

# O'HANLON, DEMERATH & CASTILLO

ATTORNEYS AND COUNSELORS AT LAW

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September 4, 2019

Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Amendment001 to the Andrews Independent School District from 2W Permian Solar, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment001 to Andrews ISD from 2W Permian Solar, LLC. The following changes have been made:

1. Tab 7 & 8 add language. "This application covers all qualified property in the reinvestment zone and project boundary within Andrews ISD"
  - a. Also please explain how "battery or battery system" will be used. – Updated tabs 7 and 8
2. Tab 12. The "Request for Waiver of Job Creation Requirement" letter must state the industry standard for the number of employees reasonably necessary for the operation of the facility. This must include either a clearly stated industry standard number of jobs or a testable calculation; for example, "the industry standard is 1 job per 150 MW." – Updated Job waiver Request
3. Section 14, Tab 13, schedule C
  - a. TWC released the 1st quarter 2019 in QCEW. You will need to update your wages
  - b. Section 14 Question 7a. The wages for 7a (all industries) must be set to ownership "Total All." (Ownership was entered as "Private" – which is only correct for the 7b wages). Under Tab 13, please provide a new "Quarterly Employment and Wages (QCEW)" reflecting the change to "Total All." – Updated Wages and Schedule
4. Tab 11. Maps
  - a. Can you make the other two maps bigger (the size of the RZ map is good). It is hard to see the roads.
  - b. Relabel Project Area to "Project Boundary"
  - c. Also in the qualified property map make the project boundary and RZ perimeter a different and darker color. – Updated Maps
5. New Signature Page

A copy of the application will be submitted to the Andrews County Appraisal District.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', with a stylized flourish at the end.

Kevin O'Hanlon  
School District Consultant

Cc: Andrews County Appraisal District  
2W Permian Solar, LLC

Texas Comptroller of Public Accounts

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? ..... 0
2. What is the last complete calendar quarter before application review start date:  
 First Quarter     Second Quarter     Third Quarter     Fourth Quarter of 2019  
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? ..... 0  
**Note:** For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? ..... 4
5. What is the number of new non-qualifying jobs you are estimating you will create? ..... 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? .....  Yes     No
  - 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
  - a. Average weekly wage for all jobs (all industries) in the county is ..... 1,327.00
  - b. 110% of the average weekly wage for manufacturing jobs in the county is ..... 1,137.68
  - c. 110% of the average weekly wage for manufacturing jobs in the region is ..... 1,139.81
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? .....  §313.021(5)(A) or  §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? ..... 59,159.36
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... 59,160.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? .....  Yes     No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? .....  Yes     No
  - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? .....  Yes     No
  - 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

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

## **Tab Item 7**

### **Description of Qualified Investment**

2W Permian Solar, LLC plans to construct a 350 MW solar farm (the “Project”) in Andrews County.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Andrews ISD. This application covers all qualified property in the reinvestment zone and project boundary within Andrews ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and the inverters selected, manufacturer’s availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. With that being said, current plans are to install 1.2 million Longi 400-watt panels.

Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery systems underground conduit, communication cables, electric collection system wiring, combiner boxes, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar irradiation and weather conditions.

The Permian Battery Energy Storage System (“BESS”) asset will be integrated into the solar energy generation Project and will be used, at certain times, to temporarily store electricity generated by the Project for the purpose of provide energy arbitrage and ancillary services for the ERCOT wholesale energy market, shifting the Project's energy production to delivery times and reliability services where the grid needs it most.

Construction of the project is anticipated to begin in quarter 4 of 2019 with completion and commercial operation by quarter 2 of 2021.

## **Tab Item 8**

### **Description of Qualified Property**

2W Permian Solar, LLC plans to construct a 350 MW solar farm (the “Project”) in Andrews County.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Andrews ISD. This application covers all qualified property in the reinvestment zone and project boundary within Andrews ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and the inverters selected, manufacturer’s availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. With that being said, current plans are to install 1.2 million Longi 400-watt panels.

Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery systems, underground conduit, communication cables, electric collection system wiring, combiner boxes, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar irradiation and weather conditions.

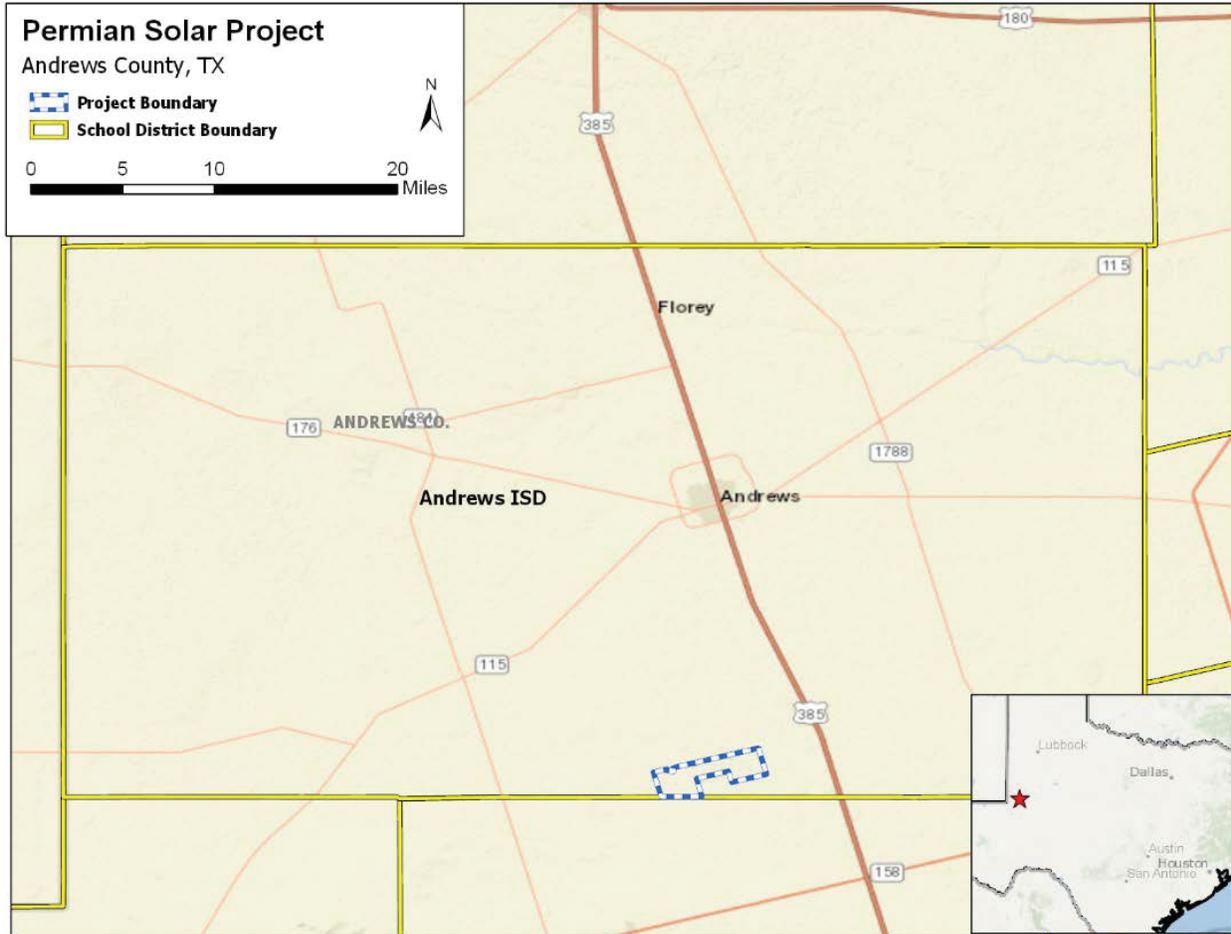
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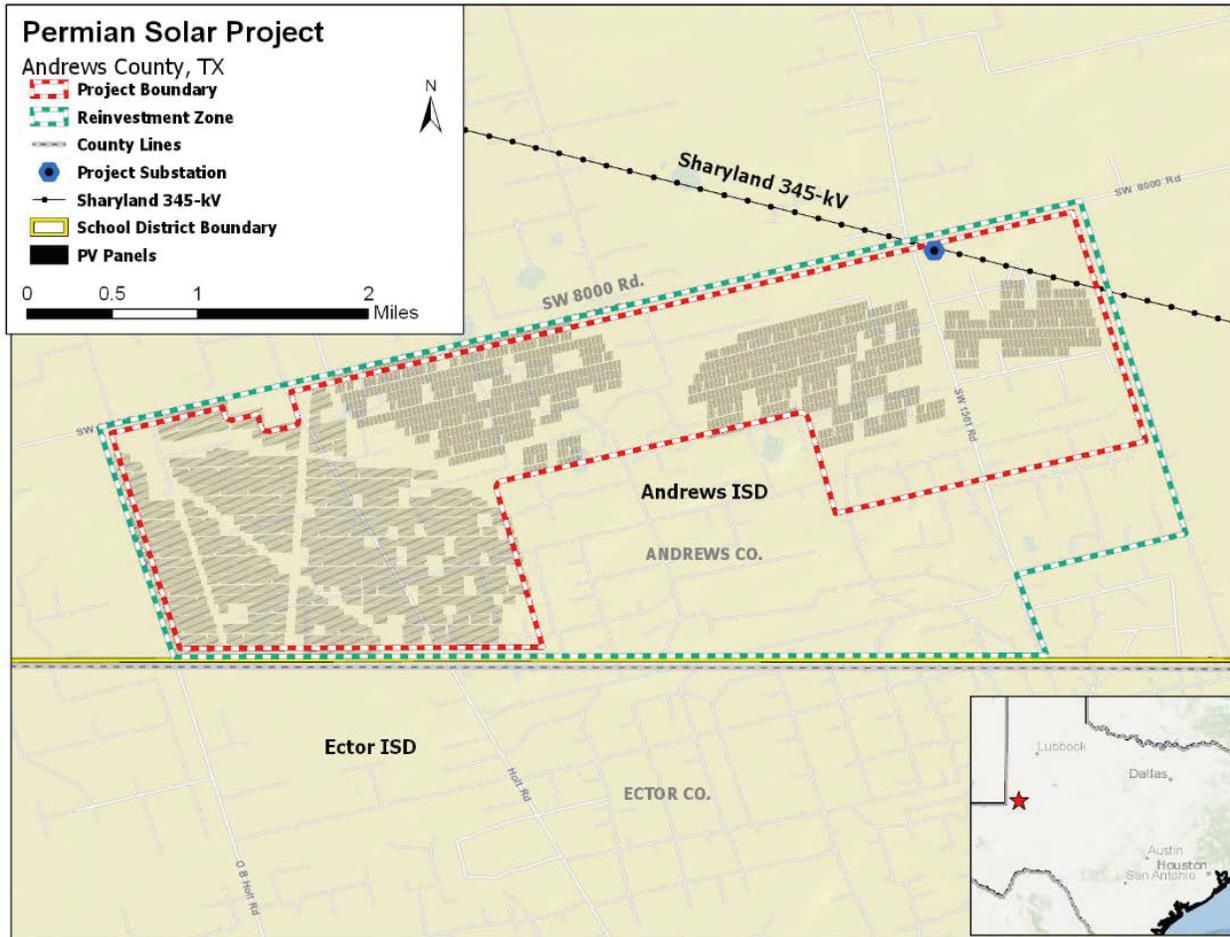
### Tab Item 11

### Maps

### Vicinity and ISD Map:



### Location of Project, Proposed Reinvestment Zone, Andrews ISD Boundary, County Boundary, Qualified Investment, and Qualified Property:



**Tab Item 12**  
**Request For Waiver of Job Creation Requirement**

August 13, 2019

Superintendent Bobby  
Azam Andrews ISD  
405 NW 3<sup>rd</sup> Street  
Andrews, TX 79714

Re: Chapter 313 Job Waiver Request

Dear Superintendent Azam,

Please consider this letter to be 2W Permian Solar, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Solar energy projects create many full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the solar industry, we expect that four (4) employees would be needed to operate a 350 MW facility, and we can commit to creating four (4) full-time positions to fill those needs. The industry standard is one (1) job per 150 MW. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Andrews ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a solar energy facility of this size, as evidenced by limitation agreement applications that have been filed by other solar energy developers, and by documentation related to the development and operation of solar energy generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base.

Kind Regards,

Eric Barnett  
Development Director  
2W Permian Solar, LLC

**Tab Item 13**

**Calculation of three possible wage requirements with TWC documentation**

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for All Jobs (All Industries) in Andrews County

Year	Period	Area	Ownership	Ind-Code	Industry	Avg. Weekly Wages
2019	1 <sup>st</sup> Qtr	Andrews	Total All	10	Total, All Industries	\$1,318
2018	2 <sup>nd</sup> Qtr	Andrews	Total All	10	Total, All Industries	\$1,273
2018	3 <sup>rd</sup> Qtr	Andrews	Total All	10	Total, All Industries	\$1,289
2018	4 <sup>th</sup> Qtr	Andrews	Total All	10	Total, All Industries	\$1,428
Average						\$1,327

110% of \$1,327 = \$1,459.70

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Andrews	Total All	10	Total, All Industries	1,261
2018	02	Andrews	Total All	10	Total, All Industries	1,273
2018	03	Andrews	Total All	10	Total, All Industries	1,289
2018	04	Andrews	Total All	10	Total, All Industries	1,428
2019	01	Andrews	Total All	10	Total, All Industries	1,318

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Andrews County

Year	Period	Area	Ownership	Ind-Code	Indsutry	Avg. Weekly Wages
2019	1 <sup>st</sup> Qtr	Andrews	Private	31-33	Total, Manufacturing	\$1,055
2018	2 <sup>nd</sup> Qtr	Andrews	Private	31-33	Total, Manufacturing	\$1,060
2018	3 <sup>rd</sup> Qtr	Andrews	Private	31-33	Total, Manufacturing	\$971
2018	4 <sup>th</sup> Qtr	Andrews	Private	31-33	Total, Manufacturing	\$1,051
Average						\$1,034.25

110% of \$1,034.25 = \$1,137.68

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Andrews	Private	31-33	Manufacturing	992
2018	02	Andrews	Private	31-33	Manufacturing	1,060
2018	03	Andrews	Private	31-33	Manufacturing	971
2018	04	Andrews	Private	31-33	Manufacturing	1,051
2019	01	Andrews	Private	31-33	Manufacturing	1,055

Quarterly Employment and Wages (QCEW)

Average Weekly Wage for Manufacturing Jobs in Region

Andrews County is included in the Permian Basin Regional Planning Commission. The most recently reported (2018) average wage for the Permian Basin Regional Planning Commission is \$53,882.

$$\$53,882 / 52 = \$1,036.19$$

$$110\% \text{ of } \$1,036.19 = \$1,139.81$$

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

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

**Schedule C: Employment Information**

Date  
Applicant Name  
ISD Name

2W Permian Solar, LLC  
Andrews ISD

Form 50-296A  
Revised May, 2014

	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Construction		Non-Qualifying Jobs		Qualifying Jobs	
				Column A Number of Construction FTE's or man-hours (specify)	Column B Average annual wage rates for construction workers	Column C Number of non-qualifying jobs applicant estimates it will create (cumulative)	Column D Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Column E Average annual wage of new qualifying jobs	
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	50 FTEs	\$59,160				
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2020-2021	2020						
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2021-2022	2021						
	1	2022-2023	2022	350 FTEs	\$59,160	0	0	0	
	2	2023-2024	2023	N/A	N/A	0	0	4	\$59,160
	3	2024-2025	2024	N/A	N/A	0	0	4	\$59,160
	4	2025-2026	2025	N/A	N/A	0	0	4	\$59,160
	5	2026-2027	2026	N/A	N/A	0	0	4	\$59,160
	6	2027-2028	2027	N/A	N/A	0	0	4	\$59,160
	7	2028-2029	2028	N/A	N/A	0	0	4	\$59,160
	8	2029-2030	2029	N/A	N/A	0	0	4	\$59,160
	9	2030-2031	2030	N/A	N/A	0	0	4	\$59,160
	10	2031-2032	2031	N/A	N/A	0	0	4	\$59,160
Years Following Value Limitation Period	11 through 25	2032-2047	2032-2046	N/A	N/A	0	0	4	\$59,160

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

**C1.** Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25  
qualifying jobs in Subchapter B districts, 10 qualifying jobs in Subchapter C districts)  
If yes, answer the following two questions:

**C1a.** Will the applicant request a job waiver, as provided under 313.025(f-1)?

**C1b.** Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes  No

Yes  No

Yes  No

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Dr. Bobby Azam  
Print Name (Authorized School District Representative)

Superintendent

Title

sign here

*[Handwritten Signature]*  
Signature (Authorized School District Representative)

Date

9/4/2019

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

PHILIP MOORE  
Print Name (Authorized Company Representative (Applicant))

SVP  
Title

sign here

*[Handwritten Signature]*  
Signature (Authorized Company Representative (Applicant))

8/28/2019  
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

28<sup>th</sup> day of August, 2019

*[Handwritten Signature]*  
Notary Public in and for the State of Texas

My Commission expires: March 21, 2021

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