



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

January 13, 2020

Alberto Gonzales
Superintendent
Carrizo Springs Independent School District
300 N 7th Street
Carrizo Springs, TX 78834

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Carrizo Springs Independent
School District and Cane Flats Solar Project, LLC Application 1408

Dear Superintendent Gonzales:

On October 15, 2019, the Comptroller issued written notice that Cane Flats Solar Project, LLC (applicant) submitted a completed application (Application 1408) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 30, 2019, to the Carrizo Springs 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 1408.

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/has not 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, 2020.

Note that any building or improvement existing as of the application review start date of October 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,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis (CORRECTED)

The following tables summarize the Comptroller’s economic impact analysis of Cane Flats Solar Project, LLC (project) applying to Carrizo Springs Consolidated Independent School District (district), as required by Tax Code, 313.026 and Texas Administrative Code 9.1055(d)(2).

Table 1 is a summary of investment, employment and tax impact of Cane Flats Solar Project, LLC.

Applicant	Cane Flats Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Carrizo Springs Consolidated ISD
2018-2019 Average Daily Attendance	2,015
County	Dimmit
Proposed Total Investment in District	\$183,450,000
Proposed Qualified Investment	\$183,450,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$27,427.40
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$532.40
Minimum annual wage committed to by applicant for qualified jobs	\$27,427.40
Minimum weekly wage required for non-qualifying jobs	\$1,107.75
Minimum annual wage required for non-qualifying jobs	\$57,603
Investment per Qualifying Job	\$183,450,000
Estimated M&O levy without any limit (15 years)	\$13,439,547
Estimated M&O levy with Limitation (15 years)	\$4,786,155
Estimated gross M&O tax benefit (15 years)	\$8,653,392

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table

Table 2 is the estimated statewide economic impact of Cane Flats Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	201	194	395	\$13,186,027	\$17,575,973	\$30,762,000
2023	1	19	19.531	\$27,427	\$3,878,573	\$3,906,000
2024	1	7	8	\$27,427	\$2,413,573	\$2,441,000
2025	1	7	8	\$27,427	\$1,681,573	\$1,709,000
2026	1	1	2	\$27,427	\$1,315,573	\$1,343,000
2027	1	1	2	\$27,427	\$1,193,573	\$1,221,000
2028	1	1	2	\$27,427	\$949,573	\$977,000
2029	1	(3)	-2	\$27,427	\$704,573	\$732,000
2030	1	(1)	0	\$27,427	\$216,573	\$244,000
2031	1	1	2	\$27,427	\$460,573	\$488,000
2032	1	5	6	\$27,427	\$460,573	\$488,000
2033	1	1	2	\$27,427	\$216,573	\$244,000
2034	1	1	2	\$27,427	\$460,573	\$488,000
2035	1	1	2	\$27,427	\$460,573	\$488,000

Source: CPA REMI, Cane Flats Solar Project, 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*	Carrizo Springs CISD I&S Tax Levy	Carrizo Springs CISD M&O Tax Levy	Carrizo Springs CISD M&O and I&S Tax Levies	Dimmit County Tax Levy	Dimmit County Regional Hospital District Tax Levy	Wintergarden Groundwater Conservation Tax Levy	Estimated Total Property Taxes
2023	\$ 183,450,000	\$183,450,000		\$104,031	\$1,816,155	\$1,920,186	\$570,163	\$128,415	\$7,338	\$2,618,763
2024	\$ 168,774,000	\$168,774,000		\$95,708	\$1,670,863	\$1,766,571	\$524,550	\$118,142	\$6,751	\$2,409,262
2025	\$ 154,098,000	\$154,098,000		\$87,386	\$1,525,570	\$1,612,956	\$478,937	\$107,869	\$6,164	\$2,199,761
2026	\$ 139,422,000	\$139,422,000		\$79,063	\$1,380,278	\$1,459,341	\$433,324	\$97,595	\$5,577	\$1,990,260
2027	\$ 124,746,000	\$124,746,000		\$70,741	\$1,234,985	\$1,305,726	\$387,711	\$87,322	\$4,990	\$1,780,759
2028	\$ 110,070,000	\$110,070,000		\$62,418	\$1,089,693	\$1,152,111	\$342,098	\$77,049	\$4,403	\$1,571,258
2029	\$ 95,394,000	\$95,394,000		\$54,096	\$944,401	\$998,497	\$296,485	\$66,776	\$3,816	\$1,361,757
2030	\$ 80,718,000	\$80,718,000		\$45,774	\$799,108	\$844,882	\$250,872	\$56,503	\$3,229	\$1,152,256
2031	\$ 66,042,000	\$66,042,000		\$37,451	\$653,816	\$691,267	\$205,259	\$46,229	\$2,642	\$942,755
2032	\$ 51,366,000	\$51,366,000		\$29,129	\$508,523	\$537,652	\$159,646	\$35,956	\$2,055	\$733,254
2033	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2034	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2035	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2036	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2037	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
			Total	\$769,828	\$13,439,547	\$14,209,375	\$4,219,203	\$950,271	\$54,301	\$19,378,849

Source: CPA, Cane Flats Solar Project, LLC

*Tax Rate per \$100 Valuation

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

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		Carrizo Springs CISD I&S Tax Levy	Carrizo Springs CISD M&O Tax Levy	Carrizo Springs CISD M&O and I&S Tax Levies	Dimmit County Tax Levy	Dimmit County Regional Hospital District Tax Levy	Wintergarden Groundwater Conservation Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0567	0.9900		0.3108	0.0700	0.0040	
2023	\$ 183,450,000	\$30,000,000		\$104,031	\$297,000	\$401,031	\$570,163	\$128,415	\$7,338	\$1,099,608
2024	\$ 168,774,000	\$30,000,000		\$95,708	\$297,000	\$392,708	\$524,550	\$118,142	\$6,751	\$1,035,400
2025	\$ 154,098,000	\$30,000,000		\$87,386	\$297,000	\$384,386	\$478,937	\$107,869	\$6,164	\$971,191
2026	\$ 139,422,000	\$30,000,000		\$79,063	\$297,000	\$376,063	\$433,324	\$97,595	\$5,577	\$906,982
2027	\$ 124,746,000	\$30,000,000		\$70,741	\$297,000	\$367,741	\$387,711	\$87,322	\$4,990	\$842,774
2028	\$ 110,070,000	\$30,000,000		\$62,418	\$297,000	\$359,418	\$342,098	\$77,049	\$4,403	\$778,565
2029	\$ 95,394,000	\$30,000,000		\$54,096	\$297,000	\$351,096	\$296,485	\$66,776	\$3,816	\$714,356
2030	\$ 80,718,000	\$30,000,000		\$45,774	\$297,000	\$342,774	\$250,872	\$56,503	\$3,229	\$650,148
2031	\$ 66,042,000	\$30,000,000		\$37,451	\$297,000	\$334,451	\$205,259	\$46,229	\$2,642	\$585,939
2032	\$ 51,366,000	\$30,000,000		\$29,129	\$297,000	\$326,129	\$159,646	\$35,956	\$2,055	\$521,730
2033	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2034	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2035	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2036	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
2037	\$ 36,690,000	\$36,690,000		\$20,806	\$363,231	\$384,037	\$114,033	\$25,683	\$1,468	\$523,753
			Total	\$769,828	\$4,786,155	\$5,555,983	\$4,219,203	\$950,271	\$54,301	\$10,725,457
			Diff	\$0	\$8,653,392	\$8,653,392	\$0	\$0	\$0	\$8,653,392

Assumes School Value Limitation

Source: CPA, Cane Flats Solar Project, 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 Cane Flats Solar Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2023	\$297,000	\$297,000	\$1,519,155	\$1,519,155
	2024	\$297,000	\$594,000	\$1,373,863	\$2,893,018
	2025	\$297,000	\$891,000	\$1,228,570	\$4,121,588
	2026	\$297,000	\$1,188,000	\$1,083,278	\$5,204,866
	2027	\$297,000	\$1,485,000	\$937,985	\$6,142,851
	2028	\$297,000	\$1,782,000	\$792,693	\$6,935,544
	2029	\$297,000	\$2,079,000	\$647,401	\$7,582,945
	2030	\$297,000	\$2,376,000	\$502,108	\$8,085,053
	2031	\$297,000	\$2,673,000	\$356,816	\$8,441,869
	2032	\$297,000	\$2,970,000	\$211,523	\$8,653,392
Maintain Viable Presence (5 Years)	2033	\$363,231	\$3,333,231	\$0	\$8,653,392
	2034	\$363,231	\$3,696,462	\$0	\$8,653,392
	2035	\$363,231	\$4,059,693	\$0	\$8,653,392
	2036	\$363,231	\$4,422,924	\$0	\$8,653,392
	2037	\$363,231	\$4,786,155	\$0	\$8,653,392
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$363,231	\$5,149,386	\$0	\$8,653,392
	2039	\$363,231	\$5,512,617	\$0	\$8,653,392
	2040	\$363,231	\$5,875,848	\$0	\$8,653,392
	2041	\$363,231	\$6,239,079	\$0	\$8,653,392
	2042	\$363,231	\$6,602,310	\$0	\$8,653,392
	2043	\$363,231	\$6,965,541	\$0	\$8,653,392
	2044	\$363,231	\$7,328,772	\$0	\$8,653,392
	2045	\$363,231	\$7,692,003	\$0	\$8,653,392
	2046	\$363,231	\$8,055,234	\$0	\$8,653,392
	2047	\$363,231	\$8,418,465	\$0	\$8,653,392

\$8,418,465

is less than

\$8,653,392

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

NOTE: The analysis above only takes into account this project’s estimated impact on the M&O portion of the school district property tax levv directly related to this project.
Source: CPA, Cane Flats Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2022	201	194	395	\$13,186,027	\$17,575,973	\$30,762,000	1442000	-740000	\$2,182,000
2023	1	19	19.531	\$27,427	\$3,878,573	\$3,906,000	183000	275000	-\$92,000
2024	1	7	8	\$27,427	\$2,413,573	\$2,441,000	221000	282000	-\$61,000
2025	1	7	8	\$27,427	\$1,681,573	\$1,709,000	183000	298000	-\$115,000
2026	1	1	2	\$27,427	\$1,315,573	\$1,343,000	191000	305000	-\$114,000
2027	1	1	2	\$27,427	\$1,193,573	\$1,221,000	168000	267000	-\$99,000
2028	1	1	2	\$27,427	\$949,573	\$977,000	160000	267000	-\$107,000
2029	1	(3)	-2	\$27,427	\$704,573	\$732,000	137000	275000	-\$138,000
2030	1	(1)	0	\$27,427	\$216,573	\$244,000	122000	252000	-\$130,000
2031	1	1	2	\$27,427	\$460,573	\$488,000	130000	229000	-\$99,000
2032	1	5	6	\$27,427	\$460,573	\$488,000	137000	237000	-\$100,000
2033	1	1	2	\$27,427	\$216,573	\$244,000	76000	168000	-\$92,000
2034	1	1	2	\$27,427	\$460,573	\$488,000	76000	175000	-\$99,000
2035	1	1	2	\$27,427	\$460,573	\$488,000	53000	130000	-\$77,000
2036	1	3	4	\$27,427	-\$515,427	-\$488,000	15000	84000	-\$69,000
2037	1	3	4	\$27,427	\$216,573	\$244,000	8000	38000	-\$30,000
2038	1	1	2	\$27,427	-\$27,427	\$0	15000	31000	-\$16,000
2039	1	(1)	0	\$27,427	-\$271,427	-\$244,000	15000	23000	-\$8,000
2040	1	(1)	0	\$27,427	\$460,573	\$488,000	0	-23000	\$23,000
2041	1	3	4	\$27,427	\$460,573	\$488,000	0	-53000	\$53,000
2042	1	5	6	\$27,427	\$704,573	\$732,000	31000	-69000	\$100,000
2043	1	1	2	\$27,427	\$460,573	\$488,000	15000	-76000	\$91,000
2044	1	1	2	\$27,427	\$460,573	\$488,000	-31000	-76000	\$45,000
2045	1	(1)	0	\$27,427	-\$515,427	-\$488,000	-46000	-107000	\$61,000
2046	1	1	2	\$27,427	\$460,573	\$488,000	0	-84000	\$84,000
2047	1	1	2	\$27,427	\$949,573	\$977,000	31000	-99000	\$130,000
2048	1	3	4	\$27,427	\$949,573	\$977,000	15000	-107000	\$122,000
2049	1	3	4	\$27,427	\$460,573	\$488,000	15000	-130000	\$145,000
Total							\$3,362,000	\$1,772,000	\$1,590,000
							\$10,008,465	is greater than	\$8,653,392

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller's determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Cane Flats Solar Project, LLC 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 Cane Flats Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Cane Flats Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Carrizo Springs CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United states is more advisable.”
 - B. “Without a Value Limitation program, Savion would seek to move to alternative sites OUTSIDE of the State of Texas.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value

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

Supporting Information

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

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

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

SECTION 8: Limitation as Determining Factor

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

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

Supporting Information

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

Tab 5

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

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.

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Cane Flats Solar Project, LLC has entered into the following representative agreements and contracts for the development of a project within Carrizo Springs CISD:

- Letters of Intent and Purchase Options covering approximately 1,100 acres;
- Interconnect Studies and Agreement; and
- Third-party contracts for development-related work, such as resource estimation, legal review, and construction planning.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Yes. Savion’s management team is uniquely qualified to develop and construct PV solar energy projects in the United States with favorable solar energy resource. With a combined 15+ years of experience in the renewable energy industries, the Savion team has a proven track record of developing, financing, and constructing large-scale renewable energy projects. Our collective experience includes over 11.2 gigawatts of solar projects. Based on this experience, the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as well as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Colorado
Florida
Georgia
Illinois
Kansas
Arkansas
Alabama
Kentucky
Michigan
Pennsylvania

Indiana
New Mexico
South Carolina
Wisconsin
Oklahoma
Louisiana
Mississippi
Virginia
New York

For these reasons, Savion studies various competing sites throughout the market areas outside and inside the State of Texas where solar energy development is attractive. Without a Value Limitation program, Savion would seek to move to alternative sites OUTSIDE of the State of Texas.

Cane Flats Solar Project, LLC is currently in a period of evaluation to determine whether the identified site in Carrizo Springs CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the planned 127.5 MW Cane Flats could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other solar energy projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$184M needed to purchase solar modules and other infrastructure and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Cane Flats Solar Project, LLC.