

August 20, 2019

Via Hand Delivery and Electronic Mail
Ms. Michelle Luera
Senior Research Analyst
Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 E. 17th Street
Austin, Texas 78774

Re: Application #1386 for a Chapter 313 Value Limitation Agreement between the Rivercrest Independent School District and Delilah Solar Energy II LLC—Amendment #001

First Year of Qualifying Time Period: January 2, 2020 (Stub Year)
First Year of Limitation Period: January 1, 2023

Dear Ms. Luera:

This letter is in response to your email correspondence dated June 25, 2019. Pursuant to your request for additional information, Delilah Solar Energy II LLC (the “Applicant”) has provided the supplemental information below and/or has made the following changes to Application #1386. Enumerated below are the changes contained in Amendment #001.

1. **Transmittal Letter and Section 1, Item 1: Date Application Received by District**
The Application was submitted to the Rivercrest Independent School District (the “District”) on June 17, 2019. The Delilah Solar Energy II project was introduced to the District’s Board of Trustees at their April 15th, 2019 regular meeting, and the process for a Chapter 313 Value Limitation Agreement was discussed. However, the Application itself had not been presented to the Board of Trustees at that time. The Application was submitted and presented to the Board of Trustees at their June 17th, 2019 board meeting, as indicated in *Section 1, Item 1* of the Application. The Application was deemed complete by the District on June 26, 2019 (*Section 1, Item 4*) and was subsequently submitted to your office on June 26, 2019.
2. **Section 14, Item 7 and Tab 13: Data for Wage Calculation**
 - c. *110% of the average weekly wage for manufacturing jobs in the region*: This value has been recalculated and updated to \$824.20 (see **Tab 13**).
3. **Tab 2: Proof of Payment of Application Fee Paid to School District**
Please see attached a copy of the wire transfer as proof of payment.
4. **Tab 4: Detailed Description of Project**
The IGNR number from ERCOT associated with Delilah Solar Energy II LLC is 22INR0202. **Tab 4** has been revised to reflect this.

5. **Tab 7: Description of Qualified Investment**

The description of the Qualified Investment has been updated to reflect the project's acreage and location in Red River County. The description also clarifies "other technology" and "other equipment" associated with the solar facility. The capital investment has been updated to reflect \$185 million to match what is indicated in the Tab 14 schedules.

6. **Tab 8: Description of Qualified Property**

The description of the Qualified Property has been updated to reflect the project's acreage and location in Red River County. The description also clarifies "other technology" and "other equipment" associated with the solar facility. The capital investment has been updated to reflect \$185 million to match what is indicated in the Tab 14 schedules.

7. **Tab 11: Maps**

Please see the attached Vicinity Map that shows the boundaries of the County and School District. Please also see the attached Site Layout Map that depicts the project boundary, reinvestment zone, and electrical substations.

8. **Tab 14: Schedules**

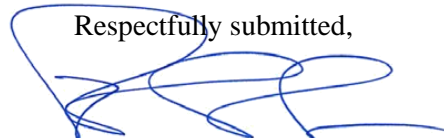
Schedule C has been updated to clearly reflect School Year 2021–2022 as QTP1.

9. **Tab 17: Signature Page**

A new signature page is attached.

If you have any questions or would like to discuss this matter further, please feel free email me (rlambert@pyt-law.com) or Shelly Leung (sleung@pyt-law.com), or give us a call at (512) 494-1177.

Respectfully submitted,



Rick L. Lambert

RLL;sl

cc: Via Electronic Mail: sjessee@rivercrestisd.net
Mr. Stanley Jessee, Superintendent of Schools, Rivercrest Independent School District

Via Electronic Mail: adam.h.glatz@ey.com
Mr. Adam Glatz, Senior Manager, Ernst & Young LLP



Ernst & Young LLP
Suite 3200
401 Congress Avenue
Austin, TX 78701

Tel: +1 512 478 9881
Fax: +1 512 473 3499
ey.com

Mr. Stanley Jessee
Superintendent
Rivercrest ISD
4100 US Highway 271 S
Bogata, Texas 75417

16 August 2019

**Application for Appraised Value Limitation on Qualified Property
Delilah Solar Energy II LLC - Amendment to Application 1386**

Dear Mr. Jessee,

Please see the attached Amendment #1 to the Application for Appraised Value Limitation for Delilah Solar Energy II LLC (Application # 1386 per the Comptroller of Public Accounts).

This amendment reflects changes requested by the Comptroller's Office including proof of payment of the application fee, identification of the correct IGNR number, clarification of project acreage, project county, terms used and total capital investment, updated maps, revisions to Schedule C, and a new signature page.

Please do not hesitate to contact me directly if you have any additional questions regarding this filing, or need any further information.

Sincerely,

Adam Glatz
Senior Manager

Attachment

Copy to: Mr. Rick Lambert, Director, Powell Youngblood & Taylor, LLP
Ms. Shelly Leung, Powell Youngblood & Taylor, LLP
Ms. Bristi Cure, Director, Invenergy LLC

1386 – Rivercrest ISD – Delilah Solar Energy II LLC

Amendment 1 to Chapter 313 Application

August 14, 2019



Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #1
Application pages attached

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)?
 2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of _____
(year)
 3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)?
- Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create?
 5. What is the number of new non-qualifying jobs you are estimating you will create?
 6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☐ Yes ☐ No
 - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
 7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is
 - b. 110% of the average weekly wage for manufacturing jobs in the county is
 - c. 110% of the average weekly wage for manufacturing jobs in the region is
 8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☐ §313.021(5)(A) or ☐ §313.021(5)(B)
 9. What is the minimum required annual wage for each qualifying job based on the qualified property?
 10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?
 11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☐ Yes ☐ No
 12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☐ No
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
 13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☐ No
 - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.



Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #2
Proof of Payment of Application Fee Paid to School District attached

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*



Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #4

Detailed Description of Project

Delilah Solar Energy II LLC proposes constructing an up to 200 MW solar electric generation facility on up to 9,895 acres of privately-owned land in Red River 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 36-52 inverters and 360,000 – 800,000 panels depending on the final size of the project built and the associated electrical generating capacity of each panel.

Other improvements include an electrical substation or switchyard, collection cable, foundations and racking, modules, trackers, inverters, transformers, DC & AC collections (above grade and buried), transmission facilities, and roads associated with the solar facility.

The capital investment for this project is estimated to be \$185 million. There will be 100 construction jobs in the first year and 100 construction jobs in the second year as well as one (1) permanent local job once fully operational. Delilah Solar Energy II LLC anticipates the commencement of commercial operations for this project by the fourth quarter of 2022. This project may be referred to as Delilah or Delilah Solar Energy in media reports.

Delilah Solar Energy II LLC has applied to ERCOT on November 9, 2018 and has received the following IGNR numbers: 22INR0202.



Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #7

Description of Qualified Investment

Delilah Solar Energy II LLC proposes constructing an up to 200 MW solar electric generation facility on up to 9,895 acres of privately-owned land in Red River 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 36-52 inverters and 360,000 – 800,000 panels depending on the final size of the project built and the associated electrical generating capacity of each panel.

Other improvements include an electrical substation or switchyard, collection cable, foundations and racking, modules, trackers, inverters, transformers, DC & AC collections (above grade and buried), transmission facilities, and roads associated with the solar facility.

The capital investment for this project is estimated to be \$185 million. Delilah Solar Energy II LLC anticipates the commencement of commercial operations for this project by the fourth quarter of 2022.



Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #8

Description of Qualified Property

Delilah Solar Energy II LLC proposes constructing an up to 200 MW solar electric generation facility on up to 9,895 acres of privately-owned land in Red River 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 36-52 inverters and 360,000 – 800,000 panels depending on the final size of the project built and the associated electrical generating capacity of each panel.

Other improvements include an electrical substation or switchyard, collection cable, foundations and racking, modules, trackers, inverters, transformers, DC & AC collections (above grade and buried), transmission facilities, and roads associated with the solar facility.

The capital investment for this project is estimated to be \$185 million. Delilah Solar Energy II LLC anticipates the commencement of commercial operations for this project by the fourth quarter of 2022.



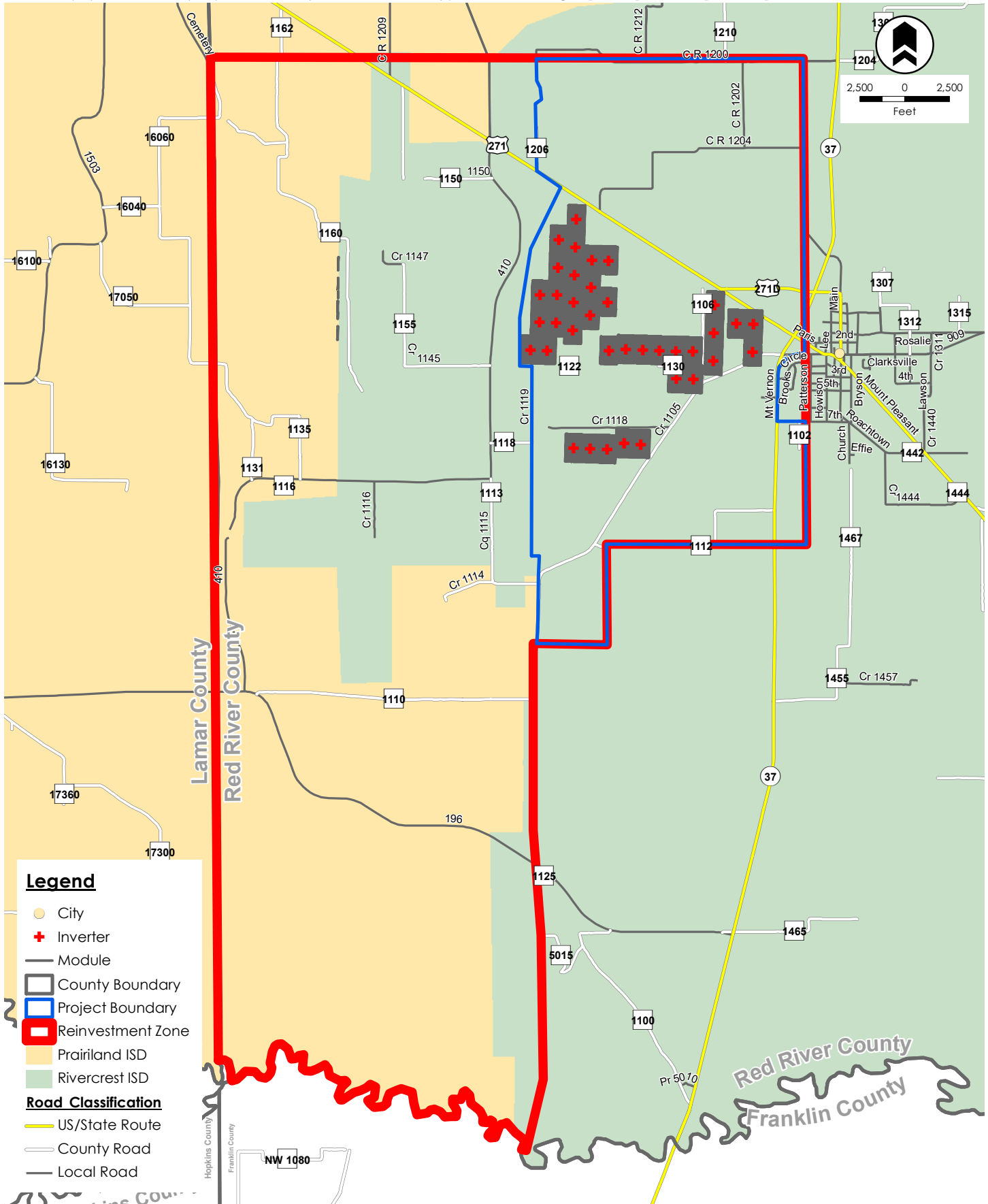
Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #11

Maps

- A. Vicinity Map showing the County and School District boundaries
- B. Site Layout Map showing the Project Boundary, Reinvestment Zone, and electrical substations

Date Saved: Thursday, May 30, 2019 5:08:02 PM Prepared By: RMeade Coordinate System: WGS 1984 Web Mercator Auxiliary Sphere Path: \\AZ-CGIS\ARC\GIS\docs\US\TX\Solar\Delilah\delilah_reinvestmentzone_let1.mxd



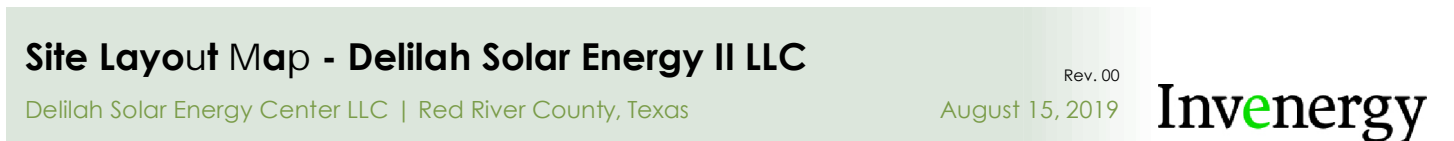
Vicinity Map - Delilah Solar Energy II LLC

Delilah Solar Energy Center LLC | Red River County, Texas

Rev. 00

August 14, 2019

Invenergy





Delilah Solar Energy II LLC
Application for Appraised Value Limitation on Qualified Property
To
Rivercrest ISD

Tab #13

Calculation of three possible wage requirements with TWC documentation

County Average Weekly Wages for All Jobs

Year	Quarter	County	Industry	Average Weekly Wage
2019	1st Qtr	Red River	Total, All Industries	\$ 673.00
2018	4th Qtr	Red River	Total, All Industries	\$ 714.00
2018	3rd Qtr	Red River	Total, All Industries	\$ 677.00
2018	2nd Qtr	Red River	Total, All Industries	\$ 649.00
			Total	\$ 2,713.00
			Average	\$ 678.25

110% of County Average Weekly Wages for Manufacturing Jobs

Year	Quarter	County	Industry	Average Weekly Wage
2019	1st Qtr	Red River	Manufacturing	\$ 690.00
2018	4th Qtr	Red River	Manufacturing	\$ 643.00
2018	3rd Qtr	Red River	Manufacturing	\$ 650.00
2018	2nd Qtr	Red River	Manufacturing	\$ 682.00
			Total	\$ 2,665.00
			Average	\$ 666.25
			110% of Average	\$ 732.88



110% of Average Weekly Wage for Manufacturing Jobs in Region (Ark-Tex AOG)

Year	Region	Industry	Hourly	Annual
2018	Ark-Tex Council of Governments	Manufacturing	\$ 18.73	\$ 38,962.00

Average Weekly Wage	\$ 749.27
110% of Average	\$ 824.20

Section 14 Q9 Calculation - 110% Average Annual Wage for Manufacturing Jobs in Red River County

Average Weekly Wage for Manufacturing Jobs in Red River County	\$ 666.25
x 110%	1.1
110% of Average Weekly Wage	\$ 732.88
x 52 Weeks	52
Minimum required annual wage	\$ 38,109.50



Red River County – All Industries Data

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column							
Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage	
2018	01	Red River	Total All	10	Total, All Industries	622	
2018	02	Red River	Total All	10	Total, All Industries	649	
2018	03	Red River	Total All	10	Total, All Industries	677	
2018	04	Red River	Total All	10	Total, All Industries	714	
2019	01	Red River	Total All	10	Total, All Industries	673	

<https://texaslmi.com/LMIbyCategory/QCEW>

Red River County - Manufacturing Data

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column							
Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage	
2018	01	Red River	Private	1013	Manufacturing	628	
2018	02	Red River	Private	1013	Manufacturing	682	
2018	03	Red River	Private	1013	Manufacturing	650	
2018	04	Red River	Private	1013	Manufacturing	643	
2019	01	Red River	Private	1013	Manufacturing	690	

<https://texaslmi.com/LMIbyCategory/QCEW>



**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.
Data published: July 2019
Data published annually, next update will be July 31, 2020
Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).
Wage data is produced from Texas Occupational Employment Statistics (OES) data,
and is not to be compared to BLS estimates.
Data intended only for use in implementing Chapter 313, Tax Code.

<https://texaslmi.com/Downloads/COGWages.pdf>

Schedule C: Employment Information

Date 12-Jun-19
 Applicant Name Delilah Solar Energy II LLC
 ISD Name Rivercrest ISD

Form 50-296A

Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020	75 FTE's	\$ 39,000			
	QTP1	2021-2022	2021	100 FTE's	\$ 39,000			
	QTP2	2022-2023	2022	50 FTE's	\$ 39,000			
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2023-2024	2023				1	\$ 39,000.00
	2	2024-2025	2024				1	\$ 39,000.00
	3	2025-2026	2025				1	\$ 39,000.00
	4	2026-2027	2026				1	\$ 39,000.00
	5	2027-2028	2027				1	\$ 39,000.00
	6	2028-2029	2028				1	\$ 39,000.00
	7	2029-2030	2029				1	\$ 39,000.00
	8	2030-2031	2030				1	\$ 39,000.00
	9	2031-2032	2031				1	\$ 39,000.00
	10	2032-2033	2032				1	\$ 39,000.00
Years Following Value Limitation Period	11 through 25	2033-2048	2033-2047				1	\$ 39,000.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
 Only include jobs on the project site in this school district.

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25 ☒ Yes ☐ No
 qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)
 If yes, answer the following two questions:
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)? ☒ Yes ☐ No
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)? ☐ Yes ☒ No

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Stanley Jessee

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

8-14-19

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

James Williams

Print Name (Authorized Company Representative (Applicant))

Vice President of Development

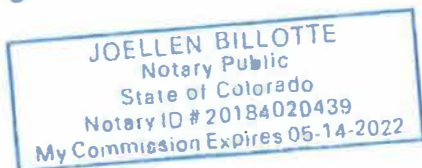
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

8/12/2019



(Notary Seal)

GIVEN under my hand and seal of office this, the

12 day of August, 2019

Joellen Billotte
Notary Public in and for the State of Texas - CO

My Commission expires: 5-14-22

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.