



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

April 9, 2019

Mark Dominguez
Superintendent
Buena Vista Independent School District
404 West Hwy 11
Imperial, Texas 79743

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Buena Vista Independent School
District and Concho Bluff, LLC, Application 1329

Dear Superintendent Dominguez:

On February 21, 2019, the Comptroller issued written notice that Concho Bluff, LLC (applicant) submitted a completed application (Application 1329) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 10, 2019, to the Buena Vista 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 1329.

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, 2019.

Note that any building or improvement existing as of the application review start date of February 21, 2019, 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 cursive script that reads "Lisa Craven".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Concho Bluff, LLC (project) applying to Buena Vista 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 Concho Bluff, LLC.

Applicant	Concho Bluff, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Buena Vista ISD
2017-2018 Average Daily Attendance	192
County	Pecos
Proposed Total Investment in District	\$260,000,000
Proposed Qualified Investment	\$260,000,000
Limitation Amount	\$30,000,000
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	\$1,155
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,155
Minimum annual wage committed to by applicant for qualified jobs	\$60,037
Minimum weekly wage required for non-qualifying jobs	\$905
Minimum annual wage required for non-qualifying jobs	\$47,074
Investment per Qualifying Job	\$130,000,000
Estimated M&O levy without any limit (15 years)	\$17,181,677
Estimated M&O levy with Limitation (15 years)	\$5,824,000
Estimated gross M&O tax benefit (15 years)	\$11,357,677

* 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 Concho Bluff, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	300	270	570	\$14,323,800	\$22,676,200	\$37,000,000
2020	300	278	578	\$14,323,800	\$27,676,200	\$42,000,000
2021	2	21	23	\$120,074	\$6,879,926	\$7,000,000
2022	2	(2)	0	\$120,074	\$3,879,926	\$4,000,000
2023	2	(14)	-12	\$120,074	\$1,879,926	\$2,000,000
2024	2	(22)	-20	\$120,074	-\$120,074	\$0
2025	2	(18)	-16	\$120,074	-\$120,074	\$0
2026	2	(20)	-18	\$120,074	-\$120,074	\$0
2027	2	(18)	-16	\$120,074	-\$1,120,074	-\$1,000,000
2028	2	(12)	-10	\$120,074	-\$1,120,074	-\$1,000,000
2029	2	(14)	-12	\$120,074	-\$1,120,074	-\$1,000,000
2030	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000
2031	2	(10)	-8	\$120,074	-\$1,120,074	-\$1,000,000
2032	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000
2033	2	(6)	-4	\$120,074	-\$120,074	\$0
2034	2	(8)	-6	\$120,074	-\$1,120,074	-\$1,000,000
2035	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000

Source: CPA REMI, Concho Bluff, 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*	Buena Vista ISD I&S Tax Levy	Buena Vista ISD M&O Tax Levy	M&O and I&S Tax Levies	Pecos County Tax Levy	Midland College Tax Levy	Midland Pecos Groundwater Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.7990	0.0350	0.0249	
2021	\$260,000,000	\$260,000,000		\$0	\$2,704,000	\$2,704,000	\$2,077,400	\$91,000	\$64,740	\$4,937,140
2022	\$221,000,000	\$221,000,000		\$0	\$2,298,400	\$2,298,400	\$1,765,790	\$77,350	\$55,029	\$4,196,569
2023	\$187,850,000	\$187,850,000		\$0	\$1,953,640	\$1,953,640	\$1,500,922	\$65,748	\$46,775	\$3,567,084
2024	\$159,672,500	\$159,672,500		\$0	\$1,660,594	\$1,660,594	\$1,275,783	\$55,885	\$39,758	\$3,032,021
2025	\$135,721,625	\$135,721,625		\$0	\$1,411,505	\$1,411,505	\$1,084,416	\$47,503	\$33,795	\$2,577,218
2026	\$115,363,381	\$115,363,381		\$0	\$1,199,779	\$1,199,779	\$921,753	\$40,377	\$28,725	\$2,190,635
2027	\$98,058,874	\$98,058,874		\$0	\$1,019,812	\$1,019,812	\$783,490	\$34,321	\$24,417	\$1,862,040
2028	\$83,350,043	\$83,350,043		\$0	\$866,840	\$866,840	\$665,967	\$29,173	\$20,754	\$1,582,734
2029	\$70,847,537	\$70,847,537		\$0	\$736,814	\$736,814	\$566,072	\$24,797	\$17,641	\$1,345,324
2030	\$60,220,406	\$60,220,406		\$0	\$626,292	\$626,292	\$481,161	\$21,077	\$14,995	\$1,143,525
2031	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2032	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2033	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2034	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
2035	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$987,428
			Total	\$0	\$17,181,677	\$17,181,677	\$13,200,154	\$578,230	\$411,369	\$31,371,430

Source: CPA, Concho Bluff, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Pecos 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	Tax Rate*	Buena Vista ISD I&S Tax Levy	Buena Vista ISD M&O Tax Levy	M&O and I&S Tax Levies	Pecos County Tax Levy	Midland College Tax Levy	Midland Pecos Groundwater Tax Levy	Estimated Total Property Taxes
			0.0000	1.0400			0.7990	0.0350	0.0249	
2021	\$260,000,000	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$91,000	\$64,740	\$403,000
2022	\$221,000,000	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$77,350	\$55,029	\$389,350
2023	\$187,850,000	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$65,748	\$46,775	\$377,748
2024	\$159,672,500	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$55,885	\$39,758	\$367,885
2025	\$135,721,625	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$47,503	\$33,795	\$359,503
2026	\$115,363,381	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$40,377	\$28,725	\$352,377
2027	\$98,058,874	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$34,321	\$24,417	\$346,321
2028	\$83,350,043	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$29,173	\$20,754	\$341,173
2029	\$70,847,537	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$24,797	\$17,641	\$336,797
2030	\$60,220,406	\$30,000,000		\$0	\$312,000	\$312,000	\$0	\$21,077	\$14,995	\$333,077
2031	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2032	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2033	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2034	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
2035	\$52,000,000	\$52,000,000		\$0	\$540,800	\$540,800	\$415,480	\$18,200	\$12,948	\$974,480
			Total	\$0	\$5,824,000	\$5,824,000	\$2,077,400	\$578,230	\$411,369	\$8,479,630
			Diff	\$0	\$11,357,677	\$11,357,677	\$11,122,754	\$0	\$0	\$22,891,800

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Concho Bluff, 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 Concho Bluff, 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	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$312,000	\$312,000	\$2,392,000	\$2,392,000
	2022	\$312,000	\$624,000	\$1,986,400	\$4,378,400
	2023	\$312,000	\$936,000	\$1,641,640	\$6,020,040
	2024	\$312,000	\$1,248,000	\$1,348,594	\$7,368,634
	2025	\$312,000	\$1,560,000	\$1,099,505	\$8,468,139
	2026	\$312,000	\$1,872,000	\$887,779	\$9,355,918
	2027	\$312,000	\$2,184,000	\$707,812	\$10,063,730
	2028	\$312,000	\$2,496,000	\$554,840	\$10,618,571
	2029	\$312,000	\$2,808,000	\$424,814	\$11,043,385
	2030	\$312,000	\$3,120,000	\$314,292	\$11,357,677
Maintain Viable Presence (5 Years)	2031	\$540,800	\$3,660,800	\$0	\$11,357,677
	2032	\$540,800	\$4,201,600	\$0	\$11,357,677
	2033	\$540,800	\$4,742,400	\$0	\$11,357,677
	2034	\$540,800	\$5,283,200	\$0	\$11,357,677
	2035	\$540,800	\$5,824,000	\$0	\$11,357,677
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$540,800	\$6,364,800	\$0	\$11,357,677
	2037	\$540,800	\$6,905,600	\$0	\$11,357,677
	2038	\$540,800	\$7,446,400	\$0	\$11,357,677
	2039	\$540,800	\$7,987,200	\$0	\$11,357,677
	2040	\$540,800	\$8,528,000	\$0	\$11,357,677
	2041	\$540,800	\$9,068,800	\$0	\$11,357,677
	2042	\$540,800	\$9,609,600	\$0	\$11,357,677
	2043	\$540,800	\$10,150,400	\$0	\$11,357,677
	2044	\$540,800	\$10,691,200	\$0	\$11,357,677
	2045	\$540,800	\$11,232,000	\$0	\$11,357,677

\$11,232,000

is less than

\$11,357,677

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

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
2019	300	270	570	\$14,323,800	\$22,676,200	\$37,000,000	1899719.2	-1045227.1	\$2,944,946
2020	300	278	578	\$14,323,800	\$27,676,200	\$42,000,000	1998901.4	-633239.7	\$2,632,141
2021	2	21	23	\$120,074	\$6,879,926	\$7,000,000	267028.8	740051.3	-\$473,023
2022	2	(2)	0	\$120,074	\$3,879,926	\$4,000,000	129699.7	694274.9	-\$564,575
2023	2	(14)	-12	\$120,074	\$1,879,926	\$2,000,000	38147	579834	-\$541,687
2024	2	(22)	-20	\$120,074	-\$120,074	\$0	22888.2	511169.4	-\$488,281
2025	2	(18)	-16	\$120,074	-\$120,074	\$0	-38147	404357.9	-\$442,505
2026	2	(20)	-18	\$120,074	-\$120,074	\$0	-38147	312805.2	-\$350,952
2027	2	(18)	-16	\$120,074	-\$1,120,074	-\$1,000,000	-53405.8	213623	-\$267,029
2028	2	(12)	-10	\$120,074	-\$1,120,074	-\$1,000,000	-30517.6	137329.1	-\$167,847
2029	2	(14)	-12	\$120,074	-\$1,120,074	-\$1,000,000	-38147	106811.5	-\$144,959
2030	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-30517.6	45776.4	-\$76,294
2031	2	(10)	-8	\$120,074	-\$1,120,074	-\$1,000,000	-76293.9	-15258.8	-\$61,035
2032	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-91552.7	-45776.4	-\$45,776
2033	2	(6)	-4	\$120,074	-\$120,074	\$0	-76293.9	-129699.7	\$53,406
2034	2	(8)	-6	\$120,074	-\$1,120,074	-\$1,000,000	-122070.3	-137329.1	\$15,259
2035	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-160217.3	-190734.9	\$30,518
2036	2	(6)	-4	\$120,074	-\$1,120,074	-\$1,000,000	-175476.1	-282287.6	\$106,812
2037	2	(8)	-6	\$120,074	-\$2,120,074	-\$2,000,000	-221252.4	-335693.4	\$114,441
2038	2	(14)	-12	\$120,074	-\$2,120,074	-\$2,000,000	-213623	-366210.9	\$152,588
2039	2	(10)	-8	\$120,074	-\$2,120,074	-\$2,000,000	-244140.6	-442504.9	\$198,364
2040	2	(14)	-12	\$120,074	-\$3,120,074	-\$3,000,000	-289917	-495910.6	\$205,994
2041	2	(14)	-12	\$120,074	-\$3,120,074	-\$3,000,000	-320434.6	-534057.6	\$213,623
2042	2	(20)	-18	\$120,074	-\$3,120,074	-\$3,000,000	-350952.1	-556945.8	\$205,994
2043	2	(20)	-18	\$120,074	-\$4,120,074	-\$4,000,000	-366210.9	-587463.4	\$221,253
2044	2	(22)	-20	\$120,074	-\$3,120,074	-\$3,000,000	-366210.9	-595092.8	\$228,882
2045	2	(18)	-16	\$120,074	-\$4,120,074	-\$4,000,000	-427246.1	-671386.7	\$244,141
2046	2	(22)	-20	\$120,074	-\$4,120,074	-\$4,000,000	-381469.7	-679016.1	\$297,546
Total							\$244,141	-\$3,997,803	\$4,241,944
							\$15,473,944	is greater than	\$11,357,677

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 Concho Bluff, 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:

- OnPeak Power, LLC is the developer of the project that is, internally known as the Greasewood Solar Project (The Project) which is legally known as Concho Bluff, LLC by the State of Texas. Concho Bluff, LLC is the project company for the purposes of constructing and operating the Project. OnPeak Power, LLC will develop the Project for the benefit of Concho Bluff, LLC.
- Per OnPeak Power, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country. Other states currently being evaluated include, but are not limited to, North Carolina and Montana.”
 - B. “Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive returns necessary to attract tax and sponsor equity investment.”
 - C. “Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the investment decision in Texas. Without a limitation on value, the Greasewood Solar Farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buenos Vista ISD is a key determinate in progressing the project through to construction.”
- Tab 5 provided by the applicant stated the following:
 - A. Internally and with ERCOT, known as the Greasewood Solar Project which is legally known as Concho Bluff, LLC by the State of Texas.
 - B. The project received the IGNR number from ERCOT, 19INR0034 on February 20, 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

Documentation to assist in determining if limitation is a determining factor

OnPeak Power, LLC is the developer of the project that is, internally and with ERCOT, known as the Greasewood Solar Project (The Project) which is legally known as Concho Bluff, LLC by the State of Texas. Concho Bluff, LLC is the project company for the purposes of constructing and operating the Project. OnPeak Power, LLC will develop the Project for the benefit of Concho Bluff, LLC.

The management team has developed multiple renewable projects within Texas and has extensive experience in markets across the country. 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 across the country. Other states currently being evaluated include, but are not limited to, North Carolina and Montana. As such, the management team locates projects based on the economic competitiveness as it pertains to land, renewable resource and constructability. Concho Bluff, LLC has entered into long-term lease agreements with multiple land owners within the Buena Vista ISD and it has invested in an ERCOT Interconnection Agreement scheduled to be finalized in Q1 of 2019. The project is in the late stages of the development process and completing what is necessary prior to the final investment decision. Obtaining a limited asset value, provided by the Buena Vista ISD, is critical to the investment decision in Texas. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$260M needed to fund the construction and closing costs of the facility.

Concho Bluff, LLC is actively developing multiple projects within the West Texas region and the applicant requires this value limitation in order to commence construction on Concho Bluff, LLC's Greasewood project. Property tax without a limitation would be the highest operating cost to the solar facility. Without a limitation on value, the greasewood solar farm would not be able to achieve economic returns necessary to commence construction. The ability to obtain a limited asset valuation from the Buena Vista ISD is a key determinate in progressing the project through to construction. With a limited value provided by the Buena Vista ISD, the project will have the necessary development agreements to begin the construction of the facility starting in August of 2019.

Concho Bluff's Greasewood Solar Project will be located on approximately 1,982 acres, under long term lease agreements, on agricultural exempt land. On December 27, 2018 the Pecos County Commissioners Court approved the Greasewood Reinvestment Zone and executed the Tax Abatement Agreement between Pecos County, Texas and Concho Bluff, LLC. The Project has filed for a Generation Interconnection Request with ERCOT under the interconnection number 19INR0034.

The Greasewood Project is a planned project and has not been approved for financing. In order for the Greasewood project to achieve a financeable status, as stated above, a Chapter 313 Limited Asset Value Agreement is necessary. OnPeak lists all projects within the development pipeline on its website for marketing purposes and they are not intended to indicate actual projects planned for construction.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Buena Vista ISD– Concho Bluff, LLC App. #1329

Comptroller Questions (via email on February 15, 2019):

1. *Is The Sage Draw Wind Project currently known by any other project names?*
2. *Noted in Tab 5.*

Applicant Response (via email on February 15, 2019):

1. *The Applicant's wind project is not currently known by any other name.*
2. *Noted in Tab 5.*

Comptroller Questions (via email on February 15, 2019):

1. *When was the ERCOT IGNR number assigned?*

Applicant Response (via email on February 15, 2019):

1. *The IGNR number was assigned on 2/20/2017.*