GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 10, 2019

Jeff Ballard
Superintendent
Prairiland Independent School District
466 FM 196 South
Pattonville, Texas 75468

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Prairiland Independent School District and Samson Solar Energy III, LLC, Application 1370

Dear Superintendent Ballard:

On September 25, 2019, the Comptroller issued written notice that Samson Solar Energy III, LLC (applicant) submitted a completed application (Application 1370) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on May 13, 2019, to the Prairiland 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 1370.

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 September 25, 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 Samson Solar Energy III, LLC (project) applying to Prairiland 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 Samson Solar Energy III, LLC.

Applicant	Samson Solar Energy III, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Prairiland ISD
2017-2018 Average Daily Attendance	1,076
County	Lamar and Red River
Proposed Total Investment in District	$230,000,000
Proposed Qualified Investment	$230,000,000
Limitation Amount	$20,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$824
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$824
Minimum annual wage committed to by applicant for qualified jobs	$42,858
Minimum weekly wage required for non-qualifying jobs	$812
Minimum annual wage required for non-qualifying jobs	$42,212
Investment per Qualifying Job	$230,000,000
Estimated M&O levy without any limit (15 years)	$14,847,804
Estimated M&O levy with Limitation (15 years)	$4,742,937
Estimated gross M&O tax benefit (15 years)	$10,104,867

** 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 Samson Solar Energy III, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	100	89	189	$5,000,000	$8,000,000	$13,000,000
2021	100	93	193	$5,000,000	$9,000,000	$14,000,000
2022	1	11	12	$42,858	$2,957,142	$3,000,000
2023	1	5	6	$42,858	$1,957,142	$2,000,000
2024	1	1	2	$42,858	$957,142	$1,000,000
2025	1	5	6	$42,858	$957,142	$1,000,000
2026	1	1	2	$42,858	$957,142	$1,000,000
2027	1	1	2	$42,858	$957,142	$1,000,000
2028	1	5	6	$42,858	$957,142	$1,000,000
2029	1	1	2	$42,858	$957,142	$1,000,000
2030	1	3	4	$42,858	-$42,858	$0
2031	1	3	4	$42,858	$957,142	$1,000,000
2032	1	7	8	$42,858	$957,142	$1,000,000
2033	1	5	6	$42,858	$957,142	$1,000,000
2034	1	5	6	$42,858	-$42,858	$0
2035	1	5	6	$42,858	-$42,858	$0

Source: CPA REMI, Samson Solar Energy III, 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		Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Langford Creek Water District Tax Levy	Red River County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1295	0.9700		0.3940	0.0850	0.0251	0.8015	
2021	$57,500,000	$57,500,000		$74,463	$557,750	$632,213	$163,116	$35,190	$4,044	$129,042	$963,604
2022	$214,164,500	$214,164,500		$277,343	$2,077,396	$2,354,739	$607,542	$131,069	$15,063	$480,628	$3,589,041
2023	$197,033,800	$197,033,800		$255,159	$1,911,228	$2,166,387	$558,945	$120,585	$13,859	$442,183	$3,301,959
2024	$178,549,250	$178,549,250		$231,221	$1,731,928	$1,963,149	$506,509	$109,272	$12,558	$400,700	$2,992,188
2025	$158,573,146	$158,573,146		$205,352	$1,538,160	$1,743,512	$449,840	$97,047	$11,153	$355,870	$2,657,422
2026	$137,013,684	$137,013,684		$177,433	$1,329,033	$1,506,465	$388,680	$83,852	$9,637	$307,486	$2,296,121
2027	$113,733,160	$113,733,160		$147,284	$1,103,212	$1,250,496	$322,638	$69,605	$8,000	$255,240	$1,905,979
2028	$88,593,871	$88,593,871		$114,729	$859,361	$974,090	$251,323	$54,219	$6,231	$198,822	$1,484,686
2029	$61,435,163	$61,435,163		$79,559	$595,921	$675,480	$174,279	$37,598	$4,321	$137,873	$1,029,551
2030	$46,325,382	$46,325,382		$59,991	$449,356	$509,348	$131,416	$28,351	$3,258	$103,963	$776,336
2031	$46,316,874	$46,316,874		$59,980	$449,274	$509,254	$131,392	$28,346	$3,258	$103,944	$776,194
2032	$46,308,536	$46,308,536		$59,970	$449,193	$509,162	$131,368	$28,341	$3,257	$103,926	$776,054
2033	$46,300,366	$46,300,366		$59,959	$449,114	$509,073	$131,345	$28,336	$3,257	$103,907	$775,917
2034	$46,292,358	$46,292,358		$59,949	$449,036	$508,984	$131,322	$28,331	$3,256	$103,889	$775,783
2035	$46,284,511	$46,284,511		$59,938	$448,960	$508,898	$131,300	$28,326	$3,255	$103,872	$775,651
2036	$46,276,821	$46,276,821		$59,928	$448,885	$508,814	$131,278	$28,321	$3,255	$103,854	$775,523
			Total	$1,982,258	$14,847,804	$16,830,062	$4,342,294	$936,789	$107,663	$3,435,200	$25,652,009

Source: CPA, Samson Solar Energy III, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Lamar County and Red River 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		Prairiland ISD I&S Tax Levy	Prairiland ISD M&O Tax Levy	Prairiland ISD M&O and I&S Tax Levies	Lamar County Tax Levy	Paris Junior College Tax Levy	Langford Creek Water District Tax Levy	Red River County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1295	0.9700		0.3940	0.0850	0.0251	0.8015	
2021	$57,500,000	$57,500,000		$74,463	$557,750	$632,213	$65,246	$35,190	$4,044	$129,042	$865,735
2022	$214,164,500	$20,000,000		$277,343	$194,000	$471,343	$243,017	$131,069	$15,063	$480,628	$1,341,120
2023	$197,033,800	$20,000,000		$255,159	$194,000	$449,159	$223,578	$120,585	$13,859	$442,183	$1,249,363
2024	$178,549,250	$20,000,000		$231,221	$194,000	$425,221	$202,603	$109,272	$12,558	$400,700	$1,150,355
2025	$158,573,146	$20,000,000		$205,352	$194,000	$399,352	$179,936	$97,047	$11,153	$355,870	$1,043,358
2026	$137,013,684	$20,000,000		$177,433	$194,000	$371,433	$155,472	$83,852	$9,637	$307,486	$927,880
2027	$113,733,160	$20,000,000		$147,284	$194,000	$341,284	$129,055	$69,605	$8,000	$255,240	$803,184
2028	$88,593,871	$20,000,000		$114,729	$194,000	$308,729	$100,529	$54,219	$6,231	$198,822	$668,531
2029	$61,435,163	$20,000,000		$79,559	$194,000	$273,559	$69,712	$37,598	$4,321	$137,873	$523,062
2030	$46,325,382	$20,000,000		$59,991	$194,000	$253,991	$52,566	$28,351	$3,258	$103,963	$442,131
2031	$46,316,874	$20,000,000		$59,980	$194,000	$253,980	$131,392	$28,346	$3,258	$103,944	$520,920
2032	$46,308,536	$46,308,536		$59,970	$449,193	$509,162	$131,368	$28,341	$3,257	$103,926	$776,054
2033	$46,300,366	$46,300,366		$59,959	$449,114	$509,073	$131,345	$28,336	$3,257	$103,907	$775,917
2034	$46,292,358	$46,292,358		$59,949	$449,036	$508,984	$131,322	$28,331	$3,256	$103,889	$775,783
2035	$46,284,511	$46,284,511		$59,938	$448,960	$508,898	$131,300	$28,326	$3,255	$103,872	$775,651
2036	$46,276,821	$46,276,821		$59,928	$448,885	$508,814	$131,278	$28,321	$3,255	$103,854	$775,523
			Total	$1,982,258	$4,742,937	$6,725,195	$2,209,720	$936,789	$107,663	$3,435,200	$13,414,569
			Diff	$0	$10,104,867	$10,104,867	$2,132,573	$0	$0	$0	$12,237,440

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Samson Solar Energy III, 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 Samson Solar Energy III, 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)
Limitation Pre-Years	2019	$0	$0	$0	$0
	2020	$0	$0	$0	$0
	2021	$557,750	$557,750	$0	$0
Limitation Period (10 Years)	2022	$194,000	$751,750	$1,883,396	$1,883,396
	2023	$194,000	$945,750	$1,717,228	$3,600,624
	2024	$194,000	$1,139,750	$1,537,928	$5,138,551
	2025	$194,000	$1,333,750	$1,344,160	$6,482,711
	2026	$194,000	$1,527,750	$1,135,033	$7,617,743
	2027	$194,000	$1,721,750	$909,212	$8,526,955
	2028	$194,000	$1,915,750	$665,361	$9,192,316
	2029	$194,000	$2,109,750	$401,921	$9,594,237
	2030	$194,000	$2,303,750	$255,356	$9,849,593
	2031	$194,000	$2,497,750	$255,274	$10,104,867
Maintain Viable Presence (5 Years)	2032	$449,193	$2,946,943	$0	$10,104,867
	2033	$449,114	$3,396,056	$0	$10,104,867
	2034	$449,036	$3,845,092	$0	$10,104,867
	2035	$448,960	$4,294,052	$0	$10,104,867
	2036	$448,885	$4,742,937	$0	$10,104,867
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$448,812	$5,191,749	$0	$10,104,867
	2038	$448,740	$5,640,490	$0	$10,104,867
	2039	$448,670	$6,089,160	$0	$10,104,867
	2040	$448,601	$6,537,761	$0	$10,104,867
	2041	$448,534	$6,986,295	$0	$10,104,867
	2042	$448,468	$7,434,763	$0	$10,104,867
	2043	$448,403	$7,883,166	$0	$10,104,867
	2044	$448,340	$8,331,506	$0	$10,104,867
	2045	$448,277	$8,779,783	$0	$10,104,867
	2046	$448,217	$9,228,000	$0	$10,104,867

$9,228,000	is less than	**$10,104,867**

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, Samson Solar Energy III, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	100	89	189	$5,000,000	$8,000,000	$13,000,000	656000	-343000	$999,000
2021	100	93	193	$5,000,000	$9,000,000	$14,000,000	671000	-214000	$885,000
2022	1	11	12	$42,858	$2,957,142	$3,000,000	145000	252000	-$107,000
2023	1	5	6	$42,858	$1,957,142	$2,000,000	137000	237000	-$100,000
2024	1	1	2	$42,858	$957,142	$1,000,000	137000	221000	-$84,000
2025	1	5	6	$42,858	$957,142	$1,000,000	145000	206000	-$61,000
2026	1	1	2	$42,858	$957,142	$1,000,000	137000	168000	-$31,000
2027	1	1	2	$42,858	$957,142	$1,000,000	122000	153000	-$31,000
2028	1	5	6	$42,858	$957,142	$1,000,000	130000	137000	-$7,000
2029	1	1	2	$42,858	$957,142	$1,000,000	145000	153000	-$8,000
2030	1	3	4	$42,858	-$42,858	$0	153000	122000	$31,000
2031	1	3	4	$42,858	$957,142	$1,000,000	168000	84000	$84,000
2032	1	7	8	$42,858	$957,142	$1,000,000	175000	107000	$68,000
2033	1	5	6	$42,858	$957,142	$1,000,000	168000	61000	$107,000
2034	1	5	6	$42,858	-$42,858	$0	145000	46000	$99,000
2035	1	5	6	$42,858	-$42,858	$0	145000	46000	$99,000
2036	1	7	8	$42,858	-$42,858	$0	137000	15000	$122,000
2037	1	5	6	$42,858	$957,142	$1,000,000	183000	-15000	$198,000
2038	1	7	8	$42,858	$957,142	$1,000,000	214000	-15000	$229,000
2039	1	11	12	$42,858	$1,957,142	$2,000,000	259000	-38000	$297,000
2040	1	7	8	$42,858	$957,142	$1,000,000	214000	-53000	$267,000
2041	1	11	12	$42,858	$957,142	$1,000,000	214000	-84000	$298,000
2042	1	7	8	$42,858	$957,142	$1,000,000	214000	-84000	$298,000
2043	1	7	8	$42,858	$957,142	$1,000,000	259000	-69000	$328,000
2044	1	7	8	$42,858	$1,957,142	$2,000,000	305000	-15000	$320,000
2045	1	9	10	$42,858	$957,142	$1,000,000	259000	-84000	$343,000
2046	1	7	8	$42,858	$957,142	$1,000,000	351000	-53000	$404,000
						Total	**$5,988,000**	**$941,000**	**$5,047,000**
							$14,275,000	is greater than	**$10,104,867**

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

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 Samson Solar Energy III, 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 Samson Solar Energy III, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Samson Solar Energy III LLC has begun typical due course, early-stage due diligence to explore feasibility of constructing a solar facility at this site. As such, certain contracts have been executed, including agreements to install meteorological monitoring equipment, lease and easement agreements with landowners, and contracts with various contractors for environmental surveys, geotechnical, topographical, and vegetation management analysis. None of these activities, agreements, or contracts obligate Samson Solar Energy III LLC to construct the project."
  B. "Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Lamar County and Red River County becomes unlikely. If Samson Solar Energy III LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns."
  C. "Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma and New Mexico."
- Per Comptroller Research
  A. On November 20, 2018 The Paris News reported that Bristi Cure, Senior Manager of Development of Invenergy, made a presentation to Prairiland ISD board regarding the steps they had taken to get Samson Solar Energy off the ground. Cure stated, "We've done our preliminary work- property-core samples, environmental assessment, wetlands delineation, hydrology study, solar monitoring and more. As we have done all that due diligence, everything looks very positive. As we market the project, power participation agreements will determine the size of the project. We believe we could produce about 500 megawatts of the solar there, but that final number will be determined by how much electricity we get contracted."

B. On March 23, 2019 The Paris News reported that County Judge Brandon Bell would enter negotiations with Invenergy LLC for the tax abatements regarding Samson Solar Energy. Bell stated, "Where they're talking about buildings sits on the old Monticello transmission line. That means they have a point of injection nearby, where they don't have to build extra lines. It's cheaper and more efficient for them to build on those."
C. The qualified property for Samson Solar Energy III (Application #1370) is placed adjacent to the qualified property Samson Solar Energy II (Application #1371), Samson Solar Energy I (Application #1328), Delilah Solar Energy (Application #1385), and Delilah Solar Energy II (Application #1386). (Refer to Vicinity Map provided)

- Provided by Applicant
  A. Samson Solar Energy was split into phases, which are known as Samson Solar Energy I (Application #1328), Samson Solar Energy II (Application #1371), and Samson Solar Energy III (Application #1370).
  B. Samson Solar Energy III, LLC applied for ERCOT on July 23, 2018 and the IGNR number is 21INR0001."
  C. Samson Solar I, II, II and Delilah I, and II projects will likely be connected electrically via underground or overhead electric transmission lines. There will be no shared qualified property or property transported from one project to another.

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.

Supporting Information

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

Building a better working world

Samson Solar Energy III LLC

Application for Appraised Value Limitation on Qualified Property

To

Prairiland ISD

Tab #5

Documentation to assist in determining if limitation is a determining factor

Section 8, Question 2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?
Samson Solar Energy III LLC has begun typical due course, early-stage due diligence to explore feasibility of constructing a solar facility at this site. As such, certain contracts have been executed, including agreements to install meteorological monitoring equipment, lease and easement agreements with landowners, and contracts with various contractors for environmental surveys, geotechnical, topographical, and vegetation management analysis. None of these activities, agreements, or contracts obligate Samson Solar Energy III LLC to construct the project.

Section 8, Questions 7 and 10: Is the applicant evaluating other locations not in Texas for the proposed project? 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?
Invenergy, as the parent company of Samson Solar Energy III LLC, is North America's largest privately-held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.

Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Lamar County and Red River County becomes unlikely. If Samson Solar Energy III LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.

Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma and New Mexico.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Prairiland ISD– Samson Solar III, LLC App. #1370

Comptroller Questions (via email on October 2, 2019):

1. Is Samson Solar III, LLC currently known by any other project names?
2. Please also list any other names by which this project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency.
3. Confirm this information is correct. "Samson Solar Energy III, LLC applied for ERCOT on July 23, 2018 and the IGNR number is 21INR0001."
4. Will there be any interconnections between Samson Solar I, II, and II.
5. Will there be any interconnections between Samson Solar I, II, II and Delilah I, and II.

Comptroller Questions (via email on October 14, 2019):

1. Can you please clarify what "If all projects go forward, they will likely be connected in some way," Will there be qualified property that will be shared, will things be transported from one project to another, will the employees be working on all the Samson Solar I, II, III. The statement was vague and could have multiple possibilities, can you further explain what was meant?

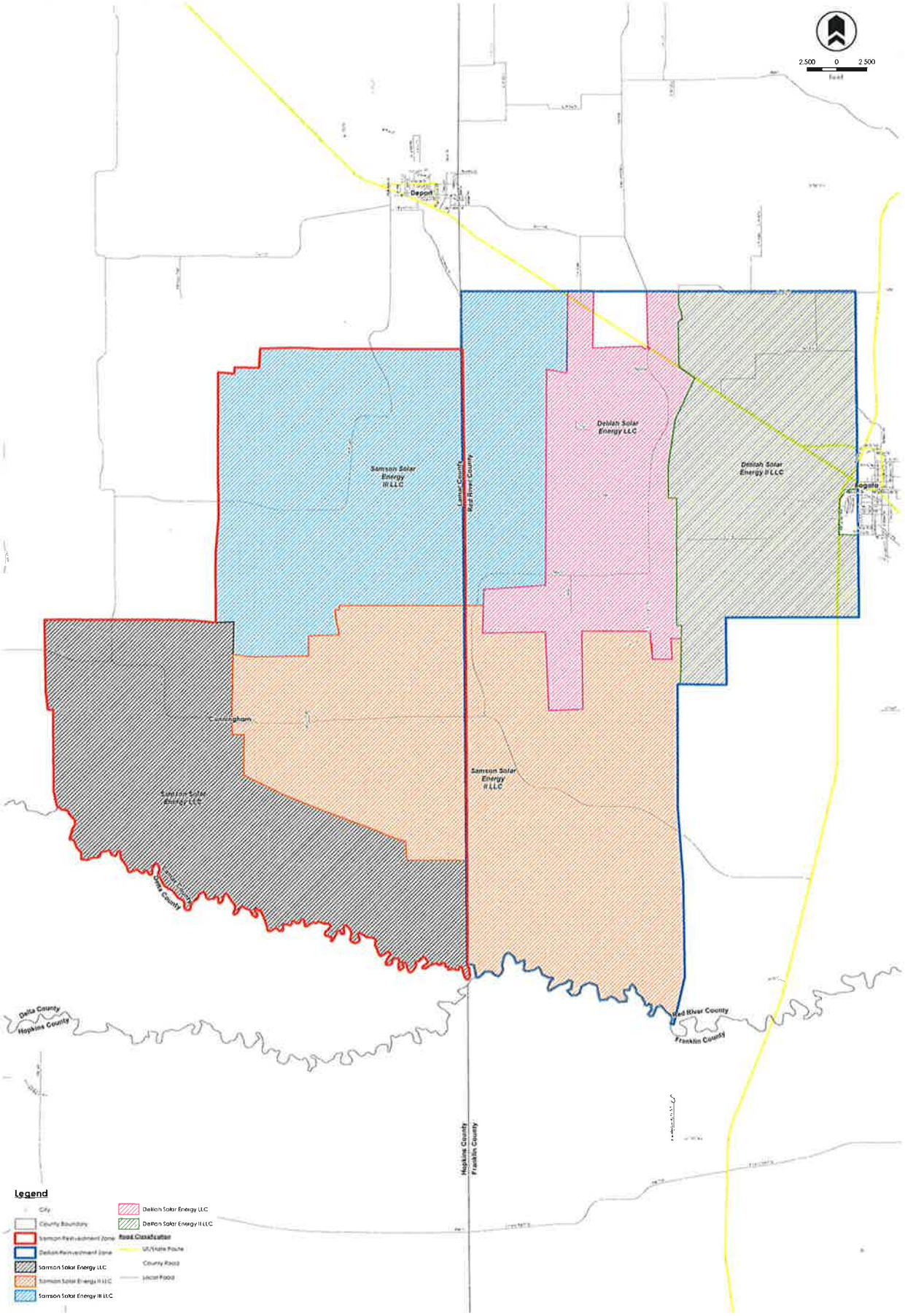
Applicant Response (via email on October 2, 2019):

1. No
2. N/A
3. Confirmed
4. TBD – If all projects go forward, they will likely be connected in some way and share a gen-tie. However, final design and point of interconnect for all projects has not yet been finalized.
5. If all projects go forward, they will likely be connected in some way and share a gen-tie. However, final design and point of interconnect for all projects has not yet been finalized.

Applicant Response (via email on October 30, 2019):

1. What is meant is that the projects will likely be connected electrically via underground or overhead electric transmission lines. There will be no shared qualified property or property transported from one project to another.

Vicinity Map



Project Summary

http://theparisnews.com/free/article_52b7df28-ece4-11e8-8cea-1be2d0a84fa7.html

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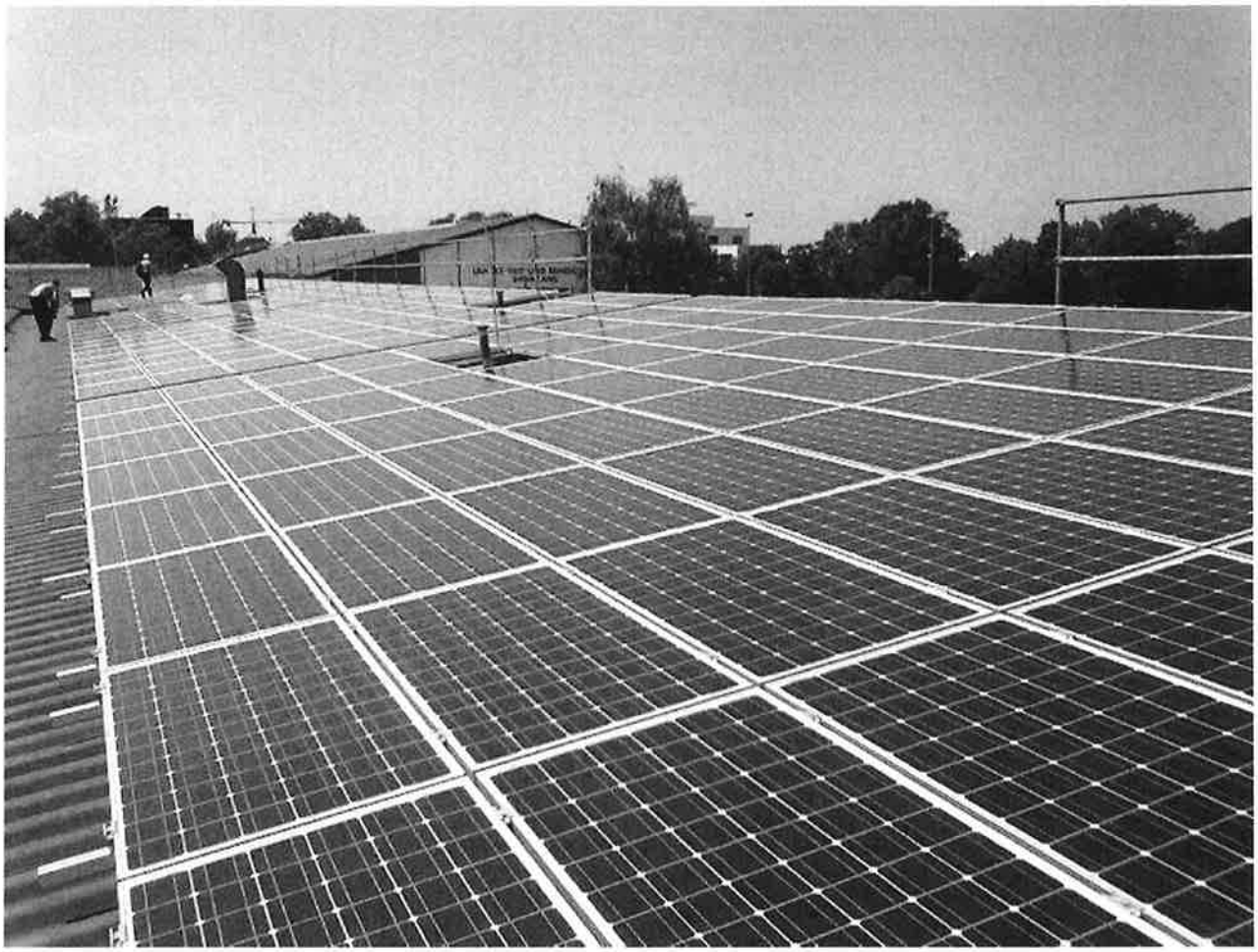
Solar firms eye Lamar County area

2 companies look at Pattonville area for sun farm

Mary Madewell Nov 20, 2018



Alpin Sun, a German-based solar company, is one of two firms looking to build solar farms in Lamar County. Left is a solar farm the company built in Belgium.

Submitted Photo

Time is of the essence for two large alternative energy companies with eyes on the East Texas sun and available acreage along a high-powered electric transmission line.

Chicago-based Invenergy and Germany-based Alpin Sun are seeking approval with Prairiland and Bonham school districts for three large solar energy farms in Lamar and Fannin counties.

Invenergy approached Prairiland ISD last week with a plan to build a 300- to 500-megawatt solar farm on 6,500 leased acres near Cunningham in southeastern Lamar County. Cost of the Samson Solar Energy Center is between $350 million to $450 million.

In August, the district gave preliminary approval to German-based Alpin Sun to build a 250-megawatt farm on 1,867 acres, also near Cunningham. With a cost of $240 million, the Impact Solar project has a value limitation agreement with Prairiland ISD awaiting approval with the Texas Comptroller's Office.

Alpin Sun also plans a 100-megawatt solar farm on 968 acres in Fannin County, according to the firm's value limitation application, available online with the Texas Comptroller's Office. The Impact Solar farm comes with a cost of $96 million.

Closure leaves space

The closure of the coal-fired Monticello Power Plant near Mount Pleasant in January left about 1,800 megawatts of available capacity on a transmission line from Titus County through Red River, Lamar and Fannin counties on the way to the Dallas Metroplex.

Shortly after, both companies leased land in southeastern Lamar County and southcentral Fannin County and began due diligence, according to company representatives.

If approved, the three farms will take up almost half the available transmission capacity space on the high voltage line.

More pressing, however, is a rush to get Texas comptroller approval for tax limitation agreements on multimillion dollar capital investments, according to Fred Wilkerson, school finance consultant with Region VIII Education Service Center near Mount Pleasant.

"There's a rush to get applications approved before the Texas Legislature either does away with the program or places more restrictions on it," Wilkerson said.

Since its origin in 2002, Chapter 313 of the Texas property tax code has been labeled as the largest corporate give-away program in the state, charged with giving away billions in tax breaks. Others, however, have credited the the Texas Economic Development Act for attracting huge energy and technology investments to the state at a time other states are losing ground.

"No one knows what the legislature might do, and the comptroller's office has been flooded with applications," Wilkerson said.

With comptroller approval, Chapter 313 currently would allow Prairiland and Bonham ISDs to limit property tax values for 10 years. In return, companies will pay the district $100 per student per year to be used for maintenance and operation costs. The appraised value limitation does not apply to the debt service side of the tax rate, used to build facilities and pay off debt.

Steps to production

In a presentation to Prairiland ISD board members last week, Senior Manager of Development Bristi Cure outlined steps Invenergy has taken to get its Samson Solar Energy Center off the ground.

"We've done our preliminary work —property — core samples, environmental assessment, wetlands delineation, hydrology study, solar monitoring and more," Cure said.

"As we have done all that due diligence, everything looks very positive."

Marketing is key

"As we market the project, power participation agreements will determine the size of the project," Cure said. "We believe we could produce about 500 megawatts of solar there, but that final number will be determined by how much electricity we get contracted."

Because her company has such a large footprint across the globe, Cure said she is confident in the company's marketing department. In 2017 alone, she said, the company developed 3,884 megawatts of electricity from wind, solar and natural gas-fired facilities, enough to power 101,580 additional homes.

Attempts to contact a representative of Alpin Sun were unsuccessful.

Mary Madewell is a staff writer for The Paris News. She can be reached at 903-785-6976 or at mary.madewell@theparisnews.com.

Mary Madewell

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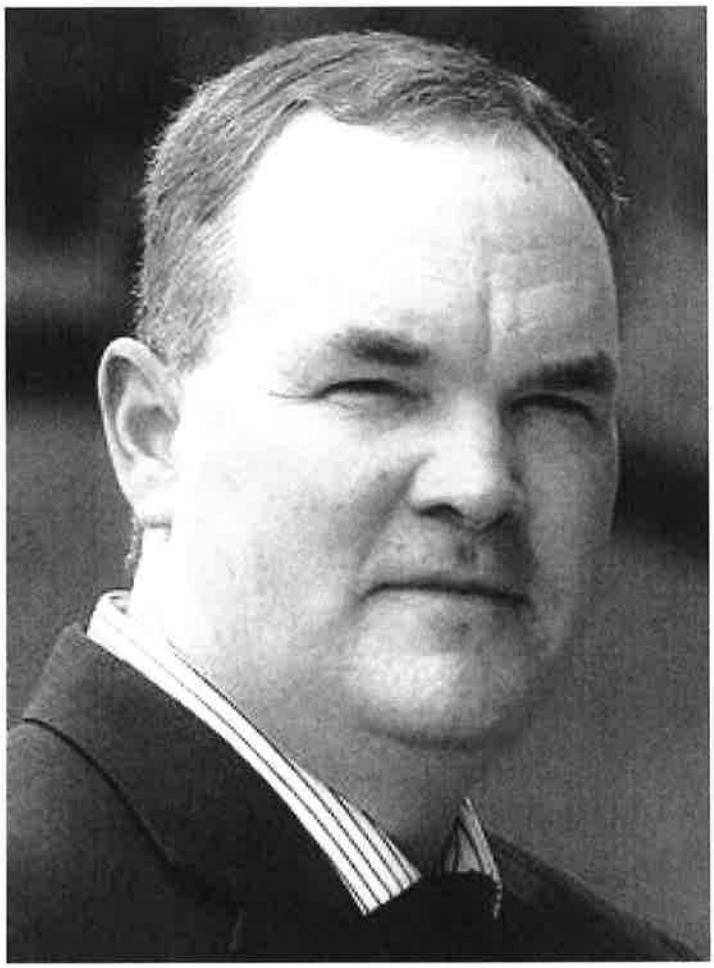
FEATURED

Lamar County judge to negotiate tax breaks for new solar farm

By Tommy Culkin tommy.culkin@theparisnews.com Mar 23, 2019



Submitted

Buy Now

Lamar County is working on becoming a bright spot in the solar farm industry.

The Lamar County Commissioners' Court unanimously voted last week to allow County Judge Brandon Bell to enter negotiations with Invenergy LLC on a possible tax abatement to bring a solar farm to the Cunningham community.

Bell said the solar farm, named the Samson Solar Energy Center, a proposed $350 million to $470 million farm, would cover roughly 6,500 acres with a 500 megawatt capacity.

Negotiations are expected to take about a month, Bell said, and the proposed tax abatement will need to be voted on by the Commissioners' Court before being approved.

Work on the farm should be completed in 2020, Bell said. The county judge said Lamar County is an attractive location for solar farms because of its proximity to transmission lines.

"Where they're talking about building sits on the old Monticello transmission line," he said. "That means they have a point of injection nearby, where they don't have to build extra lines. It's cheaper and more efficient for them to build on those."

With that in mind, Bell said the county would be open to further solar

farm growth.

He said the benefits of Samson Solar Energy Center could be wide reaching.

"People will benefit because it will create jobs, hotels will benefit because construction workers will need to live here essentially for three months, and it'll just have a ripple effect on our economy," Bell said.

Tommy Culkin is a staff writer for The Paris News. He can be reached at 903-785-6972 or at tommy.culkin@theparisnews.com.

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