



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

January 17, 2019

Ronnie Golston
Superintendent
McCamey Independent School District
111 E. 11th
McCamey, Texas 79752

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between McCamey Independent School District and Roadrunner Solar Project, LLC, Application 1300

Dear Superintendent Golston:

On November 28, 2018, the Comptroller issued written notice that Roadrunner Solar Project, LLC (applicant) submitted a completed application (Application 1300) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on October 5, 2018, to the McCamey 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 committed 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 1300.

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 November 28, 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,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Roadrunner Solar Project, LLC (project) applying to McCamey 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 Roadrunner Solar Project, LLC.

Applicant	Roadrunner Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	McCamey ISD
2017-2018 Average Daily Attendance	488
County	Upton
Proposed Total Investment in District	\$360,000,000
Proposed Qualified Investment	\$360,000,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,154
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,154
Minimum annual wage committed to by applicant for qualified jobs	\$60,034
Minimum weekly wage required for non-qualifying jobs	\$1,297
Minimum annual wage required for non-qualifying jobs	\$67,458
Investment per Qualifying Job	\$36,000,000
Estimated M&O levy without any limit (15 years)	\$24,336,000
Estimated M&O levy with Limitation (15 years)	\$6,344,000
Estimated gross M&O tax benefit (15 years)	\$17,992,000

CORRECTED

Table 2 is the estimated statewide economic impact of Roadrunner Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	200	195	395	\$12,006,720	\$15,581,171	\$27,587,891
2020	210	208	417,969	\$12,607,056	\$19,619,507	\$32,226,563
2021	210	220	430	\$12,607,056	\$22,427,124	\$35,034,180
2022	10	27	37	\$600,336	\$6,968,023	\$7,568,359
2023	10	8	18	\$600,336	\$4,648,687	\$5,249,023
2024	10	(4)	6	\$600,336	\$2,695,562	\$3,295,898
2025	10	(0)	10	\$600,336	\$1,841,070	\$2,441,406
2026	10	(8)	2	\$600,336	\$1,108,648	\$1,708,984
2027	10	(4)	6	\$600,336	\$864,508	\$1,464,844
2028	10	(2)	8	\$600,336	\$1,108,648	\$1,708,984
2029	10	(6)	4	\$600,336	\$620,367	\$1,220,703
2030	10	(0)	10	\$600,336	\$132,086	\$732,422
2031	10	(0)	10	\$600,336	\$620,367	\$1,220,703
2032	10	2	12	\$600,336	\$376,227	\$976,563
2033	10	4	14	\$600,336	\$620,367	\$1,220,703
2034	10	8	18	\$600,336	\$1,352,789	\$1,953,125

Source: CPA REMI, Roadrunner Solar Project, 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*	McCamey ISD I&S Tax Levy	McCamey ISD M&O Tax Levy	M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hos. Dis. Tax Levy	Estimated Total Property Taxes
				0.4670	1.0400		0.4175	0.6905	
2020	\$180,000,000	\$180,000,000		\$840,600	\$1,872,000	\$2,712,600	\$751,541	\$1,242,839	\$4,706,980
2021	\$342,000,000	\$342,000,000		\$1,597,140	\$3,556,800	\$5,153,940	\$1,427,929	\$2,361,394	\$8,943,262
2022	\$306,000,000	\$306,000,000		\$1,429,020	\$3,182,400	\$4,611,420	\$1,277,620	\$2,112,826	\$8,001,866
2023	\$270,000,000	\$270,000,000		\$1,260,900	\$2,808,000	\$4,068,900	\$1,127,312	\$1,864,258	\$7,060,470
2024	\$234,000,000	\$234,000,000		\$1,092,780	\$2,433,600	\$3,526,380	\$977,004	\$1,615,690	\$6,119,074
2025	\$198,000,000	\$198,000,000		\$924,660	\$2,059,200	\$2,983,860	\$826,696	\$1,367,123	\$5,177,678
2026	\$162,000,000	\$162,000,000		\$756,540	\$1,684,800	\$2,441,340	\$676,387	\$1,118,555	\$4,236,282
2027	\$126,000,000	\$126,000,000		\$588,420	\$1,310,400	\$1,898,820	\$526,079	\$869,987	\$3,294,886
2028	\$90,000,000	\$90,000,000		\$420,300	\$936,000	\$1,356,300	\$375,771	\$621,419	\$2,353,490
2029	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2030	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2031	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2032	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2033	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2034	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
			Total	\$10,927,800	\$24,336,000	\$35,263,800	\$9,770,038	\$16,156,904	\$61,190,743

Source: CPA, Roadrunner Solar Project, LLC
Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Upton County, with all property tax incentives sought being granted 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.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		McCamey ISD I&S Tax Levy	McCameyISD M&O Tax Levy	M&O and I&S Tax Levies	Upton County Tax Levy	McCamey Hos. Dis. Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4670	1.0400		0.4175	0.6905	
2020	\$180,000,000	\$25,000,000		\$840,600	\$260,000	\$1,100,600	\$751,541	\$1,242,839	\$3,094,980
2021	\$342,000,000	\$25,000,000		\$1,597,140	\$260,000	\$1,857,140	\$285,586	\$826,488	\$2,969,214
2022	\$306,000,000	\$25,000,000		\$1,429,020	\$260,000	\$1,689,020	\$255,524	\$739,489	\$2,684,033
2023	\$270,000,000	\$25,000,000		\$1,260,900	\$260,000	\$1,520,900	\$225,462	\$652,490	\$2,398,853
2024	\$234,000,000	\$25,000,000		\$1,092,780	\$260,000	\$1,352,780	\$195,401	\$565,492	\$2,113,672
2025	\$198,000,000	\$25,000,000		\$924,660	\$260,000	\$1,184,660	\$165,339	\$478,493	\$1,828,492
2026	\$162,000,000	\$25,000,000		\$756,540	\$260,000	\$1,016,540	\$135,277	\$391,494	\$1,543,312
2027	\$126,000,000	\$25,000,000		\$588,420	\$260,000	\$848,420	\$105,216	\$304,496	\$1,258,131
2028	\$90,000,000	\$25,000,000		\$420,300	\$260,000	\$680,300	\$75,154	\$217,497	\$972,951
2029	\$72,000,000	\$25,000,000		\$336,240	\$260,000	\$596,240	\$60,123	\$173,997	\$830,361
2030	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$60,123	\$173,997	\$1,319,161
2031	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$60,123	\$173,997	\$1,319,161
2032	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2033	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
2034	\$72,000,000	\$72,000,000		\$336,240	\$748,800	\$1,085,040	\$300,617	\$497,136	\$1,882,792
			Total	\$10,927,800	\$6,344,000	\$17,271,800	\$3,276,721	\$7,432,176	\$27,980,697
			Diff	\$0	\$17,992,000	\$17,992,000	\$6,493,318	\$8,724,728	\$33,210,046
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Roadrunner 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.

CORRECTED

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

This represents the Comptroller’s determination that Roadrunner 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 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	2018	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$260,000	\$260,000	\$1,612,000	\$1,612,000
	2021	\$260,000	\$520,000	\$3,296,800	\$4,908,800
	2022	\$260,000	\$780,000	\$2,922,400	\$7,831,200
	2023	\$260,000	\$1,040,000	\$2,548,000	\$10,379,200
	2024	\$260,000	\$1,300,000	\$2,173,600	\$12,552,800
	2025	\$260,000	\$1,560,000	\$1,799,200	\$14,352,000
	2026	\$260,000	\$1,820,000	\$1,424,800	\$15,776,800
	2027	\$260,000	\$2,080,000	\$1,050,400	\$16,827,200
	2028	\$260,000	\$2,340,000	\$676,000	\$17,503,200
	2029	\$260,000	\$2,600,000	\$488,800	\$17,992,000
Maintain Viable Presence (5 Years)	2030	\$748,800	\$3,348,800	\$0	\$17,992,000
	2031	\$748,800	\$4,097,600	\$0	\$17,992,000
	2032	\$748,800	\$4,846,400	\$0	\$17,992,000
	2033	\$748,800	\$5,595,200	\$0	\$17,992,000
	2034	\$748,800	\$6,344,000	\$0	\$17,992,000
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$748,800	\$7,092,800	\$0	\$17,992,000
	2036	\$748,800	\$7,841,600	\$0	\$17,992,000
	2037	\$748,800	\$8,590,400	\$0	\$17,992,000
	2038	\$748,800	\$9,339,200	\$0	\$17,992,000
	2039	\$748,800	\$10,088,000	\$0	\$17,992,000
	2040	\$748,800	\$10,836,800	\$0	\$17,992,000
	2041	\$748,800	\$11,585,600	\$0	\$17,992,000
	2042	\$748,800	\$12,334,400	\$0	\$17,992,000
	2043	\$748,800	\$13,083,200	\$0	\$17,992,000
	2044	\$748,800	\$13,832,000	\$0	\$17,992,000

\$13,832,000

is less than

\$17,992,000

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, Roadrunner Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	200	195	395	\$12,006,720	\$15,581,171	\$27,587,891	1373291	-717163.1	\$2,090,454
2020	210	208	417,969	\$12,607,056	\$19,619,507	\$32,226,563	1533508.3	-465393.1	\$1,998,901
2021	210	220	430	\$12,607,056	\$22,427,124	\$35,034,180	1663208	-221252.4	\$1,884,460
2022	10	27	37	\$600,336	\$6,968,023	\$7,568,359	320434.6	755310.1	-\$434,876
2023	10	8	18	\$600,336	\$4,648,687	\$5,249,023	244140.6	709533.7	-\$465,393
2024	10	(4)	6	\$600,336	\$2,695,562	\$3,295,898	236511.2	648498.5	-\$411,987
2025	10	(0)	10	\$600,336	\$1,841,070	\$2,441,406	190734.9	572204.6	-\$381,470
2026	10	(8)	2	\$600,336	\$1,108,648	\$1,708,984	190734.9	503540	-\$312,805
2027	10	(4)	6	\$600,336	\$864,508	\$1,464,844	167846.7	389099.1	-\$221,252
2028	10	(2)	8	\$600,336	\$1,108,648	\$1,708,984	160217.3	320434.6	-\$160,217
2029	10	(6)	4	\$600,336	\$620,367	\$1,220,703	129699.7	274658.2	-\$144,959
2030	10	(0)	10	\$600,336	\$132,086	\$732,422	99182.1	183105.5	-\$83,923
2031	10	(0)	10	\$600,336	\$620,367	\$1,220,703	68664.6	129699.7	-\$61,035
2032	10	2	12	\$600,336	\$376,227	\$976,563	53405.8	83923.3	-\$30,518
2033	10	4	14	\$600,336	\$620,367	\$1,220,703	45776.4	0	\$45,776
2034	10	8	18	\$600,336	\$1,352,789	\$1,953,125	30517.6	-53405.8	\$83,923
2035	10	6	16	\$600,336	\$864,508	\$1,464,844	30517.6	-83923.3	\$114,441
2036	10	10	20	\$600,336	\$864,508	\$1,464,844	-15258.8	-175476.1	\$160,217
2037	10	6	16	\$600,336	\$376,227	\$976,563	-45776.4	-228881.8	\$183,105
2038	10	2	12	\$600,336	\$376,227	\$976,563	-30517.6	-274658.2	\$244,141
2039	10	6	16	\$600,336	\$620,367	\$1,220,703	-61035.2	-350952.1	\$289,917
2040	10	(0)	10	\$600,336	-\$112,055	\$488,281	-106811.5	-419616.7	\$312,805
2041	10	2	12	\$600,336	-\$600,336	\$0	-137329.1	-480651.9	\$343,323
2042	10	(0)	10	\$600,336	-\$356,195	\$244,141	-137329.1	-511169.4	\$373,840
2043	10	(8)	2	\$600,336	-\$600,336	\$0	-183105.5	-572204.6	\$389,099
2044	10	(8)	2	\$600,336	-\$112,055	\$488,281	-198364.3	-587463.4	\$389,099
2045	10	(8)	2	\$600,336	-\$1,576,899	-\$976,563	-259399.4	-671386.7	\$411,987
2046	10	(8)	2	\$600,336	-\$1,088,617	-\$488,281	-183105.5	-686645.5	\$503,540
Total							\$5,180,359	-\$1,930,237	\$7,110,596
							\$20,942,596	is greater than	\$17,992,000

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 Roadrunner 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:

- Roadrunner Solar Project, LLC is a solar energy project managed by Cielo Wind Power. Cielo Wind Power is the largest privately held power developer in the Southwest. Their interest in solar development stems from increasing solar energy potential across the country and decreasing solar development costs.
- Roadrunner Solar Project, LLC is being managed by Cielo Wind Power. Cielo Wind Power is a renewable energy company founded in 1991. Since then, their primary focus has been centered on wind energy generation with over 1,350 wind turbines successfully installed across 160,000 leased acres in the United States. As solar energy potential increases, Cielo Wind Power is expanding its portfolio into the solar industry. Their interest in solar development stems from increasing solar energy potential across the country and decreasing solar development costs.
- Per Cielo Wind Power in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Currently, Cielo Wind Power is considering a variety of other locations for Roadrunner Solar Project, LLC but believes Upton County, Texas, with the correct economic conditions and incentives would be an ideal location for this solar facility. Certainly though, there are other parts of the United States being evaluated for the establishment of this solar facility, specifically Curry County, New Mexico and Quay County, New Mexico.”
 - B. “Cielo Wind Power has a wide portfolio of projects across the Southwest, and is considering New Mexico, Arizona, Oklahoma, and California for investment purposes. In the event a 313 Agreement is not permitted, Cielo Wind Power could relocate Roadrunner Solar Project, LLC to another area more financially viable for the continuation of this project.”

- Supplemental information provided by the applicant stated the following:
 - A. In ERCOT's records, the project is known as Queen Solar.
 - B. The project received the IGNR number from ERCOT, 19INR0102 on 07/11/2017.

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

Limitation as a Determining Factor

Currently, Cielo Wind Power is considering a variety of other locations for Roadrunner Solar Project, LLC but believes Upton County, Texas, with the correct economic conditions and incentives, would be an ideal location for this solar facility. Certainly though, there are other parts of the United States being evaluated for the establishment of this solar facility, specifically Curry County, New Mexico and Quay County, New Mexico. Cielo Wind Power has a wide portfolio of projects across the Southwest, and is considering New Mexico, Arizona, Oklahoma, and California for investment purposes. In the event a 313 agreement is not permitted, Cielo Wind Power could relocate Roadrunner Solar Project, LLC to another area more financially viable for the continuation of this project. Unfortunately, this would also dismiss McCamey ISD from receiving the economic benefits associated with the development of a solar facility within their county. It is our goal to reach a 313 value limitation agreement for Roadrunner Solar Project, LLC for the benefit of both McCamey ISD and Cielo Wind Power

Cielo Wind Power has successfully leased 160,000 acres and established quality relationships with over 375 landowners. They are eager to continue their development of projects within the United States, and are committed to building quality stakeholder relationships in the communities they choose to invest. Their interest in solar development stems from increasing solar energy potential across the country and decreasing solar development costs. Their management team features a number of talented individuals with numerous experience in development, engineering and construction, operations and maintenance, land procurement and landowner relations, meteorology and field services, and the retail power market.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– McCamey ISD – Roadrunner Solar, LLC App. #1300

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

1. *Is Roadrunner Solar, LLC currently known by any other project names?*
2. *Please also list any other names by which this project may have been known in the past – in media reports, investor presentations, or any listings with any federal or state agency.*
3. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when it was assigned.*

Applicant Response (via email on December 11, 2018):

The project has made application to ERCOT under the name Queen Solar and IGNR 19INR0102. Roadrunner Solar, LLC is the project company now holding the development assets, including the ERCOT interconnection for the project.

Applicant Response (via email on January 4, 2019):

The IGNR was assigned on July 11, 2017 shortly after the interconnect application was made.