



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 16, 2019

Tim Siler
Superintendent
Bronte Independent School District
P.O. Box 670
Bronte, Texas 76933

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Bronte Independent School District and 231RC 8ME LLC, Application 1361

Dear Superintendent Siler:

On June 7, 2019, the Comptroller issued written notice that 231RC 8ME LLC (applicant) submitted a completed application (Application 1361) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 15, 2019, to the Bronte 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 1361.

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 June 7, 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 black ink, appearing to read 'Lisa Craven', is written over the typed name and title. The signature is stylized and cursive.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of 231RC 8ME LLC (project) applying to Bronte 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 231RC 8ME LLC.

Applicant	231RC 8ME LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Bronte ISD
2017-2018 Average Daily Attendance	215
County	Runnels
Proposed Total Investment in District	\$137,500,000
Proposed Qualified Investment	\$137,500,000
Limitation Amount	\$20,000,000
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	\$935
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$935
Minimum annual wage committed to by applicant for qualified jobs	\$48,596
Minimum weekly wage required for non-qualifying jobs	\$690
Minimum annual wage required for non-qualifying jobs	\$35,868
Investment per Qualifying Job	\$68,750,000
Estimated M&O levy without any limit (15 years)	\$6,378,750
Estimated M&O levy with Limitation (15 years)	\$2,963,950
Estimated gross M&O tax benefit (15 years)	\$3,414,800

* 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 231RC 8ME LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	300	383	683	\$14,578,740	\$33,392,260	\$47,971,000
2020	300	401	701.246	\$14,578,740	\$39,378,260	\$53,957,000
2021	2	46	48	\$97,192	\$9,316,808	\$9,414,000
2022	2	13	15	\$97,192	\$5,460,808	\$5,558,000
2023	2	(15)	-13	\$97,192	\$2,230,808	\$2,328,000
2024	2	(27)	-25	\$97,192	\$310,808	\$408,000
2025	2	(29)	-27	\$97,192	-\$573,192	-\$476,000
2026	2	(25)	-23	\$97,192	-\$817,192	-\$720,000
2027	2	(19)	-17	\$97,192	-\$669,192	-\$572,000
2028	2	(12)	-10	\$97,192	-\$293,192	-\$196,000
2029	2	(5)	-3	\$97,192	\$166,808	\$264,000
2030	2	0	2	\$97,192	\$648,808	\$746,000
2031	2	4	6	\$97,192	\$1,090,808	\$1,188,000
2032	2	7	9	\$97,192	\$1,444,808	\$1,542,000
2033	2	9	11	\$97,192	\$1,704,808	\$1,802,000
2034	2	10	12	\$97,192	\$1,875,808	\$1,973,000
2035	2	10	12	\$97,192	\$1,929,808	\$2,027,000

Source: CPA REMI, 231RC 8ME 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*	Bronte ISD I&S Tax Levy	Bronte ISD M&O Tax Levy	Bronte ISD M&O and I&S Tax Levies	Runnels County Tax Levy	North Runnels Hospital District Tax Levy	Valley Creek Water Control & Improvement District Tax Levy	Lipan-Kickapoo Water District Tax Levy	Estimated Total Property Taxes
2021	\$96,250,000	\$96,250,000		\$0	\$962,500	\$962,500	\$592,118	\$370,563	\$51,783	\$10,010	\$1,986,973
2022	\$86,660,000	\$86,660,000		\$0	\$866,600	\$866,600	\$533,122	\$333,641	\$46,623	\$9,013	\$1,788,999
2023	\$77,070,000	\$77,070,000		\$0	\$770,700	\$770,700	\$474,125	\$296,720	\$41,464	\$8,015	\$1,591,024
2024	\$67,480,000	\$67,480,000		\$0	\$674,800	\$674,800	\$415,129	\$259,798	\$36,304	\$7,018	\$1,393,049
2025	\$57,890,000	\$57,890,000		\$0	\$578,900	\$578,900	\$356,132	\$222,877	\$31,145	\$6,021	\$1,195,074
2026	\$48,300,000	\$48,300,000		\$0	\$483,000	\$483,000	\$297,136	\$185,955	\$25,985	\$5,023	\$997,099
2027	\$38,710,000	\$38,710,000		\$0	\$387,100	\$387,100	\$238,139	\$149,034	\$20,826	\$4,026	\$799,125
2028	\$29,120,000	\$29,120,000		\$0	\$291,200	\$291,200	\$179,143	\$112,112	\$15,667	\$3,028	\$601,150
2029	\$19,530,000	\$19,530,000		\$0	\$195,300	\$195,300	\$120,146	\$75,191	\$10,507	\$2,031	\$403,175
2030	\$19,515,000	\$19,515,000		\$0	\$195,150	\$195,150	\$120,054	\$75,133	\$10,499	\$2,030	\$402,865
2031	\$19,500,000	\$19,500,000		\$0	\$195,000	\$195,000	\$119,962	\$75,075	\$10,491	\$2,028	\$402,556
2032	\$19,485,000	\$19,485,000		\$0	\$194,850	\$194,850	\$119,869	\$75,017	\$10,483	\$2,026	\$402,246
2033	\$19,470,000	\$19,470,000		\$0	\$194,700	\$194,700	\$119,777	\$74,960	\$10,475	\$2,025	\$401,936
2034	\$19,455,000	\$19,455,000		\$0	\$194,550	\$194,550	\$119,685	\$74,902	\$10,467	\$2,023	\$401,627
2035	\$19,440,000	\$19,440,000		\$0	\$194,400	\$194,400	\$119,593	\$74,844	\$10,459	\$2,022	\$401,317
			Total	\$0	\$6,378,750	\$6,378,750	\$3,924,130	\$2,455,819	\$343,177	\$66,339	\$13,168,215

Source: CPA, 231RC 8ME LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Runnels 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		Bronte ISD I&S Tax Levy	Bronte ISD M&O Tax Levy	Bronte ISD M&O and I&S Tax Levies	Runnels County Tax Levy	North Runnels Hospital District Tax Levy	Valley Creek Water Control & Improvement District Tax Levy	Lipan-Kickapoo Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0000		0.6152	0.3850	0.0538	0.0104	
2021	\$96,250,000	\$20,000,000		\$0	\$200,000	\$200,000	\$118,424	\$74,113	\$51,783	\$10,010	\$454,329
2022	\$86,660,000	\$20,000,000		\$0	\$200,000	\$200,000	\$106,624	\$66,728	\$46,623	\$9,013	\$428,988
2023	\$77,070,000	\$20,000,000		\$0	\$200,000	\$200,000	\$94,825	\$59,344	\$41,464	\$8,015	\$403,648
2024	\$67,480,000	\$20,000,000		\$0	\$200,000	\$200,000	\$83,026	\$51,960	\$36,304	\$7,018	\$378,308
2025	\$57,890,000	\$20,000,000		\$0	\$200,000	\$200,000	\$71,226	\$44,575	\$31,145	\$6,021	\$352,967
2026	\$48,300,000	\$20,000,000		\$0	\$200,000	\$200,000	\$59,427	\$37,191	\$25,985	\$5,023	\$327,627
2027	\$38,710,000	\$20,000,000		\$0	\$200,000	\$200,000	\$47,628	\$29,807	\$20,826	\$4,026	\$302,286
2028	\$29,120,000	\$20,000,000		\$0	\$200,000	\$200,000	\$35,829	\$22,422	\$15,667	\$3,028	\$276,946
2029	\$19,530,000	\$19,530,000		\$0	\$195,300	\$195,300	\$24,029	\$15,038	\$10,507	\$2,031	\$246,906
2030	\$19,515,000	\$19,515,000		\$0	\$195,150	\$195,150	\$24,011	\$15,027	\$10,499	\$2,030	\$246,716
2031	\$19,500,000	\$19,500,000		\$0	\$195,000	\$195,000	\$119,962	\$75,075	\$10,491	\$2,028	\$402,556
2032	\$19,485,000	\$19,485,000		\$0	\$194,850	\$194,850	\$119,869	\$75,017	\$10,483	\$2,026	\$402,246
2033	\$19,470,000	\$19,470,000		\$0	\$194,700	\$194,700	\$119,777	\$74,960	\$10,475	\$2,025	\$401,936
2034	\$19,455,000	\$19,455,000		\$0	\$194,550	\$194,550	\$119,685	\$74,902	\$10,467	\$2,023	\$401,627
2035	\$19,440,000	\$19,440,000		\$0	\$194,400	\$194,400	\$119,593	\$74,844	\$10,459	\$2,022	\$401,317
			Total	\$0	\$2,963,950	\$2,963,950	\$1,263,935	\$791,002	\$343,177	\$66,339	\$5,428,402
			Diff	\$0	\$3,414,800	\$3,414,800	\$2,660,196	\$1,664,817	\$0	\$0	\$7,739,813

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, 231RC 8ME 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 231RC 8ME 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	\$200,000	\$200,000	\$762,500	\$762,500
	2022	\$200,000	\$400,000	\$666,600	\$1,429,100
	2023	\$200,000	\$600,000	\$570,700	\$1,999,800
	2024	\$200,000	\$800,000	\$474,800	\$2,474,600
	2025	\$200,000	\$1,000,000	\$378,900	\$2,853,500
	2026	\$200,000	\$1,200,000	\$283,000	\$3,136,500
	2027	\$200,000	\$1,400,000	\$187,100	\$3,323,600
	2028	\$200,000	\$1,600,000	\$91,200	\$3,414,800
	2029	\$195,300	\$1,795,300	\$0	\$3,414,800
	2030	\$195,150	\$1,990,450	\$0	\$3,414,800
Maintain Viable Presence (5 Years)	2031	\$195,000	\$2,185,450	\$0	\$3,414,800
	2032	\$194,850	\$2,380,300	\$0	\$3,414,800
	2033	\$194,700	\$2,575,000	\$0	\$3,414,800
	2034	\$194,550	\$2,769,550	\$0	\$3,414,800
	2035	\$194,400	\$2,963,950	\$0	\$3,414,800
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$194,250	\$3,158,200	\$0	\$3,414,800
	2037	\$194,100	\$3,352,300	\$0	\$3,414,800
	2038	\$193,950	\$3,546,250	\$0	\$3,414,800
	2039	\$193,800	\$3,740,050	\$0	\$3,414,800
	2040	\$193,650	\$3,933,700	\$0	\$3,414,800
	2041	\$193,500	\$4,127,200	\$0	\$3,414,800
	2042	\$193,350	\$4,320,550	\$0	\$3,414,800
	2043	\$193,200	\$4,513,750	\$0	\$3,414,800
	2044	\$193,050	\$4,706,800	\$0	\$3,414,800
	2045	\$192,900	\$4,899,700	\$0	\$3,414,800

\$4,899,700

is greater than

\$3,414,800

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, 231RC 8ME 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 231RC 8ME 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 231RC 8ME, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Currently, 8minutenergy Renewables, LLC is considering a variety of other locations for 231RC 8me LLC but believes Bronte ISD would be an ideal location for this solar facility. Due to the national footprint of 8minutenergy Renewables, LLC, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, 8minutenergy Renewables, LLC will relocate 231RC 8me LLC to another area more financially viable for the continuation of this project. Additional sites being evaluated for the establishment of this facility include locations throughout California where 8minutenergy Renewables, LLC is actively developing and managing additional projects. Failure to reach a 313 value-limitation agreement would unfortunately dismiss Bronte ISD and Runnels County from receiving the economic benefits associated with the development of a solar facility within their jurisdiction. Therefore, it is our goal to reach a 313 value-limitation agreement for 231RC 8me LLC for the benefit of all parties.”
 - B. “231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.”
 - C. “8minutenergy Renewables, LLC is the United States' largest independent solar PV and energy storage developer. Many of the nation's largest and most recognizable solar PV projects have been developed by 8minutenergy Renewables LLC, including Mount Signal Solar Farm in

California, one of the world's largest solar facility. 8minutenergy Renewables, LLC is always evaluating various solar projects for development and where to commit substantial long-term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis."

- D. "Not only 8minutenergy Renewables, LLC, but all prudent renewable energy developers, know tax incentives play an important role in attracting capital intensive energy facilities due to the high property tax burden in Texas. Because of the direct impact on any proposed project's economic viability, the decision to invest in Texas, or any other state, requires any capital investment by 8minutenergy Renewables, LLC to be based on expected economic return on their investment."
- E. "Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment for 231RC 8me LLC."
- F. "Therefore, without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. 8minutenergy Renewables, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return with the valuation limitation agreement must exceed the minimum rate of return required to proceed with the proposed investment."
- G. "Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize 8minutenergy Renewables, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project."
- According to Regular Meeting of the Commissioners Court Runnels County dated May 23, 2019, "Consider and take possible action to create a reinvestment zone for purposes of tax abatement to provide economic development within the county in accordance with Chapter 312 of the Texas Tax Code, said reinvestment zone to be located as described described in the application for Tax Abatement Agreement with 231RC 8me LLC."
- Supplemental information provided by the applicant indicated the following:
 - A. "The project has not been known by any other names in media reports, investor presentations, or any listings with any federal or state agency."
 - B. "The project has applied to ERCOT and was assigned IGNR Number 19INR0035, dated 3/20/2017."

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

Section 8 of the Application for
a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input type="checkbox"/> Land has no existing improvements	<input checked="" 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 313.025(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value



Tab 5

Limitation as a Determining Factor

Currently, 8minutenergy Renewables, LLC is considering a variety of other locations for 231RC 8me LLC but believes Bronte ISD would be an ideal location for this solar facility. Due to the national footprint of 8minutenergy Renewables, LLC, there are locations across the world and other parts of the United States being evaluated for the establishment of this solar facility. In the event a 313 agreement is not permitted, 8minutenergy Renewables, LLC will relocate 231RC 8me LLC to another area more financially viable for the continuation of this project. Additional sites being evaluated for the establishment of this facility include locations throughout California where 8minutenergy Renewables, LLC is actively developing and managing additional projects. Failure to reach a 313 value-limitation agreement would unfortunately dismiss Bronte ISD and Runnels County from receiving the economic benefits associated with the development of a solar facility within their jurisdiction. Therefore, it is our goal to reach a 313 value-limitation agreement for 231RC 8me LLC for the benefit of all parties.

231RC 8me LLC is a solar energy project managed by 8minutenergy Renewables, LLC. Their mission is to make solar energy abundant and be a leader in lowering the cost of dispatchable solar PV. 8minutenergy Renewables, LLC is a privately held company focused on producing reliable solar energy with consistent long-term pricing with over 7,500 MW under development, 8minutenergy Renewables, LLC is eager to continue their development of projects within the United States. Their team of experienced professionals are committed to building quality stakeholder relationships in the communities they choose to invest.

8minutenergy Renewables, LLC is the United States' largest independent solar PV and energy storage developer. Many of the nation's largest and most recognizable solar PV projects have been developed by 8minutenergy Renewables LLC, including Mount Signal Solar Farm in California, one of the world's largest solar facility.

8minutenergy Renewables, LLC is always evaluating various solar projects for development and where to commit substantial long-term investment based on economic rate of return on investment in the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only 8minutenergy Renewables, LLC, but all prudent renewable energy developers, know tax incentives play an important role in attracting capital intensive energy facilities due to the high property tax burden in Texas. Because of the direct impact on any proposed project's economic viability, the decision to invest in Texas, or any other state, requires any capital investment by 8minutenergy Renewables, LLC to be based on expected economic return on their investment.

Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment for 231RC 8me LLC. Therefore, without the 313 Value

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Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. 8minutenergy Renewables, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the rate of return with the valuation limitation agreement must exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize 8minutenergy Renewables, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
- Bronte ISD - 231RC 8ME, LLC, App. #1361

Comptroller Questions (via email on July 17, 2019):

1. *Please list any other names by which this project may have 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 and when was it assigned.*

Applicant Response (via email on July 17, 2019):

1. *The project has not been known by any other names in media reports, investor presentations, or any listings with any federal or state agency.*
2. *The project has applied to ERCOT and was assigned IGNR Number 19INR0035, dated 3/20/2017.*

May 23, 2019
Regular Session

The Commissioners' Court of Runnels County, Texas, met in Regular Session on Thursday, May 23, 2019 at 10:00 A.M. at the Runnels County Courthouse in Ballinger, Texas, with the following members present:

Barry Hilliard:	County Judge;
Robert Moore:	Commissioner of Precinct #1;
Ronald Presley:	Commissioner of Precinct #2;
Roy Mints:	Commissioner of Precinct #3
Juan Ornelas:	Commissioner of Precinct #4; and
Julia Miller:	County Clerk and Ex-Officio Clerk of Commissioners' Court

Open Forum - Mr. Moore brought to the court's attention that 15 - 20 miles of county roads in the Runnels County area will need to be repaired due to the heavy traffic from the trucks that are repairing tower damage because of the recent tornado and heavy rains. These costs will need to be addressed in the upcoming budget season. Retired judge Allen Amos was introduced to the court as he will be assisting Judge Hilliard in a judicial capacity while Judge Hilliard recuperates from health issues.

The Runnels County sheriff's report was heard regarding: inmate count and status of hiring new jailers.

No county auditor's report was submitted.

On motion by Mr. Presley, seconded by Mr. Moore, an order was passed to approve requests from county auditor, county commissioner and county sheriff for a line item transfer / budget adjustments for the fiscal year beginning October 1, 2018 and ending September 30, 2019. Motion carried unanimously and is so ordered. On motion by Mr. Presley, seconded by Mr. Ornelas, an order was passed to approve the budget adjustment request from county sheriff regarding salaries for the fiscal year beginning October 1, 2018 and ending September 30, 2019. Motion carried unanimously and is so ordered.

insert

On motion by Mr. Presley, seconded by Mr. Moore, an order was passed to ratify the filing of the lawsuit, *Cause No. 16,017 Runnels County vs Primaritech, LLC and Runnels County Auditor, Cindy Winchester, in her official capacity*. Motion carried unanimously and is so ordered. On motion by Mr. Ornelas, seconded by Mr. Mints, an order was passed to approve the settlement agreement which was verbally read into record by attorney, Bob Bass. See insert for "Settlement Agreement and Full Release of Claims". Motion carried unanimously and is so ordered.

insert

The following was acknowledged and entered into record: The lawsuit against Runnels County auditor, Cindy Winchester was non-suited and filed in Runnels County District Court on May 22, 2019. Ms. Winchester would be reimbursed \$5000.00 in the form of attorney fees.

On motion by Mr. Mints, seconded by Mr. Moore, an order was passed to create a reinvestment zone for purposes of tax abatement to provide economic development within the county in accordance with Chapter 312 of the Texas Tax Code, said reinvestment zone to be located as described in the application for Tax Abatement Agreement with 231RC 8me LLC. Motion carried unanimously and is so ordered.

insert

On motion by Mr. Presley, seconded by Mr. Mints, an order was passed to approve payment of all current accounts. Motion carried unanimously and is so ordered.

insert

On motion by Mr. Presley, seconded by Mr. Ornelas, an order was passed to approve payroll. Motion carried unanimously and is so ordered.

insert