



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

June 4, 2019

Bob Rauch
Superintendent
Sterling City Independent School District
P.O. Box 786
Sterling City, TX 76951

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Sterling City Independent School
District and Bluebell Solar II, LLC, Application 1345

Dear Superintendent Rauch:

On March 6, 2019, the Comptroller issued written notice that Bluebell Solar II, LLC (applicant) submitted a completed application (Application 1345) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 13, 2019, to the Sterling City 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 1345.

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 March 6, 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, flowing style.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Bluebell Solar II LLC (project) applying to Sterling City 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 Bluebell Solar II LLC.

Applicant	Bluebell Solar II LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Sterling City ISD
2017-2018 Average Daily Attendance	290
County	Sterling
Proposed Total Investment in District	\$110,000,000
Proposed Qualified Investment	\$110,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$866
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$866
Minimum annual wage committed to by applicant for qualified jobs	\$45,016
Minimum weekly wage required for non-qualifying jobs	\$864
Minimum annual wage required for non-qualifying jobs	\$44,929
Investment per Qualifying Job	\$110,000,000
Estimated M&O levy without any limit (15 years)	\$5,165,160
Estimated M&O levy with Limitation (15 years)	\$3,625,440
Estimated gross M&O tax benefit (15 years)	\$1,539,720

* 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 Bluebell Solar II LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	150	193	343	\$7,500,000	\$16,792,000	\$24,292,000
2020	150	203	352,695	\$7,500,000	\$19,810,000	\$27,310,000
2021	1	23	24	\$45,016	\$4,689,984	\$4,735,000
2022	1	6	7	\$45,016	\$2,727,984	\$2,773,000
2023	1	(8)	-7	\$45,016	\$1,082,984	\$1,128,000
2024	1	(14)	-13	\$45,016	\$96,984	\$142,000
2025	1	(15)	-14	\$45,016	-\$366,016	-\$321,000
2026	1	(13)	-12	\$45,016	-\$507,016	-\$462,000
2027	1	(10)	-9	\$45,016	-\$430,016	-\$385,000
2028	1	(7)	-6	\$45,016	-\$226,016	-\$181,000
2029	1	(3)	-2	\$45,016	\$26,984	\$72,000
2030	1	(0)	1	\$45,016	\$284,984	\$330,000
2031	1	2	3	\$45,016	\$517,984	\$563,000
2032	1	4	5	\$45,016	\$703,984	\$749,000
2033	1	5	6	\$45,016	\$838,984	\$884,000
2034	1	5	6	\$45,016	\$926,984	\$972,000
2035	1	5	6	\$45,016	\$954,984	\$1,000,000

Source: CPA REMI, Bluebell Solar II 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*	Sterling City ISD I&S Tax Levy	Sterling City ISD M&O Tax Levy	Sterling City ISD M&O and I&S Tax Levies	Sterling County Tax Levy	Sterling County Underground Water Conservation District Tax Levy	Estimated Total Property Taxes
				0.1998	1.0400		0.5261	0.0159	
2021	\$70,840,000	\$70,840,000		\$141,538	\$736,736	\$878,274	\$372,702	\$11,278	\$1,262,254
2022	\$64,680,000	\$64,680,000		\$129,231	\$672,672	\$801,903	\$340,293	\$10,297	\$1,152,493
2023	\$58,520,000	\$58,520,000		\$116,923	\$608,608	\$725,531	\$307,884	\$9,316	\$1,042,732
2024	\$51,590,000	\$51,590,000		\$103,077	\$536,536	\$639,613	\$271,424	\$8,213	\$919,250
2025	\$44,660,000	\$44,660,000		\$89,231	\$464,464	\$553,695	\$234,964	\$7,110	\$795,769
2026	\$37,730,000	\$37,730,000		\$75,385	\$392,392	\$467,777	\$198,504	\$6,007	\$672,287
2027	\$30,030,000	\$30,030,000		\$60,000	\$312,312	\$372,312	\$157,993	\$4,781	\$535,086
2028	\$23,100,000	\$23,100,000		\$46,154	\$240,240	\$286,394	\$121,533	\$3,678	\$411,605
2029	\$18,480,000	\$18,480,000		\$36,923	\$192,192	\$229,115	\$97,227	\$2,942	\$329,284
2030	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2031	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2032	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2033	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2034	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2035	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
			Total	\$992,307	\$5,165,160	\$6,157,467	\$2,612,965	\$79,067	\$8,849,498

Source: CPA, Bluebell Solar II LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Sterling 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*	Sterling City ISD I&S Tax Levy	Sterling City ISD M&O Tax Levy	Sterling City ISD M&O and I&S Tax Levies	Sterling County Tax Levy	Sterling County Underground Water Conservation District Tax Levy	Estimated Total Property Taxes
				0.1998	1.0400		0.5261	0.0159	
2021	\$70,840,000	\$30,000,000		\$141,538	\$312,000	\$453,538	\$0	\$11,278	\$464,816
2022	\$64,680,000	\$30,000,000		\$129,231	\$312,000	\$441,231	\$0	\$10,297	\$451,528
2023	\$58,520,000	\$30,000,000		\$116,923	\$312,000	\$428,923	\$0	\$9,316	\$438,239
2024	\$51,590,000	\$30,000,000		\$103,077	\$312,000	\$415,077	\$0	\$8,213	\$423,290
2025	\$44,660,000	\$30,000,000		\$89,231	\$312,000	\$401,231	\$0	\$7,110	\$408,341
2026	\$37,730,000	\$30,000,000		\$75,385	\$312,000	\$387,385	\$0	\$6,007	\$393,391
2027	\$30,030,000	\$30,000,000		\$60,000	\$312,000	\$372,000	\$0	\$4,781	\$376,781
2028	\$23,100,000	\$23,100,000		\$46,154	\$240,240	\$286,394	\$0	\$3,678	\$290,071
2029	\$18,480,000	\$18,480,000		\$36,923	\$192,192	\$229,115	\$0	\$2,942	\$232,057
2030	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$0	\$2,574	\$203,050
2031	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2032	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2033	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2034	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
2035	\$16,170,000	\$16,170,000		\$32,308	\$168,168	\$200,476	\$85,073	\$2,574	\$288,123
			Total	\$992,307	\$3,625,440	\$4,617,747	\$425,366	\$79,067	\$5,122,180
			Diff	\$0	\$1,539,720	\$1,539,720	\$2,187,599	\$0	\$3,727,319

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Bluebell Solar II 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 Bluebell Solar II 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2021	\$312,000	\$312,000	\$424,736	\$424,736
	2022	\$312,000	\$624,000	\$360,672	\$785,408
	2023	\$312,000	\$936,000	\$296,608	\$1,082,016
	2024	\$312,000	\$1,248,000	\$224,536	\$1,306,552
	2025	\$312,000	\$1,560,000	\$152,464	\$1,459,016
	2026	\$312,000	\$1,872,000	\$80,392	\$1,539,408
	2027	\$312,000	\$2,184,000	\$312	\$1,539,720
	2028	\$240,240	\$2,424,240	\$0	\$1,539,720
	2029	\$192,192	\$2,616,432	\$0	\$1,539,720
	2030	\$168,168	\$2,784,600	\$0	\$1,539,720
Maintain Viable Presence (5 Years)	2031	\$168,168	\$2,952,768	\$0	\$1,539,720
	2032	\$168,168	\$3,120,936	\$0	\$1,539,720
	2033	\$168,168	\$3,289,104	\$0	\$1,539,720
	2034	\$168,168	\$3,457,272	\$0	\$1,539,720
	2035	\$168,168	\$3,625,440	\$0	\$1,539,720
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$168,168	\$3,793,608	\$0	\$1,539,720
	2037	\$168,168	\$3,961,776	\$0	\$1,539,720
	2038	\$168,168	\$4,129,944	\$0	\$1,539,720
	2039	\$168,168	\$4,298,112	\$0	\$1,539,720
	2040	\$168,168	\$4,466,280	\$0	\$1,539,720
	2041	\$168,168	\$4,634,448	\$0	\$1,539,720
	2042	\$168,168	\$4,802,616	\$0	\$1,539,720
	2043	\$168,168	\$4,970,784	\$0	\$1,539,720
	2044	\$168,168	\$5,138,952	\$0	\$1,539,720
	2045	\$168,168	\$5,307,120	\$0	\$1,539,720

\$5,307,120

is greater than

\$1,539,720

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

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, Bluebell Solar II 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 Bluebell Solar II, 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 Bluebell Solar II, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing, trading activities, participates in natural gas, natural gas liquids, oil production, and pipeline infrastructure development, and owns a retail electricity provider. NEER has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.”
 - B. “NEER is keen to develop and build the proposed Bluebell Solar II Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota, and Oklahoma.”
 - C. “Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other

states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met.”

- D. “Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- A May 9, 2018 *PV Magazine* article states that. “Denton, Texas was the second city in Texas to commit to sourcing 100% of its electricity from renewable energy, with an ambitious timeline of 2020. As part of this the city’s Public Utilities Board yesterday voted unanimously to approve a 15-year contract with NextEra for the output of a 100 MW solar project to be build in West Texas. The Bluebell 2 solar plant will be located northwest of San Angelo, and is expected to be completed and online by November. ”
 - A May 11, 2018 *gosanangelo.com* article states that, “Construction on Bluebell 2 is set to start in 2020, bringing more than 300 construction jobs, and is intended to be operational within that year.”
 - According to Regular Meeting of the Board of Trustees of the Sterling City ISD dated February 13, 2019, “Discussion and possible action to: accept the Application of Bluebell Solar II, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.”
 - Supplemental information provided by the applicant indicated the following:
 - A. “No - Bluebell Solar II, LLC has not been known by any other names.”
 - B. “No – Project will be assigned a IGNR once submitted to ERCOT, which will occur in September 2019.”

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
Company has 312 agreement with the County
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
Company has 312 agreement with the County
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.

NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Bluebell Solar II Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



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Denton, Texas approves 100 MW solar power contract

NextEra will build a 100 MW solar plant in West Texas to meet demand in the city, which has pledged to go 100% renewable by 2020.

MAY 9, 2018 **CHRISTIAN ROSELUND**

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Image: Cyrus Reed, Lone Star Sierra Club

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As the Trump Administration continues to dig up legal maneuvers in an attempt to keep failing coal and nuclear plants online, [cities across the United States are increasingly committing to source 100% of their electricity from renewables](#). And while this includes “blue” cities such as San Diego, California and Minneapolis, an increasing number of municipalities in so-called “red” states are also taking this pledge.

Denton, Texas was the second city in Texas to commit to sourcing 100% of its electricity from renewable energy, with an ambitious timeline of 2020. As part of this the city’s Public Utilities Board yesterday voted unanimously to approve a 15-year contract with NextEra for the output of a 100 MW solar project to be build in West Texas.

The Bluebell 2 solar plant will be located northwest of San Angelo, and is expected to be completed and online by November. Details of the power purchase agreement (PPA) were not available, however the board noted that the contract will not affect electricity rates in Denton and that it is in line or below average wholesale electricity rates.

The City of Denton previously contracted with NextEra for the output of the 30 MW Bluebell Solar 1 plant, located nearby, as well as for a 150 MW wind plant, also in West Texas, which is expected to be online

this month. [Sierra Club estimates](#) that once all three of these projects are online Denton will be getting roughly 60% of its power from renewable energy.

Municipal utilities have led a solar boom in Texas, which was [the nation's fourth-largest market last year](#). [This started in 2012](#) with San Antonio's CPS Energy and later Austin Energy signing hundreds of megawatts of PPAs with the first large solar projects in the state.

It has also been enabled by the state's socialization of the costs of building transmission to bring wind and now solar from West Texas and North Texas to cities in the center and East of the State.

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CHRISTIAN ROSELUND



Christian Roselund serves as Americas editor at pv magazine, and joined in 2014. Prior to this he covered global solar policy, markets and technology for Solar Server, and has written about renewable energy for CleanTechnica, German Energy Transition, Truthout, The Guardian (UK), and IEEE Spectrum.

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(Photo: SunPower)

Hundreds of construction jobs will be up for grabs in the coming weeks, as a solar farm project starts near Sterling City.

NextEra Energy has started the process of constructing a 30-megawatt farm in Sterling County and anticipates beginning the hiring process soon, with plans to employ 150-200 people in construction jobs for the project.

Over the next 30 years, the farm is anticipated to generate \$6 million in tax revenue for Sterling County, said Bryan Garner, a NextEra spokesperson.

Additionally, the company has just been approved to construct another solar farm in West Texas, near the border of Sterling and Coke counties.

Both will serve the City of Denton, which committed to sourcing 100 percent of its electricity from renewable energy – becoming the second city in the state to do so, according to a Sierra Club news release. Georgetown was the first.

Denton's Public Utilities Board voted unanimously to approve a 15-year contract with NextEra for the 100-megawatt farm, dubbed Bluebell 2.

Construction on Bluebell 2 is set to start in 2020, bringing more than 300 construction jobs, and is intended to be operational within that year.

The projects will have a great economic impact on the Sterling community, Garner said.

Generally only one or two people are needed to maintain the farm once construction is finished.

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s, Garner said, adding that currently building the largest

**NOTICE OF REGULAR MEETING
BOARD OF TRUSTEES
STERLING CITY INDEPENDENT SCHOOL DISTRICT**

TO THE BOARD MEMBER ADDRESSED:

Notice is hereby given that a **Regular Meeting** of the Board of Trustees of the Sterling City Independent School District will be held on Wednesday, February 13, 2019, at 7:00 PM in the Board Room of the Sterling City ISD Administration Building in Sterling City, Texas.

This notice was posted and filed in compliance with the Open Meetings Law on **Sunday, February 10, 2019 at 7:00 p.m.**

Bob Rauch

Superintendent

For the Sterling City ISD Board of Trustees

--- OFFICIAL AGENDA ---

The items to be discussed or considered, or upon which any formal action may be taken are as follows. Agenda items do not have to be taken in the same order as listed.

1. CALL TO ORDER - ESTABLISH A QUORUM

2. OPEN FORUM

3. REPORTS AND PRESENTATIONS

A. Superintendent Report

- a. Team of 8 Board Training [ESC 15 on February 25, 2019 at 5:30pm]

4. ITEMS FOR DISCUSSION AND CONSIDERATION

- A. Discussion and possible action to: accept the Application of Blubell Solar II, LLC for an Appraised Value Limitation on Qualified Property; authorize the Superintendent to review the Application for completeness and submit to the Comptroller; and authorize the Superintendent to enter into any agreement

to

extend the deadline for Board action beyond 150 days subject to Board ratification.

- B. Discussion and possible action to retain consultants to assist the District in processing of

Application for Appraised Value Limitation on Qualified Property from

Blubell Solar II, LLC.

- C. 2018 Property Value Study
- D. Walker Quality Services
- E. Consent Agenda
 - a. Minutes from previous meeting(s)
 - b. Financial report
- F. Budget Amendment(s)
- G. Order Regular School Board Election for May 4, 2019
- H. District Policy Update 112
 - I. Executive Session (*Personnel TGC 551.074*)
 - J. Superintendent's Recommendation for Hire of New Staff
- K. Elementary Principal Position
- L. 2019-2020 Salaries & Stipends
- M. Superintendent Contract
- N. Next Board Meeting Date

5. ADJOURNMENT

Note: During the course of the meeting, should a discussion of any item on the agenda be held in executive or closed session, the Board may convene in such executive or closed session by law, "*Texas Government Code, Chapter 551*". All final actions, decisions, or votes shall be made in open session.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Sterling City ISD – Bluebell Solar II, LLC App. #1345

Comptroller Questions (via email on May 31, 2019):

1. *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.*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's GINR number.*

Applicant Response (via email on May 31, 2019):

1. *No - Bluebell Solar II, LLC has not been known by any other names.*
2. *No – Project will be assigned a GINR once submitted to ERCOT, which will occur in September 2019.*