



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

January 3, 2020

Steve Mickelson
Superintendent
Brookesmith Independent School District
13400 FM 586 S
Brookesmith, TX 76827

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Brookesmith Independent School District and IP Radian, LLC, Application 1409

Dear Superintendent Mickelson:

On October 15, 2019, the Comptroller issued written notice that IP Radian, LLC (applicant) submitted a completed application (Application 1409) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 24, 2019, to the Brookesmith 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 1409.

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, 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,

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

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of IP Radian, LLC (project) applying to Brookesmith 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 IP Radian, LLC.

Applicant	IP Radian, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Brookesmith ISD
2018-2019 Average Daily Attendance	147
County	Brown
Proposed Total Investment in District	\$297,951,000
Proposed Qualified Investment	\$296,250,000
Limitation Amount	\$15,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$961
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,085
Minimum annual wage committed to by applicant for qualified jobs	\$49,974
Minimum weekly wage required for non-qualifying jobs	\$726
Minimum annual wage required for non-qualifying jobs	\$37,727
Investment per Qualifying Job	\$148,975,500
Estimated M&O levy without any limit (15 years)	\$14,204,276
Estimated M&O levy with Limitation (15 years)	\$3,754,644
Estimated gross M&O tax benefit (15 years)	\$10,449,633

* 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 IP Radian, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	400	479	879	\$40,000,000	\$38,000,000	\$78,000,000
2022	302	386	688	\$30,099,948	\$35,900,052	\$66,000,000
2023	2	37	39	\$99,948	\$9,900,052	\$10,000,000
2024	2	(2)	0	\$99,948	\$4,900,052	\$5,000,000
2025	2	(18)	-16	\$99,948	\$1,900,052	\$2,000,000
2026	2	(29)	-27	\$99,948	\$900,052	\$1,000,000
2027	2	(31)	-29	\$99,948	-\$99,948	\$0
2028	2	(27)	-25	\$99,948	-\$99,948	\$0
2029	2	(25)	-23	\$99,948	-\$1,099,948	-\$1,000,000
2030	2	(18)	-16	\$99,948	-\$1,099,948	-\$1,000,000
2031	2	(16)	-14	\$99,948	-\$1,099,948	-\$1,000,000
2032	2	(6)	-4	\$99,948	-\$1,099,948	-\$1,000,000
2033	2	(6)	-4	\$99,948	-\$99,948	\$0
2034	2	(2)	0	\$99,948	-\$99,948	\$0
2035	2	(2)	0	\$99,948	-\$99,948	\$0

Source: CPA REMI, IP Radian, 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*	Brookesmith ISD I&S Tax Levy	Brookesmith ISD M&O Tax Levy	Brookesmith ISD M&O and I&S Tax Levies	Brown County Tax Levy	Estimated Total Property Taxes
				0.0688	1.0500		0.6147	
2023	\$206,951,000	\$206,951,000		\$142,382	\$2,172,986	\$2,315,368	\$1,272,128	\$2,315,368
2024	\$173,867,800	\$173,867,800		\$119,621	\$1,825,612	\$1,945,233	\$1,068,765	\$1,945,233
2025	\$155,257,300	\$155,257,300		\$106,817	\$1,630,202	\$1,737,019	\$954,367	\$1,737,019
2026	\$136,646,800	\$136,646,800		\$94,013	\$1,434,791	\$1,528,804	\$839,968	\$1,528,804
2027	\$118,036,300	\$118,036,300		\$81,209	\$1,239,381	\$1,320,590	\$725,569	\$1,320,590
2028	\$97,358,400	\$97,358,400		\$66,983	\$1,022,263	\$1,089,246	\$598,462	\$1,089,246
2029	\$78,748,000	\$78,748,000		\$54,179	\$826,854	\$881,033	\$484,064	\$881,033
2030	\$66,340,200	\$66,340,200		\$45,642	\$696,572	\$742,214	\$407,793	\$742,214
2031	\$60,135,000	\$60,135,000		\$41,373	\$631,418	\$672,790	\$369,650	\$672,790
2032	\$51,862,300	\$51,862,300		\$35,681	\$544,554	\$580,235	\$318,798	\$580,235
2033	\$41,522,100	\$41,522,100		\$28,567	\$435,982	\$464,549	\$255,236	\$464,549
2034	\$41,519,500	\$41,519,500		\$28,565	\$435,955	\$464,520	\$255,220	\$464,520
2035	\$41,517,000	\$41,517,000		\$28,564	\$435,929	\$464,492	\$255,205	\$464,492
2036	\$41,514,500	\$41,514,500		\$28,562	\$435,902	\$464,464	\$255,190	\$464,464
2037	\$41,512,000	\$41,512,000		\$28,560	\$435,876	\$464,436	\$255,174	\$464,436
			Total	\$930,718	\$14,204,276	\$15,134,994	\$8,315,589	\$15,134,994

Source: CPA, IP Radian, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Brown 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	Tax Rate*	Brookesmith ISD I&S Tax Levy	Brookesmith ISD M&O Tax Levy	Brookesmith ISD M&O and I&S Tax Levies	Brown County Tax Levy	Estimated Total Property Taxes
				0.0688	1.0500		0.6147	
2023	\$206,951,000	\$15,000,000		\$142,382	\$157,500	\$299,882	\$1,272,128	\$299,882
2024	\$173,867,800	\$15,000,000		\$119,621	\$157,500	\$277,121	\$1,068,765	\$277,121
2025	\$155,257,300	\$15,000,000		\$106,817	\$157,500	\$264,317	\$954,367	\$264,317
2026	\$136,646,800	\$15,000,000		\$94,013	\$157,500	\$251,513	\$839,968	\$251,513
2027	\$118,036,300	\$15,000,000		\$81,209	\$157,500	\$238,709	\$725,569	\$238,709
2028	\$97,358,400	\$15,000,000		\$66,983	\$157,500	\$224,483	\$598,462	\$224,483
2029	\$78,748,000	\$15,000,000		\$54,179	\$157,500	\$211,679	\$484,064	\$211,679
2030	\$66,340,200	\$15,000,000		\$45,642	\$157,500	\$203,142	\$407,793	\$203,142
2031	\$60,135,000	\$15,000,000		\$41,373	\$157,500	\$198,873	\$369,650	\$198,873
2032	\$51,862,300	\$15,000,000		\$35,681	\$157,500	\$193,181	\$318,798	\$193,181
2033	\$41,522,100	\$41,522,100		\$28,567	\$435,982	\$464,549	\$255,236	\$464,549
2034	\$41,519,500	\$41,519,500		\$28,565	\$435,955	\$464,520	\$255,220	\$464,520
2035	\$41,517,000	\$41,517,000		\$28,564	\$435,929	\$464,492	\$255,205	\$464,492
2036	\$41,514,500	\$41,514,500		\$28,562	\$435,902	\$464,464	\$255,190	\$464,464
2037	\$41,512,000	\$41,512,000		\$28,560	\$435,876	\$464,436	\$255,174	\$464,436
			Total	\$930,718	\$3,754,644	\$4,685,362	\$8,315,589	\$4,685,362
			Diff	\$0	\$10,449,633	\$10,449,633	\$0	\$10,449,633
Assumes School Value Limitation and Tax Abatements with the County.								

Source: CPA, IP Radian, 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 IP Radian, 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	\$651,266	\$651,266	\$0	\$0
Limitation Period (10 Years)	2023	\$157,500	\$808,766	\$2,015,486	\$2,015,486
	2024	\$157,500	\$966,266	\$1,668,112	\$3,683,597
	2025	\$157,500	\$1,123,766	\$1,472,702	\$5,156,299
	2026	\$157,500	\$1,281,266	\$1,277,291	\$6,433,590
	2027	\$157,500	\$1,438,766	\$1,081,881	\$7,515,472
	2028	\$157,500	\$1,596,266	\$864,763	\$8,380,235
	2029	\$157,500	\$1,753,766	\$669,354	\$9,049,589
	2030	\$157,500	\$1,911,266	\$539,072	\$9,588,661
	2031	\$157,500	\$2,068,766	\$473,918	\$10,062,578
	2032	\$157,500	\$2,226,266	\$387,054	\$10,449,633
Maintain Viable Presence (5 Years)	2033	\$435,982	\$2,662,248	\$0	\$10,449,633
	2034	\$435,955	\$3,098,202	\$0	\$10,449,633
	2035	\$435,929	\$3,534,131	\$0	\$10,449,633
	2036	\$435,902	\$3,970,033	\$0	\$10,449,633
	2037	\$435,876	\$4,405,909	\$0	\$10,449,633
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$435,851	\$4,841,760	\$0	\$10,449,633
	2039	\$435,826	\$5,277,586	\$0	\$10,449,633
	2040	\$435,800	\$5,713,386	\$0	\$10,449,633
	2041	\$435,776	\$6,149,162	\$0	\$10,449,633
	2042	\$435,752	\$6,584,914	\$0	\$10,449,633
	2043	\$435,729	\$7,020,643	\$0	\$10,449,633
	2044	\$435,706	\$7,456,349	\$0	\$10,449,633
	2045	\$435,683	\$7,892,032	\$0	\$10,449,633
	2046	\$435,660	\$8,327,692	\$0	\$10,449,633
	2047	\$435,638	\$8,763,329	\$0	\$10,449,633

\$8,763,329

is less than

\$10,449,633

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

Source: CPA, IP Radian, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2021	400	479	879	\$40,000,000	\$38,000,000	\$78,000,000	3560000	-1640000	\$5,200,000
2022	302	386	688	\$30,099,948	\$35,900,052	\$66,000,000	2850000	-650000	\$3,500,000
2023	2	37	39	\$99,948	\$9,900,052	\$10,000,000	370000	980000	-\$610,000
2024	2	(2)	0	\$99,948	\$4,900,052	\$5,000,000	320000	990000	-\$670,000
2025	2	(18)	-16	\$99,948	\$1,900,052	\$2,000,000	200000	950000	-\$750,000
2026	2	(29)	-27	\$99,948	\$900,052	\$1,000,000	170000	850000	-\$680,000
2027	2	(31)	-29	\$99,948	-\$99,948	\$0	110000	770000	-\$660,000
2028	2	(27)	-25	\$99,948	-\$99,948	\$0	100000	690000	-\$590,000
2029	2	(25)	-23	\$99,948	-\$1,099,948	-\$1,000,000	50000	600000	-\$550,000
2030	2	(18)	-16	\$99,948	-\$1,099,948	-\$1,000,000	40000	500000	-\$460,000
2031	2	(16)	-14	\$99,948	-\$1,099,948	-\$1,000,000	30000	420000	-\$390,000
2032	2	(6)	-4	\$99,948	-\$1,099,948	-\$1,000,000	10000	360000	-\$350,000
2033	2	(6)	-4	\$99,948	-\$99,948	\$0	-20000	270000	-\$290,000
2034	2	(2)	0	\$99,948	-\$99,948	\$0	-60000	190000	-\$250,000
2035	2	(2)	0	\$99,948	-\$99,948	\$0	-50000	130000	-\$180,000
2036	2	2	4	\$99,948	-\$99,948	\$0	-50000	70000	-\$120,000
2037	2	2	4	\$99,948	-\$99,948	\$0	-70000	0	-\$70,000
2038	2	0	2	\$99,948	-\$99,948	\$0	-80000	-20000	-\$60,000
2039	2	4	6	\$99,948	\$900,052	\$1,000,000	-80000	-80000	\$0
2040	2	2	4	\$99,948	\$900,052	\$1,000,000	-120000	-170000	\$50,000
2041	2	6	8	\$99,948	\$900,052	\$1,000,000	-140000	-200000	\$60,000
2042	2	2	4	\$99,948	\$900,052	\$1,000,000	-170000	-220000	\$50,000
2043	2	(4)	-2	\$99,948	-\$99,948	\$0	-230000	-280000	\$50,000
2044	2	(8)	-6	\$99,948	-\$99,948	\$0	-230000	-290000	\$60,000
2045	2	(6)	-4	\$99,948	-\$99,948	\$0	-260000	-390000	\$130,000
2046	2	(4)	-2	\$99,948	-\$99,948	\$0	-140000	-400000	\$260,000
Total							\$6,110,000	\$3,430,000	\$2,680,000
							\$11,443,329	is greater than	\$10,449,633

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 IP Radian, LLC's (IP Renewable Energy Holdings, LLC the parent of IP Radian, 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 IP Renewable Energy Holdings, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “IP Renewable Energy Holdings, LLC is a national solar developer with project opportunities across the United States. The ability to enter into a value limitation agreement with Brookesmith ISD is a determining factor for constructing the project in Brown County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings, LLC is considering investing in California and Colorado.”
 - B. “IP Renewable Energy Holdings, LLC is actively developing and constructing other projects throughout the US, The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, without the available property tax incentives, the economics of the project becomes unappealing to investors and the likelihood of constructing the project becomes unlikely. The property tax liability of a project without tax incentives in Texas, including a value limitation agreement with Brookesmith ISD, lowers 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. Receiving a value limitation agreement from Brookesmith ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Brown County.”

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 type="checkbox"/> Land has no existing improvements	<input checked="" 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.

IP Renewable Energy Holdings, LLC, the parent of IP Radian, LLC, is a national solar developer with project opportunities across the United States. The ability to enter into a value limitation agreement with Brookesmith ISD is a determining factor for constructing the project in Brown County, Texas, as opposed to building and investing in another county, state or region. IP Renewable Energy Holdings LLC is considering investing in California and Colorado.

IP Renewable Energy Holdings, LLC is actively developing and constructing other projects throughout the US. The applicant requires this value limitation agreement in order to move forward with constructing this project in Texas. Specifically, 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 liability of a project without tax incentives in Texas, including a value limitation agreement with Brookesmith ISD, lowers 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. We want to avoid a situation where the applicant would be forced to have its development capital and prospective investment funds spent in other states where the rate of return is higher on a project basis.

However, the proposed site in Brown County is a desirable business location and can provide electricity at a price that is competitive with other projects in Brown County and elsewhere in Texas, assuming that the expected tax incentives, including a value limitation agreement, are obtained. 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 Brookesmith ISD is vital to ensuring the economics justify building the project and placing it into commercial operation in Brown County.

About IP Renewable Energy Holdings LLC

The IP Renewable Energy Holdings, LLC team has the collective experience in all phases of development across 60+ projects, and 2GWp of operating solar power with a total value of over \$6 billion. Our team has been involved in almost \$9B of successful debt and long-term equity financing for mid to late stage development projects. Our team has been successful together throughout the evolution of clean infrastructure, from the early days of kW scale solar, to pioneering 5-20MW projects and on to increasingly sophisticated and complex transactions of 100-500MW projects.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Brookesmith ISD – IP Radian, LLC App. #1409

Comptroller Questions (via email on August 14, 2018):

1. *Is the IP Radian, LLC currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*
3. *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*

Applicant Response (Questions 1 & 2 via Tab 4 application. Question 3 via email on September 6, 2019):

1. *This project is not known by any other name.*
2. The ERCOT GINR is 21INR0205, assigned on September 27, 2018.
3. *None.*

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Brookesmith ISD – IP Radian, LLC App. #1409

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