GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O. Box 13528 • Austin, TX 78711-3528

August 2, 2018

Maria Chavez
Superintendent
Santa Maria Independent School District
P.O. Box 448
Santa Maria, Texas 78592

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Santa Maria Independent School District and Rayos Del Sol Solar Project, LLC, Application 1252

Dear Superintendent Chavez:

On May 25, 2018, the Comptroller issued written notice that Rayos Del Sol Solar Project, LLC (applicant) submitted a completed application (Application 1252) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on February 16, 2018, to the Santa Maria 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 1252.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of May 25, 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,

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Rayos Del Sol Solar Project, LLC (project) applying to Santa Maria 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 Rayos Del Sol Solar Project, LLC.

Applicant	Rayos Del Sol Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Santa Maria ISD
Estimated 2016-2017 Average Daily Attendance	635
County	Cameron County
Proposed Total Investment in District	$162,000,000
Proposed Qualified Investment	$162,000,000
Limitation Amount	$10,000,000
Qualifying Time Period (Full Years)	2020-2021
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	$772
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$772
Minimum annual wage committed to by applicant for qualified jobs	$40,154
Minimum weekly wage required for non-qualifying jobs	$620
Minimum annual wage required for non-qualifying jobs	$32,228
Investment per Qualifying Job	$81,000,000
Estimated M&O levy without any limit (15 years)	$9,572,946
Estimated M&O levy with Limitation (15 years)	$2,731,477
Estimated gross M&O tax benefit (15 years)	$6,841,469

** 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 Rayos Del Sol Solar Project, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	202	229	431	$8,423,709	$20,362,492	$28,786,201
2020	2	41	43.2524	$80,309	$4,906,727	$4,987,036
2021	2	23	25	$80,309	$3,453,074	$3,533,383
2022	2	8	10	$80,309	$2,176,032	$2,256,340
2023	2	(0)	2	$80,309	$1,270,278	$1,350,587
2024	2	(5)	-3	$80,309	$681,340	$761,649
2025	2	(6)	-4	$80,309	$370,156	$450,465
2026	2	(5)	-3	$80,309	$249,588	$329,897
2027	2	(3)	-1	$80,309	$259,104	$339,413
2028	2	(1)	1	$80,309	$346,087	$426,396
2029	2	1	3	$80,309	$471,740	$552,049
2030	2	2	4	$80,309	$574,535	$654,844
2031	2	3	5	$80,309	$697,123	$777,432
2032	2	4	6	$80,309	$810,433	$890,742
2033	2	5	7	$80,309	$907,938	$988,246
2034	2	5	7	$80,309	$985,678	$1,065,986

Source: CPA REMI, Rayos Del Sol Solar Project, 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		Santa Maria ISD I&S Tax Levy	Santa Maria ISD M&O Tax Levy	Santa Maria ISD M&O and I&S Tax Levies	Cameron County Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4100	1.1700		0.4108	0.0492	0.0936	
2020	$135,270,000	$135,270,000		$554,607	$1,582,659	$2,137,266	$555,693	$66,553	$126,652	$2,759,512
2021	$112,950,450	$112,950,450		$463,097	$1,321,520	$1,784,617	$464,004	$55,572	$105,754	$2,304,193
2022	$94,313,626	$94,313,626		$386,686	$1,103,469	$1,490,155	$387,443	$46,402	$88,305	$1,924,001
2023	$78,751,878	$78,751,878		$322,883	$921,397	$1,244,280	$323,515	$38,746	$73,735	$1,606,541
2024	$65,757,818	$65,757,818		$269,607	$769,366	$1,038,974	$270,135	$32,353	$61,568	$1,341,461
2025	$54,907,778	$54,907,778		$225,122	$642,421	$867,543	$225,563	$27,015	$51,410	$1,120,120
2026	$45,847,994	$45,847,994		$187,977	$536,422	$724,398	$188,345	$22,557	$42,927	$935,300
2027	$38,283,075	$38,283,075		$156,961	$447,912	$604,873	$157,268	$18,835	$35,844	$780,976
2028	$31,966,368	$31,966,368		$131,062	$374,007	$505,069	$131,319	$15,727	$29,930	$652,115
2029	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$544,516
2030	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$544,516
2031	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$544,516
2032	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$544,516
2033	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$544,516
2034	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$544,516
			Total	$3,354,622	$9,572,946	$12,927,568	$3,361,192	$402,555	$766,073	$16,691,315

Source: CPA, Rayos Del Sol Solar Project, LLC

*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Cameron County, South Texas ISD and Emergency Services District #1, 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		Santa Maria ISD I&S Tax Levy	Santa Maria ISD M&O Tax Levy	Santa Maria ISD M&O and I&S Tax Levies	Cameron County Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4100	1.1700		0.4108	0.0492	0.0936	
2020	$135,270,000	$10,000,000		$554,607	$117,000	$671,607	$83,354	$66,553	$126,652	$754,961
2021	$112,950,450	$10,000,000		$463,097	$117,000	$580,097	$69,601	$55,572	$105,754	$649,697
2022	$94,313,626	$10,000,000		$386,686	$117,000	$503,686	$58,116	$46,402	$88,305	$561,802
2023	$78,751,878	$10,000,000		$322,883	$117,000	$439,883	$48,527	$38,746	$73,735	$488,410
2024	$65,757,818	$10,000,000		$269,607	$117,000	$386,607	$40,520	$32,353	$61,568	$427,127
2025	$54,907,778	$10,000,000		$225,122	$117,000	$342,122	$33,834	$27,015	$51,410	$375,956
2026	$45,847,994	$10,000,000		$187,977	$117,000	$304,977	$28,252	$22,557	$42,927	$333,229
2027	$38,283,075	$10,000,000		$156,961	$117,000	$273,961	$23,590	$18,835	$35,844	$297,551
2028	$31,966,368	$10,000,000		$131,062	$117,000	$248,062	$19,698	$15,727	$29,930	$267,760
2029	$26,691,917	$10,000,000		$109,437	$117,000	$226,437	$16,448	$13,132	$24,991	$242,885
2030	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$531,383
2031	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$531,383
2032	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$531,383
2033	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$531,383
2034	$26,691,917	$26,691,917		$109,437	$312,295	$421,732	$109,651	$13,132	$24,991	$531,383
			Total	$3,354,622	$2,731,477	$6,086,099	$970,196	$402,555	$766,073	$7,056,296
			Diff	$0	$6,841,469	$6,841,469	$2,390,996	$0	$0	$9,635,019
Assumes School Value Limitation and Tax Abatements with the County.										

Source: CPA, Rayos Del Sol Solar Project, 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 Rayos Del Sol Solar Project, 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	$1,895,400	$1,895,400	$0	$0
Limitation Period (10 Years)	2020	$117,000	$2,012,400	$1,465,659	$1,465,659
	2021	$117,000	$2,129,400	$1,204,520	$2,670,179
	2022	$117,000	$2,246,400	$986,469	$3,656,649
	2023	$117,000	$2,363,400	$804,397	$4,461,046
	2024	$117,000	$2,480,400	$652,366	$5,113,412
	2025	$117,000	$2,597,400	$525,421	$5,638,833
	2026	$117,000	$2,714,400	$419,422	$6,058,255
	2027	$117,000	$2,831,400	$330,912	$6,389,167
	2028	$117,000	$2,948,400	$257,007	$6,646,173
	2029	$117,000	$3,065,400	$195,295	$6,841,469
Maintain Viable Presence (5 Years)	2030	$312,295	$3,377,695	$0	$6,841,469
	2031	$312,295	$3,689,991	$0	$6,841,469
	2032	$312,295	$4,002,286	$0	$6,841,469
	2033	$312,295	$4,314,582	$0	$6,841,469
	2034	$312,295	$4,626,877	$0	$6,841,469
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	$312,295	$4,939,173	$0	$6,841,469
	2036	$312,295	$5,251,468	$0	$6,841,469
	2037	$312,295	$5,563,763	$0	$6,841,469
	2038	$312,295	$5,876,059	$0	$6,841,469
	2039	$312,295	$6,188,354	$0	$6,841,469
	2040	$312,295	$6,500,650	$0	$6,841,469
	2041	$312,295	$6,812,945	$0	$6,841,469
	2042	$312,295	$7,125,241	$0	$6,841,469
	2043	$312,295	$7,437,536	$0	$6,841,469
	2044	$312,295	$7,749,831	$0	$6,841,469

$7,749,831	is greater than	**$6,841,469**	

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

Source: CPA, Rayos Del Sol Solar Project, 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 Rayos Del Sol Solar Project, 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 Rayos Del Sol Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Rayos Del Sol Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Santa Maria ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 150 MW Rayos Del Sol could be redeployed to other renewable energy development projects in other power markets in the United States."
  B. "Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $176M needed to purchase solar modules and other infrastructure and to fund the construction of the facility."
- Per Rayos Del Sol Solar Project, LLC in Tab 8 of their Application for a Limitation on Appraised Value."
  A. "All of the infrastructure will remain within the project boundary and within the Enterprise Zone." The project is an economically distressed area of the state known as an Enterprise Zone. Cameron County is designated as Enterprise Zone
- An April 2018 Generator Interconnection Status Report issued by ERCOT reported the project, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of April 30, 2018:

A. 19INR0045 (GINR Reference Number) Rayos Del Sol (Project Name); Tradewind Energy (Interconnecting Entity); FIS considered tap Wesmer and Rangerville 138 (Point of Interconnection); Solar (Fuel) 150 MW (Capacity to Grid); 10/2019 (Projected Commercial Operations Date); Incomplete (Full Interconnect Study Status)

- Supplemental information provided by the applicant indicated the following:
  A. Is the Rayos Del Sol Solar Project, LLC, project currently known by any other project names? No, the only name for the project is Rayos del Sol.
  B. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number. Yes, our GINR is 19INR0045.

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:

- ☑ Land has no existing improvements
- ☐ Land has existing improvements *(complete Section 13)*
- ☐ Expansion of existing operation on the land *(complete Section 13)*
- ☐ 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.

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.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Rayos Del Sol Solar Project, LLC has entered into the following representative agreements and contracts for the development of a project within Santa Maria ISD:

- Grants of leases and easements covering approximately 2,000 acres;
- Interconnect Studies and Agreement; and
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. Tradewind Energy's management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 17+ years of experience in the renewable energy industries, the Tradewind Energy team has a proven track record of developing, financing, and constructing large-scale renewable energy projects. Our collective experience includes over 3.56 gigawatts of wind and solar projects in the U.S., representing over $5 billion of investment. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Alabama
Arkansas
Colorado
Florida
Georgia
Illinois
Indiana
Kansas
Louisiana
Minnesota
Mississippi
New Mexico
North Carolina
South Carolina
Ohio
Oklahoma
Tennessee
Virginia
Wisconsin

For these reasons, Tradewind Energy studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive.

Without a Value Limitation program, Tradewind Energy would seek to move to alternative sites OUTSIDE of the State of Texas.

Rayos Del Sol Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Santa Maria ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 150 MW Rayos Del Sol could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $176M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Rayos Del Sol Solar Project, LLC.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

Tab 8

Description of Qualified Property

Rayos Del Sol Solar Project, LLC plans to construct an estimated 150 MW photovoltaic solar energy facility in Cameron County, located entirely within Santa Maria ISD. The additional improvements of Qualified Property includes:

- Approximately 450,000 Solar PV modules;
- DC-to-AC inverters;
- Tracker racking system (mounting structures);
- Medium- and high-voltage electric cabling;
- Project substation, consisting of a high voltage transformer, switchgear, transmission equipment, telecommunications and SCADA equipment;
- High-voltage transmission line connecting the project to the grid (gen tie);
- Operations and maintenance (O&M) building including telecommunications and computing equipment
- Meteorological equipment to measure solar irradiance and other weather conditions; and
- Associated equipment to safely operate, maintain, and deliver electricity to the grid. This includes, but is not limited to junction boxes, PV panel connectors and mounting and tracking systems.

The exact placement and type of units is subject to ongoing planning, solar energy resource evaluation, engineering, and land leasing. The life expectancy of the project is projected at a minimum of 30 years. All equipment outlined above is expected to be located within Santa Maria ISD. The final number and location of units and supporting structures will be determined before construction begins. However, any changes in the number or type of PV modules will not have a significant impact on the total investment amount. The life expectancy of the project is projected at a minimum of 30 years. Current plans are to install all equipment in one phase. Rayos Del Sol intends to connect to 138 kV AEP TX Line from WesMar to Rangerville. All of the infrastructure will remain within the project boundary and within the Enterprise Zone. The map in Attachment 11b shows the proposed project area with the anticipated improvement locations.

Generator Interconnection Status Report **April 2018**

Date: 5/1/2018 2:16:41 PM

All Projects, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of April 30, 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
18INR0077	Colorado Bend 2 retune	Exelon		Wharton	GAS	45	6/2018	Incomplete
18INR0076	Wolf Hollow 2 retune	Exelon		Hood	GAS	44	6/2018	Incomplete
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
17INR0065	Capricorn III repower	Nextera		Sterling	WIND	0	6/2018	Complete
17INR0064	Capricorn II repower	Nextera		Sterling	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
17INR0057	Red Canyon repower	Nextera		Borden	WIND	0	6/2018	Complete
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
17INR0052	HH1 (HHGT increase)	Nextera	6216 Bluff Creek 138kV	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
19INR0173	Magnet Wind	Seventus	Lane City 138kV	Wharton	WIND	125	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
19INR0094	GSE Three Solar	Alpin Sun	6044 Turkey 69kV	Hall	SOLAR	50	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
16INR0036	Pecan Creek 1 Gas	NTE Energy	tap 345kV 11420 Sweetwater - 11406 Central Bluff	Nolan	GAS	280	4/2019	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
18INR0045	Misae Solar	Childress Solar LLC	60501 Tesla 345kV	Childress	SOLAR	241	6/2019	Incomplete
18INR0033	Oveja 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
19INR0044	Lily Solar	SunChase Power	tap 138kV 6904 CombinRC - 6908 ScuryRC	Kaufman	SOLAR	150	7/2019	Incomplete
19INR0041	Myrtle Solar	Sunchase Power	42110 Angleton 138kv or line tap to Rosharon 44600	Brazoria	SOLAR	240	7/2019	Incomplete

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
18INR0065	Goodranch Solar	EDF Renewable Energy	79600 Vealmoor 138kV OR 79640 Vealmoor 345kV	Borden	SOLAR	200	7/2019	Incomplete
18INR0064	Silver Star repower	Bp	150511 Flat Creek 34.5kV	Eastland	WIND	-7	7/2019	Complete
13INR0025	Buffalo Wind 1	National Renewable Solutions	79504 AJ Swope 345kV	Randall	WIND	150	7/2019	Complete
19INR0083	Oberon Solar	174 Power Global	tap 138kV 1292 Ectorharp - 1013 Wolf	Ector	SOLAR	180	8/2019	Incomplete
18INR0058	Texana Solar	Sunchase Power	tap 138kV 8102 El Campo - 8117 Ganado	Wharton	SOLAR	150	8/2019	Incomplete
18INR0050	Mustang Creek Solar	Sunchase Power	5523 ETP 138kV	Jackson	SOLAR	150	8/2019	Incomplete
18INR0062	Wagyu Solar	Cypress Creek Renewables	tap 138kV 43380 West Columbia - 44010 WA Parish	Brazoria	SOLAR	120	8/2019	Complete
19INR0138	Buffalo Gap 4	Aes	66216 Bluff Creek 138kV	Nolan	WIND	175	9/2019	Incomplete
19INR0102	Queen Solar	Cielo	tap 345kV 11028 Odessa - 76000 NMcCamey	Upton	SOLAR	400	9/2019	Incomplete
19INR0099a	Kontiki Wind	TriGlobal	59903 Bearkat 345kV	Glasscock	WIND	255	9/2019	Incomplete
16INR0097	Morada Del Sol Solar	First Solar	tap 345kV 76002 Bakersfield - 76000 NMcCamey	Upton	SOLAR	200	9/2019	Incomplete
18INR0030	Canyon Wind	TriGlobal	11319 ScurryCounty 138kV	Scurry	WIND	360	9/2019	Complete
18INR0029	Armstrong Wind	Big Sky Energy	tap 345kV 79500 Alibates - 79503 Tule Canyon	Armstrong	WIND	253	9/2019	Complete
19INR0166	Loma Pinta II	Enerverse	5705 Fowlerton 138kV	La Salle	WIND	202	10/2019	Incomplete
19INR0142	Bacon Switch Solar	SunChase Power	tap 345kV 6101 Riley - 1425 Fisher OR 138kV 1450 Pleasva – 1485 Ceramic	Wichita	SOLAR	150	10/2019	Incomplete
19INR0120	Sherbino II Wind repower	Bp	131454 Keo_3 138kV	Pecos	WIND	-13	10/2019	Incomplete
19INR0111	Tom Green Solar	EDP Renewables	tap 138kV 6480 SAPS - 60423 Treadwell	Tom Green	SOLAR	150	10/2019	Incomplete
19INR0109	Crockett Solar	EDP Renewables	tap 138kV 6564 Illinois - 76579 Ft Lancaster	Crockett	SOLAR	150	10/2019	Incomplete
19INR0080	Whitehorse Wind	Hill Country Wind	68001 Clayton 345kV	Fisher	WIND	400	10/2019	Incomplete
19INR0053	Hidalgo II Wind	EDP Renewables	161705 Mirasole 345kV	Hidalgo	WIND	51	10/2019	Incomplete
19INR0045	Rayos Del Sol	Tradewind Energy	FIS considered tap Wesmer and Rangerville 138	Cameron	SOLAR	150	10/2019	Incomplete
19INR0029	Phoebe Solar	Longroad Energy	tap 138kV 1250 Yukon - 1252 Vest	Winkler	SOLAR	253	10/2019	Incomplete
19INR0007	Charbray Solar	8minutenergy	1032 Morgan Creek 138kV	Mitchell	SOLAR	200	10/2019	Incomplete
18INR0056	Hallmark Solar	Cypress Creek Renewables	tap 69kV 1824 Neyland - 1826 Cadmil	Hunt	SOLAR	50	10/2019	Incomplete
18INR0042	Kaiser Creek Wind	Calpine	Tap 138kV 6275 Abilene East – 6670 Putnam	Callahan	WIND	100	10/2019	Incomplete
18INR0027	Ponwar Solar Farm	8minutenergy	tap 138kV 76032 NMcCamey - 60361 Santa Rita	Upton	SOLAR	180	10/2019	Incomplete
17INR0025	Reloj Del Sol Wind	EDP Renewables	80220 Cenizo 345kV	Zapata	WIND	202	10/2019	Incomplete
19INR0004	Sanco Solar	8minutenergy	79502 Windmill 345kV	Deaf Smith	SOLAR	400	10/2019	Complete
15INR0063	Easter Wind A	TriGlobal	79502 Windmill 345kV	Castro	WIND	155	10/2019	Complete
19INR0155	Morrow Lake Solar	Sunchase Power	tap 138kV Pearsall 5895 - Miracle 5700	Frio	SOLAR	150	11/2019	Incomplete
19INR0150	Millhouse Solar	Cypress Creek Renewables	tap 69kV 8500 Alice - 8889 Stadium	Jim Wells	SOLAR	113	11/2019	Incomplete
19INR0006	Bluebonnet Solar	One Energy Renewables	tap 138kV 6680 Alamito - 60385 Solstice	Brewster	SOLAR	61	11/2019	Incomplete
18INR0031	Maryneal Wind	Duke Energy	71050 Bitter Creek 345kV	Nolan	WIND	180	11/2019	Incomplete
16INR0081	Mesteno Wind	Duke Energy	80355 Del Sol 345kV	Starr	WIND	202	11/2019	Complete
20INR0008	Yellow Jacket Wind	RES Americas	tap 345kV 7046 Kendal - 60618 Edison	Menard	WIND	200	12/2019	Incomplete
19INR0172	Dillon Gulch	Aes	tap 345kV 11420 Sweetwater East Switch - 11406 Central Bluff Switch	Nolan	WIND	175	12/2019	Incomplete
19INR0171	Concho Valley Solar	Merit SI	tap 138kV 6480 SAPOWER - 6490 Santiago	Tom Green	SOLAR	150	12/2019	Incomplete
19INR0161	Pierce Wind	Seventus	345kV ROW between Hillje & WAP	Wharton	WIND	300	12/2019	Incomplete
19INR0160	Great Dane Wind	Seventus	5546 Danevang 138kV	Wharton	WIND	302	12/2019	Incomplete
19INR0156	Grape Creek Wind	Apex Clean	tap 345kV 76009 TwinB - 76090 Divide	Coke	WIND	524	12/2019	Incomplete
19INR0149	Lapetus Solar	7x Energy	1284 Shafter Lake 138kV	Andrews	SOLAR	115	12/2019	Incomplete
19INR0147	Delong Solar	Eon	tap 345kV 76009 TwinB - 1444 Brown	Tom Green	SOLAR	200	12/2019	Incomplete
19INR0133	Los Porciones II	Terra-Gen	8574 Pomelo 345kV	Hidalgo	WIND	200	12/2019	Incomplete
19INR0132	Los Porciones I	Terra-Gen	8574 Pomelo 345kV	Hidalgo	WIND	200	12/2019	Incomplete

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Santa Maria ISD – Rayos Del Sol Solar Project, LLC App. #1252 –

Comptroller Questions (via email on May 29, 2018):

1) *Is the Rayos Del Sol Solar Project, 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 May 30, 2018):

1) *No, the only name for the project is Rayos del Sol.*
2) *Yes, our GINR is 19INR0045.*