



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

---

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

September 19, 2019

Scott Harrell  
Superintendent  
Sudan Independent School District  
P.O. Box 249  
Sudan, TX 79371

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Sudan Independent School District and Cage Ranch Solar, LLC, Application 1395

Dear Superintendent Harrell:

On July 31, 2019, the Comptroller issued written notice that Cage Ranch Solar, LLC (applicant) submitted a completed application (Application 1395) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on July 8, 2019, to the Sudan 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.

---

<sup>1</sup> 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 1395.

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 31, 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](mailto: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 Cage Ranch Solar, LLC (project) applying to Sudan 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 Cage Ranch Solar, LLC.

Applicant	Cage Ranch Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Sudan ISD
2017-2018 Average Daily Attendance	436
County	Lamb
Proposed Total Investment in District	\$475,500,000
Proposed Qualified Investment	\$475,500,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2022-2023
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	\$852
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	\$44,300
Minimum weekly wage required for non-qualifying jobs	\$787
Minimum annual wage required for non-qualifying jobs	\$40,912
Investment per Qualifying Job	\$237,750
Estimated M&O levy without any limit (15 years)	\$24,100,542
Estimated M&O levy with Limitation (15 years)	\$5,972,208
Estimated gross M&O tax benefit (15 years)	\$18,128,334

\* 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 Cage Ranch Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	300	266	566	\$15,000,000	\$24,000,000	\$39,000,000
2022	2	25	27	\$88,600	\$4,911,400	\$5,000,000
2023	2	16	18	\$88,600	\$3,911,400	\$4,000,000
2024	2	6	8	\$88,600	\$2,911,400	\$3,000,000
2025	2	10	12	\$88,600	\$1,911,400	\$2,000,000
2026	2	4	6	\$88,600	\$1,911,400	\$2,000,000
2027	2	8	10	\$88,600	\$1,911,400	\$2,000,000
2028	2	6	8	\$88,600	\$911,400	\$1,000,000
2029	2	4	6	\$88,600	\$911,400	\$1,000,000
2030	2	2	4	\$88,600	\$911,400	\$1,000,000
2031	2	4	6	\$88,600	\$911,400	\$1,000,000
2032	2	6	8	\$88,600	\$911,400	\$1,000,000
2033	2	4	6	\$88,600	\$911,400	\$1,000,000
2034	2	4	6	\$88,600	\$911,400	\$1,000,000
2035	2	6	8	\$88,600	\$911,400	\$1,000,000
2036	2	10	12	\$88,600	\$911,400	\$1,000,000

Source: CPA REMI, Cage Ranch Solar, LLC

**Table 3** examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Sudan ISD I&S Tax Levy	Sudan ISD M&O Tax Levy	Sudan ISD M&O and I&S Tax Levies	Lamb County Tax Levy	High Plains Water Conservation District 1 Tax Levy	Estimated Total Property Taxes
				<b>0.1515</b>	<b>0.9700</b>		<b>0.7943</b>	<b>0.0067</b>	
2022	\$415,691,500	\$415,691,500		\$629,773	\$4,032,208	\$4,661,980	\$3,301,838	\$27,851	\$7,991,669
2023	\$357,975,200	\$357,975,200		\$542,332	\$3,472,359	\$4,014,692	\$2,843,397	\$23,984	\$6,882,073
2024	\$302,213,050	\$302,213,050		\$457,853	\$2,931,467	\$3,389,319	\$2,400,478	\$20,248	\$5,810,046
2025	\$248,692,900	\$248,692,900		\$376,770	\$2,412,321	\$2,789,091	\$1,975,368	\$16,662	\$4,781,121
2026	\$197,837,500	\$197,837,500		\$299,724	\$1,919,024	\$2,218,748	\$1,571,423	\$13,255	\$3,803,426
2027	\$164,122,000	\$164,122,000		\$248,645	\$1,591,983	\$1,840,628	\$1,303,621	\$10,996	\$3,155,245
2028	\$127,713,250	\$127,713,250		\$193,486	\$1,238,819	\$1,432,304	\$1,014,426	\$8,557	\$2,455,287
2029	\$88,378,500	\$88,378,500		\$133,893	\$857,271	\$991,165	\$701,990	\$5,921	\$1,699,077
2030	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2031	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2032	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2033	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2034	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2035	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2036	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
			<b>Total</b>	<b>\$3,764,157</b>	<b>\$24,100,542</b>	<b>\$27,864,699</b>	<b>\$19,735,114</b>	<b>\$166,468</b>	<b>\$47,766,281</b>

Source: CPA, Cage Ranch Solar, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Lamb 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		Sudan ISD I&S Tax Levy	Sudan ISD M&O Tax Levy	Sudan ISD M&O and I&S Tax Levies	Lamb County Tax Levy	High Plains Water Conservation District 1 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1515	0.9700		0.7943	0.0067	
2022	\$415,691,500	\$20,000,000		\$629,773	\$194,000	\$823,773	\$1,320,735	\$27,851	\$2,172,359
2023	\$357,975,200	\$20,000,000		\$542,332	\$194,000	\$736,332	\$1,137,359	\$23,984	\$1,897,676
2024	\$302,213,050	\$20,000,000		\$457,853	\$194,000	\$651,853	\$960,191	\$20,248	\$1,632,292
2025	\$248,692,900	\$20,000,000		\$376,770	\$194,000	\$570,770	\$790,147	\$16,662	\$1,377,579
2026	\$197,837,500	\$20,000,000		\$299,724	\$194,000	\$493,724	\$628,569	\$13,255	\$1,135,548
2027	\$164,122,000	\$20,000,000		\$248,645	\$194,000	\$442,645	\$521,448	\$10,996	\$975,089
2028	\$127,713,250	\$20,000,000		\$193,486	\$194,000	\$387,486	\$405,771	\$8,557	\$801,813
2029	\$88,378,500	\$20,000,000		\$133,893	\$194,000	\$327,893	\$280,796	\$5,921	\$614,611
2030	\$83,138,300	\$20,000,000		\$125,955	\$194,000	\$319,955	\$264,147	\$5,570	\$589,672
2031	\$83,138,300	\$20,000,000		\$125,955	\$194,000	\$319,955	\$264,147	\$5,570	\$589,672
2032	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2033	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2034	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2035	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
2036	\$83,138,300	\$83,138,300		\$125,955	\$806,442	\$932,396	\$660,368	\$5,570	\$1,598,334
			<b>Total</b>	<b>\$3,764,157</b>	<b>\$5,972,208</b>	<b>\$9,736,364</b>	<b>\$9,875,148</b>	<b>\$166,468</b>	<b>\$19,777,980</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$18,128,335</b>	<b>\$18,128,335</b>	<b>\$9,859,966</b>	<b>\$0</b>	<b>\$27,988,301</b>
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Cage Ranch Solar, LLC

\*Tax Rate per \$100 Valuation

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

## Attachment B – Tax Revenue before 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that Cage Ranch Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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)
<b>Limitation Pre-Years</b>	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$194,000	\$194,000	\$3,838,208	\$3,838,208
	2023	\$194,000	\$388,000	\$3,278,359	\$7,116,567
	2024	\$194,000	\$582,000	\$2,737,467	\$9,854,034
	2025	\$194,000	\$776,000	\$2,218,321	\$12,072,355
	2026	\$194,000	\$970,000	\$1,725,024	\$13,797,378
	2027	\$194,000	\$1,164,000	\$1,397,983	\$15,195,362
	2028	\$194,000	\$1,358,000	\$1,044,819	\$16,240,180
	2029	\$194,000	\$1,552,000	\$663,271	\$16,903,452
	2030	\$194,000	\$1,746,000	\$612,442	\$17,515,893
	2031	\$194,000	\$1,940,000	\$612,442	\$18,128,335
<b>Maintain Viable Presence (5 Years)</b>	2032	\$806,442	\$2,746,442	\$0	\$18,128,335
	2033	\$806,442	\$3,552,883	\$0	\$18,128,335
	2034	\$806,442	\$4,359,325	\$0	\$18,128,335
	2035	\$806,442	\$5,165,766	\$0	\$18,128,335
	2036	\$806,442	\$5,972,208	\$0	\$18,128,335
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$806,442	\$6,778,649	\$0	\$18,128,335
	2038	\$806,442	\$7,585,091	\$0	\$18,128,335
	2039	\$806,442	\$8,391,532	\$0	\$18,128,335
	2040	\$806,442	\$9,197,974	\$0	\$18,128,335
	2041	\$806,442	\$10,004,415	\$0	\$18,128,335
	2042	\$806,442	\$10,810,857	\$0	\$18,128,335
	2043	\$806,442	\$11,617,298	\$0	\$18,128,335
	2044	\$806,442	\$12,423,740	\$0	\$18,128,335
	2045	\$806,442	\$13,230,181	\$0	\$18,128,335
	2046	\$806,442	\$14,036,623	\$0	\$18,128,335

**\$14,036,623**

is less than

**\$18,128,335**

<b>Analysis Summary</b>	
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

Source: CPA, Cage Ranch Solar, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2021	300	266	566	\$15,000,000	\$24,000,000	\$39,000,000	19000000	-5000000	\$24,000,000
2022	2	25	27	\$88,600	\$4,911,400	\$5,000,000	1000000	2000000	-\$1,000,000
2023	2	16	18	\$88,600	\$3,911,400	\$4,000,000	1000000	2000000	-\$1,000,000
2024	2	6	8	\$88,600	\$2,911,400	\$3,000,000	0	2000000	-\$2,000,000
2025	2	10	12	\$88,600	\$1,911,400	\$2,000,000	0	2000000	-\$2,000,000
2026	2	4	6	\$88,600	\$1,911,400	\$2,000,000	0	1000000	-\$1,000,000
2027	2	8	10	\$88,600	\$1,911,400	\$2,000,000	0	1000000	-\$1,000,000
2028	2	6	8	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2029	2	4	6	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2030	2	2	4	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2031	2	4	6	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2032	2	6	8	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2033	2	4	6	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2034	2	4	6	\$88,600	\$911,400	\$1,000,000	0	1000000	-\$1,000,000
2035	2	6	8	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2036	2	10	12	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2037	2	10	12	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2038	2	2	4	\$88,600	-\$88,600	\$0	0	0	\$0
2039	2	8	10	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2040	2	4	6	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2041	2	10	12	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2042	2	6	8	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2043	2	2	4	\$88,600	-\$88,600	\$0	0	0	\$0
2044	2	0	2	\$88,600	-\$88,600	\$0	0	0	\$0
2045	2	2	4	\$88,600	-\$88,600	\$0	0	0	\$0
2046	2	0	2	\$88,600	-\$88,600	\$0	0	0	\$0
2047	2	4	6	\$88,600	\$911,400	\$1,000,000	0	0	\$0
2048	2	10	12	\$88,600	\$1,911,400	\$2,000,000	0	0	\$0
<b>Total</b>							<b>\$21,000,000</b>	<b>\$12,000,000</b>	<b>\$9,000,000</b>
							<b>\$23,036,623</b>	is greater than	<b>\$18,128,335</b>

**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 Cage Ranch Solar LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Geronimo Energy is a utility-scale renewable energy development company headquartered in Minneapolis, Minnesota.
- Per Geronimo Energy in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Geronimo Energy has numerous renewable energy sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Geronimo Energy currently has ongoing project developments in many states, including but not limited to, Colorado, Nebraska, New Mexico, North Dakota and Tennessee.”
  - B. “Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- Tab 4 provided by the applicant stated the following:  
The project is not known by any other names. The SPP Queue number is 2017-217 and was assigned in February of 2018.

### 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

**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

**TAB 5**

*Documentation to assist in determining if limitation is a determining factor.*

Geronimo Energy is a utility-scale renewable energy development company headquartered in Minneapolis, Minnesota. Geronimo has developed over 2,200 megawatts of wind and solar projects that are either operational or currently under construction. Geronimo has a multi-gigawatt development pipeline of wind and solar projects in various stages of development throughout the United States. Geronimo provides custom renewable energy development solutions for utilities and corporations looking to harness renewable energy for business growth.

Geronimo Energy is keen to develop and build the proposed Cage Ranch Solar Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Geronimo Energy is active in states throughout the US, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers making our investment more viable and marketable. Geronimo Energy has numerous renewable energy sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Geronimo Energy currently has ongoing project developments in many states, including but not limited to, Colorado, Nebraska, New Mexico, North Dakota and Tennessee.

Due to the extremely competitive power market in Texas most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.