GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 18, 2019

Dr. Tylor Chaplin
Superintendent
Burkburnett Independent School District
100 North Avenue D
Burkburnett, Texas 76354

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Burkburnett Independent School District and Bacon Switch Solar, LLC, Application 1365

Dear Superintendent Chaplin:

On July 2, 2019, the Comptroller issued written notice that Bacon Switch Solar, LLC (applicant) submitted a completed application (Application 1365) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on April 18, 2019, to the Burkburnett 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 1365.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 2, 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,

Lisa Craven

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Bacon Switch Solar, LLC (project) applying to Burkburnett 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 Bacon Switch Solar, LLC .

Applicant	Bacon Switch Solar, LLC
Tax Code, 313.024 Eligibility Category	Electric Power Generation, Solar
School District	Burkburnett ISD
2017-2018 Average Daily Attendance	2,911
County	Wichita
Proposed Total Investment in District	$171,000,000
Proposed Qualified Investment	$171,000,000
Limitation Amount	$30,000,000
Qualifying Time Period (Full Years)	2021-2022
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	$53,668
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,032
Minimum annual wage committed to by applicant for qualified jobs	$53,668
Minimum weekly wage required for non-qualifying jobs	$768
Minimum annual wage required for non-qualifying jobs	$39,950
Investment per Qualifying Job	$85,500,000
Estimated M&O levy without any limit (15 years)	$13,480,155
Estimated M&O levy with Limitation (15 years)	$5,733,000
Estimated gross M&O tax benefit (15 years)	$7,747,155

** 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 Bacon Switch Solar, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	200	230	430	$7,600,000	$21,400,000	$29,000,000
2021	200	239	439	$7,600,000	$25,400,000	$33,000,000
2022	2	31	33	$107,336	$5,892,664	$6,000,000
2023	2	15	17	$107,336	$3,892,664	$4,000,000
2024	2	(1)	1	$107,336	$1,892,664	$2,000,000
2025	2	(8)	-6	$107,336	$892,664	$1,000,000
2026	2	(9)	-7	$107,336	$892,664	$1,000,000
2027	2	(8)	-6	$107,336	-$107,336	$0
2028	2	(6)	-4	$107,336	-$107,336	$0
2029	2	(3)	-1	$107,336	$892,664	$1,000,000
2030	2	0	2	$107,336	$892,664	$1,000,000
2031	2	3	5	$107,336	$892,664	$1,000,000
2032	2	5	7	$107,336	$892,664	$1,000,000
2033	2	6	8	$107,336	$892,664	$1,000,000
2034	2	7	9	$107,336	$1,892,664	$2,000,000
2035	2	8	10	$107,336	$1,892,664	$2,000,000

Source: CPA REMI, Bacon Switch Solar, 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		Burkburnett ISD I&S Tax Levy	Burkburnett ISD M&O Tax Levy	Burkburnett ISD M&O and I&S Tax Levies	Wichita County Tax Levy	Wichita Falls City Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3700	1.1700		0.6571	0.7299	
2021	$17,100,000	$17,100,000		$63,270	$200,070	$263,340	$112,372	$124,809	$500,522
2022	$171,500,000	$171,500,000		$634,550	$2,006,550	$2,641,100	$1,127,007	$1,251,744	$5,019,851
2023	$154,390,000	$154,390,000		$571,243	$1,806,363	$2,377,606	$1,014,569	$1,126,862	$4,519,037
2024	$137,280,000	$137,280,000		$507,936	$1,606,176	$2,114,112	$902,131	$1,001,979	$4,018,223
2025	$120,170,000	$120,170,000		$444,629	$1,405,989	$1,850,618	$789,694	$877,097	$3,517,408
2026	$103,060,000	$103,060,000		$381,322	$1,205,802	$1,587,124	$677,256	$752,214	$3,016,594
2027	$85,950,000	$85,950,000		$318,015	$1,005,615	$1,323,630	$564,818	$627,332	$2,515,780
2028	$68,840,000	$68,840,000		$254,708	$805,428	$1,060,136	$452,380	$502,449	$2,014,965
2029	$51,730,000	$51,730,000		$191,401	$605,241	$796,642	$339,942	$377,567	$1,514,151
2030	$34,620,000	$34,620,000		$128,094	$405,054	$533,148	$227,504	$252,684	$1,013,337
2031	$34,610,000	$34,610,000		$128,057	$404,937	$532,994	$227,439	$252,611	$1,013,044
2032	$34,600,000	$34,600,000		$128,020	$404,820	$532,840	$227,373	$252,538	$1,012,751
2033	$34,590,000	$34,590,000		$127,983	$404,703	$532,686	$227,307	$252,465	$1,012,459
2034	$34,580,000	$34,580,000		$127,946	$404,586	$532,532	$227,241	$252,393	$1,012,166
2035	$34,570,000	$34,570,000		$127,909	$404,469	$532,378	$227,176	$252,320	$1,011,873
2036	$34,560,000	$34,560,000		$127,872	$404,352	$532,224	$227,110	$252,247	$1,011,581
			Total	$4,262,955	$13,480,155	$17,743,110	$7,571,319	$8,409,312	$33,723,742

Source: CPA, Bacon Switch Solar, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Wichita 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		Burkburnett ISD I&S Tax Levy	Burkburnett ISD M&O Tax Levy	Burkburnett ISD M&O and I&S Tax Levies	Wichita County Tax Levy	Wichita Falls City Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3700	1.1700		0.6571	0.7299	
2021	$17,100,000	$17,100,000		$63,270	$200,070	$263,340	$112,372	$124,809	$500,522
2022	$171,500,000	$30,000,000		$634,550	$351,000	$985,550	$338,102	$1,251,744	$2,575,396
2023	$154,390,000	$30,000,000		$571,243	$351,000	$922,243	$304,371	$1,126,862	$2,353,476
2024	$137,280,000	$30,000,000		$507,936	$351,000	$858,936	$270,639	$1,001,979	$2,131,555
2025	$120,170,000	$30,000,000		$444,629	$351,000	$795,629	$236,908	$877,097	$1,909,634
2026	$103,060,000	$30,000,000		$381,322	$351,000	$732,322	$203,177	$752,214	$1,687,713
2027	$85,950,000	$30,000,000		$318,015	$351,000	$669,015	$169,445	$627,332	$1,465,792
2028	$68,840,000	$30,000,000		$254,708	$351,000	$605,708	$135,714	$502,449	$1,243,871
2029	$51,730,000	$30,000,000		$191,401	$351,000	$542,401	$101,983	$377,567	$1,021,951
2030	$34,620,000	$30,000,000		$128,094	$351,000	$479,094	$68,251	$252,684	$800,030
2031	$34,610,000	$30,000,000		$128,057	$351,000	$479,057	$68,232	$252,611	$799,900
2032	$34,600,000	$34,600,000		$128,020	$404,820	$532,840	$227,373	$252,538	$1,012,751
2033	$34,590,000	$34,590,000		$127,983	$404,703	$532,686	$227,307	$252,465	$1,012,459
2034	$34,580,000	$34,580,000		$127,946	$404,586	$532,532	$227,241	$252,393	$1,012,166
2035	$34,570,000	$34,570,000		$127,909	$404,469	$532,378	$227,176	$252,320	$1,011,873
2036	$34,560,000	$34,560,000		$127,872	$404,352	$532,224	$227,110	$252,247	$1,011,581
			Total	$4,262,955	$5,733,000	$9,995,955	$3,145,401	$8,409,312	$21,550,669
			Diff	$0	$7,747,155	$7,747,155	$4,425,918	$0	$12,173,073

Source: CPA, Bacon Switch Solar, 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 Beacon Switch Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2019	$0	$0	$0	$0
	2020	$0	$0	$0	$0
	2021	$200,070	$200,070	$0	$0
Limitation Period (10 Years)	2022	$351,000	$551,070	$1,655,550	$1,655,550
	2023	$351,000	$902,070	$1,455,363	$3,110,913
	2024	$351,000	$1,253,070	$1,255,176	$4,366,089
	2025	$351,000	$1,604,070	$1,054,989	$5,421,078
	2026	$351,000	$1,955,070	$854,802	$6,275,880
	2027	$351,000	$2,306,070	$654,615	$6,930,495
	2028	$351,000	$2,657,070	$454,428	$7,384,923
	2029	$351,000	$3,008,070	$254,241	$7,639,164
	2030	$351,000	$3,359,070	$54,054	$7,693,218
	2031	$351,000	$3,710,070	$53,937	$7,747,155
Maintain Viable Presence (5 Years)	2032	$404,820	$4,114,890	$0	$7,747,155
	2033	$404,703	$4,519,593	$0	$7,747,155
	2034	$404,586	$4,924,179	$0	$7,747,155
	2035	$404,469	$5,328,648	$0	$7,747,155
	2036	$404,352	$5,733,000	$0	$7,747,155
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$404,235	$6,137,235	$0	$7,747,155
	2038	$404,118	$6,541,353	$0	$7,747,155
	2039	$404,001	$6,945,354	$0	$7,747,155
	2040	$403,884	$7,349,238	$0	$7,747,155
	2041	$403,767	$7,753,005	$0	$7,747,155
	2042	$403,650	$8,156,655	$0	$7,747,155
	2043	$403,533	$8,560,188	$0	$7,747,155
	2044	$403,416	$8,963,604	$0	$7,747,155
	2045	$403,299	$9,366,903	$0	$7,747,155
	2046	$403,182	$9,770,085	$0	$7,747,155

$9,770,085 is greater than **$7,747,155**

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

Source: CPA, Bacon

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 Bacon Switch Solar 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:

- SunChase Power LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "SunChase Power LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects. They work with landowners and large industrial electricity users to identify promising locations for profitable solar energy projects, and bring those projects to market. SunChase Power LLC has a national footprint, and the ability to locate projects of this type in other states in the U.S. with strong solar characteristics. SunChase Power LLC has a national footprint, and the ability to locate projects of this type in other parts of Texas and/or other states in the U.S. where utility-scale solar is viable."
  - B. "Not only SunChase Power LLC, but all prudent manufacturers, know tax incentives play an important role in attracting capital intensive manufacturing facilities due to the high property tax burden in Texas because of the direct impact on any proposed project's economic viability, so the decision to invest in Texas, or other state, requires any Capital investment by SunChase Power LLC to be based on expected economic return on their investment. With the property tax liabilities making up a substantial ongoing cost of operation that directly impacts the rate of return on the investment for the Bacon Switch Solar Project. Without the tax incentive, the economics of this project will be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain."
- According to the Texas Public Policy Foundation news release dated August 1, 2019, " New Wind Farms are Flooding Rural Texas. Wherever you go in rural Texas today, you are likely to run across a new wind farm or solar farm constructed. Wichita County – A new wind farm, Bacon Switch Solar, LLC is seeking subsidies from: Wichita County-considering $96,047 annual tax incentive."

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:
   - ☐ Land has no existing improvements
   - ☑ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ 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.

Tab 5

Limitation as a Determining Factor

SunChase Power LLC is considering a variety of other locations for Bacon Switch Solar, LLC but believes Wichita County, Texas and Burkburnett ISD would be an ideal location for this solar facility. In the event a 313 agreement is not permitted, SunChase Power LLC will allocate the investment for Bacon Switch Solar, LLC to another area outside of Texas namely Oklahoma, Louisiana, Arkansas, Mississippi, Tennessee, or Florida. Unfortunately, this would also preclude Wichita County and Burkburnett ISD from receiving the economic benefits associated with the development of a solar facility within their jurisdictions.

SunChase Power LLC is a renewable energy company focused on developing utility-scale and large industrial behind-the-meter solar energy projects. They work with landowners and large industrial electricity users to identify promising locations for profitable solar energy projects, and bring those projects to market. SunChase Power LLC has a national footprint, and the ability to locate projects of this type in other states in the U.S. with strong solar characteristics. SunChase Power LLC has a national footprint, and the ability to locate projects of this type in other parts of Texas and/or other states in the U.S. where utility-scale solar is viable.

Property taxes are often the highest operating expense for a solar generation facility, as solar plants do not have any associated fuel costs to produce electricity. Further, with the Texas wholesale electricity price already below the international average, the necessity of limiting the property tax liability becomes paramount. The magnitude at which tax expenses affect the feasibility of a project is what causes agreements like the Ch. 313 to be so important to companies like this applicant. If the 313 is not granted, the rate of return drops too low for investors to tolerate, and the capital once allocated to the project must be reapportioned to out-of-state projects with better cash flows (due to tax incentives and higher wholesale electricity rates). Effectively, whether or not the project is built hinges heavily on the execution of a 313 agreement. SunChase Power LLC is always evaluating various manufacturing 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 SunChase Power LLC, but all prudent manufactures, know tax incentives play an important role in attracting capital intensive manufacturing facilities due to the high property tax burden in Texas because of the direct impact on any proposed project's economic viability, so the decision to invest in Texas, or any other state, requires any capital investment by SunChase Power LLC to be based on expected economic return on their investment. With the property tax liabilities making up a substantial ongoing cost of operation that directly impacts the rate of return on the investment for the Bacon Switch Solar Project. Without the tax incentive, the economics of this project will be less competitive with other capital-intensive

projects and the viability of the proposed project becomes uncertain. SunChase Power LLC evaluates the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. If the rate of return, with the valuation limitation agreement, exceeds the minimum rate of return they require, they proceed with the proposed investment. Therefore, if receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings SunChase Power LLC is incentivized 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)
Burkburnett ISD– Bacon Switch Solar, LLC App. #1365

Comptroller Questions (via email on August 8, 2019):

1. *Is the Bacon Switch Solar, LLC currently known by any other project names?*

2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*

3. *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*

Applicant Response (via email on August 8, 2019):

1. *Bacon Switch Solar, LLC is not currently known by any other names.*

2. The project IGNR is 19INR0142, assigned on 10/11/17.

3. *Bacon Switch Solar, LLC has not been known by any other names in the past.*

Texas public policy foundation

New Wind and Solar Farms are Flooding Rural Texas

By **Bill Peacock, Carly Good** | August 1, 2019

Wherever you go in rural Texas today, you are likely to run across a new wind farm or solar farm being constructed.

And why wouldn't they be?

Taxpayers and consumers are currently paying more than $2 billion annually to renewable energy companies operating in Texas. And with the threat that eligibility for the biggest renewable subsidy, the federal Production Tax Credit (PTC), might expire at the end of the year, there is a mad rush by renewable companies—many of which are multibillion-dollar, multinational conglomerates—to take even more of our money from us through the largess of our local, state, and federal governments.

The cost of these renewable energy projects, though, is not just measured in dollars.

The reliability of the Texas electricity grid is being strained by both wind and solar farms that cannot guarantee electricity when Texans most need it, and then (as the case with wind) drive down prices at night by dumping electricity onto the market when we don't need it. The result is a lack of new investment in natural gas or coal-fired plants that can provide reliable and affordable energy when we need it—usually between 4-7 p.m. on hot summer afternoons.

Additionally, these plants are scarring rural Texas and creating a cleanup problem beyond what any of us can currently imagine one they can no longer generate electricity.

Below is a list of companies seeking local tax abatements from counties, school districts, hospital districts, etc. across the state. A total of 34 projects in 27 counties want taxpayers to subsidize their businesses so they can make more profits. And with each of these projects likely to produce fewer than ten permanent jobs each, there isn't anything in it for county residents.

Here is the list:

Cooke County

Two new renewable energy generators, **BT Cooke Solar, LLC** and **Wildcat Creek Wind** are seeking subsidies from:

- **Cooke County** – considering a $56,500 annual tax incentive for BT Cooke Solar, LLC and an unspecified amount for Wildcat Creek Wind
- **Era ISD** – considering limiting the taxable value of the project by $20 million for BT Cooke Solar, LLC
- **Muenster ISD** – considering limiting the taxable value of the project for Wildcat Creek Wind

Ector County

Two new solar farms, **Rockhound Solar A** and **Rockhound Solar B**, are seeking subsidies from:

- **Ector County** – considering a $559,600 annual tax incentive for Rockhound Solar A and $337,600 for Rockhound Solar B
- **Ector County ISD** – considering limiting the taxable value of the project by $100 million for both
- Ector County Hospital District – considering a $185,600 annual tax incentive for Rockhound Solar A and $95,800 for Rockhound Solar B
- Odessa College – considering a $104,800 annual tax incentive for Rockhound Solar A and $170,500 for Rockhound Solar B

Knox County

A new wind farm, **Griffin Trail Wind, LLC**, is seeking subsidies from:

- **Knox County** – considering a $6,629,208 annual tax incentive
- **Benjamin ISD** – considering limiting the taxable value of the project by $20 million
- **Seymour ISD** – considering limiting the taxable value of the project by $30 million
- Knox County Hospital District – considering a $3,575,058 annual tax incentive

Wharton County

A new solar farm, **Hecate Energy Ramsey, LLC**, is seeking subsidies from:

- **Wharton County** – considering a $627,340 annual tax incentive
- **Louise ISD** – considering limiting the taxable value of the project by $20 million

Bailey County

A new solar farm, **Willing Solar Energy, LLC**, is seeking subsidies from:

- **Bailey County** – considering an $843,693 annual tax incentive
- **Muleshoe ISD** – considering limiting the taxable value of the project by $20 million

- Knox County Hospital District – considering a $421,846 annual tax incentive

Cameron County

A new wind farm, **Monte Alto Windpower, LLC**, is seeking subsidies from:

- **Cameron County** – considering a $187,645 annual tax incentive
- **Santa Rosa ISD** – considering limiting the taxable value of the project by $15 million

Coke County

Two new renewable energy generators, **BNB Tennyson Solar, LLC**, and **Grape Creek Wind, LLC**, are seeking subsidies from:

- **Coke County** – considering a $278,971 annual tax incentive for BNB Tennyson Solar and $2,007,044 for Grape Creek Wind
- **Bronte ISD** – considering limiting the taxable value of the project by $20 million for both
- **Robert Lee ISD** – considering limiting the taxable value of the project by $25 million for both
- **Water Valley ISD** – considering limiting the taxable value of Grape Creek Wind by $20 million

Fannin County

A new solar farm, **B.T. Coniglio Solar, LLC**, is seeking subsidies from:

- **Fannin County** – considering a $259,700 annual tax incentive
- **Bonham ISD** – considering limiting the taxable value of the project by $20 million

Hardeman County

A new wind farm, **Blue Summit III Wind, LLC**, is seeking subsidies from:

- **Hardeman County** – considering a $203,000 annual tax incentive
- **Chillicothe ISD** – considering limiting the taxable value of the project by $20 million

Hidalgo County

Two new wind farms, **La Joya Windpower, LLC**, and **Monte Alto Windpower, LLC**, are seeking subsidies from:

- **Hidalgo County** - considering an $858,816 annual tax incentive for La Joya Windpower and $561,652 for Monte Alto Windpower

- **La Joya ISD** – considering limiting the taxable value of the project by $25 million for La Joya Windpower
- **La Villa ISD** – considering limiting the taxable value of the project by $20 million for Monte Alto Windpower
- **South Texas College** – considering a $77,700 annual tax incentive for La Joya Windpower

Hill County

A new solar farm, **Sun Valley Solar, LLC**, is seeking subsidies from:

- **Hill County** – considering a $395,647.20 annual tax incentive
- **Abbott ISD** – considering limiting the taxable value of the project by $20 million

Jackson County

A new solar farm, **Ganado Solar, LLC**, is seeking subsidies from:

- **Jackson County** – considering a $224,933 annual tax incentive
- **Ganado ISD** – considering limiting the taxable value of the project by $30 million
- Jackson County Hospital District – considering limiting the taxable value of the project by $30 million

Kaufman County

A new solar farm, **Lily Solar, LLC**, is seeking subsidies from:

- **Kaufman County** – considering a $279,133.09 annual tax incentive
- **Trinity Valley Community College** – considering aan$80,770.55 annual tax incentive
- **Scurry-Rosser ISD** – considering limiting the taxable value of the project by $40 million

Kenedy County

A new wind farm, **Texas Gulf Wind 2, LLC**, is seeking subsidies from:

- **Kenedy County** – considering a $337,500 annual tax incentive
- **Kenedy County Wide CSD** – considering limiting the taxable value of the project by $30 million

Kinney County

A new solar farm, **Zier Solar, LLC**, is seeking subsidies from:

- **Kinney County** – considering a $787,889 annual tax incentive
- **Brackett ISD** – considering limiting the taxable value of the project by $10 million
- Kinney County Groundwater Conservation District – considering a $7,320 annual tax incentive
- Kinney County Road and Bridge – considering a $32,627 annual tax incentive

Lamar County

Two new solar farms, **Samson Solar Energy II, LLC**, and **Samson Solar Energy III, LLC**, are seeking subsidies from:

- **Lamar County** – considering a $304,554 annual tax incentive for Samson Solar Energy II and an additional $304,554 for Samson Solar Energy III
- **Prairiland ISD** – considering limiting the taxable value of the project by $20 million for both

Limestone County

A new wind farm, **Prairie Hill Wind Project, LLC**, is seeking subsidies from:

- **Limestone County** – considering a $1,841,400 annual tax incentive
- **Mart ISD** – considering limiting the taxable value of the project by $15 million
- South Limestone County Hospital District – considering a $743,800 annual incentive

Nolan County

A new wind farm, **Maryneal Windpower, LLC**, is seeking subsidies from:

- **Nolan County** – considering a $581,408 annual tax incentive
- **Highland ISD** – considering limiting the taxable value of the project by $30 million
- Rolling Plains Memorial Hospital District – considering a $498,398 annual tax incentive

Parmer County

A new wind farm, **Lazbuddie Wind Energy, LLC**, is seeking subsidies from:

- **Parmer County** – considering a $193,000 annual tax incentive
- **Lazbuddie ISD** – considering limiting the taxable value of the project by $20 million

Pecos County

Two new solar farms, **EnergieKontor US Texas SP 1, LLC,** and **Taygete Energy Project II, LLC**, are seeking subsidies from:

- **Pecos County** – considering a $539,765 annual tax incentive for EnergieKontor US Texas SP 1 and $914,058 for Taygete Energy Project II
- **Fort Stockton ISD** – considering limiting the taxable value of the project by $30 million for both

Runnels County

A new wind farm, **23IRC8me, LLC**, is seeking subsidies from:

- **Runnels County** – considering a $265,274.40 annual tax incentive
- **Bronte ISD** – considering limiting the taxable value of the project by $20 million
- Runnels County Hospital District – considering a $164,287.20 annual tax incentive

Sterling County

A new solar farm, **BlueBell Solar II, LLC,** is seeking subsidies from:

- **Sterling County** - considering a $218,759 annual tax incentive
- **Sterling City ISD** – considering limiting the taxable value of the project by $30 million

Terry County

A new solar farm, **Algodon Solar Energy, LLC,** is seeking subsidies from:

- **Terry County** – considering a $324,000 annual tax incentive
- **Wellman-Union ISD** – considering limiting the taxable value of the project by $20 million

Upton County

Two new solar farms, **Morada del Sol, LLC**, and **34TA 8me, LLC**, are seeking subsidies from:

- **Upton County** – considering a $4,114,496 annual tax incentive for Morada del Sol and $280,000 for 34TA 8me
- **McCamey ISD** – considering limiting the taxable value of the project by $25 million for Morada del Sol
- **Rankin ISD** – considering limiting the taxable value of the project by $25 million for 34TA 8me

- Upton Emergency Services District #2 – considering a $8,194,562 annual tax incentive for Morada del Sol
- Rankin Hospital District – considering a $188,000 annual tax incentive for 34TA 8me
- Upton Water District – considering a $2,400 annual tax incentive for 34TA 8me

Wichita County

A new solar farm, **Bacon Switch Solar, LLC**, is seeking subsidies from:

- **Wichita County** – considering a $96,647 annual tax incentive
- **Burkburnett ISD** – considering limiting the taxable value of the project by $30 million

Willacy County

A new wind farm, **El Sauz Ranch Wind, LLC**, is seeking subsidies from:

- **Willacy County** – considering a $1,361,088 annual tax incentive
- **San Perlita ISD** – considering limiting the taxable value of the project by $15 million

Zapata County

A new wind farm, **Las Lomas Wind Energy, LLC**, is seeking subsidies from:

- **Zapata County** – considering a $920,400 annual tax incentive
- **Zapata County ISD** – considering limiting the taxable value of the project by $25 million