
**FINDINGS OF THE
BOARD OF TRUSTEES OF THE
CRANE INDEPENDENT SCHOOL DISTRICT**

PURSUANT TO THE TEXAS ECONOMIC DEVELOPMENT ACT

**ON THE APPLICATION SUBMITTED BY
CED CRANE SOLAR 2, LLC
TEXAS TAXPAYER I.D. 32070838704
APPLICATION NO. 1400**

November 19, 2019

**FINDINGS OF THE
BOARD OF TRUSTEES OF THE CRANE INDEPENDENT SCHOOL DISTRICT
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STATE OF TEXAS §
 §
COUNTY OF CRANE §

On the 19th day of November, 2019, a public meeting of the Board of Trustees of the **CRANE INDEPENDENT SCHOOL DISTRICT**, a political subdivision of the State of Texas (“*District*”), was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code (“*Texas Open Meetings Act*”). At the meeting, the Board of Trustees of the District (“*Board*”) took up and considered Application No. 1400 for Appraised Value Limitation on Qualified Property (“*Application*”) of **CED CRANE SOLAR 2, LLC**, a foreign limited-liability company, with its principal office located at 100 Summit Lake Drive, Suite 210, Valhalla, New York 10595 (“*Applicant*”), pursuant to Texas Tax Code, Chapter 313, the Texas Economic Development Act (“*Act*”). The Board conducted an open hearing to deliberate on the Application and Agreement (defined below) of the Applicant, in compliance with the Texas Open Meetings Act and Texas Education Code § 11.051(a-1). After hearing presentations from the District’s administrative staff, and from attorneys and consultants retained by the District to advise the Board in this matter, the Board hereby makes the following findings of fact (“*Findings*”) relative to the Application and the economic impact of same.

On July 16, 2019, the Superintendent of Schools of the District, acting as agent of the District on behalf of the Board, received the Application. The Application was made on the form and included the information prescribed by the Texas Comptroller of Public Accounts (“*Comptroller*”). See Texas Tax Code § 313.025; Crane ISD Board Policy CCGB(LOCAL). The completed Application was submitted to the Comptroller, with a copy to the chief appraiser of Crane County, Texas, as required under the provisions of the Act. See Texas Tax Code § 313.025; See also 34 Texas Administrative Code § 9.1054(c). On August 15, 2019, the Comptroller issued written notice of a completed application, pursuant to Texas Tax Code § 313.026. Further, the Board acknowledges that the Applicant is subject to and has complied with the franchise tax requirements under Texas Tax Code, Chapter 171. For more information about the Application, please visit the Comptroller’s Internet website: [Crane ISD No. 1400, CED Crane Solar 2, LLC](https://comptroller.texas.gov/data/property-tax/pvs/2018p/0520529011D.php).

Upon request from the District, and subject to the Comptroller’s determination that the Applicant is eligible for the limitation on the appraised value of the entity’s qualified property, the Comptroller provided an economic impact analysis on the investment proposed by the Application as prescribed by Texas Tax Code §§ 313.025(b) and 313.026 (“*Evaluation*”). The Board has carefully considered the Comptroller’s Evaluation, dated October 16, 2019 and attached to these Findings as **Exhibit A**. Moreover, the Board directed Jigsaw School Finance Solutions LLC to conduct a financial impact analysis of the fiscal impact to the District resulting from the Application, as described in **Exhibit B**. The Texas Commissioner of Education undertook a similar analysis of the Application and determined that the project will not impact school enrollment.

The Board has confirmed that the taxable value of property in the District for the preceding tax year, as determined under Subchapter M, Chapter 403, Government Code, comports with the data in the 2018 ISD Summary Worksheet posted on the Texas Comptroller’s Internet website: <https://comptroller.texas.gov/data/property-tax/pvs/2018p/0520529011D.php>.

The District delivered to the Comptroller a form of agreement made by and between the District and the Applicant under the Act (“*Agreement*”), in substantially the same form set forth in **Exhibit C** to these Findings.

Board Findings of the Crane Independent School District

In consideration of those fiscal assessments set forth in the Comptroller's Evaluation and in the financial impact analysis ordered separately by the District, the Board finds as follows.

Board Finding Number 1.

The Applicant qualifies for a limitation on appraised value of qualified property in the eligibility category of "renewable energy electric generation," under Texas Tax Code § 313.024(b)(5).

Board Finding Number 2.

The Applicant proposes making a total investment of \$67,936,184 in the District, which amount will include the Applicant's proposed qualified investment of \$65,080,000, under Texas Tax Code § 313.021.

Board Finding Number 3.

The average annual wage for qualifying jobs is expected to be at least \$60,033. Pursuant to the review by the Texas Comptroller of Public Accounts, this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs pay more than the minimum weekly wage required for qualified jobs under Texas Tax Code § 313.021.

Board Finding Number 4.

The Applicant's expected investment per qualifying job over the term of the Agreement is estimated to be \$67,936,184 based on the 1 new qualifying job committed to by the Applicant. The project's total investment is \$67,936,184, resulting in a relative level of investment per qualifying job of \$67,936,184.

Board Finding Number 5.

The Applicant has requested a waiver of the job creation requirement under Texas Tax Code § 313.025(f-1), and the Board finds that the project meets state job creating requirements.

Board Finding Number 6.

Subsequent economic effects on the local and regional tax bases will be significant. In addition, the impact of the added infrastructure will be significant to the region. In support of Finding 6, the economic impact evaluation states:

Board Findings of the Crane Independent School District

Table 3 illustrates the estimated tax impact of the Applicant’s project on the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.0358	0.9900		0.6827	0.3038	0.2700	
2021	\$65,080,000	\$65,080,000		\$23,299	\$644,292	\$667,591	\$444,323	\$197,684	\$175,716	\$1,309,598
2022	\$60,589,480	\$60,589,480		\$21,691	\$599,836	\$621,527	\$413,664	\$184,044	\$163,592	\$1,219,235
2023	\$55,734,512	\$55,734,512		\$19,953	\$551,772	\$571,725	\$380,518	\$169,297	\$150,483	\$1,121,539
2024	\$50,495,572	\$50,495,572		\$18,077	\$499,906	\$517,984	\$344,750	\$153,383	\$136,338	\$1,016,117
2025	\$44,833,612	\$44,833,612		\$16,050	\$443,853	\$459,903	\$306,094	\$136,185	\$121,051	\$902,182
2026	\$38,722,600	\$38,722,600		\$13,863	\$383,354	\$397,216	\$264,372	\$117,622	\$104,551	\$779,211
2027	\$32,123,488	\$32,123,488		\$11,500	\$318,023	\$329,523	\$219,318	\$97,577	\$86,733	\$646,417
2028	\$24,997,228	\$24,997,228		\$8,949	\$247,473	\$256,422	\$170,664	\$75,931	\$67,493	\$503,016
2029	\$17,298,264	\$17,298,264		\$6,193	\$171,253	\$177,446	\$118,101	\$52,545	\$46,705	\$348,091
2030	\$13,016,000	\$13,016,000		\$4,660	\$128,858	\$133,518	\$88,865	\$39,537	\$35,143	\$261,920
2031	\$13,016,000	\$13,016,000		\$4,660	\$128,858	\$133,518	\$88,865	\$39,537	\$35,143	\$261,920
2032	\$17,391,000	\$17,391,000		\$6,226	\$172,171	\$178,397	\$118,734	\$52,826	\$46,956	\$349,957
2033	\$17,089,125	\$17,089,125		\$6,118	\$169,182	\$175,300	\$116,673	\$51,909	\$46,141	\$343,883
2034	\$16,762,750	\$16,762,750		\$6,001	\$165,951	\$171,952	\$114,445	\$50,918	\$45,259	\$337,315
2035	\$16,410,563	\$16,410,563		\$5,875	\$162,465	\$168,340	\$112,040	\$49,848	\$44,309	\$330,228
			Total	\$173,115	\$4,787,246	\$4,960,360	\$3,301,425	\$1,468,843	\$1,305,613	\$9,730,629

Source: CPA, CED Crane Solar 2, LLC

¹Tax Rate per \$100 Valuation

Board Finding Number 7.

The revenue gains that will be realized by the school district if the Application is approved will be significant in the long-term, with special reference to revenues used for supporting school district debt.

Board Finding Number 8.

The effect of the Applicant’s proposal, if approved, on the number or size of needed school district instructional facilities is not expected to increase the District’s facility needs, with current trends suggesting little underlying enrollment growth based on the impact of the project.

Board Finding Number 9.

The Applicant’s 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. Attachment B of the economic impact study contains a year-by-year analysis as depicted in the following table:

Board Findings of the Crane Independent School District

	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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$483,219	\$483,219	\$0	\$0
Limitation Period (10 Years)	2021	\$198,000	\$681,219	\$446,292	\$446,292
	2022	\$198,000	\$879,219	\$401,836	\$848,128
	2023	\$198,000	\$1,077,219	\$353,772	\$1,201,900
	2024	\$198,000	\$1,275,219	\$301,906	\$1,503,806
	2025	\$198,000	\$1,473,219	\$245,853	\$1,749,658
	2026	\$198,000	\$1,671,219	\$185,354	\$1,935,012
	2027	\$198,000	\$1,869,219	\$120,023	\$2,055,035
	2028	\$198,000	\$2,067,219	\$49,473	\$2,104,507
	2029	\$171,253	\$2,238,472	\$0	\$2,104,507
	2030	\$128,858	\$2,367,330	\$0	\$2,104,507
Maintain Viable Presence (5 Years)	2031	\$128,858	\$2,496,189	\$0	\$2,104,507
	2032	\$172,171	\$2,668,360	\$0	\$2,104,507
	2033	\$169,182	\$2,837,542	\$0	\$2,104,507
	2034	\$165,951	\$3,003,493	\$0	\$2,104,507
	2035	\$162,465	\$3,165,958	\$0	\$2,104,507
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$158,696	\$3,324,654	\$0	\$2,104,507
	2037	\$154,629	\$3,479,283	\$0	\$2,104,507
	2038	\$150,237	\$3,629,521	\$0	\$2,104,507
	2039	\$145,495	\$3,775,016	\$0	\$2,104,507
	2040	\$140,371	\$3,915,386	\$0	\$2,104,507
	2041	\$137,521	\$4,052,907	\$0	\$2,104,507
	2042	\$137,521	\$4,190,428	\$0	\$2,104,507
	2043	\$137,521	\$4,327,949	\$0	\$2,104,507
	2044	\$137,521	\$4,465,470	\$0	\$2,104,507
	2045	\$137,521	\$4,602,991	\$0	\$2,104,507

\$4,602,991 is greater than **\$2,104,507**

Board Finding Number 10.

The limitation on appraised value requested by the Applicant is a determining factor in the Applicant’s decision to invest capital and construct the project in this state.

Board Finding Number 11.

The ability of the Applicant to locate the proposed facility in another state or another region of this state is substantial, as a result of the highly competitive marketplace for economic development.

In support of Findings 10 and 11, **Attachment C** of the economic impact study states:

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. This is based on information available, including information provided by the Applicant. Specifically, the comptroller noted:

- I. Per CED Crane Solar 2, LLC in Tab 5 of their Application:
 - A. “The applicant is actively developing other projects in California, Arizona, Nevada, and the Northeast USA. All of these projects are competing with the Crane County project for the applicant's limited resources. The ability to enter into a value limitation agreement with Crane ISO is a determining factor for developing and constructing the project in Crane County, Texas, as opposed to building and investing in another state or region.

Board Findings of the Crane Independent School District

Specifically, the applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project and (ii) to secure long-term (>20 years) project related capital from the limited pool of third- party institutional solar investors that have the very significant resources needed to construct and operate a project of this size.”

- B. “Further, Terra-Gen management team is uniquely qualified to develop and construct wind a, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liabilities of a project without tax incentives in Texas, including a value limitation agreement with Crane ISD, lower the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. Therefore, without the value limitation, the solar projects outside of Texas would receive the constrained investment capital.”
- C. “Receiving a value limitation agreement from Crane ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Crane County. With the value limitation approved, applicant's Texas project ROI is in the range of the hurdle rate required in order to secure capital investment.”

II. “Per CED Crane Solar 2, LLC in Tab 5, ‘... the applicant's parent company for this project, ConEdison Development, is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics.”

III. “An October 25, 2016 *Recharge News* article recounted an interview with the president and chief executive with ConEdison Development in which he stated that ‘...the ERCOT system with its open transmission. A lot of transmission allows for good economic access for renewable power whether it's wind or solar.’ ”

Supporting Information

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

Board Finding Number 12.

The Board of Trustees of the Crane Independent School District hired consultants to review and verify the information in Application No. 1400. Based upon the consultants’ review, the Board has determined that the information provided by the Applicant appears to be true and correct.

Board Finding Number 13.

The Board has determined that the tax limitation amount requested by the Applicant is currently \$20,000,000 Million Dollars, which is consistent with the minimum values currently set out by Texas Tax Code § 313.054(a).

Board Findings of the Crane Independent School District

Board Finding Number 14.

The Applicant (Taxpayer I.D. 32070838704) is eligible for the limitation on appraised value of qualified property as specified in the Agreement based on its "good standing" certification as a franchise-tax paying entity.

Board Finding Number 15.

The Agreement entered into by and between the Applicant and the District under Chapter 313 of the Texas Tax Code, attached to these Findings as Exhibit C, includes adequate and appropriate revenue protection provisions for the District.

Board Finding Number 16.

Considering the purpose and effect of the law and the terms of the Agreement, it is in the best interest of the District and the State of Texas to enter into the attached Agreement.

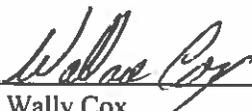
It is therefore ORDERED that the Agreement attached to these Findings as Exhibit C is approved and hereby authorized to be executed and delivered by and on behalf of the Crane Independent School District. It is further ORDERED that these Findings and the attachments referred to herein be attached to the official minutes of this meeting and maintained in the permanent records of the Board of Trustees of the Crane Independent School District.

Dated the 19th day of November, 2019.

CRANE INDEPENDENT SCHOOL DISTRICT,
a political subdivision of the State of Texas

By: 
Alan Swinford
President, Board of Trustees

ATTEST:

By: 
Wally Cox
Secretary, Board of Trustees

Findings and Order of the Crane Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
CED Crane Solar 2, LLC (Tax I.D. 32070838704) (Application No. 1400)

EXHIBIT A

Comptroller's Economic Impact Analysis



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 16, 2019

Jan Hunt
Superintendent
Crane Independent School District
511 West 8th
Crane, Texas 79731

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Crane Independent School District and CED Crane Solar 2, LLC, Application 1400

Dear Superintendent Hunt:

On August 15, 2019, the Comptroller issued written notice that CED Crane Solar 2, LLC (applicant) submitted a completed application (Application 1400) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 16, 2019, to the Crane 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 1400.

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 by December 31, 2019.

Note that any building or improvement existing as of the application review start date of August 15, 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" and "C".

Lisa Craven
Deputy Comptroller

Enclosure.

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of CED Crane Solar 2, LLC (project) applying to Crane 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 CED Crane Solar 2, LLC.

Applicant	CED Crane Solar 2, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Crane ISD
2017-2018 Average Daily Attendance	1,040
County	Crane
Proposed Total Investment in District	\$67,936,184
Proposed Qualified Investment	\$65,080,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021
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	\$1,154.49
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,139.81
Minimum annual wage committed to by applicant for qualified jobs	\$60,033
Minimum weekly wage required for non-qualifying jobs	\$1,279
Minimum annual wage required for non-qualifying jobs	\$66,509
Investment per Qualifying Job	\$67,936,184
Estimated M&O levy without any limit (15 years)	\$4,787,246
Estimated M&O levy with Limitation (15 years)	\$2,682,739
Estimated gross M&O tax benefit (15 years)	\$2,104,507

* 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 CED Crane Solar 2, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	100	108	208	\$3,750,000	\$10,125,042	\$13,875,042
2021	1	18	18.7568	\$60,033	\$2,268,182	\$2,328,215
2022	1	9	10	\$60,033	\$1,563,446	\$1,623,480
2023	1	3	4	\$60,033	\$952,762	\$1,012,795
2024	1	(1)	0	\$60,033	\$528,996	\$589,030
2025	1	(3)	-2	\$60,033	\$271,249	\$331,282
2026	1	(3)	-2	\$60,033	\$131,379	\$191,412
2027	1	(3)	-2	\$60,033	\$76,923	\$136,956
2028	1	(2)	-1	\$60,033	\$74,555	\$134,589
2029	1	(1)	0	\$60,033	\$107,042	\$167,076
2030	1	(0)	1	\$60,033	\$171,607	\$231,641
2031	1	1	2	\$60,033	\$244,414	\$304,448
2032	1	1	2	\$60,033	\$315,324	\$375,357
2033	1	2	3	\$60,033	\$378,788	\$438,821
2034	1	2	3	\$60,033	\$430,856	\$490,889
2035	1	2	3	\$60,033	\$471,068	\$531,102

Source: CPA REMI, CED Crane Solar 2, 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*	Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
				0.0358	0.9900		0.6827	0.3038	0.2700	
2021	\$65,080,000	\$65,080,000		\$23,299	\$644,292	\$667,591	\$444,323	\$197,684	\$175,716	\$1,309,598
2022	\$60,589,480	\$60,589,480		\$21,691	\$599,836	\$621,527	\$413,664	\$184,044	\$163,592	\$1,219,235
2023	\$55,734,512	\$55,734,512		\$19,953	\$551,772	\$571,725	\$380,518	\$169,297	\$150,483	\$1,121,539
2024	\$50,495,572	\$50,495,572		\$18,077	\$499,906	\$517,984	\$344,750	\$153,383	\$136,338	\$1,016,117
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2027	\$32,123,488	\$32,123,488		\$11,500	\$318,023	\$329,523	\$219,318	\$97,577	\$86,733	\$646,417
2028	\$24,997,228	\$24,997,228		\$8,949	\$247,473	\$256,422	\$170,664	\$75,931	\$67,493	\$503,016
2029	\$17,298,264	\$17,298,264		\$6,193	\$171,253	\$177,446	\$118,101	\$52,545	\$46,705	\$348,091
2030	\$13,016,000	\$13,016,000		\$4,660	\$128,858	\$133,518	\$88,865	\$39,537	\$35,143	\$261,920
2031	\$13,016,000	\$13,016,000		\$4,660	\$128,858	\$133,518	\$88,865	\$39,537	\$35,143	\$261,920
2032	\$17,391,000	\$17,391,000		\$6,226	\$172,171	\$178,397	\$118,734	\$52,826	\$46,956	\$349,957
2033	\$17,089,125	\$17,089,125		\$6,118	\$169,182	\$175,300	\$116,673	\$51,909	\$46,141	\$343,883
2034	\$16,762,750	\$16,762,750		\$6,001	\$165,951	\$171,952	\$114,445	\$50,918	\$45,259	\$337,315
2035	\$16,410,563	\$16,410,563		\$5,875	\$162,465	\$168,340	\$112,040	\$49,848	\$44,309	\$330,228
			Total	\$173,115	\$4,787,246	\$4,960,360	\$3,301,425	\$1,468,843	\$1,305,613	\$9,730,629

Source: CPA, CED Crane Solar 2, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Crane County, Crane Memorial Hospital District and Crane County Water District, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district.

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*	Crane ISD I&S Tax Levy	Crane ISD M&O Tax Levy	Crane ISD M&O and I&S Tax Levies	Crane County Tax Levy	Crane Memorial Hospital District Tax Levy	Crane County Water District Tax Levy	Estimated Total Property Taxes
2021	\$65,080,000	\$20,000,000		\$23,299	\$198,000	\$221,299	\$177,729	\$79,074	\$175,716	\$478,101
2022	\$60,589,480	\$20,000,000		\$21,691	\$198,000	\$219,691	\$165,466	\$73,618	\$163,592	\$458,774
2023	\$55,734,512	\$20,000,000		\$19,953	\$198,000	\$217,953	\$152,207	\$67,719	\$150,483	\$437,879
2024	\$50,495,572	\$20,000,000		\$18,077	\$198,000	\$216,077	\$137,900	\$61,353	\$136,338	\$415,331
2025	\$44,833,612	\$20,000,000		\$16,050	\$198,000	\$214,050	\$122,438	\$54,474	\$121,051	\$390,962
2026	\$38,722,600	\$20,000,000		\$13,863	\$198,000	\$211,863	\$105,749	\$47,049	\$104,551	\$364,660
2027	\$32,123,488	\$20,000,000		\$11,500	\$198,000	\$209,500	\$87,727	\$39,031	\$86,733	\$336,258
2028	\$24,997,228	\$20,000,000		\$8,949	\$198,000	\$206,949	\$68,266	\$30,372	\$67,493	\$305,587
2029	\$17,298,264	\$17,298,264		\$6,193	\$171,253	\$177,446	\$47,240	\$21,018	\$46,705	\$245,704
2030	\$13,016,000	\$13,016,000		\$4,660	\$128,858	\$133,518	\$35,546	\$15,815	\$35,143	\$184,879
2031	\$13,016,000	\$13,016,000		\$4,660	\$128,858	\$133,518	\$88,865	\$39,537	\$35,143	\$261,920
2032	\$17,391,000	\$17,391,000		\$6,226	\$172,171	\$178,397	\$118,734	\$52,826	\$46,956	\$349,957
2033	\$17,089,125	\$17,089,125		\$6,118	\$169,182	\$175,300	\$116,673	\$51,909	\$46,141	\$343,883
2034	\$16,762,750	\$16,762,750		\$6,001	\$165,951	\$171,952	\$114,445	\$50,918	\$45,259	\$337,315
2035	\$16,410,563	\$16,410,563		\$5,875	\$162,465	\$168,340	\$112,040	\$49,848	\$44,309	\$330,228
			Total	\$173,115	\$2,682,739	\$2,855,853	\$1,651,024	\$734,560	\$1,305,613	\$5,241,438
			Diff	\$0	\$2,104,507	\$2,104,507	\$1,650,401	\$734,283	\$0	\$4,489,191

Assumes School Value Limitation and Tax Abatements with the County and Hospital District

Source: CPA, CED Crane Solar 2, 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 CED Crane Solar 2, 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$483,219	\$483,219	\$0	\$0
Limitation Period (10 Years)	2021	\$198,000	\$681,219	\$446,292	\$446,292
	2022	\$198,000	\$879,219	\$401,836	\$848,128
	2023	\$198,000	\$1,077,219	\$353,772	\$1,201,900
	2024	\$198,000	\$1,275,219	\$301,906	\$1,503,806
	2025	\$198,000	\$1,473,219	\$245,853	\$1,749,658
	2026	\$198,000	\$1,671,219	\$185,354	\$1,935,012
	2027	\$198,000	\$1,869,219	\$120,023	\$2,055,035
	2028	\$198,000	\$2,067,219	\$49,473	\$2,104,507
	2029	\$171,253	\$2,238,472	\$0	\$2,104,507
	2030	\$128,858	\$2,367,330	\$0	\$2,104,507
Maintain Viable Presence (5 Years)	2031	\$128,858	\$2,496,189	\$0	\$2,104,507
	2032	\$172,171	\$2,668,360	\$0	\$2,104,507
	2033	\$169,182	\$2,837,542	\$0	\$2,104,507
	2034	\$165,951	\$3,003,493	\$0	\$2,104,507
	2035	\$162,465	\$3,165,958	\$0	\$2,104,507
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$158,696	\$3,324,654	\$0	\$2,104,507
	2037	\$154,629	\$3,479,283	\$0	\$2,104,507
	2038	\$150,237	\$3,629,521	\$0	\$2,104,507
	2039	\$145,495	\$3,775,016	\$0	\$2,104,507
	2040	\$140,371	\$3,915,386	\$0	\$2,104,507
	2041	\$137,521	\$4,052,907	\$0	\$2,104,507
	2042	\$137,521	\$4,190,428	\$0	\$2,104,507
	2043	\$137,521	\$4,327,949	\$0	\$2,104,507
	2044	\$137,521	\$4,465,470	\$0	\$2,104,507
2045	\$137,521	\$4,602,991	\$0	\$2,104,507	

\$4,602,991
 is greater than \$2,104,507

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, CED Crane Solar 2, 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 CED Crane Solar 2, 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 CED Crane Solar 2, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The applicant is actively developing other projects in California, Arizona, Nevada, and the Northeast USA. All of these projects are competing with the Crane County project for the applicant’s limited resources. The ability to enter into a value limitation agreement with Crane ISD is a determining factor for developing and constructing the project in Crane County, Texas, as opposed to building and investing in another state or region. Specifically, the applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project and (ii) to secure long-term (>20 years) project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size.”
 - B. “Further, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liabilities of a project without tax incentives in Texas, including a value limitation agreement with Crane ISD, lower the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. Therefore, without the value limitation, the solar projects outside of Texas would receive the constrained investment capital.”
 - C. “Receiving a value limitation agreement from Crane ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Crane County. With the value limitation approved, applicant’s Texas project ROI is in the range of the hurdle rate required in order to secure capital investment.”

- Per CED Crane Solar 2, LLC in Tab 5, the “... applicant’s parent company for this project, ConEdison Development, is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics.”
- An October 25, 2016 *Recharge News* article recounted an interview with the president and chief executive with ConEdison Development:
 - A. “It [ConEdison Development] is a leading owner of PV capacity nationwide and has emerged as a major player in the fast-growing Texas (ERCOT) utility-scale solar market, having acquired four projects, while working to develop a handful of others.”
 - B. When asked why did ConEdison Development come to the Texas utility-scale market and what were the criteria for doing so. “A couple of things were very important to us. One, is we always want to have a state or utility-type entity who is a big believer in renewables and is supportive in terms of their strategy and long-term plan ... The second thing that is really good is the insolation, the solar resource, in Texas is fantastic. With the downturn of the oil and gas market, there was a large pool of skilled talent which made it helpful. That makes it easier to develop and build these plants ... Then, the final component is the ERCOT system with its open transmission. A lot of transmission allows for good economic access for renewable power whether it’s wind or solar.”
- An July 2019 Generator Interconnection Status Report issued by ERCOT, released August 1, 2019, includes a section that details those projects for which a Full Interconnection Study (FIS) has been requested.
 - A. Project Attributes: 20INR0226 (GINR Reference Number); Timberwolf POI A (Project Name); SS Completed, Full Interconnection Study Started, No Interconnection Agreement (GINR Study Phase); Solar Prime LLC (Interconnecting Entity); 76635 King Mt 138kV (Point of Interconnection Location); Upton (County); WEST (CDR Reporting Zone); 05/01/2021 (Projected Commercial Operation Date); SOL (Fuel); PV (Technology); 70 (Capacity);
 - B. Changes from Last Report: None(Change indicators: Proj Name, MW Size, COD, SFS/NtP, FIS Request)
- Supplemental Information provided by the applicant indicated the following:
 - A. Is this project known by any specific names not otherwise mentioned in this application? *No, the project has only been called CED Crane Solar 2, LLC. The lands associated with this App#1400 solar project were originally part of the SP-Horsehead Crossing LLC (aka CED Crane Solar, LLC) application #1182, but that agreement is being amended so that the lands don’t overlap between the two applications.*
 - B. 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. *As stated in item#1, the project has only been known as CED Crane Solar 2, LLC.*
 - C. Has this project applied to ERCOT at this time? If so, please provide the project’s GINR number and when was it assigned. *Yes, the project has applied to ERCOT. The GINR# is 20INR0226 TMBRWOLF. January 2019.*

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

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

The applicant's parent company for this project, ConEdison Development, is a national solar developer with the ability to locate projects of this type in other states in the US with strong solar characteristics. The applicant is actively developing other projects in California, Arizona, Nevada, and the Northeast USA. All of these projects are competing with the Crane County project for the applicant's limited resources. The ability to enter into a value limitation agreement with Crane ISD is a determining factor for developing and constructing the project in Crane County, Texas, as opposed to building and investing in another state or region. Specifically, the applicant requires this appraised value limitation in order (i) to continue allocating resources to develop the project (e.g., paying for studies related to environment and subsurface geotechnical conditions at the project site, having detailed land surveys carried out, retaining the services of specialized legal counsel and consultants), and (ii) to secure long-term (>20 years) project related capital from the limited pool of third-party institutional solar investors that have the very significant resources needed to construct and operate a project of this size. Further, without the available property tax incentives, the economics of the project become unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liabilities of a project without tax incentives in Texas, including a value limitation agreement with Crane ISD, lower the return to investors and financiers to an unacceptable level at current contracted power rates under a power purchase agreement. As such, the applicant would not be able to finance and build its project without the property tax incentives. Therefore, without the value limitation, the solar projects outside of Texas would receive the constrained investment capital.

Electric utilities and other wholesale electricity buyers are focused on providing low-cost energy to their customers and contracting for the sale of solar electricity is highly competitive. Receiving a value limitation agreement from Crane ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Crane County. With the value limitation approved, applicant's Texas project ROI is in the range of the hurdle rate required in order to secure capital investment.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Mark Noyes Photo: ConEdison Development

'Wind is more cost-competitive than solar (in ERCOT) but the gap is closing significantly every quarter'

FIVE MINUTES WITH Mark Noyes, president and chief executive, ConEdison Development

by Richard A. Kessler in Fort Worth

26 September 2016
Updated 25 October 2016

ConEdison Development is an unregulated subsidiary of Consolidated Edison, the oldest and one of the largest US investor-owned energy companies. It is a leading owner of PV capacity nationwide and has emerged as a major player in the fast-growing Texas (ERCOT) utility-scale solar market, having acquired four projects, while working to develop a handful of others.

Noyes, who has several decades experience in the power sector, is responsible for the development and operation of the corporation's renewable energy and customer energy efficiency and infrastructure projects.

Can you provide a brief historical overview of ConEdison Development's involvement with solar power?

We've been involved with solar power for over 20 years since deregulation hit the marketplace. We really started to focus on renewable power in 2010 with a heavy focus on solar and a secondary focus on wind, and we are still involved with both. We've continued to grow the business year-on-year, primarily in North America. We are now the fifth largest owner and operator of solar in North America.

Why did ConEdison Development come to the Texas utility-scale market and what were the criteria for doing so?

A couple of things were very important to us. One, is we always want to have a state or utility-type entity who is a big believer in renewables and is supportive in terms of their strategy and long-term plan. CPS Energy clearly made that commitment a while back. That was an important element for us to come into Texas.

The second thing that is really good is the insolation, the solar resource, in Texas is fantastic. With the downturn of the oil and gas market, there was a large pool of skilled talent which made it helpful. That makes it easier to develop and build these plants.

Then, the final component is the ERCOT system with its open transmission. A lot of transmission allows for good economic access for renewable power whether it's wind or solar.

The buy-in from CPS led your company to the Alamo projects?

That's exactly correct.

There is no shortage of other solar projects in varying stages of development in ERCOT, some with interconnection agreements. Do you see ConEdison Development becoming involved here beyond the Alamo projects?

We have announced in the public arena an around 200MW project with Austin Energy. We have a handful of other projects that are not out in the public domain yet but we are working on in Texas. We will continue to grow our presence in that marketplace.

This 200MW project is in West Texas as well?

Yes.

Any possibility of developing projects in-house here in Texas?

All of the projects that are not OCI-CPS-related, we have developed ourselves.

These are all PV projects?

Yes.

How do you view the ERCOT large-scale solar market for future growth vis-à-vis natural gas? The price of power here is low but that doesn't stop developers from showing great interest in the market. How do you view it in the next 2-3 years?

I think it is very promising in Texas due to innovation primarily driven by the early incentives – the ITC, what-not. The cost of equipment has been impacted and come down significantly on the solar side as well as the wind side. The efficiency is better. The BOP (balance of plant) equipment and the ability to install it with a skilled labor pool is much more efficient. All of those economics have driven to a point where you can compete in the marketplace like Texas.

What about the SunEdison bankruptcy and SunPower having announced some shorter-term issues tied to demand for its utility-scale solar power projects. Have you noticed an impact in Texas?

No. You always have in any business, in any industry, or marketplace, a player or two who miscalculates and/or wants to exit as the markets consolidate and mature. That to me is just a natural progression of someone who made a mistake. SunEdison made a mistake. They gambled on

the yieldco market and it didn't arrive, so they're out. SunPower is getting chopped by competition. They are getting killed by SolarCity and others who are innovating better than they are. That's just normal business.

How important is it for ConEdison Development that ERCOT is a liquid power market?

Any market that is well-run and the price signals are clear is a good thing. ERCOT has all that and it makes it very helpful when you are making investment decisions.

Are you seeing utility-scale solar growth beyond captive municipal markets such as Austin and San Antonio? We saw a pretty big contract recently signed by Luminant, which serves more of the deregulated ERCOT market. Do you see more of that in the future?

Yes. There is going to be quite a bit of that. There are a lot of folks out there with a heavy interest in Texas and elsewhere.

At the end of the day for large end-customers their second or third highest cost is energy. When they can go out and secure energy at a fixed-price long-term it just makes their business more stable because they can budget more effectively. Then they can drive their businesses in a more predictable manner. So, I would anticipate there will be a lot more of that.

How do you see large-scale solar competing with wind and gas going forward as ERCOT is not an RPS-driven market, but price-driven?

Against natural gas, no problem at all. Because if you think about the basic concept of gas price times heat rate, the solar component in Texas wins all day long even with low gas prices.

I think when you look at it versus wind, it's tight. Wind is more cost-competitive than solar but the gap is closing significantly every quarter. The problem that wind has is that they need to build where the wind resource is out in far, remote sections of Texas.

Then they have congestion problems bringing it down to the marketplace.

Solar is everywhere. You could do it in downtown SA, a mile from there or outside and bring it in. I think from that perspective there is a lot more value for solar and you can place it in areas that will help ERCOT from a reliability standpoint. Seen today, wind wins but as time moves on, solar is going to be more of a tool for ERCOT and the state to utilise to plan out their resources more efficiently.

The solar bell curve better matches the demand curve better than wind here ...

Precisely. That's one of the key elements on reliability that I was talking about.

How do you see the C&I market here in Texas for utility-scale solar?

It hasn't really started yet but it will. Typically [it] lags the utility-scale by about three years, or has in other states. It will probably do the same in Texas. But I would expect that marketplace would pick up quite a bit.

Has your company been working on new products – off-take contracts of shorter duration? It's been an issue here with hedge agreements for wind.

We've seen a lot of folks in Texas move to a 10-year PPA. I'm not a big fan of that but I understand why some people do it. Those products are available out there. We'll probably not do a lot of that. It is their business model and they are kind of willing to finance with banks this 10-year window

because it lines up with a lot of what banks do. It's a different investment profile than us.

You're pretty confident you can do CPS-style longer-term utility-scale PPAs, perhaps with other buyers going forward in Texas?

Yes, because it's just a question of economics. At the end of the day, when you have the shorter PPA, the customer is going to pay more because they are getting that value up front. If you know you are committed to the business in the long-term, you are in a much better position if you write a 20 or 25 year PPA to drive toward a lower price and have stable certainty around your energy prices.

Frankly, most of our customers understand that. Let's just say that gas is \$3 MMBTU. At \$3 the probability of it going down significantly is pretty low. The probability of it going higher is extremely high.

If you can lock in at today's gas prices which is how we mark the PPAs basically, you can lock-in statistically the benefit. Then if gas prices go up, obviously solar will go up at the same time just because it can and you don't have that risk associated with your long-term energy needs.

Companies are also buying renewables for other reasons ...

Yes, except in Texas there is no RPS. There are really no RECs. In reality, their only obligation is to buy for energy, not the renewable side of it. They may be doing some of it for branding and what-not, but there is no economic reason to be doing it at this point.

Rooftop solar. Is that something that interests your company here?

We do both. We think both of those markets as well as battery storage at the C&I and utility-scale levels makes perfect sense in the long-run for us and consumers at the end of the day.

Even though there is no NEM here?

Again, it gets back to the concept that the price of equipment has come down just a tremendous amount and so it's cost-effective. In the Texas market, labor and land is less expensive and the solar resource is really high.

Have you been considering any involvement with wind here?

We've looked at it but haven't done anything with it yet. We're not opposed to it. The problem with wind in Texas is that the wind is a long way away from the load centres. A lot of people are using those transmission lines and it's created a bit of a congestion problem. We're a bit concerned about that. That's why in Texas we focus on solar.



GINR Activity: Jul 01, 2019 to Jul 31, 2019

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Disclaimer and References

Acronyms

Summary

Project Commissioning Update

Project Cancellation Update

Project Details

GINR Trends

Disclaimer on the use of this report, and references to associated ERCOT Binding Documents ***Please read***

A list of the various acronyms used throughout the report

Tables that provide project aggregate counts and megawatt capacities by GINR phase and fuel type

A table listing project commissioning approval milestones met for the month: energization, synchronization, and commercial operations approval

A table listing the projects cancelled for the month

A table that lists project details; only includes projects for which a Full Interconnection Study has been requested

Charts and tables that show historical and projected interconnection study trends.

Time of Report Run: Aug 1, 2019 8:00:24 AM



Acronyms

GINR = Generation Interconnection or Change Request

COD = Commercial Operation Date

SS = Security Screening Study

FIS = Full Interconnection Study

IA = Interconnection Agreement, can be either of the following:

- Standard Generation Interconnection Agreement (SGIA)

- Public financially binding agreement

- An official letter from a Municipally Owned Utility or Electric Cooperative signifying developer intent to build and operate generation facilities and interconnect with the MOU or EC

POI = Point of Interconnection

INR = Interconnection Request Number

TSP = Transmission Service Provider

NIP = Notice-to-Proceed given to the TSP for interconnection construction

CDR = Capacity, Demand and Reserves Report

SFS = Sufficient Financial Security provided to the TSP for construction of the interconnection facilities

QSA = Quarterly Stability Assessment

Fuel Types

BIO = Biomass

COA = Coal

GAS = Gas

GEO = Geothermal

HYD = Hydrogen

NUC = Nuclear

OIL = Fuel Oil

OTH = Other

PET = Petroleum

SOL = Solar

WAT = Water

WIN = Wind

Technology Types

BA = Battery Energy Storage

CC = Combined-Cycle

CE = Compressed Air Energy Storage

CP = Concentrated Solar Power

EN = Energy Storage

FC = Fuel Cell

GT = Combustion (gas) Turbine, but not part of a Combined-Cycle

HY = Hydroelectric Turbine

IC = Internal Combustion Engine, eg. Reciprocating

OT = Other

PV = Photovoltaic Solar

ST = Steam Turbine other than Combined-Cycle

WT = Wind Turbine



GINR Project Details

NOTES:

Due to Project confidentiality provisions, only those projects for which a Full Interconnection Study has been requested are included.

The megawatt capacities for projects identified as repowering are reported on a net change basis with respect to the original capacity amount, and thus may have zero or negative values. For projects where increased self-service load is part of the interconnection studies, the reported capacity is the maximum net MW available to the grid.

The construction start date is the date physical on-site work of a significant nature (such as excavation for footings or foundations or pouring of concrete for foundations) has begun and is on-going. Additionally, major equipment items (such as turbines or step-up transformers) are on-site, in route to the site, or being manufactured under a binding contract with significant financial commitments. The construction end date is the date when all plant systems are ready for commissioning/startup activities. Note that the reporting of Construction Start and End Dates will not begin until ERCOT's online GINR system is available to project developers for data entry.

Blank cells in Air Permit, GHG Permit and Water Availability indicate the emission permit/proof of water supplies are required but have not been obtained or reported to ERCOT yet.

Project Attributes											Changes from Last Report	
INR	Project Name	GINR Study Phase	Interconnecting Entity	POI Location	County	CDR Reporting Zone	Projected COD	Fuel	Technology	Capacity (MW)	Change indicators: Proj Name, MW Size, COD, SFS/NP, FIS Request	
16INR0019a	Grandview 8 W	SS Completed, FIS Started, No IA	Eon	70055 Railhead 345kV	Gray	PANHANDLE	12/15/2020	WIN	WT	249		
11INR0054	Moway Wind	SS Completed, FIS Completed, IA	Apex Clean	8961 Whippleport 138kV	San Patricio	COASTAL	06/29/2019	WIN	WT	152.9		
11INR0052	Shaffer	SS Completed, FIS Completed, IA	Cleanway Energy	85003 Nelson Sharpe 345kV	Nueces	COASTAL	08/15/2019	WIN	WT	228	CCD	
12INR0055	S_Hills Wind	SS Completed, FIS Completed, IA	SEYMOUR HILLS WIND PROJECT, LLC	33728 Mabete 69kV	Baylor	WEST	07/31/2019	WIN	WT	30.24	CCD	
12INR0059b	HOVEY (Banita Solar 1B)	SS Completed, FIS Completed, IA	Firs Solar	60385 Solaria 138kV	Pecos	WEST	12/31/2019	SOL	PV	7.4	CCD	
12INR0060	Wilson Ranch	SS Completed, FIS Completed, IA	ENGIE	78002 Big Hill 345kV	Schleicher	WEST	10/31/2019	WIN	WT	198.9		
13INR0010a	Marath De Este	SS Completed, FIS Started, IA	Marath Acquisition	141766 Marath 345kV	Parmer	PANHANDLE	10/05/2020	WIN	WT	155.4		
13INR0025	Northdraw Wind	SS Completed, FIS Started, IA	National Renewable Solutions	79504 AJ Swepe 345kV	Randall	PANHANDLE	08/01/2020	WIN	WT	150		
13INR0026	Canadian Breaks Wind	SS Completed, FIS Completed, IA	Macquarie Cap	Tap 345kV 79502 Windmill - 79504 AJ Swepe	Oldham	PANHANDLE	08/30/2019	WIN	WT	210		
13INR0038	Wilrose Wind	SS Completed, FIS Started, IA	S Power	79501 Ogallala 345kV	Swisher	PANHANDLE	12/05/2021	WIN	WT	302.5		
14INR0029	WON Amadeus Wind	SS Completed, FIS Started, IA	WKN	tap 345kV 11305 Detroit - 60704 Kirothof	Fisher	WEST	05/15/2020	WIN	WT	245.9		
14INR0030c	Panhandle Wind 3	SS Completed, FIS Started, IA	Pattern Energy	79005 Railhead 345kV	Carson	PANHANDLE	12/01/2020	WIN	WT	248		
14INR0033	Cloudright Wind	SS Completed, FIS Completed, IA	FGE Power	tap 345kV 79500 Alpacates - 79503 Tule Canyon	Armstrong	PANHANDLE	10/15/2020	WIN	WT	504.4		
14INR0044	West of Pecos Solar	SS Completed, FIS Completed, IA	Eon	11893 Rowden 138kV	Reeves	WEST	10/15/2019	SOL	PV	180		
14INR0045	Torreillas Wind	SS Completed, FIS Completed, IA	Nextera	161252 - 81301 Torreillas 34.5kV	Webb	SOUTH	06/17/2019	WIN	WT	300.5		
15INR0004	El Agodon Alto W	SS Completed, FIS Started, No IA	Eon	tap 345kV 8455 Lon Hill - 5725 Pawnee	San Patricio	COASTAL	12/31/2020	WIN	WT	201		
15INR0044	Corsaco Solar	SS Completed, FIS Started, No IA	Enerverse	60219 Loto 345kV	Webb	SOUTH	03/31/2020	SOL	PV	280		
15INR0051	Terra Blanca W	SS Completed, FIS Started, No IA	Eon	79501 Ogallala 345kV	Randall	PANHANDLE	12/15/2021	WIN	WT	200		
15INR0059	Emerald Grove Solar	SS Completed, FIS Started, IA	Cypress Creek Renewables	76902 Horse Crossing 138kV	Pecos	WEST	04/16/2021	SOL	PV	108	CCD	
15INR0063	Easter Wind	SS Completed, FIS Completed, IA	TriGlobal	79502 Windmill 345kV	Castro	PANHANDLE	10/31/2021	WIN	WT	307.5		
15INR0064a	Harald (BearKart Wind B)	SS Completed, FIS Completed, IA	CIP	59903 Bearkat 345kV	Glasscock	WEST	12/13/2019	WIN	WT	62.1		
15INR0099	Plugerville Solar	SS Completed, FIS Started, IA	RRE Solar	tap 138kV 7236 Gilie - 3650 Elgin	Travis	SOUTH	12/31/2020	SOL	PV	144		
16INR0003	-EVEE (Freeport LNG)	SS Completed, FIS Completed, IA	Freeport LNG	43336 Oyster Cr 138kV	Brazoria	COASTAL	12/15/2019	GAS	GT	11		
16INR0010	FGE Texas 1 Gas	SS Completed, FIS Started, IA	FGE Power	Tap 345kV 1200 Morgan - 1025 Fatton	Mitchell	WEST	04/06/2021	GAS	CC	145.9		
16INR0012	Stella 2 Wind	SS Completed, FIS Started, No IA	Eon	tap 345kV 80076 Ajo - 80071 Zorillo	Kernsey	COASTAL	12/30/2020	WIN	WT	201		
16INR0014	Cattelman Wind A	SS Completed, FIS Started, No IA	Eon	tap 345kV 79501 Ogallala - 79502 Windmill	Castro	PANHANDLE	09/01/2021	WIN	WT	201.6		
16INR0014b	Cattelman Wind B	SS Completed, FIS Started, No IA	Eon	tap 345kV 79501 Ogallala - 79502 Windmill	Castro	PANHANDLE	09/01/2021	WIN	WT	201.6		
16INR0019	BlueBell Solar	SS Completed, FIS Completed, IA	Nextera	76990 Dvove 345kV	Coke	WEST	06/17/2019	SOL	PV	50		
16INR0023	Hart Wind	SS Completed, FIS Started, IA	Orion	79501 Ogallala 345kV	Castro	PANHANDLE	12/31/2021	WIN	WT	150		
16INR0026	Pumpkin Farm Wind	SS Completed, FIS Completed, IA	Apex Clean	79505 White River 345kV	Floyd	PANHANDLE	12/01/2020	WIN	WT	286.9		
16INR0044	Hayard Wharton	SS Completed, FIS Started, IA	Hayard Energy	tap 345kV 3073 Holman - 44250 Hijie	Wharton	SOUTH	05/01/2021	GAS	GT	484		
16INR0045	Hayard Henderson	SS Completed, FIS Started, IA	Hayard Energy	tap 345kV 3109 Styker - 3123 Trinidad	Henderson	NORTH	05/01/2021	GAS	GT	484		
16INR0049	Nazarem Solar	SS Completed, FIS Started, IA	Landesse Energy	79501 Ogallala 345kV	Castro	PANHANDLE	05/31/2021	SOL	PV	201		
16INR0054	NA	SS Completed, FIS Completed, IA	NASA	42870 Nasa 138kV	Harris	HOUSTON	03/01/2018	GAS	CC	12		
16INR0026b	Lockett Wind	SS Completed, FIS Completed, IA	Lincoln Clean	141555-8 Elciosa 34.5kV	Wilbarger	WEST	09/30/2019	WIN	WT	184		
16INR0074	Chocolate Bayou W	SS Completed, FIS Completed, No IA	Engie	tap 138kV 42109 Hudson - 42980 Mustang	Brazoria	COASTAL	05/01/2021	WIN	WT	145.5		
16INR0078	Hudson (neoBrazoria)	SS Completed, FIS Completed, IA	Innes	42100 Hudson 138kV	Brazoria	COASTAL	05/02/2019	GAS	GT	96		

Project Attributes										Changes from Last Report				
INR	Project Name	GINR Study Phase	Interconnecting Entity	POI Location	County	CDR Reporting Zone	Projected COD	Fuel	Technology	Capacity (MW)	Change Indicators: Proj Name, MW Size, COD, SFS/NP, FIS Request			
201NR0206	PE51	SS Completed, FIS Started, No IA	ProEnergy Services LLC	47150 H O Coker 138kV	Harris	HOUSTON	06/01/2020	GAS	GT	494				
201NR0208	Siguel Ranch	SS Completed, FIS Started, No IA	Beltower Power Texas, LLC	tap 138kV 6679 Weiland - 5883 Quinlan - N	Hunt	NORTH	12/01/2020	SOL	PV	70				
201NR0210	Hopkins	SS Completed, FIS Started, No IA	GSE Group LLC	tap 345kV 1955 Farmersville - 1695 Moses Mill Tap	Hopkins	NORTH	05/30/2021	SOL	PV	320				
201NR0211	Avocet	SS Completed, FIS Started, No IA	Alta Power Lufkin Avocet	tap 138kV 3340 Lufkin - 3348 Champion Paper	Angelina	NORTH	05/31/2021	GAS	GT	150	COD			
201NR0213	Bushy Creek Solar	SS Completed, FIS Started, No IA	San Angelo Solar 1 LLC	6444 Red Creek 345kV	Tom Green	WEST	08/30/2020	SOL	PV	125				
201NR0214	Neble Solar	SS Completed, FIS Started, No IA	Beltower Power Texas, LLC	1730 Klum 345kV	Denon	NORTH	12/01/2020	SOL	PV	300				
201NR0215	Double R Solar	SS Completed, FIS Started, No IA	Double R Solar Farm	2433 Seagoville 345kV	Kaufman	NORTH	07/01/2021	SOL	PV	290				
201NR0216	Star Solar Ranch	SS Completed, FIS Started, No IA	Star Solar Ranch LLC	6795 Roma 138kV	Star	SOUTH	03/01/2020	SOL	PV	135.99				
201NR0217	CAROL wind	SS Completed, FIS Started, No IA	East Mountain Renewables, LLC	79504 A. Swope 345kV	Pettit	PANHANDLE	05/31/2021	WIN	WT	169.2				
201NR0219	Eunice Solar	SS Completed, FIS Started, No IA	2W Permian Solar LLC	tap 345kV 7953D Clearfork - 7953D Telephone	Andrews	WEST	12/31/2020	SOL	PV	403.8				
201NR0220	Eunice Storage	SS Completed, FIS Started, No IA	2W Permian Solar LLC	tap 345kV 7953D Clearfork - 7953D Telephone	Andrews	WEST	12/31/2020	OTH	SA	40.28				
201NR0221	Brass Power Plant	SS Completed, FIS Completed, No IA	ProEnergy Services LLC	4485D Smiths 345kV	Fort Bend	HOUSTON	06/01/2020	GAS	GT	484				
201NR0222	Tyson Nick Solar	SS Completed, FIS Started, No IA	Tyson Nick Solar Project, LLC	1700 Toco 138kV	Lamar	NORTH	05/01/2021	SOL	PV	90				
201NR0226	Timberwolf POI A	SS Completed, FIS Started, No IA	Solar Prime LLC	79675 King Mt 138kV	Upton	WEST	05/01/2021	SOL	PV	70				
201NR0230	Markum Solar	SS Completed, FIS Started, No IA	Gloxy Leasing	117 Boque 138kV	McLennan	NORTH	05/01/2021	SOL	PV	124.80				
201NR0231	Tezcat Power Plant	SS Completed, FIS Started, No IA	ProEnergy Services LLC	39502 GAF TNP 138kV	Galveston	HOUSTON	06/01/2020	GAS	GT	605				
201NR0233	Impala Flats Wind	SS Completed, FIS Started, No IA	Antelope Flats Wind, LLC	79641 Farmland 345kV	Lynn	WEST	11/01/2020	WIN	WT	282				
201NR0235	Krischerbocker Road Solar	SS Completed, FIS Started, No IA	San Angelo Solar 2, LLC (Krischerbocker Road Solar)	Tap 345kV 76033 Big Hill - 76029 Twin Buttes	Tom Green	WEST	11/30/2020	SOL	PV	200				
201NR0238	Space City Storage	SS Completed, FIS Started, No IA	EDF Renewables Development, inc	44200 Hill 345kV	Wharton	SOUTH	12/01/2021	OTH*	BA	50				
201NR0241	Crowded Star Solar	SS Completed, FIS Started, No IA	James City Solar, LLC	tap 345kV 8000 West Shack - 6600 Clayton c2	Jones	WEST	07/20/2021	SOL	PV	400				
201NR0242	Anson Solar Center, Phase II	SS Completed, FIS Started, No IA	Anson Solar Center, LLC	tap 345kV 8800 WShack - 6900 Clayton	Jones	WEST	03/01/2020	SOL	PV	230				
201NR0244	Montezuma Storage	SS Completed, FIS Started, No IA	Montezuma Storage LLC	7238 Gidgen 138kV	Colorado	SOUTH	04/01/2021	OTH*	BA	47.2				
201NR0245	Volunteer Storage	SS Completed, FIS Started, No IA	Blackjack Storage LLC	7275 Lockman - 39kV	Caldwell	SOUTH	05/01/2021	OTH*	BA	47.2				
201NR0246	Ryan Energy Storage	SS Completed, FIS Started, No IA	Arrowhead Storage LLC	37590 TMParake 69kV	Coryell	NORTH	08/31/2020	OTH	BA	47.12				
201NR0247	Water Valley Wind Energy	SS Completed, FIS Started, No IA	Water Valley Wind Energy, LLC	76011 Twin Buttes 138kV	Tom Green	WEST	10/31/2021	WIN	WT	150				
201NR0248	Secoos Division Solar	SS Completed, FIS Started, No IA	Tx Gulf Solar - LLC	tap 138kV 43120 Pledger - 43380 W Columbia	Braxton	COASTAL	05/31/2021	SOL	PV	100	FIS Request			
201NR0249	Apalooza Run Renewable Energy Pt	SS Completed, FIS Started, No IA	Apalooza Run, LLC	tap 138kV 602E1 SantaLuis - 76032 NMCCarney	Upton	WEST	10/31/2021	WIN	WT	175				
201NR0250	Aquayo Wind	SS Completed, FIS Started, No IA	Castle Gap Wind Power	tap 345kV 1444- Elger - 3422 Kileen	Wills	NORTH	11/15/2020	WIN	WT	188				
201NR0252	Toiland Power Plant	SS Completed, FIS Started, No IA	ProEnergy Services LLC	8951 Whitespot 138kV	San Patricio	COASTAL	06/01/2020	GAS	GT	353				
201NR0254	Graesewood I-B	SS Completed, FIS Started, No IA	Concho Bluff, LLC	tap 345kV 76022 Bakersfield - 76000 NMcCamey	Pecos	WEST	09/30/2020	SOL	PV	55				
201NR0255	Dawn Solar	SS Completed, FIS Started, No IA	Renegade Renewable LLC	7349 345kV 76022 NewSmith - 79504 Au Swope	Deaf Smith	PANHANDLE	12/31/2021	SOL	PV	515.66				
201NR0256	Aquila Lake 2 Wind	SS Started, FIS Started, No IA	NextEra Energy	68900 Sam Switzer 345 kV	Hill	NORTH	08/30/2020	WIN	WT	100				
201NR0259	San Bernard Solar II	SS Completed, FIS Started, No IA	San Bernard Solar II, LLC	43340TXJ2 - J_POI - 5-50138kV	Wharton	SOUTH	12/31/2020	SOL	PV	100				
201NR0260	Gulf Wind 2 Expansion	SS Completed, FIS Started, No IA	Texas GULF WIND 2 LLC	80071 Zorbo 345kV	Kenedy	COASTAL	06/01/2020	W N	WT	47.9				
201NR0261	Kellam Solar	SS Completed, FIS Completed, No IA	BT Kellam Solar, LLC	Ben Wheeler	Van Zandt	NORTH	03/30/2020	SOL	PV	100				
201NR0262	High Lonesome Wind Phase II	SS Completed, FIS Completed, No IA	HIGH LONESOME WIND POWER, LLC	tap 345kV 76022 Bakersfield - 76005	Crockett	WEST	01/30/2020	WIN	WT	56.8	SFS/NP			
201NR0263	Myrie Solar I	SS Completed, FIS Started, No IA	Myrie Solar I, LLC	42110 Angleton 138kV	Braxton	COASTAL	12/01/2020	SOL	PV	100				
201NR0264	Hale 1	SS Completed, FIS Started, No IA	NextEra Energy	79506 Abernathy 345kV	Hale	PANHANDLE	12/01/2020	WIN	WT	322				
201NR0265	Karankawa 2 Expansion	SS Completed, FIS Completed, No IA	Karankawa Wind, LLC	tap 345kV 8455 Lon Hill - 5725 Pawnee, new sub	San Patricio	COASTAL	12/31/2020	WIN	WT	98.3	COD			
201NR0266	Ties Bahas Solar	SS Completed, FIS Started, No IA	Ties Bahas Solar Power LLC	6140 Jost 138kV	Calhoun	COASTAL	03/01/2020	SOL	PV	195				
201NR0267	Greets Bayou Expansion	SS Completed, FIS Started, No IA	NRG Texas Power	40718 Greens Bayou - 138kV	Harris	HOUSTON	06/01/2020	GAS	GT	140				
201NR0269	Texas Solar Nova 2	SS Started, FIS Started, No A	Texas Solar Nova 1, LLC	tap 345kV 11305 Dermott - 59904 Cottonwood	Kent	WEST	04/15/2022	SOL	PV	200.2	COD			
201NR0272	RIO ROSALES AGP UPGRADE CT3	SS Completed, FIS Completed, No IA	OPS Energy	Existing gen 345kV Rio Rosales Power Project (P	Gaillard	SOUTH	04/20/2020	GAS	CC	19	SFS/NP			
201NR0274	SIXTY SIX Solar	SS Started, FIS Started, No IA	MERIT SI DEVELOPMENT, LLC	38210 Tinsley 69kV	Wheeler	WEST	06/01/2020	SOL	PV	14				
201NR0275	Wolverine	SS Started, FIS Started, No IA	Energy Storage Resources, LLC	7350 Mormon Mill 138kV	Burnet	SOUTH	03/31/2021	OTH	BA	100				
201NR0276	North Fork	SS Started, FIS Started, No IA	Energy Storage Resources, LLC	7622 Andoca 138kV	Williamson	SOUTH	12/31/2020	OTH	BA	100				
201NR0277	Juggernaut	SS Started, FIS Started, No A	Energy Storage Resources	7370 Seaway 138kV	Waller	HOUSTON	12/01/2020	OTH	BA	100				
201NR0279	SHIELD Solar	SS Started, FIS Started, No A	MERIT SI DEVELOPMENT, LLC	6608 TNP2 69kV (Upgraded to 90kV)	Crane	WEST	06/30/2020	SOL	PV	19.88				
201NR0280	High Lonesome BESS	SS Started, FIS Started, No IA	HIGH LONESOME WIND POWER, LLC	tap 345kV 76022 Bakersfield - 76005	Crockett	WEST	10/30/2020	OTH	BA	50				
201NR0281	Ozen BESS	SS Started, FIS Started, No IA	Roadrunner Solar Project, LLC	tap 345kV 11228 Odessa - 76000 N McCamey	Upton	WEST	10/30/2020	OTH	BA	50				
201NR0282	Odessa-Ector Unit 2 (Block 2) Upgrade	SS Started, FIS Started, No IA	LA FRONTIER HOLDINGS LLC	1025 Odessa 345kV	Ector	WEST	06/01/2020	GAS	CC	83				
201NR0283	CITY WEST Solar	SS Started, FIS Started, No IA	MERIT SI DEVELOPMENT, LLC	8507 Scherley 69kV	Live Oak	SOUTH	06/01/2020	SOL	PV	19.88	FIS Request			
201NR0284	BARTLESVILLE Solar	SS Started, FIS Started, No IA	MERIT SI DEVELOPMENT, LLC	9285 Lipson 138kV	Zavala	SOUTH	06/01/2020	SOL	PV	19.88	FIS Request			

GNR Project Milestone Dates																
Screening Study Started	Screening Study Complete	FIS Requested	FIS Approved	IA Signed	Financial Security and Notice to Proceed Provided	Air Permit	GHG Permit	Water Availability	Meets Planning Guide Section 6.9(1) Requirements for Inclusion in Planning Models	Meets All Planning Guide Section 6.9 Requirements for Inclusion in Planning Models	Meets Planning Guide QSA (Section 5.9) Prerequisites	Construction Start	Construction End	Approved for Energization	Approved for Synchronization	Comment
07/21/2009	10/02/2009	07/21/2009			No	Not Required	Not Required	Not Required								
02/28/2009	05/28/2009	11/30/2009	04/19/2010	11/05/2017	Yes	Not Required	Not Required	Not Required	04/24/2018	09/28/2018	05/01/2018			10/23/2018	12/04/2018	
04/23/2009	06/15/2009	07/21/2009	06/13/2010	07/02/2013	Yes	Not Required	Not Required	Not Required	24/19/2018	09/28/2018	07/31/2018			03/27/2019	04/05/2019	
09/28/2010	12/23/2010	08/17/2016	06/19/2018	12/04/2017	Yes	Not Required	Not Required	Not Required	10/04/2018	10/04/2018	08/01/2018			04/11/2019	04/19/2019	
12/01/2010	02/25/2011	08/09/2011	01/16/2014	12/26/2013	Yes	Not Required	Not Required	Not Required								
12/03/2010	03/21/2014	06/05/2011	05/31/2018	05/21/2019	Yes	Not Required	Not Required	Not Required	05/21/2018	09/28/2018	04/30/2018			10/11/2018	11/29/2018	
08/30/2008	09/25/2008	03/29/2010		01/31/2013	Yes	Not Required	Not Required	Not Required	04/30/2018	04/30/2018						
06/15/2010	09/02/2010	03/01/2011		04/25/2018	No	Not Required	Not Required	Not Required								
07/09/2010	10/04/2010	04/01/2011	03/18/2017	05/20/2016	Yes	Not Required	Not Required	Not Required	09/04/2018	10/30/2018	10/30/2018			07/09/2019	07/18/2019	
03/01/2011	03/26/2011	11/03/2011		08/09/2015	Yes	Not Required	Not Required	Not Required	03/04/2017							
01/24/2011	03/18/2011	09/12/2011		03/15/2018	Yes	Not Required	Not Required	Not Required	03/07/2019							
07/03/2012	08/17/2012	03/26/2014		08/25/2014	Yes	Not Required	Not Required	Not Required	Data Not Available							
07/04/2012	08/18/2012	03/04/2013	09/25/2017	03/27/2018	No	Not Required	Not Required	Not Required								
01/21/2013	02/19/2013	06/13/2013	04/25/2016	02/05/2016	Yes	Not Required	Not Required	Not Required	05/04/2017	04/24/2019	04/24/2019			11/09/2018	02/06/2019	
01/03/2013	03/14/2013	01/30/2013	05/14/2018	04/12/2018	Yes	Not Required	Not Required	Not Required	04/26/2018	04/26/2018	05/14/2018					
02/04/2013	03/25/2013	08/16/2013			No	Not Required	Not Required	Not Required								
08/06/2013	09/16/2013	08/20/2013			No	Not Required	Not Required	Not Required								
10/01/2013	10/19/2013	02/05/2014			No	Not Required	Not Required	Not Required								
11/13/2013	12/23/2013	11/12/2013		06/27/2018	Yes	Not Required	Not Required	Not Required	Data Not Available	04/17/2019						
12/18/2013	02/27/2014	04/15/2014	12/06/2017	06/01/2018	No	Not Required	Not Required	Not Required								
11/27/2013	01/27/2014	04/15/2014	09/17/2017	05/05/2016	Yes	Not Required	Not Required	Not Required	05/30/2018	09/19/2018	01/22/2019					
04/28/2015	07/01/2015	09/30/2015		06/13/2017	No	Not Required	Not Required	Not Required								
12/15/2011	02/15/2012	01/04/2012	01/22/2018	01/13/2014	Yes	07/16/2014	Not Required		10/09/2018	10/09/2018	10/09/2018			03/15/2019		
04/04/2013	05/23/2013	05/14/2013		06/01/2016	No	12/16/2016	12/12/2016	01/29/2014								
06/13/2013	03/15/2013	09/10/2013			No	Not Required	Not Required	Not Required								
10/01/2013	11/18/2013	02/10/2014			No	Not Required	Not Required	Not Required								
10/01/2013	11/18/2013	02/10/2014			No	Not Required	Not Required	Not Required								
11/15/2013	12/20/2013	11/07/2013	05/01/2018	08/19/2015	Yes	Not Required	Not Required	Not Required	05/01/2018	09/12/2018	05/01/2018			10/12/2018	10/25/2018	
02/10/2014	03/20/2014	10/27/2014		09/06/2016	No	Not Required	Not Required	Not Required								
02/24/2014	04/08/2014	02/18/2014	01/13/2018	03/24/2017	Yes	Not Required	Not Required	Not Required	03/24/2017	09/19/2018						
03/17/2014	04/29/2014	11/11/2014		01/26/2016	No	10/06/2015	Not Required	08/12/2015								
03/20/2014	04/15/2014	07/21/2014		04/01/2016	No	13/08/2015	Not Required	01/05/2016								
06/19/2014	07/25/2014	07/01/2014		05/10/2018	Yes	Not Required	Not Required	Not Required		08/08/2019						
03/15/2015	04/01/2015	03/10/2015	01/28/2018	10/27/2016	Yes	Not Required	Not Required	Not Required		11/10/2016				09/28/2018		
09/15/2014	12/10/2014	12/05/2014	10/31/2018	03/31/2015	Yes	Not Required	Not Required	Not Required	10/31/2018	10/31/2018	10/31/2018			05/21/2019	11/27/2017	05/31/2019
12/03/2014	03/02/2015	12/04/2014	02/25/2019		No	Not Required	Not Required	Not Required								
01/12/2015	03/19/2015	08/24/2015	08/24/2017	12/05/2017	Yes	02/10/2017	02/10/2017	01/10/2018	10/09/2018	02/12/2019	08/01/2018			02/12/2019		

GNR Project Milestone Dates														Meets Planning	Meets All Planning	Meets Planning Guide	Construction	Construction	Approved for	Approved for	
Screening Study Started	Screening Study Complete	FIS Requested	FIS Approved	IA Signed	Financial Security and Notice to Proceed Provided	Air Permit	GHG Permit	Water Availability	Meets Planning Guide Section 6.9(1) Requirements for Inclusion in Planning Models	Meets All Planning Guide Section 6.9 Requirements for Inclusion in Planning Models	Meets Planning Guide GSA (Section 5.9) Prerequisites	Construction Start	Construction End	Approved for Energization	Approved for Synchronization	Comment					
10/23/2018	11/15/2018	10/11/2018			No			Not Required													
11/07/2018	12/23/2018				No			Not Required													
11/20/2018	02/06/2019	03/14/2019			No			Not Required													
					No																
12/06/2018	01/11/2019	01/11/2019			No																
01/07/2019	03/26/2019	03/05/2019			No	Not Required	Not Required	Not Required													
11/09/2018	12/17/2018	11/06/2018			No																
11/07/2018	12/11/2018	05/17/2019			No																
11/07/2018	12/14/2018	11/07/2018			No	Not Required	Not Required	Not Required													
12/09/2018	01/18/2019	08/05/2019			No																
12/06/2018	01/03/2019	11/20/2018			No																
12/06/2018	01/03/2019	11/20/2018			No	Not Required	Not Required	Not Required													
12/06/2018	01/03/2019	12/01/2018	05/16/2019		No																
12/11/2018	02/15/2019	01/14/2019			No																
12/13/2018	01/17/2019	02/02/2019			No																
12/18/2018	01/03/2019	12/18/2018			No	Not Required	Not Required	Not Required													
02/01/2019	04/26/2019	02/22/2019			No																
01/11/2019	04/03/2019	12/1/2018			No	Not Required	Not Required	Not Required													
					No																
01/07/2019	03/15/2019	03/04/2019			No	Not Required	Not Required	Not Required													
01/14/2019	03/19/2019	04/26/2019			No	Not Required	Not Required	Not Required													
01/01/2019	04/18/2019	09/23/2019		05/28/2019	Yes	Not Required	Not Required	Not Required													
06/23/2017	08/07/2017	02/19/2018			No	Not Required	Not Required	Not Required													
01/15/2019	07/02/2019	03/15/2019			No	Not Required	Not Required	Not Required													
01/15/2019	07/02/2019	03/15/2019			No	Not Required	Not Required	Not Required													
01/13/2019	04/03/2019	03/15/2019			No	Not Required	Not Required	Not Required													
01/15/2019	03/29/2019	01/10/2019			No																
03/28/2019	06/18/2019	07/29/2019			No																
01/17/2019	04/02/2019	01/15/2019			No																
02/05/2019	05/03/2019	03/05/2019			No																
02/05/2019	04/28/2019	01/24/2019			No																
02/05/2019	05/26/2019	02/10/2019			No	Not Required	Not Required	Not Required													
02/26/2019	05/17/2019	02/07/2019			No																
05/23/2019		02/28/2019			No																
					No																
03/25/2019	06/12/2019	06/10/2019			No																
03/14/2019	05/28/2019	03/26/2019			No																
03/18/2019	05/13/2019	03/13/2019	07/08/2019		No																
03/25/2019	06/20/2019	03/14/2019	07/31/2019	07/22/2019	Yes	Not Required	Not Required	Not Required													
03/25/2019	06/03/2019	06/10/2019			No	Not Required	Not Required	Not Required													
04/03/2019	05/30/2019	03/18/2019			No																
05/13/2019	06/23/2017	03/18/2019	01/16/2019		No																
03/26/2019	06/11/2019	06/03/2019			No																
04/24/2019	07/19/2019	04/23/2019			No																
06/24/2019		08/19/2019			No																
05/10/2019		05/10/2019			Yes		Not Required	Not Required	07/21/2019	07/21/2019	07/30/2019										
06/20/2019		06/17/2019			No																
05/22/2019		05/21/2019			No																
05/17/2019		05/14/2019			No																
05/17/2019		05/14/2019			No																
					No																
06/17/2019		06/13/2019			No																
06/11/2019		06/07/2019			No																
06/18/2019		06/14/2019			No																
07/15/2019		07/12/2019			No																
		07/28/2019			No																

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)

– Crane ISD – CED Crane Solar 2, LLC App. #1400 –

Comptroller Questions (via email on August 22, 2019):

- 1) Is this project known by any specific names not otherwise mentioned in this application?
- 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) Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned.

Company Response (via email on August 22, 2019;):

- 1) *No, the project has only been called CED Crane Solar 2, LLC. The lands associated with this App#1400 solar project were originally part of the SP-Horsehead Crossing LLC (aka CED Crane Solar, LLC) application #1182, but that agreement is being amended so that the lands don't overlap between the two applications.*
- 2) *As stated in item#1, the project has only been known as CED Crane Solar 2, LLC.*
- 3) *Yes, the project has applied to ERCOT. The GINR# is 201NR0226 TMBRWOLF. January 2019.*

Findings and Order of the Crane Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
CED Crane Solar 2, LLC (Tax I.D. 32070838704) (Application No. 1400)

EXHIBIT B

*Summary of Financial Impact on Crane Independent School District
Prepared by Jigsaw School Finance Solutions LLC*

**SUMMARY OF THE FINANCIAL IMPACT OF THE PROPOSED
CED CRANE SOLAR 2, LLC PROJECT
(APPLICATION # 1400)
ON THE FINANCES OF
CRANE INDEPENDENT SCHOOL DISTRICT
UNDER A REQUESTED
CHAPTER 313 APPRAISED VALUE LIMITATION**

**PREPARED BY
JIGSAW SCHOOL FINANCE SOLUTIONS, LLC**

Introduction

CED Crane Solar 2 LLC (“Company”) has submitted an application to the Crane Independent School District (“District”) requesting a property value limitation on a proposed project located within the school district boundaries, under Chapter 313 of the Texas Tax Code. The proposed project is a renewable energy electric generation project located in Crane County, TX. The company estimates that the total investment in this project will be approximately \$65 million.

Local government entities in Texas, including school districts, rely heavily on the ad valorem property tax to fund operations and building projects. Thus, the property tax burden that Texas imposes on individuals and business entities is higher compared to most other states. Seeking to encourage economic development and to attract large scale capital investment, the 77th Texas Legislature in 2001 enacted House Bill 1200 creating Tax Code Chapter 313, the Texas Economic Development Act. The act as amended by the legislature in 2007, 2009 and 2013 now grants eligibility to companies engaging in manufacturing, advanced clean energy projects, research and development, clean coal projects, renewable electric energy generation, electric power generation using integrated gasification combined cycle technology, nuclear electric power generation and a computer center used primarily in connection to one of the other categories or a Texas Priority Project. Under the provisions of this law, the Crane Independent School District may grant a value limitation for maintenance and operation taxes in the amount of \$20 million dollars for a period of ten years.

The application calls for the project to be fully taxable for both maintenance and operation (M&O) and interest and sinking (I&S) during the 2020-21 school year. Beginning with the 2021-22 school year, the value of the project would be limited to \$20 million for maintenance and operation (M&O) tax purposes and remain limited through the 2030-31 school year. The full value of the project will be taxable for debt service purposes using the I&S tax rate in all years of the agreement.

Revenue Protection Payment to Crane ISD -	\$446,292
Supplemental Payments to Crane ISD -	\$778,873
Total Revenue to Crane ISD Resulting From Tax Code Chapter 313 Agreement -	<u>\$1,225,165</u>
Total Tax Savings to Company after all Payments -	<u>\$879,342</u>

School Finance Mechanics

The Texas system of public-school funding is based on the ad valorem property tax. Schools levy a tax rate for maintenance and operation (M&O) and interest and sinking (I&S) against a current year tax roll. As a result of House Bill 3, as passed by the 86th Texas Legislature, signed into law and effective in relevant part on September 1, 2019, State funding is calculated using current year property value which is a significant change from prior law which since 1993 has relied on prior year values as certified by the Comptroller’s Property Tax Division (CPTD). However, for the purposes of districts with Tax Code Chapter 313 agreements and in accordance with Sec. 48.256 – LOCAL

SHARE OF PROGRAM COST (TIER I), Subsection d - *A revenue protection payment required as part of an agreement for a limitation on appraised value shall be based on the district's taxable value of property for the preceding tax year.* During any school year where there would have been a loss of property tax revenue from the prior year as a result of the Tax Code Chapter 313 agreement, a revenue protection payment equal to that reduction will be required.

Texas school districts are funded by a combination of local ad valorem property taxes and state aid. Most of the funds that a school district generates through the funding formulas is generated in Tier 1. Local M&O collections at the compressed tax rate generate Tier I funding. In 2019-20, a school district's Tier I revenue is the greater of the adjusted minimum target revenue amount or the state share of Tier 1 plus local M&O collections at the compressed rate. The Tier 1 formulas start with a Basic Allotment per student of \$6,160. Funding calculations use the number of students in average daily attendance, the number of students who participate in categorical/special programs and adjustments for size, sparsity and location determine a Total Cost of Tier 1. A Local Fund Assignment is determined by multiplying the district's compressed tax rate by the current year property value. This formula determines the local ad valorem property taxes the district must collect in order to satisfy the district's share of the Tier 1 cost. School districts that are relatively property wealthy per student fund most of the Total Cost of Tier 1 with local property taxes, while school districts that are relatively property poor per student receive most of the Total Cost of Tier 1 from state aid.

Underlying Assumptions

A forecast of the financial impact that the proposed value limitation will have on Crane ISD's future revenue is critical information that will be very useful to the district when making the decision to grant the limitation and for the district's long range financial planning process. Analysis for this application covers the 2019-20 through the 2035-36 school years.

The Revenue Protection Clause of the proposed agreement and Tax Code Chapter 313 Section 48.256 Subsection D calls for the school district to be held harmless against any potential losses as a result of the value limitation agreement. Revenue protection calculations are to be made using whatever property tax laws and school funding formulas are in place at that time in years one through ten of the agreement. This stipulation is a statutory requirement under Section 313.027 of the Tax Code.

The approach used in this report was to predict 16 years of base data including average daily attendance, M&O and I&S tax rates, maintenance and operation (M&O) tax collections, current year (CAD) values and prior year (CPTD) values for each year of the agreement. For the purposes of this analysis, final 2018 CPTD values were used as well as 2019 CAD values from Crane CAD. Crane ISD currently has other approved Chapter 313 projects. These values have been included in the base data illustrated in **Table 1**.

Table 1 Base District Information
Crane ISD, CED Crane Solar 2 LLC, Project # 1400

Year of Agreement	School Year	ADA	WADA	Assumed M&O Tax Rate	Assumed I&S Tax Rate	Property Value Without Project	Project Values	Property Value No Limit	Property Value With Limit	Property Value with Project per WADA	Property Value with Limitation per WADA
0	2019-20	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$0	\$1,252,842,245	\$1,252,842,245	\$781,675	\$761,675
0	2020-21	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$48,810,000	\$1,301,652,245	\$1,301,652,245	\$791,350	\$791,350
QTP1/L1	2021-22	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$65,080,000	\$1,317,922,245	\$1,272,842,245	\$801,241	\$773,834
QTP2/L2	2022-23	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$60,589,480	\$1,313,431,725	\$1,272,842,245	\$798,511	\$773,834
L3	2023-24	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$55,734,512	\$1,308,576,757	\$1,272,842,245	\$795,559	\$773,834
L4	2024-25	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$50,495,572	\$1,303,337,817	\$1,272,842,245	\$792,374	\$773,834
L5	2025-26	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$44,833,612	\$1,297,675,857	\$1,272,842,245	\$788,932	\$773,834
L6	2026-27	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$38,722,600	\$1,291,564,845	\$1,272,842,245	\$785,217	\$773,834
L7	2027-28	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$32,123,488	\$1,284,965,733	\$1,272,842,245	\$781,205	\$773,834
L8	2028-29	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$24,997,228	\$1,277,839,473	\$1,272,842,245	\$776,872	\$773,834
L9	2029-30	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$17,298,264	\$1,270,140,509	\$1,270,140,509	\$772,192	\$772,192
L10	2030-31	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$13,016,000	\$1,265,858,245	\$1,265,858,245	\$769,588	\$769,588
MVP1	2031-32	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$13,016,000	\$1,265,858,245	\$1,265,858,245	\$769,588	\$769,588
MVP2	2032-33	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$17,391,000	\$1,270,233,245	\$1,270,233,245	\$772,248	\$772,248
MVP3	2033-34	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$17,089,125	\$1,269,931,370	\$1,269,931,370	\$772,065	\$772,065
MVP4	2034-35	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$16,762,750	\$1,269,604,995	\$1,269,604,995	\$771,866	\$771,866
MVP5	2035-36	1,056	1,645	\$0.9900	\$0.0359	\$1,252,842,245	\$16,410,563	\$1,269,252,808	\$1,252,842,245	\$771,652	\$761,675

To isolate the impact of the value limitation on the District's finances over the term of the agreement, average daily attendance and maintenance and operation tax rates were held constant at levels that existed in the 2019-20 school year. An ADA of 1056, a WADA of 1,645 and an M&O tax rate of \$0.99 were used for each year of the of the initial forecast. Due to HB 3, however, the M&O tax rate will be compressed to \$0.97 for 2019-2020. A tax collection rate of 100% is assumed in all the calculations used in this analysis. The Crane CAD certified value for 2019 was used as the 2019 CAD value. This value was used as the basis for subsequent current year (CAD) values in this report. The final 2018 T1, T2, T3 and T4 Comptroller Property Tax Division (CPTD) values certified to school districts in late July, 2018 were used as a basis for predicting future year (CPTD) values for each of the agreement years.

The proposed agreement and Tax Code Chapter 313 Section 48.256 Subsection D calls for Crane ISD to be held harmless against potential state and local revenue losses that might occur as a result of the value limitation being in effect for any given year of the agreement. In order to predict when and if these tax revenue losses may occur, a state and local revenue projection for the 2019-2020 school year was completed to serve as baseline data and is displayed in **Table 2**. In any year of the limitation period where total state and local funding with the full project value exceeds the total state and local funding produced when the limited value is used, a Revenue Protection Payment is indicated for that year. The results of these calculations are illustrated in **Table 3**.



Table 2

District:	Crane ISD		
Applicant:	CED Crane Solar 2, LLC		
Project #	1400		
Summary of Finances 2019-20 School Year			
Basic Information:			
Total Refined ADA (adj. for decline, if applicable)		1,055.68	1,055.68
CPTD Property Value		926,631,297	1,252,842,245
Total M&O Tax Collections		13,280,128	12,403,138
HB 3 WADA			1,644.85
		2019-20 Old Law	2019-20 HB 3
Total Cost of Tier I		8,816,111	10,177,238
LESS: Local Fund Assignment		9,266,313	11,651,433
State Share of Tier I		(450,201)	(1,474,195)
TIER I STATE AID:			
Greater of State Share of Tier I or Current Law ASF+HS NIFA; or HB3 ASF		360,585	273,154
Gross Recapture - Tier 1		0	1,747,349
Adjustments to Gross Recapture in Order to Maintain Revenue, if applicable		0	(0)
Adjusted Gross Recapture - Tier 1		0	1,747,349
CAD credit		0	0
Net Recapture - Tier I		0	1,747,349
		0	0
Tier II State Aid for "Golden" Level		928,668	220,994
Tier II State Aid for "Copper" Level		0	0
TOTAL TIER II STATE AID		928,668	220,994
		0	0
Gross Recapture - Copper Penny Level		0	0
CAD credit		0	0
Net Recapture - Copper Penny Level		0	0
		0	0
Other Programs:		0	0
Supplemental TIF Payment		0	0
State Aid Reduction for WADA Sold		0	0
Ch 313 Tax Credits		0	0
Staff Allotment		26,980	0
TSD Charge		0	0
TSB Charge		0	0
TOTAL OTHER PROGRAMS		26,980	0
		0	0
Less: Available School Fund (estimated)		(273,154)	(273,154)
		0	0
		0	0
SUMMARY OF TOTAL STATE/LOCAL M&O REVENUE:			
		0	0
		0	0
M&O Revenue From State (not including Fund 599)		1,316,233	494,148
M&O Revenue From Local Taxes Before Recapture		13,280,128	12,403,138
Recapture, if any		0	1,747,349
		0	0
STATE/LOCAL M&O REVENUE (prior to Formula Transition & Equalized Wealth Transition Grant)		14,596,360	11,149,937
Formula Transition Grant		N/A	1,107,850
Equalized Wealth Transition Grant		N/A	1,169,287
		0	0
HB 3 NET TOTAL STATE/LOCAL M&O REVENUE		14,596,360	13,427,074

Financial Impact on the School District

Utilizing the assumptions and methodology described above, total maintenance and operation tax revenue was estimated for each year of the agreement. **Table 3** indicates that there will be a tax revenue loss to the district of \$446 thousand over the course of the agreement. The revenue loss by the district due to the agreement and Tax Code Chapter 313 Section 48.256 Subsection D is estimated to be mostly in the first year of the value limitation period.

Financial Impact on the Taxpayer

The terms of the proposed agreement call for the maintenance and operation (M&O) value of the project to be limited to \$20 million starting in school year 2021-22 and remaining limited through school year 2030-31. The potential gross and net tax savings to CED Crane Solar 2 LLC are shown in **Table 3**. As stated earlier, an M&O tax rate of \$0.99 and a collection rate of 100% is used throughout the calculations in this report. **Table 3** shows gross tax savings due to the limitation of \$2.104 million over the length of the contract. Net tax savings are estimated to be \$879 thousand. To estimate supplemental payments to the school district is based on the negotiated amount of \$104,200 rather than being based on \$100 per ADA, a model of ADA was applied to the base ADA of 1,056 which was the ADA for Crane ISD through the end of the first six-weeks of the 2019-20 school year.

Facilities Funding Impact on the District

Reports submitted by CED Crane Solar 2 LLC show the full value of the property being depreciated over time. Even so, the full value of the project will be available to the district for I&S taxes and will enhance the district's ability to service current and future debt obligations. Texas funding laws provide assistance to school districts for debt service purposes in the form of the Instructional Facilities Allotment and the Existing Debt Allotment. The formulas provide a guarantee of \$35 per ADA per penny of tax effort. While the project is expected to provide additional employment opportunities in the area, the impact on student enrollment is predicted to be minimal.

Conclusion

The CED Crane Solar 2 LLC project proposed in this application will benefit the community, the district, Crane ISD and the taxpayer, CED Crane Solar 2 LLC. The community will receive economic development, the taxpayer will enjoy savings on property taxes and the district will be held harmless from revenue loss due to the provisions of the agreement and Tax Code Chapter 313 Section 48.256 Subsection D. The district will also enjoy an increased value available for I&S tax collections dedicated to debt service that can be leveraged to provide first class facilities for faculty and students.

Note, the Texas Legislature could take action that could potentially change the impact of this 313 valuation limitation agreement on the finances of Crane ISD and result in estimates that differ significantly from the estimates presented in this analysis. Some of the factors that could significantly change these estimates are legislative or administrative changes made by the Texas Legislature, the Texas Education Agency or the Comptroller of Public Accounts. The changes could contain modifications to the school finance formulas, property value appraisals, tax exemptions or tax code. Other factors that could impact the estimates of this agreement could also include changes to property values, district tax rates and student enrollment.

**Table 3 Estimated Financial Impact
Crane ISD, CED Crane Solar 2 LLC, Project # 1400**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Benefit to Company Before Revenue Protection	School District Revenue Losses	Estimated Net Tax Benefits	School District Benefit \$100 per ADA	Company Tax Benefit
0	2019-20	\$0	\$0	\$0	0.9900	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	2020-21	\$48,810,000	\$48,810,000	\$0	0.9900	\$483,219	\$483,219	\$0	\$0	\$0	\$0	\$0
QTP1/L1	2021-22	\$65,080,000	\$20,000,000	\$45,080,000	0.9900	\$644,292	\$198,000	\$446,292	-\$446,292	\$0	\$104,200	-\$104,200
QTP2/L2	2022-23	\$60,589,480	\$20,000,000	\$40,589,480	0.9900	\$599,836	\$198,000	\$401,836	\$0	\$401,836	\$104,200	\$297,636
L3	2023-24	\$55,734,512	\$20,000,000	\$35,734,512	0.9900	\$551,772	\$198,000	\$353,772	\$0	\$353,772	\$104,200	\$249,572
L4	2024-25	\$50,495,572	\$20,000,000	\$30,495,572	0.9900	\$499,906	\$198,000	\$301,906	\$0	\$301,906	\$104,200	\$197,706
L5	2025-26	\$44,833,612	\$20,000,000	\$24,833,612	0.9900	\$443,853	\$198,000	\$245,853	\$0	\$245,853	\$104,200	\$141,653
L6	2026-27	\$38,722,600	\$20,000,000	\$18,722,600	0.9900	\$383,354	\$198,000	\$185,354	\$0	\$185,354	\$104,200	\$81,154
L7	2027-28	\$32,123,488	\$20,000,000	\$12,123,488	0.9900	\$318,023	\$198,000	\$120,023	\$0	\$120,023	\$104,200	\$15,823
L8	2028-29	\$24,997,228	\$20,000,000	\$4,997,228	0.9900	\$247,473	\$198,000	\$49,473	\$0	\$49,473	\$49,473	\$0
L9	2029-30	\$17,298,264	\$17,298,264	\$0	0.9900	\$171,253	\$171,253	\$0	\$0	\$0	\$0	\$0
L10	2030-31	\$13,016,000	\$13,016,000	\$0	0.9900	\$128,858	\$128,858	\$0	\$0	\$0	\$0	\$0
MVP1	2031-32	\$13,016,000	\$13,016,000	\$0	0.9900	\$128,858	\$128,858	\$0	\$0	\$0	\$0	\$0
MVP2	2032-33	\$17,391,000	\$17,391,000	\$0	0.9900	\$172,171	\$172,171	\$0	\$0	\$0	\$0	\$0
MVP3	2033-34	\$17,089,125	\$17,089,125	\$0	0.9900	\$169,182	\$169,182	\$0	\$0	\$0	\$0	\$0
MVP4	2034-35	\$16,762,750	\$16,762,750	\$0	0.9900	\$165,951	\$165,951	\$0	\$0	\$0	\$0	\$0
MVP5	2035-36	\$16,410,563	\$16,410,563	\$0	0.9900	\$162,465	\$162,465	\$0	\$0	\$0	\$0	\$0
TOTALS						\$5,270,465	\$3,165,958	\$2,104,507	-\$446,292	\$1,658,215	\$778,873	\$879,342

*Note: School District Revenue-Loss estimates are subject to change based on various factors, including legislative and Texas Education Agency administrative changes to school finance formulas, year-to-year project appraisal values, and changes in school district tax rates. Additional information on the assumptions used in preparing these estimates is provided in the narrative of this Report.

Findings and Order of the Crane Independent School District
Board of Trustees under the Texas Economic Development Act on the Application Submitted by
CED Crane Solar 2, LLC (Tax I.D. 32070838704) (Application No. 1400)

EXHIBIT C

*Proposed Agreement Between
Crane Independent School District and CED Crane Solar 2, LLC*

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF
PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND
OPERATIONS TAXES**

by and between

CRANE INDEPENDENT SCHOOL DISTRICT

and

CED CRANE SOLAR 2, LLC

(Texas Taxpayer ID #32070838704)

Comptroller Application # 1400

Dated

November 19, 2019

*Texas Economic Development Act
Agreement Comptroller Form 50-826
(Jan 2016)*

District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on November 19, 2019 the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on November 19, 2019 the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the 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; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on November 19, 2019, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in Section 313.051(b) of the TEXAS TAX CODE;

WHEREAS, on November 18, 2019, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on November 19, 2019 the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means CED Crane Solar 2, LLC, (*Texas Taxpayer ID #32070838704*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 4** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on July 16, 2019. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

“Application Approval Date” means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

“Application Review Start Date” means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

“Appraised Value” shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

“Appraisal District” means the Crane County Appraisal District.

“Board of Trustees” means the Board of Trustees of the Crane Independent School District.

“Comptroller” means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

“Comptroller’s Rules” means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative

decisions interpreting same.

“County” means Crane County, Texas.

“District” or “School District” means the Crane Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant’s Qualified Property or the Applicant’s Qualified Investment.

“Final Termination Date” means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty 60 business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant

shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller's Rules, and this Agreement.

"State" means the State of Texas.

"Supplemental Payment" means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

"Tax Limitation Amount" means the maximum amount which may be placed as the Appraised Value on the Applicant's Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

"Tax Limitation Period" means the Tax Years for which the Applicant's Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

"Tax Year" shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

"Taxable Value" shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

Section 1.2 NEGOTIATED DEFINITIONS. Wherever used in Articles IV, V, and VI, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning or otherwise; provided however, if there is a conflict between a term defined in this section and a term defined in the Act, the Comptroller's Rules, or Section 1.1 of Agreement, the conflict shall be resolved by reference to Section 10.9.C.

"Aggregate Limit" means, for any Tax Year during the Limitation Period of this Agreement, an amount equal to the Net Tax Benefit to the Applicant.

"Applicable School Finance Law" means the State constitution and laws, agency regulations and/or judicial rulings then controlling the public school finance system for Texas public schools and school districts generally and the District specifically, in accordance with all provisions thereof applicable to any terms of this Agreement at the time any computation, calculation or obligation of either Party under this Agreement is required to be performed or for the period to which such computation, calculation or obligation relates, as applicable. The term includes any amendments or successor statutes that may be adopted in the future which affect the calculation of the District's Maintenance and Operations Revenue or the Applicant's ad valorem tax obligation to the District, in each case, either with or without the limitation on appraised value of property pursuant to this Agreement.

"Commercial Operation" means the date on which the Project described in the Application for Value

Limitation Agreement becomes commercially operational and capable of being placed into service, such that it has been constructed and is capable of producing electricity.

“Cumulative Payments” means for each year of this Agreement the total of all payments, calculated under Articles IV, V and VI of this Agreement for the current Tax Year which are paid by or owed by Applicant to the District, plus payments paid by Applicant to compensate District for loss of revenue under this Agreement.

“Last M&O Revenue” means the reduction in Maintenance and Operations *ad valorem* Tax Revenue to the District caused by, resulting from, or on account of the execution of this Agreement for each year starting in the year of the Application Approval Date and ending on the Final Termination Date of this Agreement.

“Maintenance and Operations Tax Revenue” means (i) those revenues which the District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE, and Article VII § 3 of the TEXAS CONSTITUTION, plus (ii) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE, or any other statutory provision as well as any amendment or successor statute to these provisions, minus (iii) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE, in each case, as any of the items in clauses (i), (ii), and (iii) above may be amended by Applicable School Finance Law from time to time. Maintenance and Operations Revenue shall be the net amount of all such revenues, payments or other amounts which the District is entitled to receive and retain from State and local funding for maintenance and operations purposes under Applicable School Finance Law.

“New M&O Revenue” means the total State and local Maintenance and Operations Tax Revenue that the District actually received for such school year attributable to the Qualified Property that is the subject of this Agreement.

“Net Tax Benefit” means, for any Tax Year during the term of this Agreement, an amount equal to (but not less than zero): (i) the amount of maintenance and operations ad valorem taxes which the Applicant would have paid to the District for such Tax Year and all previous Tax Years during the term of this Agreement if this Agreement had not been entered into by the Parties; *minus*, (ii) an amount equal to the sum of (A) all maintenance and operations ad valorem school taxes actually due to the District or any other governmental entity, including the State of Texas, for such Tax Year and all previous Tax Years during the term of this Agreement, plus (B) any and all payments due to the District under Articles IV, V, and VI of this Agreement.

“Original M&O Revenue” means the total State and local Maintenance and Operations Tax Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant’s Qualified Property been subject to the *ad valorem* maintenance and operations tax at the then-current tax rate. For purposes of this calculation, the Third Party will base its calculations upon the District’s taxable value of property for the preceding tax year as certified by the Appraisal District for all taxable accounts in the District, *less* the Qualified Property subject to this Agreement, *plus* the total appraised value of the Qualified Property subject to this Agreement which is or would be used for the calculation of the District’s tax levy for debt service (interest and sinking fund)

ad valorem tax purposes.

“Revenue Protection Amount” means for any Tax Year during the term of this Agreement, the sum of all payments otherwise due from the Applicant to the District under Article IV and V of this Agreement with respect to such Tax Year.

“Third Party” shall have the meaning set forth in Section 4.3.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY.

This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE.

In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

A. The Application Review Start Date for this Agreement is August 15, 2019, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.

B. The Application Approval Date for this Agreement is November 19, 2019.

C. The Qualifying Time Period for this Agreement:

- i. Starts on January 1, 2021, a date not later than January 1 of the fourth Tax Year following the Application Approval Date for deferrals, as authorized by §313.027(h) of the TEXAS TAX CODE; and
- ii. Ends on December 31, 2022, the last day of the second complete Tax Year following the Qualifying Time Period start date.

D. The Tax Limitation Period for this Agreement:

- i. Starts on January 1, 2021, first complete Tax Year that begins after the date of the commencement of Commercial Operation; and
- ii. Ends on December 31, 2030, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.

E. The Final Termination Date for this Agreement is December 31, 2035, which is the last year of the Limitation Period as defined in Section 2.3.D.ii plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION.

So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. Twenty Million Dollars (\$20,000,000).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by Section 313.052 of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of \$10,000,000 during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least \$1,279.00 for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide such Supplemental Payments as more fully specified in Article VI;
- C. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and
- D. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III
QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE.

At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT.

The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY.

The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY.

In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE.

The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as renewable energy electric generation facility.

ARTICLE IV

PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF PARTIES.

It is the intent of the Parties in accordance with the provisions of Section 313.027(f)(1) of the TEXAS

TAX CODE and Section 48.256 (d) of the TEXAS EDUCATION CODE that the District shall be compensated by the Applicant as provided in this Article IV for any Lost M&O Revenue as a result of, or on account of, entering into this Agreement, after taking into account any payments to be made under this Agreement. Such payments shall be independent of, and in addition to such other payments as set forth in Article V and Article VI of this Agreement. **It is the intent of the Parties that the risk of any and all Lost M&O Revenue as a result of, or on account of, entering into this Agreement, will be borne by the Applicant and not by the District.**

Subject to the limitations contained in this Agreement, the calculation of any Lost M&O Revenue required to be paid by the Applicant under this Article IV shall be made for the first time in the first complete Tax Year following the Application Approval Date and every year thereafter during the term of this Agreement.

Within 60 days from the date Commercial Operations begin, the Applicant shall provide to the District, the Comptroller, and the Appraisal District a verified written report, giving a specific and detailed description of the land, tangible personal property, buildings, or permanent, nonremovable building components (including any affixed to or incorporated into real property) to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such Qualified Property within the boundaries of the land which is subject to the Agreement, if such final description is different than the description provided in the Application or any supplemental application information, or if no substantial changes have been made, a verification of the fact that no substantial changes have been made.

The Parties further agree that the printouts and projections produced during the negotiations and approval of this Agreement are:

- i. For illustrative purposes only, are not intended to be relied upon, and have not been relied upon by the Parties as a prediction of future consequences to either Party to the Agreement;
- ii. Are based upon current Applicable School Finance Law, which is subject to change by statute, by administrative regulation, or by judicial decision at any time; and,
- iii. May change in future years to reflect changes in the Applicable School Finance Law.

Section 4.2 CALCULATING LOST M&O REVENUE.

Subject to the limitations contained in this Agreement, the amount to be paid by the Applicant to compensate the District for loss of M&O Revenue resulting from, or on account of, this Agreement for each year starting in the year of the Application Approval Date and ending on Final Termination Date (the "Lost M&O Revenue") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

Subject to the limitations contained in this Agreement, the Lost M&O Revenue owed by the Applicant to District means the Original M&O Revenue *minus* the New M&O Revenue.

In making the calculations required by this Section 4.2:

- i. The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- ii. For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property will be presumed to be one hundred percent (100%).
- iii. If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue, as calculated under this Section 4.2 of this Agreement, results in a negative number, the negative number will be considered to be zero.
- iv. For all calculations made for years during the Tax Limitation Period under this Section 4.2 of this Agreement, Subsection ii of this subsection will reflect the Tax Limitation Amount for such year.
- v. All calculations made under this Section 4.2 shall be made by a methodology which isolates only the full Maintenance and Operation Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or on account of or otherwise arising out of any other factors not contained in this Agreement.

Section 4.3. CALCULATIONS TO BE MADE BY THIRD PARTY.

All calculations under this Agreement shall be made annually by an independent third party (the "Third Party") selected and appointed each year by the District, subject to approval by Applicant in writing, which approval shall not unreasonably be withheld.

Section 4.4. DATA USED FOR CALCULATIONS.

The calculations for payments under this Agreement shall be initially based upon the valuations that are placed upon all taxable property in the District, including the Applicant's Qualified Property, by the Appraisal District in its annual certified tax roll submitted to the District for each Tax Year pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Third Party selected and appointed under Section 4.3. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Third Party to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Third Party shall be adjusted from time to time by the Third Party to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax roll or any other changes in student counts, tax collections, or other data.

Section 4.5. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT.

If the Applicant has appealed any matter relating to the valuations placed by the Appraisal District

on the Applicant's Qualified Property, and such appeal remains unresolved at the time the Third Party selected under Section 4.3 makes its calculations under this Agreement, the Third Party shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

If as a result of an appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Third Party who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amount to the other Party within thirty (30) days of the receipt of the new calculations from the Third Party.

Section 4.6. DELIVERY OF CALCULATIONS.

On or before November 1 of each year for which this Agreement is effective, the Third Party appointed pursuant to Section 4.3 of this Agreement shall forward to the Parties a certification containing the calculations required under this Article IV, Article V, Article VI, and/or Section 7.1 of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Third Party shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed, which fee shall be the sole responsibility of the District, but subject to the provisions of Section 4.8, below. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Third Party's calculations, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Third Party shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Third Party shall preserve all documents pertaining to the calculation until four (4) years after the Final Termination Date of this Agreement. The Applicant shall not be liable for any of the Third Party's costs resulting from an audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement.

Section 4.7. STATUTORY CHANGES AFFECTING MAINTENANCE & OPERATION REVENUE.

Notwithstanding any other provision in this Agreement, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District that are necessary to fully reimburse and hold the District harmless from any actual negative impact on the District's Maintenance and Operation Revenue as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District. Such payment shall be made no later than thirty (30) days following notice from the District of such determination and calculation. The District shall use reasonable efforts to mitigate the economic effects of any such statutory change or administrative interpretation, and if the Applicant disagrees with any calculation or determination by the District of any adverse impact described in this Article IV, the Applicant shall have

the right to appeal such calculation or determination in accordance with the procedures set forth in Section 4.9.

Section 4.8. PAYMENT BY APPLICANT.

Subject to Section 4.9 below, the Applicant shall pay any amount determined by the Third Party to be due and owing to the District under this Agreement on or before the January 31 of the year next following the tax levy for each year for which this Agreement is effective. Subject to the limitation set forth in this Section 4.8 below, by such date, the Applicant shall also pay any amount billed by the Third Party for all calculations under this Agreement under Section 4.4, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants for the preparation and filing of any financial reports, disclosures, or other reimbursement applications filed with or sent to the State of Texas, for any audits conducted by the State Auditor's Office, or for other legal expenses which are, or may be required under the terms of, or because of, the execution of this Agreement. The Applicant shall only be responsible for the payment of an aggregate amount of fees and expenses under this Section 4.8 not to exceed Fifteen Thousand Dollars (\$15,000.00).

Section 4.9. RESOLUTION OF DISPUTES.

Should the Applicant disagree with the Third Party calculations made pursuant to this Article IV of this Agreement, the Applicant may appeal the findings, in writing, to the Third Party within thirty (30) days following the later of (i) receipt of the certification, or (ii) the date the Applicant is granted access to the books, records, and other information in accordance with Section 4.4 for purposes of auditing or reviewing the information in connection with the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Third Party will issue, in writing, a final determination of the calculations. Thereafter, the Applicant may appeal the final determination of the certification containing the calculations to the District's Board of Trustees within thirty (30) days after receipt of the final determination of the calculations. Any appeal by the Applicant of the final determination of calculations shall in no way limit Applicant's other rights and remedies available hereunder, at law or in equity.

Section 4.10. PAYMENT LIMITATION; AGGREGATE LIMIT

In the event that the Revenue Protection Amount for any Tax Year during the Limitation Period of this Agreement shall exceed the Applicant's Net Tax Benefit for that Tax Year, the Revenue Protection Amount owed for that year shall be limited to the Applicant's Net Tax Benefit for that Tax Year. Amounts otherwise due and owing by the Applicant to the District which, by virtue of this payment limitation, are not paid in that Tax Year shall be carried forward from year to year into subsequent Tax Years until paid in full.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES.

In addition to the amounts determined pursuant to Articles IV and VI of this Agreement, Applicant on an annual basis shall also indemnify and reimburse District for all non-reimbursed costs, certified by the

District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment caused directly by such project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.9 above.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

Section 6.1. INTENT OF PARTIES WITH RESPECT TO SUPPLEMENTAL PAYMENTS

In interpreting the provisions of this Article VI, the Parties agree that, in addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by the District, the Applicant shall also be responsible for the Supplemental Payments set forth in this Article VI. The Applicant shall not be responsible to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on appraised value made pursuant to Chapter 313 of the TEXAS TAX CODE, unless it is explicitly set forth in this Agreement. It is the express intent of the Parties that the obligation for Supplemental Payments under this Article VI are separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V, and that all payments under Article VI are subject to the separate limitations contained in Section 6.2 and Section 6.3. Each Supplemental Payment shall be due and payable on January 31st of the year following that in which such Supplemental Payment accrued.

Section 6.2. SUPPLEMENTAL PAYMENT. Notwithstanding the foregoing:

- A. The total of the Supplemental Payments made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application.
- B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.
- C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.
- D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the TEXAS EDUCATION CODE, based upon the District's Average Daily Attendance for the previous school year.

Failure to pay such Supplemental Payments shall constitute Material Breach of this Agreement, as set forth more fully herein at Article IX.

Section 6.3. CALCULATION OF ANNUAL SUPPLEMENTAL PAYMENTS TO THE DISTRICT.

For each Tax Year beginning with the period starting the first full or partial year of the Qualifying Time Period (2020) and ending December 31 of the final year of the Tax Limitation Period (2030), Supplemental payments shall be owed. During the Qualifying Time Period and for the three years following the end of the Tax Limitation Period, the supplemental payment amount shall not be subject to the Aggregate Limit.

If, for any Tax Year during the Limitation Period of this Agreement the Cumulative Payment Amount, calculated under Sections IV, V and VI of this Agreement, exceeds the Aggregate Limit for such Tax Year, the difference between the Applicant's Supplemental Payment Amount so calculated and the Aggregate Limit for such Tax Year, shall be carried forward from year-to-year until paid to the District. Any unpaid amounts shall be extinguished three years following the end of the Tax Limitation Period.

Section 6.4. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

All calculations required by this Article VI, including but not limited to: (i) the calculation of the Applicant's Cumulative Payment Amount; (ii) the determination of both the Annual Limit and the Aggregate Limit; (iii) the effect, if any, of the Aggregate Limit upon the actual amount of Cumulative Payments eligible to be paid to the District by the Applicant; and (iv) the carry forward and accumulation of any of the Applicant's Stipulated Supplemental Payment Amounts unpaid by the Applicant due to the Aggregate Limit in previous years, shall be calculated by the Third Party selected pursuant to Section 4.3.

- (a) The calculations made by the Third Party shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.
- (b) The payment of all amounts due under this Article VI shall be made at the time set forth in Section 4.8.
- (c) Any appeal by the Applicant of the calculations made by the Third Party under this Article VI shall be done in the same manner as set forth in Section 4.9, above.

Section 6.5. DISTRICT'S OPTION TO DESIGNATE SUCCESSOR BENEFICIARY.

At any time during this Agreement, the Board of Trustees may, in its sole discretion, direct that any of the Applicant's payments under this Article VI be made to the District's educational foundation or to a similar entity. Such foundation or entity may only use such funds received under this Article VI to support the educational mission of the District and its students. Any designation of such foundation or entity must be made by recorded vote of the Board of Trustees at a properly posted public meeting of the Board of Trustees.

ARTICLE VII
ANNUAL LIMITATION OF PAYMENTS BY APPLICANT

Section 7.1. ANNUAL LIMITATION.

Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT.

In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION.

Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII
ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE.

In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS.

In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS.

During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS.

Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW.

The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall

be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR.

By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's

Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS.

The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

- A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;
- B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and
- C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT.

The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a "Material Breach"):

- A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;
- B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;
- C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;
- D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;
- E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;
- F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;
- G. The Applicant failed to provide the payments to the District that protect the District from the

payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor's Office to have access to the Applicant's Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor's office to review and audit the Applicant's compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has

not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District;
and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a “Determination of Breach and Notice of Contract Termination”) and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee’s Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Crane County, Texas. The Parties agree to sign a document that provides the mediator and the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator’s fees and expenses and the Applicant shall bear one-half of such mediator’s fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys’ fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Crane County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney’s fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant’s Qualified Property and the Applicant’s Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. CONSEQUENCES OF EARLY TERMINATION OR OTHER BREACH BY APPLICANT.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated

damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES.

Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT.

Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make \$10,000,000 of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant

is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS.

Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS.

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

ARTICLE X.

MISCELLANEOUS PROVISIONS

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted

hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District’s Authorized Representative as follows:

To the District

With Copy to

Name:	Crane Independent School District	Sara Leon & Associates, LLC
Attn:	Superintendent Jan Hunt or her successor	Sara Hardner Leon
Address:	511 West 8th	2901 Via Fortuna Suite,475
City/Zip:	Crane, Texas 79731	Austin, TX 78746
Phone :	(432) 558-1022	Phone: (512) 637-4244
Fax :	(432) 558-1025	Fax : (512) 637-4245
Email:	jhunt@craneisd.com	sleon@saraleonlaw.com

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

To the Applicant

Name:	CED Crane Solar 2, LLC
Attn:	Robert Reichenberger, Authorized Representative
Address:	777 South High Street Suite 100
City/Zip:	Denver, CO 80209
Phone :	(303) 886-1162
Fax:	(303) 593-1182
Email:	robert@solar-prime.com

or at such other address or to such other facsimile transmission number and to the attention of such other person as a Party may designate by written notice to the other.

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;
- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and
- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by Section 313.024 of the TEXAS TAX CODE;
- ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2

regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER.

This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. GOVERNING LAW.

This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Crane County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT.

Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY.

If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term, provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule,

ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES.

Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words “include,” “includes,” and “including” when used in this Agreement shall be deemed in such case to be followed by the phrase, “but not limited to”. Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller’s Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller’s Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS.

The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller’s Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS.

The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE.

If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION.

Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this

Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic "read receipt" does not constitute acknowledgment of an e-mail for delivery purposes).

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this 19th day of November, 2019.

CED CRANE SOLAR 2, LLC

By: Robert Reichenberger
Authorized Representative

CRANE INDEPENDENT SCHOOL DISTRICT

By: Alan Swinford
Alan Swinford
President, Board of Trustees

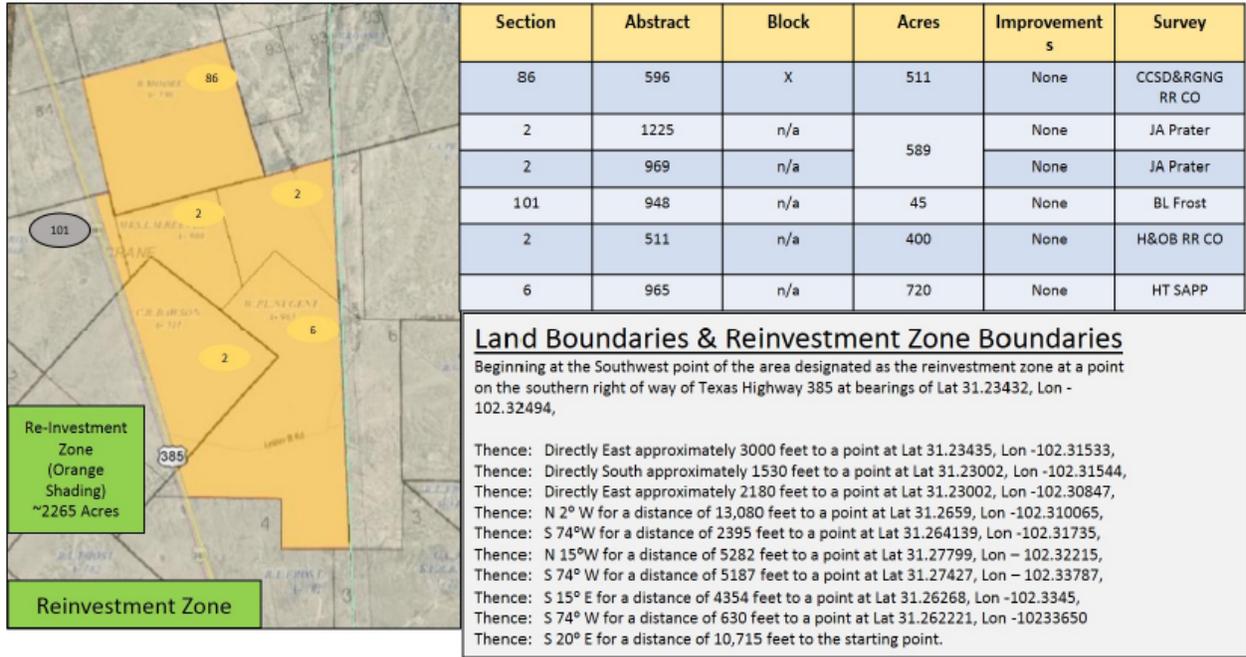
ATTEST:

By: Wally Cox
Wally Cox
Secretary, Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

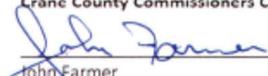
2265 Acres, all located in Crane ISD, Crane County Texas



5. That if any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.
6. That it is hereby found, determined and declared that a sufficient notice of the date, hour, place and subject, of the meeting of the Crane County Commissioners Court at which this Resolution was adopted was posted at a place convenient and readily accessible at all times as required by the Texas Open Government Act, Texas Government Code, Chapter 551, as amended, and that a public hearing was held prior to the designation of such reinvestment zone and that proper notice of the hearing was published in the official newspaper of circulation within the County, and furthermore, such notice was in fact delivered to the presiding officer of any affected taxing entity as prescribed by the Property Redevelopment and Tax Abatement Act.
- 7.

PASSED, APPROVED AND ADOPTED on this 14th day of March, 2017.

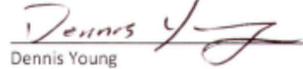
Crane County Commissioners Court



 John Farmer
 Crane County Judge



 Tom Brown
 Precinct 1 Commissioner



 Dennis Young
 Precinct 2 Commissioner



 Domingo Escobedo
 Precinct 3-Commissioner



 Ruby Martinez
 Precinct 4 Commissioner

Attest:



 Judy Crawford, Crane County Clerk

CED Crane Solar 2, LLC – Solar Project Value Limitation Application

**Exhibit A
Legal Description of Crane Solar Reinvestment Zone#1**

The Reinvestment Zone is comprised of the following sections:

Section	Abstract	Block	Acres	Improvements	Survey
86	596	X	511	None	CCSD&RGNG RR CO
2	1225	n/a	589	None	JA Prater
2	969	n/a		None	JA Prater
101	948	n/a	45	None	BL Frost
2	511	n/a	400	None	H&OB RR CO
6	965	n/a	720	None	HT SAPP

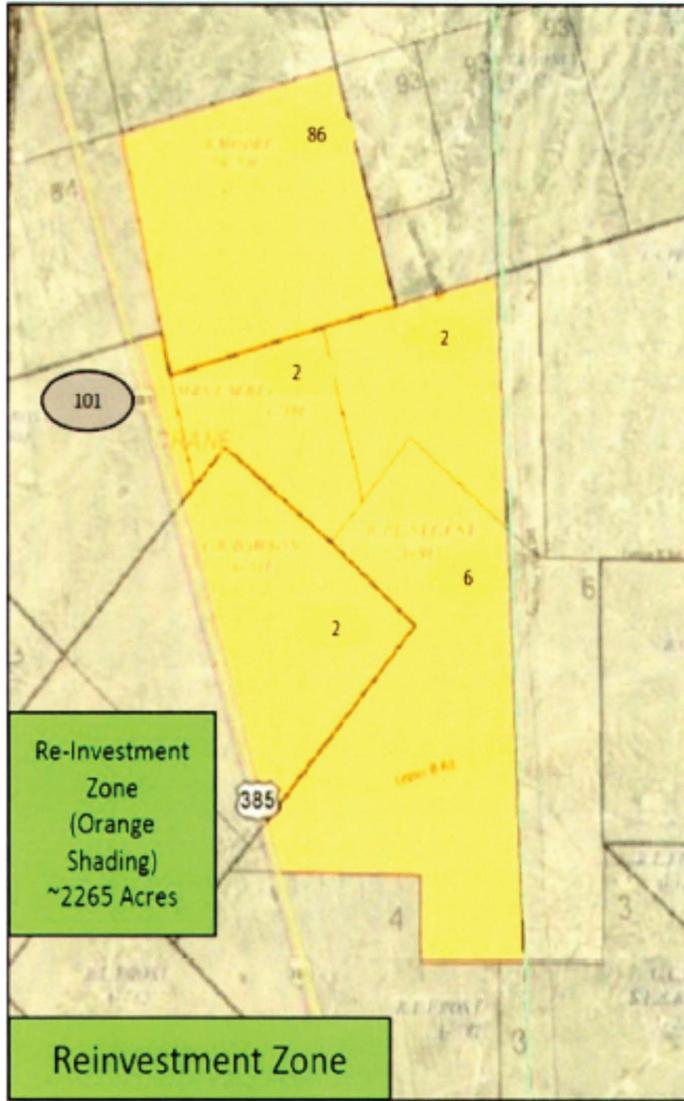
Land Boundaries & Reinvestment Zone Boundaries

Beginning at the Southwest point of the area designated as the reinvestment zone at a point on the southern right of way of Texas Highway 385 at bearings of Lat 31.23432, Lon -102.32494,

- Thence: Directly East approximately 3000 feet to a point at Lat 31.23435, Lon -102.31533,
- Thence: Directly South approximately 1530 feet to a point at Lat 31.23002, Lon -102.31544,
- Thence: Directly East approximately 2180 feet to a point at Lat 31.23002, Lon -102.30847,
- Thence: N 2° W for a distance of 13,080 feet to a point at Lat 31.2659, Lon -102.310065,
- Thence: S 74°W for a distance of 2395 feet to a point at Lat 31.264139, Lon -102.31735,
- Thence: N 15°W for a distance of 5282 feet to a point at Lat 31.27799, Lon -102.32215,
- Thence: S 74° W for a distance of 5187 feet to a point at Lat 31.27427, Lon -102.33787,
- Thence: S 15° E for a distance of 4354 feet to a point at Lat 31.26268, Lon -102.3345,
- Thence: S 74° W for a distance of 630 feet to a point at Lat 31.262221, Lon -102.33650
- Thence: S 20° E for a distance of 10,715 feet to the starting point.

CED Crane Solar 2, LLC – Solar Project Value Limitation Application

Exhibit B
Map of Crane Solar Reinvestment Zone#1



CED Crane Solar 2, LLC – Solar Project Value Limitation Application

434 Agreement for Limitation on Appraised Value
Between Crane ISD and CED Crane Solar 2, LLC, # 1400
November 19, 2019

*Texas Economic Development Act Agreement
Comptroller Form 50-826 (Jan 2016)*

EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

All land located in Crane County, Texas

PROPERTY DESCRIPTION

“CED CRANE SOLAR 2”

A PARCEL OF LAND BEING A PORTION OF SECTION 6, SURVEY ABSTRACT 965, H.T. SAPP SURVEY AND A PORTION OF SECTION 2, SURVEY ABSTRACT 511, H. & O.B. R.R. SURVEY, ALL LYING WITHIN THE COUNTY OF CRANE, STATE OF TEXAS, AS CONVEYED IN THE WARRANTY DEED RECORDED JUNE 1, 2000 IN VOLUME 416 AT PAGE 268 IN THE RECORDS OF THE OFFICE OF THE CRANE COUNTY CLERK, STATE OF TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHWEST CORNER OF SECTION 11, SURVEY ABSTRACT 115, C.C.S.D. & R.G.N.G. R.R. CO. SURVEY, BEING A FOUND 3 INCH IRON PIPE, FROM WHICH THE NORTHWEST CORNER OF SAID SECTION 11 BEARS NORTH 01°30'20" EAST, A DISTANCE OF 5292.08 FEET, BEING A FOUND #6 REBAR, SAID NORTHWEST CORNER ALSO BEING THE NORTHEAST CORNER OF SECTION 6, SURVEY ABSTRACT 965, H. T. SAPP SURVEY;

THENCE ALONG THE EAST LINE OF SAID SECTION 6, H.T. SAPP SURVEY, SOUTH 01°24'09" WEST, A DISTANCE OF 2095.11 FEET TO THE SOUTHEAST CORNER OF SAID SECTION 6;

THENCE ALONG THE SOUTH LINE OF SAID SECTION 6, NORTH 88°36'28" WEST, A DISTANCE OF 1688.53 FEET TO THE INTERSECTION OF SAID SOUTH LINE AND THE COUNTY LINE BETWEEN UPTON COUNTY AND CRANE COUNTY;

THENCE ALONG SAID COUNTY LINE, NORTH 00°39'42" WEST, A DISTANCE OF 516.22 FEET TO THE

POINT OF BEGINNING, SAID POINT HAVING TEXAS STATE PLANE COORDINATES, CENTRAL ZONE #4203, OF: NORTHING – 10417157.67 AND EASTING – 1679319.56;

THENCE DEPARTING SAID COUNTY LINE, SOUTH 50°16'34" WEST, A DISTANCE OF 560.24 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE NORTHWESTERLY HAVING A RADIUS OF 375.00 FEET;

THENCE SOUTHWESTERLY ALONG SAID TANGENT CURVE THROUGH A CENTRAL ANGLE OF 41°06'09", AN ARC LENGTH OF 269.02 FEET;

THENCE NORTH 88°37'17" WEST, A DISTANCE OF 315.19 FEET;

THENCE NORTH 01°15'02" EAST, A DISTANCE OF 945.08 FEET;

THENCE NORTH 88°36'28" WEST, A DISTANCE OF 1090.00 FEET TO THE SOUTHERLY BOUNDARY OF SAID SECTION 6, H.T. SAPP SURVEY;

THENCE ALONG SAID SOUTHERLY BOUNDARY OF SECTION 6 THE FOLLOWING TWO (2) COURSES:

1) NORTH 01°15'02" EAST, A DISTANCE OF 560.58 FEET TO THE MOST WESTERLY SOUTHERLY INSIDE CORNER OF SAID SECTION 6, BEING A FOUND 2 1/2" IRON PIPE;

2) NORTH 88°36'28" WEST, A DISTANCE OF 3099.13 FEET TO THE EASTERLY RIGHT-OF-

WAY OF U.S. HIGHWAY 385, FROM WHICH THE MOST WESTERLY CORNER OF SAID SECTION 6 BEARS NORTH 88°36'28" WEST, A DISTANCE OF 992.80 FEET, BEING A FOUND 1 1/2" IRON PIPE;
THENCE ALONG SAID EASTERLY RIGHT-OF-WAY, NORTH 18°33'05" WEST, A DISTANCE OF 4971.43 FEET;
THENCE DEPARTING SAID EASTERLY RIGHT-OF-WAY, NORTH 70°50'43" EAST, A DISTANCE OF 2035.14 FEET;
THENCE NORTH 72°38'32" EAST, A DISTANCE OF 221.58 FEET;
THENCE NORTH 74°39'55" EAST, A DISTANCE OF 446.99 FEET;
THENCE NORTH 74°48'23" EAST, A DISTANCE OF 377.00 FEET;
THENCE NORTH 72°32'33" EAST, A DISTANCE OF 169.92 FEET;
THENCE NORTH 71°06'00" EAST, A DISTANCE OF 26.11 FEET;
THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 1571.27 FEET;
THENCE NORTH 79°58'29" EAST, A DISTANCE OF 445.19 FEET;
THENCE NORTH 80°41'35" EAST, A DISTANCE OF 485.39 FEET;
THENCE NORTH 79°25'03" EAST, A DISTANCE OF 424.72 FEET;
THENCE NORTH 65°16'13" EAST, A DISTANCE OF 1012.34 FEET;
THENCE NORTH 64°48'43" EAST, A DISTANCE OF 1420.39 FEET TO SAID COUNTY LINE BETWEEN CRANE COUNTY AND UPTON COUNTY;
THENCE ALONG SAID COUNTY LINE, SOUTH 00°39'42" EAST, A DISTANCE OF 1518.40 FEET;
THENCE DEPARTING SAID COUNTY LINE, SOUTH 89°20'18" WEST, A DISTANCE OF 917.40 FEET TO A LINE PARALLEL WITH AND DISTANCE 917.40 FEET WESTERLY FROM SAID COUNTY LINE;
THENCE ALONG SAID PARALLEL LINE, SOUTH 00°39'42" EAST, A DISTANCE OF 300.00 FEET;
THENCE DEPARTING SAID PARALLEL LINE, NORTH 89°20'18" EAST, A DISTANCE OF 917.40 FEET TO SAID COUNTY LINE;
THENCE ALONG SAID COUNTY LINE, SOUTH 00°39'42" EAST, A DISTANCE OF 4766.37 FEET TO THE **POINT OF BEGINNING**.

CONTAINING 31,261,613 SQUARE FEET OR 717.668 ACRES MORE OR LESS.

LESS AND EXCEPT THE FOLLOWING DESCRIBED PARCEL:

A PARCEL OF LAND BEING A PORTION OF SECTION 6, SURVEY ABSTRACT 965, H.T. SAPP SURVEY, LYING WITHIN THE COUNTY OF CRANE, STATE OF TEXAS, AS CONVEYED IN THE WARRANTY DEED RECORDED JUNE 1, 2000 IN VOLUME 416 AT PAGE 268 IN THE RECORDS OF THE OFFICE OF THE CRANE COUNTY CLERK, STATE OF TEXAS, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST WESTERLY SOUTHERLY INSIDE CORNER OF SAID SECTION 6, BEING A FOUND 2 1/2" IRON PIPE, FROM WHICH THE MOST WESTERLY CORNER OF SAID SECTION 6 BEARS NORTH 88°36'28" WEST, A DISTANCE OF 4091.93, BEING A FOUND 1 1/2" IRON PIPE;
THENCE NORTH 29°40'38" WEST, A DISTANCE OF 2511.97 FEET TO THE **POINT OF**

BEGINNING, SAID POINT HAVING TEXAS STATE PLANE COORDINATES, CENTRAL ZONE #4203, OF: NORTHING – 10420434.24 AND EASTING – 1676025.10;
THENCE NORTH 90°00'00" WEST, A DISTANCE OF 316.00 FEET, FROM WHICH THE MOST SOUTHERLY WESTERLY CORNER OF THE ABOVE DESCRIBED PARCEL BEARS SOUTH 36°08'03" WEST, A DISTANCE OF 2609.05 FEET;
THENCE NORTH 00°00'00" EAST, A DISTANCE OF 403.00 FEET;
THENCE SOUTH 90°00'00" EAST, A DISTANCE OF 316.00 FEET;
THENCE SOUTH 00°00'00" WEST, A DISTANCE OF 403.00 FEET TO THE **POINT OF BEGINNING**;

CONTAINING 127,348 SQUARE FEET OR 2.924 ACRES, MORE OR LESS.

NET AREA CONTAINS 31,134,265 SQUARE FEET OR 714.744 ACRES, MORE OR LESS.

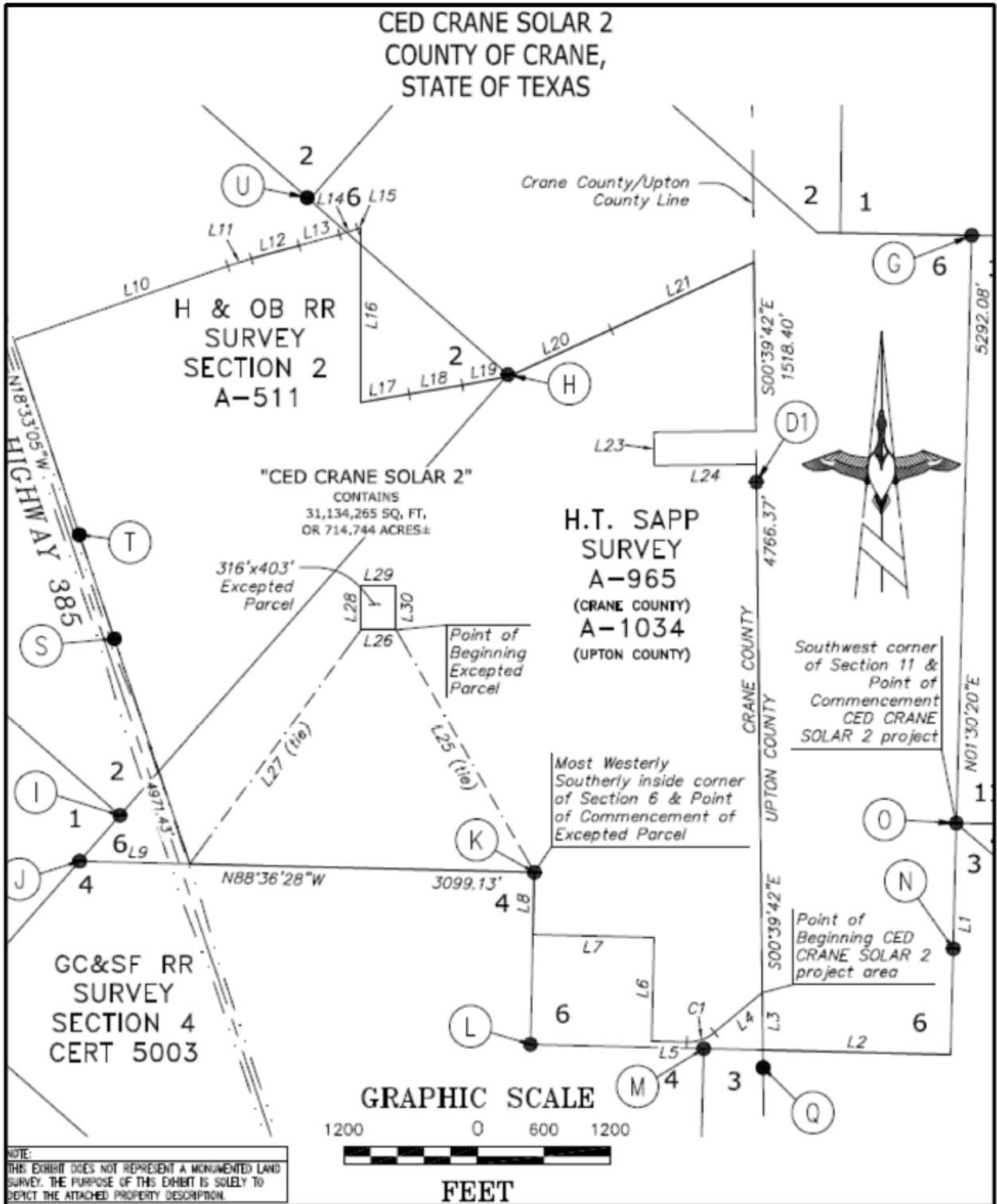


EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

The Qualified Investment is described below:

- Approximately 70MW solar power generating facility containing:
 - Photovoltaic (PV) solar panels and DC-to-AC inverters
 - Tracker system infrastructure, steel piles, foundations, & controllers
 - Collection substation including high voltage transformer, switch gear, transmission equipment, transmission tie line and towers, interconnection facilities and control systems
 - DC and AC wiring, insulators, combiner boxes, conduit, and connectors
 - Inverter boxes on concrete or gravel pads
 - Fencing for safety and security, Video Security System
 - Telephone System and Data Systems for communication and remote monitoring
 - Operations & maintenance (O&M) building
 - Meteorological equipment to measure solar irradiance & weather conditions
 - New or improved access roads and service roads.

The project will be located entirely within Crane County and Crane Independent School District. It may utilize approximately 715 acres of the land within an existing Reinvestment Zone. This application covers all qualified investment and qualified property in the reinvestment zone and project boundary within Crane ISD necessary for commercial operation of the solar facility. Project area & panel tracker layout illustration below. The project design has not yet been finalized so the final location of improvements has not yet been determined.



EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

The Qualified Investment is described below:

- Approximately 70MW solar power generating facility containing:
 - Photovoltaic (PV) solar panels and DC-to-AC inverters
 - Tracker system infrastructure, steel piles, foundations, & controllers
 - Collection substation including high voltage transformer, switch gear, transmission equipment, transmission tie line and towers, interconnection facilities and control systems
 - DC and AC wiring, insulators, combiner boxes, conduit, and connectors
 - Inverter boxes on concrete or gravel pads
 - Fencing for safety and security, Video Security System
 - Telephone System and Data Systems for communication and remote monitoring
 - Operations & maintenance (O&M) building
 - Meteorological equipment to measure solar irradiance & weather conditions
 - New or improved access roads and service roads.

The project will be located entirely within Crane County and Crane Independent School District. It may utilize approximately 715 acres of the land within an existing Reinvestment Zone. This application covers all qualified investment and qualified property in the reinvestment zone and project boundary within Crane ISD necessary for commercial operation of the solar facility. Project area & panel tracker layout illustration below. The project design has not yet been finalized so the final location of improvements has not yet been determined.

