



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 13, 2019

David Foote
Interim Superintendent
Wellman-Union Consolidated Independent School District
P.O. Box 69
Wellman, Texas 79378

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wellman-Union Consolidated Independent School District and Algodon Solar Energy, LLC, Application 1373

Dear Superintendent Foote:

On July 23, 2019, the Comptroller issued written notice that Algodon Solar Energy, LLC (applicant) submitted a completed application (Application 1373) 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 Wellman-Union Consolidated 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 1373.

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 23, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Algodon Solar Energy, LLC (project) applying to Wellman-Union Consolidated 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 Algodon Solar Energy, LLC.

Applicant	Algodon Solar Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Wellman-Union CISD
2017-2018 Average Daily Attendance	282
County	Terry
Proposed Total Investment in District	\$180,000,000
Proposed Qualified Investment	\$180,000,000
Limitation Amount	\$20,000,000
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	\$865
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$852
Minimum annual wage committed to by applicant for qualified jobs	\$45,000
Minimum weekly wage required for non-qualifying jobs	\$889
Minimum annual wage required for non-qualifying jobs	\$46,203
Investment per Qualifying Job	\$90,000,000
Estimated M&O levy without any limit (15 years)	\$12,468,618
Estimated M&O levy with Limitation (15 years)	\$4,719,626
Estimated gross M&O tax benefit (15 years)	\$7,748,992

* 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 Algodon Solar Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	50	60	110	\$2,250,000	\$5,750,000	\$8,000,000
2021	300	356	656	\$13,500,000	\$34,500,000	\$48,000,000
2022	102	142	244	\$4,590,000	\$17,410,000	\$22,000,000
2023	2	27	29	\$90,000	\$5,910,000	\$6,000,000
2024	2	6	8	\$90,000	\$3,910,000	\$4,000,000
2025	2	(8)	-6	\$90,000	\$1,910,000	\$2,000,000
2026	2	(12)	-10	\$90,000	\$910,000	\$1,000,000
2027	2	(12)	-10	\$90,000	-\$90,000	\$0
2028	2	(10)	-8	\$90,000	-\$90,000	\$0
2029	2	(6)	-4	\$90,000	-\$90,000	\$0
2030	2	(2)	0	\$90,000	\$910,000	\$1,000,000
2031	2	1	3	\$90,000	\$910,000	\$1,000,000
2032	2	4	6	\$90,000	\$910,000	\$1,000,000
2033	2	6	8	\$90,000	\$910,000	\$1,000,000
2034	2	7	9	\$90,000	\$1,910,000	\$2,000,000
2035	2	8	10	\$90,000	\$1,910,000	\$2,000,000

Source: CPA REMI, Algodon Solar Energy, 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*	Wellman-Union CISD I&S Tax Levy	Wellman-Union CISD M&O Tax Levy	Wellman-Union CISD M&O and I&S Tax Levies	Terry County Tax Levy	Terry Memorial Hospital District Tax Levy	South Plains Water District Tax Levy	Estimated Total Property Taxes
2021	\$20,000,000	\$20,000,000	0.5160	\$103,200	\$200,000	\$303,200	\$140,563	\$58,000	\$5,000	\$506,763
2022	\$70,000,000	\$70,000,000	1.0000	\$361,200	\$700,000	\$1,061,200	\$491,971	\$203,000	\$17,500	\$1,773,671
2023	\$168,080,000	\$168,080,000	0.7028	\$867,293	\$1,680,800	\$2,548,093	\$1,181,291	\$487,432	\$42,020	\$4,258,836
2024	\$154,642,000	\$154,642,000	0.2900	\$797,953	\$1,546,420	\$2,344,373	\$1,086,847	\$448,462	\$38,661	\$3,918,342
2025	\$140,142,200	\$140,142,200	0.0250	\$723,134	\$1,401,422	\$2,124,556	\$984,940	\$406,412	\$35,036	\$3,550,944
2026	\$124,472,596	\$124,472,596		\$642,279	\$1,244,726	\$1,887,005	\$874,812	\$360,971	\$31,118	\$3,153,905
2027	\$107,561,184	\$107,561,184		\$555,016	\$1,075,612	\$1,630,628	\$755,956	\$311,927	\$26,890	\$2,725,401
2028	\$89,299,960	\$89,299,960		\$460,788	\$893,000	\$1,353,787	\$627,614	\$258,970	\$22,325	\$2,262,696
2029	\$69,580,921	\$69,580,921		\$359,038	\$695,809	\$1,054,847	\$489,025	\$201,785	\$17,395	\$1,763,052
2030	\$48,278,063	\$48,278,063		\$249,115	\$482,781	\$731,895	\$339,305	\$140,006	\$12,070	\$1,223,277
2031	\$36,425,382	\$36,425,382		\$187,955	\$364,254	\$552,209	\$256,003	\$105,634	\$9,106	\$922,952
2032	\$36,416,874	\$36,416,874		\$187,911	\$364,169	\$552,080	\$255,943	\$105,609	\$9,104	\$922,736
2033	\$36,408,536	\$36,408,536		\$187,868	\$364,085	\$551,953	\$255,885	\$105,585	\$9,102	\$922,525
2034	\$36,400,366	\$36,400,366		\$187,826	\$364,004	\$551,830	\$255,827	\$105,561	\$9,100	\$922,318
2035	\$36,392,358	\$36,392,358		\$187,785	\$363,924	\$551,708	\$255,771	\$105,538	\$9,098	\$922,115
2036	\$36,384,511	\$36,384,511		\$187,744	\$363,845	\$551,589	\$255,716	\$105,515	\$9,096	\$921,916
2037	\$36,376,821	\$36,376,821		\$187,704	\$363,768	\$551,473	\$255,662	\$105,493	\$9,094	\$921,721
			Total	\$6,433,807	\$12,468,618	\$18,902,424	\$8,763,132	\$3,615,899	\$311,715	\$31,593,171

Source: CPA, Algodon Solar Energy, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Terry County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Wellman-Union CISD I&S Tax Levy	Wellman-Union CISD M&O Tax Levy	Wellman-Union CISD M&O and I&S Tax Levies	Terry County Tax Levy	Terry Memorial Hospital District Tax Levy	South Plains Water District Tax Levy	Estimated Total Property Taxes
				0.5160	1.0000		0.7028	0.2900	0.0250	
2021	\$20,000,000	\$20,000,000		\$103,200	\$200,000	\$303,200	\$140,563	\$58,000	\$5,000	\$506,763
2022	\$70,000,000	\$70,000,000		\$361,200	\$700,000	\$1,061,200	\$491,971	\$203,000	\$17,500	\$1,773,671
2023	\$168,080,000	\$20,000,000		\$867,293	\$200,000	\$1,067,293	\$649,710	\$487,432	\$42,020	\$2,246,455
2024	\$154,642,000	\$20,000,000		\$797,953	\$200,000	\$997,953	\$597,766	\$448,462	\$38,661	\$2,082,841
2025	\$140,142,200	\$20,000,000		\$723,134	\$200,000	\$923,134	\$541,717	\$406,412	\$35,036	\$1,906,299
2026	\$124,472,596	\$20,000,000		\$642,279	\$200,000	\$842,279	\$481,147	\$360,971	\$31,118	\$1,715,514
2027	\$107,561,184	\$20,000,000		\$555,016	\$200,000	\$755,016	\$415,776	\$311,927	\$26,890	\$1,509,609
2028	\$89,299,960	\$20,000,000		\$460,788	\$200,000	\$660,788	\$345,187	\$258,970	\$22,325	\$1,287,270
2029	\$69,580,921	\$20,000,000		\$359,038	\$200,000	\$559,038	\$268,964	\$201,785	\$17,395	\$1,047,181
2030	\$48,278,063	\$20,000,000		\$249,115	\$200,000	\$449,115	\$186,618	\$140,006	\$12,070	\$787,809
2031	\$36,425,382	\$20,000,000		\$187,955	\$200,000	\$387,955	\$140,802	\$105,634	\$9,106	\$643,497
2032	\$36,416,874	\$20,000,000		\$187,911	\$200,000	\$387,911	\$140,769	\$105,609	\$9,104	\$643,393
2033	\$36,408,536	\$36,408,536		\$187,868	\$364,085	\$551,953	\$255,885	\$105,585	\$9,102	\$922,525
2034	\$36,400,366	\$36,400,366		\$187,826	\$364,004	\$551,830	\$255,827	\$105,561	\$9,100	\$922,318
2035	\$36,392,358	\$36,392,358		\$187,785	\$363,924	\$551,708	\$255,771	\$105,538	\$9,098	\$922,115
2036	\$36,384,511	\$36,384,511		\$187,744	\$363,845	\$551,589	\$255,716	\$105,515	\$9,096	\$921,916
2037	\$36,376,821	\$36,376,821		\$187,704	\$363,768	\$551,473	\$255,662	\$105,493	\$9,094	\$921,721
			Total	\$6,433,807	\$4,719,626	\$11,153,433	\$5,679,850	\$3,615,899	\$311,715	\$20,760,897
			Diff	\$0	\$7,748,992	\$7,748,992	\$3,083,282	\$0	\$0	\$10,832,274
Assumes School Value Limitation and Tax Abatements with the County.										

Source: CPA, Algodon Solar Energy, 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 Algodon Solar Energy, 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	2020	\$0	\$0	\$0	\$0
	2021	\$200,000	\$200,000	\$0	\$0
	2022	\$700,000	\$900,000	\$0	\$0
Limitation Period (10 Years)	2023	\$200,000	\$1,100,000	\$1,480,800	\$1,480,800
	2024	\$200,000	\$1,300,000	\$1,346,420	\$2,827,220
	2025	\$200,000	\$1,500,000	\$1,201,422	\$4,028,642
	2026	\$200,000	\$1,700,000	\$1,044,726	\$5,073,368
	2027	\$200,000	\$1,900,000	\$875,612	\$5,948,980
	2028	\$200,000	\$2,100,000	\$693,000	\$6,641,979
	2029	\$200,000	\$2,300,000	\$495,809	\$7,137,789
	2030	\$200,000	\$2,500,000	\$282,781	\$7,420,569
	2031	\$200,000	\$2,700,000	\$164,254	\$7,584,823
	2032	\$200,000	\$2,900,000	\$164,169	\$7,748,992
Maintain Viable Presence (5 Years)	2033	\$364,085	\$3,264,085	\$0	\$7,748,992
	2034	\$364,004	\$3,628,089	\$0	\$7,748,992
	2035	\$363,924	\$3,992,013	\$0	\$7,748,992
	2036	\$363,845	\$4,355,858	\$0	\$7,748,992
	2037	\$363,768	\$4,719,626	\$0	\$7,748,992
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$363,693	\$5,083,319	\$0	\$7,748,992
	2039	\$363,619	\$5,446,938	\$0	\$7,748,992
	2040	\$363,547	\$5,810,484	\$0	\$7,748,992
	2041	\$363,476	\$6,173,960	\$0	\$7,748,992
	2042	\$363,406	\$6,537,366	\$0	\$7,748,992
	2043	\$363,338	\$6,900,704	\$0	\$7,748,992
	2044	\$363,271	\$7,263,976	\$0	\$7,748,992
	2045	\$363,206	\$7,627,181	\$0	\$7,748,992
	2046	\$363,142	\$7,990,323	\$0	\$7,748,992
	2047	\$363,079	\$8,353,402	\$0	\$7,748,992

\$8,353,402

is greater than

\$7,748,992

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, Algodon Solar Energy, 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 Algodon Solar Energy, 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 Algodon Solar Energy, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The only agreements that Algodon Solar Energy LLC has entered into for this project are (i) written lease agreements with landowners that permit the installation of solar energy project facilities on the land, and (ii) consultant agreements for feasibility studies, tax matters, legal advice, etc. The written leases may be terminated by Algodon Solar Energy LLC if it elects not to construct the project. None of the agreements described in this paragraph obligate Algodon Solar Energy 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 Terry County becomes unlikely. If Algodon Solar Energy 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.”
- Comptroller Research
 - A. Per the Invenergy website, “Invenergy’s portfolio of wind, solar, natural gas and battery storage projects provide secure, reliable and cost-competitive sustainable energy in the Lone Star State and beyond. With 16 projects currently operating or in advance stage development, we are proud to be a part of solving energy challenges in Texas. Headquartered right here in America, Invenergy is a leading privately held developer and operator of sustainable energy solutions. We have successfully developed more than 20,000 megawatts across the Americas, Europe and Asia. While our footprint is global, we’re dedicated to Texas.”

- Provided by Applicant
 - A. "Algodon Solar Energy LLC has applied to the Southwest Power Pool (SPP) on November 30, 2017 and has the following Generation Interconnection Number: GEN- 2017-187."
 - B. Algodon Solar Energy, LLC does not go and is not known by any other name.

Supporting Information

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

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

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

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



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union CISD

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?

The only agreements that Algodon Solar Energy LLC has entered into for this project are (i) written lease agreements with landowners that permit the installation of solar energy project facilities on the land, and (ii) consultant agreements for feasibility studies, tax matters, legal advice, etc. The written leases may be terminated by Algodon Solar Energy LLC if it elects not to construct the project. None of the agreements described in this paragraph obligate Algodon Solar Energy 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 Algodon Solar Energy 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 Terry County becomes unlikely. If Algodon Solar Energy 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)
– Wellman-Union CISD– Algodon Solar Energy, LLC App. #1373

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

1. Is Algodon Solar Energy, 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. What is the IGNR number and when was it assigned?

Applicant Response (via email on August 6, 2019):

1. No.
2. None.
3. Algodon Solar Energy LLC has applied to the Southwest Power Pool (SPP) on November 30, 2017 and has the following Generation Interconnection Number: GEN- 2017-187.



Algodon Solar Energy LLC
Application for Appraised Value Limitation on Qualified Property
To
Wellman-Union CISD

Tab #4

Detailed Description of Project

Algodon Solar Energy LLC proposes constructing an up to 200MW solar electric generation facility on up to 2,720 acres of privately-owned land in Terry County.

The proposed qualified investment consists of solar photovoltaic modules, a single axis tracking system, driven-pile foundations, DC wiring, DC/AC inverters, medium voltage step-up transformers, AC cabling and a central substation with a high voltage step-up transformer. Upon completion the site will include 40 – 50 inverters and 600,000 – 700,000 panels depending on the final size of the project built and the technology used.

Other improvements include an electrical substation or switchyard, collection cable, foundations and racking, and other equipment associated with the solar facility.

The capital investment for this project is estimated to be \$175 million to \$225 million. This project will create 300-400 construction jobs (at peak time), as well as two (2) permanent local jobs once fully operational. Algodon Solar Energy LLC anticipates the commencement of commercial operations for this project by the second quarter of 2022. This project is only known as Algodon.

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Driving Innovation in Texas Energy

Texas Tradition

Invenergy's portfolio of wind, solar, natural gas and battery storage projects provide secure, reliable and cost-competitive sustainable energy in the Lone Star State and beyond. With 16 projects currently operating or in advanced stage development, we are proud to be a part of solving energy challenges in Texas.

Headquartered right here in America, Invenergy is a leading privately held Invenergy developer and operator of sustainable energy solutions. We have successfully developed more than 20,000 megawatts across the Americas, Europe and Asia. While our footprint is global, we're dedicated to Texas.

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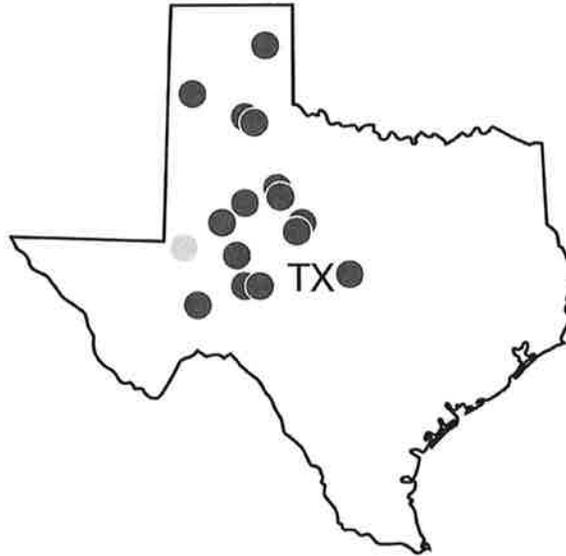
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Texas

Invenergy

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16
projects

3,000
megawatts

1M
homes
powered
annually

750,000
cars off the
road

Invested in Texas Communities

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\$30M

invested in Texas communities

140

permanent jobs

\$5B

invested in Texas projects

Local Investment



Jobs



Project Investment



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We are innovators building a sustainable world. Invenergy and its affiliated companies develop, own, and operate large-scale sustainable energy generation and storage facilities in the Americas, Europe and Asia.

Invenergy has successfully developed more than 22,600 megawatts of projects that are in operation, construction or contracted, including wind, solar, and natural gas power generation facilities as well as advanced energy storage projects.

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