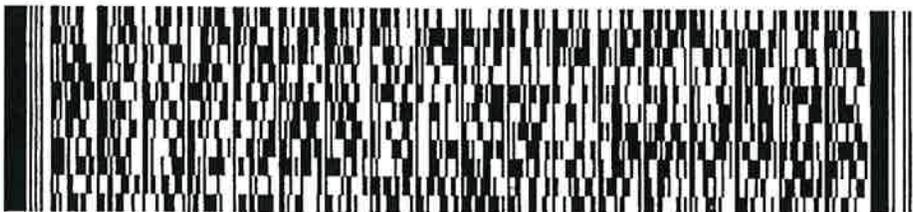
1. Legal name of affiliate		■ 2. Affiliate taxpayer number (if none, use FEI number)		■ 3. Affiliate NAICS code	
David H. Arrington Oil & Gas, Inc.		17520602230		211111	
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	■ 6. Affiliate reporting begin date m m d d y y		■ 7. Affiliate reporting end date m m d d y y	
<input type="checkbox"/>	<input type="checkbox"/>	010116		123116	
■ 8. Gross receipts subject to throwback in other states (before eliminations)		■ 9. Gross receipts everywhere (before eliminations)			
0.00		5414.00			
■ 10. Gross receipts in Texas (before eliminations)		■ 11. Cost of goods sold or compensation (before eliminations)			
5414.00		0.00			

1. Legal name of affiliate		■ 2. Affiliate taxpayer number (if none, use FEI number)		■ 3. Affiliate NAICS code	
DHA, LLC		32006984838		211111	
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	■ 6. Affiliate reporting begin date m m d d y y		■ 7. Affiliate reporting end date m m d d y y	
<input type="checkbox"/>	<input type="checkbox"/>	010116		123116	
■ 8. Gross receipts subject to throwback in other states (before eliminations)		■ 9. Gross receipts everywhere (before eliminations)			
0.00		516493.00			
■ 10. Gross receipts in Texas (before eliminations)		■ 11. Cost of goods sold or compensation (before eliminations)			
0.00		0.00			

1. Legal name of affiliate		■ 2. Affiliate taxpayer number (if none, use FEI number)		■ 3. Affiliate NAICS code	
Petro-Raider, LLC		32042764905		211111	
4. Check box if entity is disregarded for franchise tax	5. Check box if this affiliate does NOT have NEXUS in Texas	■ 6. Affiliate reporting begin date m m d d y y		■ 7. Affiliate reporting end date m m d d y y	
<input type="checkbox"/>	<input type="checkbox"/>	010116		123116	
■ 8. Gross receipts subject to throwback in other states (before eliminations)		■ 9. Gross receipts everywhere (before eliminations)			
0.00		506763.00			
■ 10. Gross receipts in Texas (before eliminations)		■ 11. Cost of goods sold or compensation (before eliminations)			
506763.00		0.00			

The reporting entity of a combined group with a temporary credit for business loss carryforwards preserved for itself and/or affiliates must submit common owner information. This information must be provided to satisfy franchise tax reporting requirements. Learn more at www.comptroller.texas.gov/taxes/franchise/. An information report (Form 05-102 or Form 05-167) must be filed for each affiliate that is organized in Texas or that has a physical presence in Texas.

Texas Comptroller Official Use Only



VE/DE	<input type="checkbox"/>	FM	<input type="checkbox"/>
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TAB #4

Detailed Description of Project

The Crane I Solar Electric "Project" will be an approximately 200 MW AC photovoltaic solar power generation facility, known as Crane I, on approximately 2,200 acres privately owned in Southeast Crane County, Texas along Soda Lake. Crane I Solar Electric will consist of 56 solar photovoltaic modules, a single axis tracking system, driven-pile foundations, DC wiring, DC/AC inverters, medium voltage step-up transformers, AC cabling and a central substation with a high voltage step-up transformer. There will also be a new substation located on LCRA's 138kv Rio-Pecos-Spudders Flats line as well as an operations & maintenance building on site. The expected life of these assets would be 25 years.

All Projects, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of March 31, 2018

GINR Reference Number	Project Name*	Interconnecting Entity	Point of Interconnection (POI)	County	Fuel	Capacity to Grid (MW)	Projected COD Month/Year (as specified by the resource developer)	FIS Report Status
17INR0065	Capricorn III repower	Nextera		Sterling	WIND	0	4/2018	Complete
17INR0064	Capricorn II repower	Nextera		Sterling	WIND	0	4/2018	Complete
17INR0057	Red Canyon repower	Nextera		Borden	WIND	0	4/2018	Complete
17INR0070	Desert Sky repower	Invenergy		Pecos	WIND	7	6/2018	Complete
17INR0069	Trent repower	Invenergy		Nolan	WIND	6	6/2018	Complete
17INR0067	Sweetwater 1 repower	Leeward Energy	180151 Sweetwater1 34.5kV	Nolan	WIND	0	6/2018	Complete
17INR0060	Horse Hollow IV repower	Nextera		Taylor	WIND	0	6/2018	Complete
17INR0058	Horse Hollow II repower	Nextera		Taylor	WIND	0	6/2018	Complete
17INR0052	HH1 (HHGT increase)	Nextera	6216 Bluff Creek 138kV	Taylor	WIND	44	7/2018	Incomplete
17INR0104	Capricorn 4 repower	Nextera		Coke	WIND	0	7/2018	Complete
17INR0103	Horse 3 repower	Nextera		Taylor	WIND	0	7/2018	Complete
17INR0101	Horse 1 repower	Nextera		Taylor	WIND	0	7/2018	Complete
17INR0063	Capricorn I repower	Nextera		Sterling	WIND	0	7/2018	Complete
17INR0061	Capricorn IV repower	Nextera		Sterling	WIND	9	7/2018	Complete
17INR0056	Callahan repower	Nextera		Taylor	WIND	0	7/2018	Complete
17INR0054	Capricorn I & III repower	Nextera	180757 Capricorn Ridge 3 138kV	Sterling	WIND	32	7/2018	Complete
17INR0053	HH3 (HHGT increase)	Nextera	7046 Kendal 345kV	Taylor	WIND	44	7/2018	Complete
18INR0075	Gulf Wind 1 Repower	Pattern Energy		Kenedy	WIND	0	8/2018	Incomplete
18INR0072	Blue Summit Repower	Nextera	140382 Blue Summit 1.6 34.5kV	Wilbarger	WIND	10	12/2018	Incomplete
18INR0070	Blue Summit II	Nextera	61001 Jim Treece 345kV	Wilbarger	WIND	102	12/2018	Incomplete
18INR0068	Lorraine Windpark Phase III	Third Planet Wind Power	181153 Lonewolf 345kV	Mitchell	WIND	100	12/2018	Incomplete
12INR0060	Infinity Live Oak Wind	Infinity Renewables	76003 Big Hill 345kV	Schleicher	WIND	200	12/2018	Incomplete
19INR0031	Bestia Solar	Longroad Energy	tap 138kV 1147 Cheyenne - 131853 Notrees	Winkler	SOLAR	150	1/2019	Incomplete
18INR0061	Shakes Solar	Cypress Creek Renewables	tap 138kV 8283 Asherton - 8236 W_Batesvl	Zavala	SOLAR	42	3/2019	Incomplete
18INR0060	Brightside Solar	Cypress Creek Renewables	tap 69kV 8198 Beeville - 8400 Three River	Bee	SOLAR	50	3/2019	Incomplete
18INR0055	Long Draw Solar	BNB Renewables	59900 Long Draw 345kV	Borden	SOLAR	225	3/2019	Incomplete
18INR0023	Lost Mines Wind	RES Americas	60708 Orsted 345kV - Big Hill	Schleicher	WIND	201	3/2019	Incomplete
19INR0124	Solemio Springs	Alpin Sun	tap 138kV 1698 Sulphur Springs Switch - 1814 Sulphur Springs	Hopkins	SOLAR	50	4/2019	Incomplete
19INR0119	Patriot Wind II	Nrg	85000 Nelson Sharpe 345kV	Nueces	WIND	58	4/2019	Incomplete
19INR0094	GSE Three Solar	Alpin Sun	6044 Turkey 69kV	Hall	SOLAR	50	4/2019	Incomplete
19INR0093	Sole Mio	Alpin Sun	tap 138kV 1698 Sulphur Springs - 1814 Sulsppg	Hopkins	SOLAR	45	4/2019	Incomplete
19INR0091	GSE ONE Solar	Alpin Sun	1808 Bonham 138kV	Fannin	SOLAR	82	4/2019	Incomplete
19INR0057	Old Bloomington Road	Castleman Power	8143 Dupont 138kV	Victoria	GAS	100	4/2019	Incomplete
19INR0056	Chamon Phase 2	Castleman Power	40260 Chamon 138kV	Harris	GAS	100	4/2019	Incomplete
18INR0045	Misae Solar	Childress Solar LLC	60501 Tesla 345kV	Childress	SOLAR	241	4/2019	Incomplete
16INR0036	Pecan Creek 1 Gas	NTE Energy	tap 345kV 11420 Sweetwater - 11406 Central Bluff	Nolan	GAS	280	4/2019	Incomplete
19INR0092	Prospero Solar	Longroad Energy	79650 Clear Fork 345kV (or 1158 Andrews Co 345kV)	Andrews	SOLAR	300	5/2019	Incomplete
18INR0053	Fort Bend Solar	Lendlease Energy	tap 138kV 44541 Orchard - 44190 E Bernard	Fort Bend	SOLAR	240	5/2019	Incomplete
16INR0111	Las Lomas Wind	Enerverse	8957 Lopeno 138kV	Starr	WIND	200	5/2019	Incomplete
20INR0011	Ranchero Wind	Scout Clean Energy	tap 345kV 76002 Bakersfield - 76005 Schneeman	Crockett	WIND	250	6/2019	Incomplete
19INR0036	Oxbow Solar	BNB Renewables	59905 Faraday 345kV	Borden	SOLAR	250	6/2019	Incomplete
19INR0028	Normande Solar Farm	8minutenergy	59900 Long Draw 345kV	Borden	SOLAR	300	6/2019	Incomplete
19INR0017	Tri-County Solar	First Solar	tap 138kV 1027 Odessa - 1107 Monahans2T	Crane	SOLAR	207	6/2019	Incomplete
19INR0001	Texas Solar Nova	SunPower	tap 345kV 11305 Dermott - 59904 Cottonwood	Kent	SOLAR	750	6/2019	Incomplete
18INR0033	Irion County Wind	Invenergy	76005 Schneeman Draw 345kV	Irion	WIND	300	6/2019	Incomplete
18INR0040	Soda Lake Solar 1 and 2	Arrington Solar	Tap 138kV 6601 Rio Pecos - 60014 Spudder	Crane	SOLAR	400	6/2019	Complete
18INR0039	Fowler Ranch	Solar Prime	tap 138kV 60014 Spudder - 76615 Crane	Crane	SOLAR	150	6/2019	Complete

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Crane ISD – Crane I Solar Electric LLC App. #1234 –

Comptroller Questions (via email on March 23, 2018):

- 1) *Is the Crane I Solar Electric 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 April 2, 2018):

- 1) *Crane I and Crane II [Crane II Solar Electric LLC] were formerly known as Soda Lake A and Soda Lake B respectively.*
- 2) *In response to question #2, the ERCOT Generation Interconnection Request # for both projects is 18INR0040.*