



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 26, 2019

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

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Borden County Independent School District and IP Juno, LLC, Application 1338

Dear Superintendent Collins:

On February 8, 2019, the Comptroller issued written notice that IP Juno, LLC (applicant) submitted a completed application (Application 1338) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on January 21, 2019, to the Borden County Independent School District (school district) by the applicant.

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

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

Determination required by 313.025(h)

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

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

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

Sec. 313.024(d-2) Not applicable to Application 1338.

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 8, 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 blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

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

Table 1 is a summary of investment, employment and tax impact of IP Juno, LLC.

Applicant	IP Juno, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Borden County ISD
2017-2018 Average Daily Attendance	221
County	Borden
Proposed Total Investment in District	\$396,700,380
Proposed Qualified Investment	\$395,000,000
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	\$1,154
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	\$735
Minimum annual wage required for non-qualifying jobs	\$38,221
Investment per Qualifying Job	\$198,350,190
Estimated M&O levy without any limit (15 years)	\$18,770,069
Estimated M&O levy with Limitation (15 years)	\$6,330,866
Estimated gross M&O tax benefit (15 years)	\$12,439,203

* 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 IP Juno, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	400	673	1073	\$40,000,000	\$54,000,000	\$94,000,000
2021	402	711	1113	\$40,120,067	\$64,879,933	\$105,000,000
2022	2	92	94	\$120,067	\$16,879,933	\$17,000,000
2023	2	25	27	\$120,067	\$9,879,933	\$10,000,000
2024	2	(28)	-26	\$120,067	\$3,879,933	\$4,000,000
2025	2	(50)	-48	\$120,067	-\$120,067	\$0
2026	2	(53)	-51	\$120,067	-\$1,120,067	-\$1,000,000
2027	2	(47)	-45	\$120,067	-\$2,120,067	-\$2,000,000
2028	2	(35)	-33	\$120,067	-\$1,120,067	-\$1,000,000
2029	2	(23)	-21	\$120,067	-\$1,120,067	-\$1,000,000
2030	2	(11)	-9	\$120,067	-\$120,067	\$0
2031	2	(1)	1	\$120,067	\$879,933	\$1,000,000
2032	2	5	7	\$120,067	\$1,879,933	\$2,000,000
2033	2	10	12	\$120,067	\$1,879,933	\$2,000,000
2034	2	13	15	\$120,067	\$2,879,933	\$3,000,000
2035	2	14	16	\$120,067	\$2,879,933	\$3,000,000

Source: CPA REMI, IP Juno, 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*	Borden County ISD I&S Tax Levy	Borden County ISD M&O Tax Levy	Borden County ISD M&O and I&S Tax Levies	Borden County Tax Levy	Estimated Total Property Taxes
				0.2800	1.0400		0.7600	
2021	\$ 91,904,800	\$91,904,800		\$257,333	\$955,810	\$1,213,143	\$698,476	\$1,911,620
2022	\$ 270,400,200	\$270,400,200		\$757,121	\$2,812,162	\$3,569,283	\$2,055,042	\$5,624,324
2023	\$ 227,165,200	\$227,165,200		\$636,063	\$2,362,518	\$2,998,581	\$1,726,456	\$4,725,036
2024	\$ 202,844,200	\$202,844,200		\$567,964	\$2,109,580	\$2,677,543	\$1,541,616	\$4,219,159
2025	\$ 178,523,200	\$178,523,200		\$499,865	\$1,856,641	\$2,356,506	\$1,356,776	\$3,713,283
2026	\$ 154,202,300	\$154,202,300		\$431,766	\$1,603,704	\$2,035,470	\$1,171,937	\$3,207,408
2027	\$ 127,179,500	\$127,179,500		\$356,103	\$1,322,667	\$1,678,769	\$966,564	\$2,645,334
2028	\$ 102,858,700	\$102,858,700		\$288,004	\$1,069,730	\$1,357,735	\$781,726	\$2,139,461
2029	\$ 86,644,000	\$86,644,000		\$242,603	\$901,098	\$1,143,701	\$658,494	\$1,802,195
2030	\$ 78,535,300	\$78,535,300		\$219,899	\$816,767	\$1,036,666	\$596,868	\$1,633,534
2031	\$ 67,724,600	\$67,724,600		\$189,629	\$704,336	\$893,965	\$514,707	\$1,408,672
2032	\$ 54,211,900	\$54,211,900		\$151,793	\$563,804	\$715,597	\$412,010	\$1,127,608
2033	\$ 54,209,300	\$54,209,300		\$151,786	\$563,777	\$715,563	\$411,991	\$1,127,553
2034	\$ 54,206,800	\$54,206,800		\$151,779	\$563,751	\$715,530	\$411,972	\$1,127,501
2035	\$ 54,204,300	\$54,204,300		\$151,772	\$563,725	\$715,497	\$411,953	\$1,127,449
			Total	\$5,053,480	\$18,770,069	\$23,823,549	\$13,716,589	\$37,540,137

Source: CPA, IP Juno, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Borden County, with all property tax incentives sought 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*	Borden County ISD I&S Tax Levy	Borden County ISD M&O Tax Levy	Borden County ISD M&O and I&S Tax Levies	Borden County Tax Levy	Estimated Total Property Taxes
				0.2800	1.0400		0.7600	
2021	\$ 91,904,800	\$ 91,904,800		\$257,333	\$955,810	\$1,213,143	\$698,476	\$1,911,620
2022	\$270,400,200	\$30,000,000		\$757,121	\$312,000	\$1,069,121	\$390,458	\$1,459,578
2023	\$227,165,200	\$30,000,000		\$636,063	\$312,000	\$948,063	\$328,027	\$1,276,089
2024	\$202,844,200	\$30,000,000		\$567,964	\$312,000	\$879,964	\$292,907	\$1,172,871
2025	\$178,523,200	\$30,000,000		\$499,865	\$312,000	\$811,865	\$257,788	\$1,069,652
2026	\$154,202,300	\$30,000,000		\$431,766	\$312,000	\$743,766	\$222,668	\$966,435
2027	\$127,179,500	\$30,000,000		\$356,103	\$312,000	\$668,103	\$183,647	\$851,750
2028	\$102,858,700	\$30,000,000		\$288,004	\$312,000	\$600,004	\$148,528	\$748,532
2029	\$86,644,000	\$30,000,000		\$242,603	\$312,000	\$554,603	\$125,114	\$679,717
2030	\$78,535,300	\$30,000,000		\$219,899	\$312,000	\$531,899	\$113,405	\$645,304
2031	\$67,724,600	\$30,000,000		\$189,629	\$312,000	\$501,629	\$97,794	\$599,423
2032	\$54,211,900	\$54,211,900		\$151,793	\$563,804	\$715,597	\$412,010	\$1,127,608
2033	\$54,209,300	\$54,209,300		\$151,786	\$563,777	\$715,563	\$411,991	\$1,127,553
2034	\$54,206,800	\$54,206,800		\$151,779	\$563,751	\$715,530	\$411,972	\$1,127,501
2035	\$54,204,300	\$54,204,300		\$151,772	\$563,725	\$715,497	\$411,953	\$1,127,449
			Total	\$5,053,480	\$6,330,866	\$11,384,346	\$4,506,737	\$15,891,083
			Diff	\$0	\$12,439,203	\$12,439,203	\$9,209,851	\$21,649,054

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, IP Juno, 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 IP Juno, 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$955,810	\$955,810	\$0	\$0
Limitation Period (10 Years)	2022	\$312,000	\$1,267,810	\$2,500,162	\$2,500,162
	2023	\$312,000	\$1,579,810	\$2,050,518	\$4,550,680
	2024	\$312,000	\$1,891,810	\$1,797,580	\$6,348,260
	2025	\$312,000	\$2,203,810	\$1,544,641	\$7,892,901
	2026	\$312,000	\$2,515,810	\$1,291,704	\$9,184,605
	2027	\$312,000	\$2,827,810	\$1,010,667	\$10,195,272
	2028	\$312,000	\$3,139,810	\$757,730	\$10,953,002
	2029	\$312,000	\$3,451,810	\$589,098	\$11,542,100
	2030	\$312,000	\$3,763,810	\$504,767	\$12,046,867
	2031	\$312,000	\$4,075,810	\$392,336	\$12,439,203
Maintain Viable Presence (5 Years)	2032	\$563,804	\$4,639,614	\$0	\$12,439,203
	2033	\$563,777	\$5,203,390	\$0	\$12,439,203
	2034	\$563,751	\$5,767,141	\$0	\$12,439,203
	2035	\$563,725	\$6,330,866	\$0	\$12,439,203
	2036	\$563,699	\$6,894,565	\$0	\$12,439,203
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$563,674	\$7,458,238	\$0	\$12,439,203
	2038	\$563,649	\$8,021,887	\$0	\$12,439,203
	2039	\$563,624	\$8,585,511	\$0	\$12,439,203
	2040	\$563,600	\$9,149,111	\$0	\$12,439,203
	2041	\$563,576	\$9,712,687	\$0	\$12,439,203
	2042	\$563,553	\$10,276,240	\$0	\$12,439,203
	2043	\$563,530	\$10,839,770	\$0	\$12,439,203
	2044	\$563,507	\$11,403,278	\$0	\$12,439,203
	2045	\$563,484	\$11,966,762	\$0	\$12,439,203
	2046	\$563,484	\$12,530,247	\$0	\$12,439,203

\$12,530,247

is greater than

\$12,439,203

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, IP Juno, 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 IP Juno, 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 IP Juno, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “IP Renewable Energy Holdings, LLC, the parent of IP Juno, LLC, is a national solar developer with project opportunities across the United States. The ability to enter into a value limitation agreement with Borden County ISD is a determining factor for constructing the project in Borden County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado.”
 - B. “IP Renewable Energy Holdings, LLC is actively developing and constructing other projects throughout the US. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Borden County ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives.”
 - C. “However, the proposed site in Borden County is a desirable business location and can provide electricity at a price that is competitive with other projects in Borden County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained.”
 - D. “Receiving a value limitation agreement from Borden County ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Borden County.”

- Comptroller Research:
 - A. Application #1338, IP Juno, LLC, was submitted to the district on January 21, 2019. The IP Juno project will be a 400 MW-AC solar plant in Borden County. It is anticipated to be operational by 2021.
 - B. On February 19, 2019, *Industry Week* reported, "The 495-megawatt storage system would be built in tandem with a solar farm of the same size. The Electric Reliability Council of Texas Inc., which operates most of the state's grid, posted the details in a chart that also shows Texas' battery storage will surge more than sixfold to 584 megawatts when the projects, dubbed Juno Solar and Juno Storage, are complete. They're scheduled to be built by May 2021 in Borden County, Texas."
 - C. On February 19, 2019, *Utility Dive* reported that Intersect Power is planning to construct an energy storage next to a solar farm in Borden County, Juno Storage and Juno Solar. They also stated that the developer signed an interconnection agreement for both assets at the end of December.
- Supplemental information provided by the applicant:
 - A. The legal entity of the company is IP Juno, LLC, and is not known by any other names. The solar project itself is commonly known as "Juno Solar" and "IP Juno Solar" and "Juno Project".
 - B. We have filed with ERCOT for a solar facility. Juno Solar is 21INR0026. We filed on July 23, 2018, and it was confirmed and assigned on August 14, 2018.
 - C. No batteries are a part of this application or are currently planned. An interconnection application was filed in case there was interest in this in the future. If ever built, the owner of the battery component would not be IP Juno, LLC. To clarify my earlier note, if batteries were ever built they would not be owned by IP Juno, LLC.

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.

IP Renewable Energy Holdings, LLC, the parent of IP Juno, LLC, is a national solar developer with project opportunities across the United States. The ability to enter into a value limitation agreement with Borden County ISD is a determining factor for constructing the project in Borden County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado.

IP Renewable Energy Holdings, LLC is actively developing and constructing other projects throughout the US. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Borden County ISD, lowers the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. We want to avoid a situation where the applicant would be forced to have its development capital and prospective investment funds spent in other states where the rate of return is higher on a project basis.

However, the proposed site in Borden County is a desirable business location and can provide electricity at a price that is competitive with other projects in Borden County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. Electric utilities and other wholesale electricity buyers are focused on providing low-cost energy to their customers, and contracting for the sale of solar electricity is highly competitive. Receiving a value limitation agreement from Borden County ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Borden County.

About IP Renewable Energy Holdings LLC

The IP Renewable Energy Holdings, LLC team has the collective experience in all phases of development across 60+ projects, and 2GWp of operating solar power with a total value of over \$6 billion. Our team has been involved in almost \$9B of successful debt and long-term equity financing for mid to late stage development projects. Our team has been successful together throughout the evolution of clean infrastructure, from the early days of kW scale solar, to pioneering 5-20MW projects and on to increasingly sophisticated and complex transactions of 100-500MW projects.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Borden County ISD–IP Juno, LLC App. #1338

Comptroller Questions (via email on February 13, 2019):

1. *Is IP Juno, 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 was it assigned.*

Comptroller Questions (via email on February 27, 2019):

1. *The attached article indicates that a storage system will be built in tandem with Juno Solar. Please explain any interconnections; and if any batteries associated are included in the existing application.*

Applicant Response (via email on February 14, 2019):

1. *The legal entity of the company is IP Juno, LLC, and is not known by any other names. The solar project itself is commonly known as "Juno Solar" and "IP Juno Solar" and "Juno Project".*
2. *Same response as above. There have been no media reports for the project.*
3. *Yes, we have filed with ERCOT for a solar facility. Juno Solar is 21INR0026. We filed on July 23, 2018, and it was confirmed and assigned on August 14, 2018.*

Applicant Response (via email on February 27, 2019):

1. *No batteries are a part of this application or are currently planned. An interconnection application was filed in case there was interest in this in the future. If ever built, the owner of the battery component would not be IP Juno, LLC. To clarify my earlier note, if batteries were ever built they would not be owned by IP Juno, LLC*

IndustryWeek

Chris McGrath



TECHNOLOGY AND IIOT > ENERGY

World's Biggest Battery Quietly Being Planned in the Oil Patch

The 495-megawatt storage system would be built in tandem with a solar farm of the same size.

Bloomberg | Feb 14, 2019

A little-known solar-farm developer has quietly filed plans to build what would become the world's largest battery on the edge of the Texas oil country.

The 495-megawatt storage system would be built in tandem with a solar farm of the same size. The Electric Reliability Council of Texas Inc., which operates most of the state's grid, posted the details in a chart that also shows Texas' battery storage will surge more than sixfold to 584 megawatts when the projects, dubbed Juno Solar and Juno Storage, are complete. They're scheduled to be built by May 2021 in Borden County, Texas.

The project underscores how Big Oil's demand for power in the fossil fuels-rich Permian Basin of Texas and New Mexico is, in a twist, boosting the case for renewable energy. Texas's power grid operator has stressed the need for more electricity resources in the region to power oil and gas drilling operations.

IP Juno, a unit of San Francisco-based Intersect Power LLC, outlined plans to build a 400-megawatt solar facility by the second quarter of 2021 in Borden County, according to an application concerning its state property taxes. Intersect Power didn't return calls and emails for comment. Borden County -- population less than 700 -- is about 70 miles south of Lubbock.

Vistra Energy Corp. just completed what's now the largest battery storage facility in Texas with a 10-megawatt system connected to a solar farm. It's also planning the biggest one in the world at the Moss Landing power plant in California, which will store 300 megawatts for up to four hours when completed next year.

By Christopher Martin

Source URL: <https://www.industryweek.com/energy/worlds-biggest-battery-quietly-being-planned-oil-patch>

BRIEF

Developer eyes world's largest solar+storage facility for Texas

Bylulia Gheorghiu

Published Feb. 19, 2019

Dive Brief:

- Renewable energy developer Intersect Power has floated plans to construct 495 MW of energy storage next to 495 MW of solar in Borden County, Texas, according to the January generation interconnection status report from the Electric Reliability Council of Texas (ERCOT).
- If completed, the project would be the world's largest battery system when it comes online in 2021, Bloomberg reported, based on an ERCOT chart listing storage and solar projects expected to be completed in the next four years. The project would increase the state's installed solar capacity to over 6.8 GW and the energy storage capacity to 584 MW.
- The solar-plus-storage pairing in the middle of the Permian Basin could help meet energy needs for oil-field operations, but Intersect's CEO told Utility Dive that many filings in interconnection queues "never reach operations."

Dive Insight:

As technology costs drop, battery storage is increasingly getting paired to all sorts of generation these days, including gas-fired and solar of all sizes.

Last week, NextEra Energy Resources and Portland General Electric (PGE) announced they would pair 30 MW of battery

storage with 300 MW of wind generation and 50 MW of solar — the largest wind-solar-storage hybrid in the United States.

The utility said it expects similar projects will follow. PGE is one of many trying to increase reliability of renewable assets with energy storage. But in Texas, some utilities have a harder time accessing the benefits of pairing storage with renewables.

State regulators have asked for "legislative clarity" on the ownership of energy storage devices. The Public Utility Commission of Texas (PUCT) in January deferred an anticipated decision about whether transmission and distribution (T&D) utilities operating within ERCOT can own storage assets under the state's Public Utility Regulatory Act (PURA).

While Texas law classifies energy storage as generation, the technology also has load capabilities. T&D utilities have argued through the PUCT proceeding that they can own energy storage facilities for use on their distribution systems because they would not be intended as generation, therefore not impacting wholesale power prices.

The state legislature's session runs until May 27, but if it does not act, the PUCT would revisit the issue, according to Chairman DeAnn Walker. ERCOT did not comment on storage ownership for T&D utilities in the PUCT's storage ownership docket.

While utilities, such as Oncor Electric, say that statutory grid reliability provisions made under PURA allow certain storage applications, generators like Vistra Energy say the declining costs of energy storage signal utility support is not needed to develop and deploy "nontraditional technologies."

Currently, the largest energy storage project in Texas is a 10 MW, 42 MWh lithium-ion battery completed by Vistra at a 180 MW solar plant in Upton County.

Like Borden, Upton is in the middle of the Permian Basin. The grid operator has identified a need for more power capacity to

drive the area's oil and gas drilling operations. Wind resources are also being developed in West Texas.

The Borden projects, labeled Juno Storage and Juno Solar in ERCOT's generation interconnection status report, are expected to be completed by May 15, 2021. The developer signed an interconnection agreement for both assets at the end of December.

Intersect Power declined to comment on the Juno assets.

"We make a lot of filings and hold lots of land positions for many reasons across our portfolio, the bulk of them never reach operations. This is the nature of our business," Sheldon Kimber, CEO and founder of the company, told Utility Dive via e-mail.

ERCOT also lists Intersect Power as the developer for two additional solar projects that have requested full solar interconnection studies in West Texas: Aragorn Solar, 186.3 MW, expected to be completed by the end of July, 2020, and IP Titan, 272 MW, expected to be completed by the end of June, 2021.

Recommended Reading:

 Bloomberg

World's Biggest Battery to Boost Solar in Texas Oil Country [↗](#)

 Utility Dive

Texas generators, utilities square off at PUC over storage ownership [↗](#)