



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 6, 2019

Dr. Garth Oliver  
Superintendent  
Louise Independent School District  
408 2<sup>nd</sup> Street  
Louise, Texas 77455

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Louise Independent School District and Hecate Energy Ramsey, LLC, Application 1355

Dear Superintendent Oliver:

On May 20, 2019, the Comptroller issued written notice that Hecate Energy Ramsey, LLC (applicant) submitted a completed application (Application 1355) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on March 11, 2019, to the Louise 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.

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<sup>1</sup> 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 1355.

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 May 20, 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](mailto: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" and "C".

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Hecate Energy Ramsey, LLC (project) applying to Louise 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 Hecate Energy Ramsey, LLC.

Applicant	Hecate Energy Ramsey, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Louise ISD
2017-2018 Average Daily Attendance	473
County	Wharton
Proposed Total Investment in District	\$455,000,000
Proposed Qualified Investment	\$455,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$914
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$914
Minimum annual wage committed to by applicant for qualified jobs	\$47,505
Minimum weekly wage required for non-qualifying jobs	\$747
Minimum annual wage required for non-qualifying jobs	\$38,858
Investment per Qualifying Job	\$91,000,000
Estimated M&O levy without any limit (15 years)	\$24,150,712
Estimated M&O levy with Limitation (15 years)	\$6,348,302
Estimated gross M&O tax benefit (15 years)	\$17,802,410

\* 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 Hecate Energy Ramsey, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	500	912	1,412	\$27,500,000	\$65,762,000	\$93,262,000
2020	500	2,014	2513.67	\$27,500,000	\$146,450,000	\$173,950,000
2021	5	89	94	\$237,525	\$24,176,475	\$24,414,000
2022	5	(1)	4	\$237,525	\$14,166,475	\$14,404,000
2023	5	(48)	-43	\$237,525	\$7,086,475	\$7,324,000
2024	5	(77)	-72	\$237,525	\$2,203,475	\$2,441,000
2025	5	(77)	-72	\$237,525	-\$603,525	-\$366,000
2026	5	(77)	-72	\$237,525	-\$2,556,525	-\$2,319,000
2027	5	(66)	-61	\$237,525	-\$3,167,525	-\$2,930,000
2028	5	(56)	-51	\$237,525	-\$3,655,525	-\$3,418,000
2029	5	(46)	-41	\$237,525	-\$2,434,525	-\$2,197,000
2030	5	(30)	-25	\$237,525	-\$2,434,525	-\$2,197,000
2031	5	(19)	-14	\$237,525	-\$969,525	-\$732,000
2032	5	(5)	0	\$237,525	-\$237,525	\$0
2033	5	1	6	\$237,525	\$739,475	\$977,000
2034	5	7	12	\$237,525	\$1,715,475	\$1,953,000
2035	5	9	14	\$237,525	\$1,959,475	\$2,197,000

Source: CPA REMI, Hecate Energy Ramsey, 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*	Louise ISD I&S Tax Levy	Louise ISD M&O Tax Levy	Louise ISD M&O and I&S Tax Levies	Wharton County Tax Levy	West Wharton County Hospital District Tax Levy	Wharton County Junior College District Tax Levy	Louise Water District Tax Levy	Estimated Total Property Taxes
2020	\$51,000,000	\$51,000,000		\$0	\$535,500	\$535,500	\$242,250	\$103,994	\$69,901	\$74,322	\$1,025,967
2021	\$326,825,000	\$326,825,000		\$0	\$3,431,663	\$3,431,663	\$1,552,419	\$666,429	\$447,946	\$476,282	\$6,574,739
2022	\$300,690,600	\$300,690,600		\$0	\$3,157,251	\$3,157,251	\$1,428,280	\$613,138	\$412,127	\$438,196	\$6,048,993
2023	\$272,491,800	\$272,491,800		\$0	\$2,861,164	\$2,861,164	\$1,294,336	\$555,638	\$373,477	\$397,102	\$5,481,718
2024	\$242,018,600	\$242,018,600		\$0	\$2,541,195	\$2,541,195	\$1,149,588	\$493,500	\$331,711	\$352,694	\$4,868,688
2025	\$209,131,000	\$209,131,000		\$0	\$2,195,876	\$2,195,876	\$993,372	\$426,439	\$286,635	\$304,767	\$4,207,088
2026	\$173,619,000	\$173,619,000		\$0	\$1,823,000	\$1,823,000	\$824,690	\$354,027	\$237,962	\$253,015	\$3,492,693
2027	\$135,272,500	\$135,272,500		\$0	\$1,420,361	\$1,420,361	\$642,544	\$275,834	\$185,404	\$197,133	\$2,721,277
2028	\$93,846,600	\$93,846,600		\$0	\$985,389	\$985,389	\$445,771	\$191,363	\$128,626	\$136,763	\$1,887,912
2029	\$70,796,200	\$70,796,200		\$0	\$743,360	\$743,360	\$336,282	\$144,361	\$97,033	\$103,171	\$1,424,207
2030	\$70,776,300	\$70,776,300		\$0	\$743,151	\$743,151	\$336,187	\$144,320	\$97,006	\$103,142	\$1,423,807
2031	\$70,756,900	\$70,756,900		\$0	\$742,947	\$742,947	\$336,095	\$144,280	\$96,979	\$103,114	\$1,423,417
2032	\$70,738,000	\$70,738,000		\$0	\$742,749	\$742,749	\$336,006	\$144,242	\$96,954	\$103,086	\$1,423,036
2033	\$70,719,600	\$70,719,600		\$0	\$742,556	\$742,556	\$335,918	\$144,204	\$96,928	\$103,060	\$1,422,666
2034	\$70,701,600	\$70,701,600		\$0	\$742,367	\$742,367	\$335,833	\$144,168	\$96,904	\$103,033	\$1,422,304
2035	\$70,684,100	\$70,684,100		\$0	\$742,183	\$742,183	\$335,749	\$144,132	\$96,880	\$103,008	\$1,421,952
			<b>Total</b>	<b>\$0</b>	<b>\$24,150,712</b>	<b>\$24,150,712</b>	<b>\$10,925,322</b>	<b>\$4,690,068</b>	<b>\$3,152,473</b>	<b>\$3,351,889</b>	<b>\$46,270,464</b>

Source: CPA, Hecate Energy Ramsey, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Wharton 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*	Louise ISD I&S Tax Levy	Louise ISD M&O Tax Levy	Louise ISD M&O and I&S Tax Levies	Wharton County Tax Levy	West Wharton County Hospital District Tax Levy	Wharton County Junior College Distirct Tax Levy	Louise Water District Tax Levy	Estimated Total Property Taxes
2020	\$51,000,000	\$51,000,000		0.0000	1.0500		0.4750	0.2039	0.1371	0.1457	
2020	\$51,000,000	\$51,000,000		\$0	\$535,500	\$535,500	\$242,250	\$103,994	\$69,901	\$74,322	\$1,025,967
2021	\$326,825,000	\$20,000,000		\$0	\$210,000	\$210,000	\$465,726	\$666,429	\$447,946	\$476,282	\$2,266,383
2022	\$300,690,600	\$20,000,000		\$0	\$210,000	\$210,000	\$428,484	\$613,138	\$412,127	\$438,196	\$2,101,945
2023	\$272,491,800	\$20,000,000		\$0	\$210,000	\$210,000	\$388,301	\$555,638	\$373,477	\$397,102	\$1,924,518
2024	\$242,018,600	\$20,000,000		\$0	\$210,000	\$210,000	\$344,877	\$493,500	\$331,711	\$352,694	\$1,732,781
2025	\$209,131,000	\$20,000,000		\$0	\$210,000	\$210,000	\$298,012	\$426,439	\$286,635	\$304,767	\$1,525,852
2026	\$173,619,000	\$20,000,000		\$0	\$210,000	\$210,000	\$247,407	\$354,027	\$237,962	\$253,015	\$1,302,411
2027	\$135,272,500	\$20,000,000		\$0	\$210,000	\$210,000	\$192,763	\$275,834	\$185,404	\$197,133	\$1,061,135
2028	\$93,846,600	\$20,000,000		\$0	\$210,000	\$210,000	\$133,731	\$191,363	\$128,626	\$136,763	\$800,483
2029	\$70,796,200	\$20,000,000		\$0	\$210,000	\$210,000	\$100,885	\$144,361	\$97,033	\$103,171	\$655,450
2030	\$70,776,300	\$20,000,000		\$0	\$210,000	\$210,000	\$100,856	\$144,320	\$97,006	\$103,142	\$655,324
2031	\$70,756,900	\$70,756,900		\$0	\$742,947	\$742,947	\$336,095	\$144,280	\$96,979	\$103,114	\$1,423,417
2032	\$70,738,000	\$70,738,000		\$0	\$742,749	\$742,749	\$336,006	\$144,242	\$96,954	\$103,086	\$1,423,036
2033	\$70,719,600	\$70,719,600		\$0	\$742,556	\$742,556	\$335,918	\$144,204	\$96,928	\$103,060	\$1,422,666
2034	\$70,701,600	\$70,701,600		\$0	\$742,367	\$742,367	\$335,833	\$144,168	\$96,904	\$103,033	\$1,422,304
2035	\$70,684,100	\$70,684,100		\$0	\$742,183	\$742,183	\$335,749	\$144,132	\$96,880	\$103,008	\$1,421,952
			<b>Total</b>	<b>\$0</b>	<b>\$6,348,302</b>	<b>\$6,348,302</b>	<b>\$4,622,892</b>	<b>\$4,690,068</b>	<b>\$3,152,473</b>	<b>\$3,351,889</b>	<b>\$22,165,624</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$17,802,410</b>	<b>\$17,802,410</b>	<b>\$6,302,430</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$24,104,840</b>

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Hecate Energy Ramsey, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Hecate Energy Ramsey, 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)
<b>Limitation Pre-Years</b>	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$535,500	\$535,500	\$0	\$0
<b>Limitation Period (10 Years)</b>	2021	\$210,000	\$745,500	\$3,221,663	\$3,221,663
	2022	\$210,000	\$955,500	\$2,947,251	\$6,168,914
	2023	\$210,000	\$1,165,500	\$2,651,164	\$8,820,078
	2024	\$210,000	\$1,375,500	\$2,331,195	\$11,151,273
	2025	\$210,000	\$1,585,500	\$1,985,876	\$13,137,149
	2026	\$210,000	\$1,795,500	\$1,613,000	\$14,750,148
	2027	\$210,000	\$2,005,500	\$1,210,361	\$15,960,509
	2028	\$210,000	\$2,215,500	\$775,389	\$16,735,899
	2029	\$210,000	\$2,425,500	\$533,360	\$17,269,259
	2030	\$210,000	\$2,635,500	\$533,151	\$17,802,410
<b>Maintain Viable Presence (5 Years)</b>	2031	\$742,947	\$3,378,447	\$0	\$17,802,410
	2032	\$742,749	\$4,121,196	\$0	\$17,802,410
	2033	\$742,556	\$4,863,752	\$0	\$17,802,410
	2034	\$742,367	\$5,606,119	\$0	\$17,802,410
	2035	\$742,183	\$6,348,302	\$0	\$17,802,410
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2036	\$742,004	\$7,090,306	\$0	\$17,802,410
	2037	\$741,828	\$7,832,134	\$0	\$17,802,410
	2038	\$741,657	\$8,573,791	\$0	\$17,802,410
	2039	\$741,491	\$9,315,282	\$0	\$17,802,410
	2040	\$741,328	\$10,056,610	\$0	\$17,802,410
	2041	\$704,420	\$10,761,030	\$0	\$17,802,410
	2042	\$704,265	\$11,465,295	\$0	\$17,802,410
	2043	\$704,115	\$12,169,411	\$0	\$17,802,410
	2044	\$703,968	\$12,873,379	\$0	\$17,802,410
	2045	\$703,826	\$13,577,205	\$0	\$17,802,410

**\$13,577,205**

is less than

**\$17,802,410**

### Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Hecate Energy Ramsey, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	500	912	1,412	\$27,500,000	\$65,762,000	\$93,262,000	7202000	-2602000	\$9,804,000
2020	500	2,014	2513.67	\$27,500,000	\$146,450,000	\$173,950,000	16800000	-3555000	\$20,355,000
2021	5	89	94	\$237,525	\$24,176,475	\$24,414,000	1053000	2693000	-\$1,640,000
2022	5	(1)	4	\$237,525	\$14,166,475	\$14,404,000	786000	2625000	-\$1,839,000
2023	5	(48)	-43	\$237,525	\$7,086,475	\$7,324,000	519000	2434000	-\$1,915,000
2024	5	(77)	-72	\$237,525	\$2,203,475	\$2,441,000	404000	2235000	-\$1,831,000
2025	5	(77)	-72	\$237,525	-\$603,525	-\$366,000	275000	1991000	-\$1,716,000
2026	5	(77)	-72	\$237,525	-\$2,556,525	-\$2,319,000	214000	1778000	-\$1,564,000
2027	5	(66)	-61	\$237,525	-\$3,167,525	-\$2,930,000	153000	1534000	-\$1,381,000
2028	5	(56)	-51	\$237,525	-\$3,655,525	-\$3,418,000	122000	1343000	-\$1,221,000
2029	5	(46)	-41	\$237,525	-\$2,434,525	-\$2,197,000	160000	1167000	-\$1,007,000
2030	5	(30)	-25	\$237,525	-\$2,434,525	-\$2,197,000	214000	1030000	-\$816,000
2031	5	(19)	-14	\$237,525	-\$969,525	-\$732,000	229000	885000	-\$656,000
2032	5	(5)	0	\$237,525	-\$237,525	\$0	259000	801000	-\$542,000
2033	5	1	6	\$237,525	\$739,475	\$977,000	244000	694000	-\$450,000
2034	5	7	12	\$237,525	\$1,715,475	\$1,953,000	237000	610000	-\$373,000
2035	5	9	14	\$237,525	\$1,959,475	\$2,197,000	221000	526000	-\$305,000
2036	5	11	16	\$237,525	\$2,448,475	\$2,686,000	214000	458000	-\$244,000
2037	5	11	16	\$237,525	\$2,692,475	\$2,930,000	160000	397000	-\$237,000
2038	5	5	10	\$237,525	\$3,180,475	\$3,418,000	153000	381000	-\$228,000
2039	5	11	16	\$237,525	\$3,424,475	\$3,662,000	137000	328000	-\$191,000
2040	5	7	12	\$237,525	\$3,180,475	\$3,418,000	122000	259000	-\$137,000
2041	5	11	16	\$237,525	\$3,424,475	\$3,662,000	92000	221000	-\$129,000
2042	5	9	14	\$237,525	\$3,668,475	\$3,906,000	153000	183000	-\$30,000
2043	5	3	8	\$237,525	\$4,157,475	\$4,395,000	168000	168000	\$0
2044	5	3	8	\$237,525	\$4,645,475	\$4,883,000	168000	137000	\$31,000
2045	5	15	20	\$237,525	\$5,621,475	\$5,859,000	153000	92000	\$61,000
2046	5	7	12	\$237,525	\$5,621,475	\$5,859,000	198000	99000	\$99,000
<b>Total</b>							<b>\$30,810,000</b>	<b>\$18,912,000</b>	<b>\$11,898,000</b>
							<b>\$25,475,205</b>	is greater than	<b>\$17,802,410</b>

<b>Analysis Summary</b>		
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?	<b>Yes</b>	

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 Hecate Energy Ramsey 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 Hecate Energy Ramsey, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Founded six years ago, Hecate Energy has developed or built 363MW of operating solar projects totaling over \$600 million in asset value, 58 MWh of battery storage and has entered over 1 GW of renewable Power Purchase Agreements, including 180 MWh of battery storage projects. The company is in offtake negotiations for over 1,000 MW of new solar projects with a pipeline of approximately 6 GW of projects under development. Hecate Energy has developed operating power projects in California, Florida, Texas, Rhode Island, Maryland, Massachusetts, Virginia, and Georgia, with energy storage projects in Ontario. Sites in Washington, Louisiana, Rhode Island, South Carolina New York, Ohio, Texas, Georgia, Tennessee, California, and Ontario Canada are currently being evaluated for Hecate Energy’s current pipeline of potential projects.”
  - B. “Hecate Energy is a national solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable solar characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.”
  - C. “The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA.”

- D. "Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher."
- According to a Regular Meeting of the Board of Trustees of the Louise ISD dated January 21, 2019, "Consider and Possible Action allowing for a 313 tax limitation application."
  - According to a Special Meeting of the Board of Trustees of the Louise ISD dated March 11, 2019, "Consider and Possible Action to allow Hecate Energy to apply for the 313 tax limitation agreement. Consider and Possible Action to accept the contract for contracted services from Moak Casey regarding an economic analysis for the 313 application."
  - A May 11, 2019 *Leader News* article states that, "Hecate is requesting a tax abatement agreement with a 70 percent abatement for 10 years. Hecate's proposed Ramsey Project would be a 500-megawatt solar power electric generating facility involving 1.7 million panels and 200, 2.5 megawatt-inverters on over 4,000 acres."
  - A May 13, 2019 Wharton County Commissioners Court meeting, "Take all appropriate action to administrative approve an application for the tax abatement filed by Hecate Energy Ramsey, LLC."
  - Supplemental information provided by the applicant indicated the following:
    - A. "We had identified that the project was also known by the name Ramsey Solar."
    - B. "IGNR Number is 20INR0130. That number was assigned on October 23, 2018."

**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.

Founded six years ago, Hecate Energy has developed or built 363MW of operating solar projects totaling over \$600 million in asset value, 58 MWh of battery storage and has entered over 1 GW of renewable Power Purchase Agreements, including 180 MWh of battery storage projects. The company is in offtake negotiations for over 1,000 MW of new solar projects with a pipeline of approximately 6 GW of projects under development.

Hecate Energy has developed operating power projects in California, Florida, Texas, Rhode Island, Maryland, Massachusetts, Virginia and Georgia, with energy storage projects in Ontario. Sites in Washington, Louisiana, Rhode Island, South Carolina New York, Ohio, Texas, Georgia, Tennessee, California and Ontario Canada are currently being evaluated for Hecate Energy's current pipeline of potential projects.

Hecate Energy is a national solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable solar characteristics. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at todays contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

# **Regular Meeting Notice/Agenda**

**Louise Independent School District**  
408 2nd Street  
Louise, TX 77455

## **Notice of Regular Meeting**

**Board of Trustees**  
**of**  
**Louise Independent School District**

**January 21, 2019**

A Regular Meeting of the Board of Trustees of the Louise Independent School District will be held on January 21, 2019, beginning at 7:00 PM in the Board conference room of the Louise Independent School District at 408 2nd Street, Louise, Texas.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

- I. Call to Order
  - A. Announcement by the Chairman that a quorum is present, and that the Notice of Meeting had been posted in the time and manner required.
  - B. Invocation and Pledge of Allegiance
  - C. Welcome Visitors
- II. Public Forum: Affording members of the public to address the Board on issues not related to individual personnel concerns
- III. Reports
  - A. Principal's Report
  - B. Superintendent's Report
    - 1. January is Board Appreciation Month
    - 2. Presentation from Mid Coast Medical Clinic directors regarding a clinic in Louise
    - 3. Discussion of the application for a 313 Tax Abatement for a Solar Farm in our District
    - 4. Set date for February Board meeting
  - C. Business Manager's Report
  - D. Facilities Report
    - 1. Facilities Master Plan presentation with discussion for amendments to the

initial drawings completed by SZH architecture

2. Presentation from Financial Advisor
  3. Presentation from Bond Counsel
- E. Technology Report
- F. Cafeteria Report
1. Grant Application
  2. Equipment Purchase Contingent
- G. Ag Report
1. Alaska Trip

#### IV. Action Items

- A. Consider and Possible Action to approve the facilities master plan and funding opportunities related to the plan
- B. Consider and Possible Action to allow the Mid Coast Medical Clinic to establish a satellite campus within Louise ISD campus.
- C. Consider and Possible Action to approve out of state travel for FFA.
- D. Consider and Possible Action to approve a change in the SpEd coop/shared services arrangement
- E. Consider and Possible Action to approve the purchase of additional kitchen equipment contingent upon the receipt of the Equipment Grant through Texas Dept. of Agriculture.
- F. Consider and Possible Action to amend CCG local policy to allow discounted or split payment options for the payment of property taxes
- G. Consider and Possible Action regarding employment of property tax limitation consultants
- H. Consider and Possible Action allowing for a 313 tax limitation application

#### V. Consent Agenda

- A. Approve minutes from the December 17, 2018 Hearing regarding the District's FIRST rating
- B. Approve minutes from the December 17, 2018 Regular Board Meeting

#### VI. Closed Meeting

- A. The governmental body may go into closed meeting as authorized by V.T.C.A. Government Code Chapter 551 Subchapter D as provided in the Notice of this meeting. The following items may be discussed in Closed Meeting
  1. The Board may seek the advice for the governmental body on other matters that are protected by the attorney/client privilege (TGC 551.071);
  2. The Board will discuss the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public employee. (TGC 551.074)

VII. Board to Reconvene For Official Action

- A. The Board will reconvene and take any action deemed necessary based on discussions held in Closed Meeting.

VIII. Adjournment

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

This notice was posted in compliance with the Texas Open Meetings Act on .

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Dr. Garth Oliver, Superintendent  
For the Board of Trustees

# **Regular Meeting Notice/Agenda**

**Louise Independent School District**  
408 2nd Street  
Louise, TX 77455

## **Notice of Special Meeting**

**Board of Trustees**  
**of**  
**Louise Independent School District**

**March 11, 2019**

A Special Meeting of the Board of Trustees of the Louise Independent School District will be held on March 11, 2019, beginning at 7:00 PM in the Board conference room of the Louise Independent School District at 408 2nd Street, Louise, Texas.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

**I. Call to Order**

- A. Announcement by the Chairman that a quorum is present, and that the Notice of Meeting had been posted in the time and manner required.
- B. Invocation and Pledge of Allegiance
- C. Welcome Visitors

**II. Superintendent's Report**

**III. Action Items**

- A. Consider and Possible Action to allow Hecate Energy to apply for the 313 tax limitation agreement.
- B. Consider and Possible Action to accept the contract for contracted services from Moak Casey regarding an economic analysis for the 313 application.

**IV. Closed Meeting**

- A. The governmental body may go into closed meeting as authorized by V.T.C.A. Government Code Chapter 551 Subchapter D as provided in the Notice of this meeting. The following items may be discussed in Closed Meeting
  - 1. The Board may seek the advice for the governmental body on other matters that are protected by the attorney/client privilege (TGC 551.071);

**V. Board to Reconvene For Official Action**

- A. The Board will reconvene and take any action deemed necessary based on discussions held in Closed Meeting.

## VI. Adjournment

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, Chapter 551, Subchapters D and E or Texas Government Code section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

This notice was posted in compliance with the Texas Open Meetings Act on .

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Dr. Garth Oliver, Superintendent  
For the Board of Trustees



Wharton County Commissioners Court will meet in closed session Monday to deliberate an application from a renewable energy development company for possible approval of a tax abatement agreement.

Hecate Energy, LLC, submitted a Chapter 312 agreement application to the court in April requesting it create a reinvestment zone for a proposed solar farm located within Louise ISD.

Hecate is requesting a tax abatement agreement with a 70 percent abatement for 10 years. Hecate's proposed Ramsey Project would be a 500-megawatt solar power electric generating facility involving 1.7 million panels and 200, 2.5 megawatt-inverters on over 4,000 acres.

Estimated capital improvement cost for the project is expected to be approximately \$500,000.

The LISD board of trustees recently accepted Hecate's Chapter 313 application for a property tax agreement. The application is under review by the State Comptroller's Office.

Hecate is requesting an abatement for all materials and equipment installed. Construction is expected to begin later this year, employing 300 temporary construction workers, and be completed by the fourth quarter of 2020. Once completed, the project's shelf life is estimated at 30 years. Hecate has committed to create three new permanent jobs.

Hecate is not the sole solar applicant with the court. AP Solar is also requesting a tax abatement agreement. Its project would be located within Wharton ISD, with the majority leased at Pierce Ranch, with one tract located in El Campo.

Commissioners will meet at 9:30 a.m. Monday, May 13 in the Courthouse Annex, 309 E. Milam in Wharton. Time is allotted for public comments.

Tags

- Abatement
- Hecate
- Agreement
- Economics
- Finance
- Law
- Revenue
- Tax
- Commissioners Court
- Cost
- Shelf Life

(0) comments

Welcome to the discussion.

Log In



Commissioners Court May 13, 2019  
NOTICE OF A MEETING OF THE  
COMMISSIONERS COURT OF WHARTON COUNTY, TEXAS

This Notice is posted pursuant to the Texas Open Meetings Act (VERNON'S TEXAS CODES ANN. GOV. CODE CH. 551). The Wharton County Commissioners Court will hold a meeting at 9:30 A.M. on the 13th day of May, 2019 in the Wharton County Commissioners Courtroom, Wharton County Courthouse Annex Building, 309 E. Milam Wharton, Texas. An Open Meeting will be held concerning the following subjects:

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE** - Pledge of Allegiance to the American Flag and Pledge of Allegiance to the Texas Flag  
**INVOCATION**

**PUBLIC COMMENTS**

At this time comments will be taken from the audience on Non-Agenda related topics. To address the Court, please submit a Public Participation/Witness Form to the County Clerk. Please Complete the Public Participation/Witness Form in its Entirety.  
**NO ACTION MAY BE TAKEN BY THE COURT DURING PUBLIC COMMENTS**

**PRESENTATIONS & PROCLAMATION**

Proclamation #19- 16 – Older Americans Month

**SAID COURT WILL AT SAID HOUR AND ON SAID DATE DISCUSS, CONSIDER AND ACT UPON THE FOLLOWING:**

1. Take all appropriate action to administratively approve an application for tax abatement filed by Hecate Energy Ramsey, LLC. (County Judge)
2. Pursuant to Government Code Section 551.087 – Deliberation Regarding Economic Development Negotiations – the Commissioners Court will meet in executive session to discuss or deliberate regarding commercial or financial information that the governmental body has received from a business prospect that the governmental body seeks to have locate, stay, or expand in or near the territory of the governmental body and with which the governmental body is conducting economic development negotiations.

Tax Abatement Agreement with Hecate Energy Ramsey, LLC.

3. Reconvene from executive session and consider taking action on the following matters:  
Take all appropriate action to administratively approve an application for tax abatement filed by Hecate Energy Ramsey, LLC.
4. Take all appropriate action to purchase real property and improvements to replace precinct 4 barn. (Commissioner Mathews)
5. Take all appropriate action to approve Resolution #19-15 – TxDOT Bridge Replacement at County Road 268 over Eagle Branch and County Road 252 over W. Bernard Creek Relief. (Commissioner King)

**CONSENT AGENDA ITEMS 6-9** (Unless removed from consent agenda, items identified within the consent agenda

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
– Louise ISD – Hecate Energy Ramsey, LLC App. #1355

Comptroller Questions (via email on July 26, 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 IGNR number.*

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

- 1. We had identified that the project was also known by the name Ramsey Solar.*
- 2. The IGNR Number is 20INR0130. That number was assigned on October 23, 2018.*