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October 25, 2019

Annette Holmes
Senior Research Analyst
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Re: 313 Application No. 1422 – Hereford ISD–Renegade Renewables, LLC d/b/a Dawn Solar

Annette:

Enclosed please find amended application pages for 313 Application No. 1422 from Renegade Renewables, LLC d/b/a Dawn Solar to Hereford ISD. This Amendment, dated October 25, 2019, is the first amendment to the Application. The revised Application pages are as follows:

1. Section 14, Question 6 – Revised to reflect applicant's request for waiver of the job creation requirement.

2. Tab 4 – Removed "but not limited to."

3. Tab 5 – Added language addressing the need for a tax limitation agreement under Chapter 313.

4. Tab 7

   (a) Added the sentence, "This application covers all qualified property in the reinvestment zone and project boundary within Hereford ISD necessary for commercial operations.";

   (b) Removed "but not limited to";

   (c) Specified the anticipated construction of 2 buildings;

   (d) Added specific equipment comprising "interconnection facilities"; and

   (e) Added the sentence, "All property currently existing within the Project boundary is abandoned or unused agricultural or homestead improvements, unrelated to the generation of electricity, and belongs to the current property owners rather than Renegade Renewables, LLC or any affiliate thereof."

5. Tab 8

   (a) Added the sentence, "This Application covers all qualified property in the reinvestment zone and project boundary within Hereford ISD necessary for commercial operations."

   (b) Removed "but is not limited to."

6. Tab 11 – Added a map reflecting the contiguous project boundary within the ISD, county, and reinvestment zone.

7. Tab 12 – Added the sentence, "The industry standard for employment for solar electric generation facilities is typically one full-time employee per 70 to 100 MW of facility generation capacity."

8. Tab 14 – Completed Schedule A1.

An updated signature page is provided along with these Amendments. Your assistance is greatly appreciated.

Sincerely,

Audie Sciumbato, PhD
Counsel for Applicant

Encls.

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? 7

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 808.75

   b. 110% of the average weekly wage for manufacturing jobs in the county is 1,060.68

   c. 110% of the average weekly wage for manufacturing jobs in the region is 1,064.34

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? 55,155.10

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 55,155.10

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 4

Detailed description of the project, including 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

Renegade Renewables, LLC, d/b/a Dawn Solar, is requesting an appraised value limitation from Hereford Independent School District for the Dawn Solar project (the "Project"), a proposed solar powered electric generating facility in Deaf Smith County. This Project, which is the subject of this 313 Application, will be constructed within the Deaf Smith-Renegade Reinvestment Zone that was established by Deaf Smith County on December 11, 2018. Maps showing the location and other details of the project are included in Tab 11 of this 313 Application. The IGNR (interconnection) number for this project, issued on February 5, 2019, is 20INR0255. Renegade Renewables, LLC d/b/a Dawn Solar, is not a party to any other 313 Agreement. Neither the Project, Renegade Renewables, LLC, nor Dawn Solar have been known as or done business under other names in the past.

The proposed Project is a solar photovoltaic (PV) facility with a nameplate capacity of approximately 650 MW DC, all located within the Project boundary and Hereford ISD. Solar equipment selection is ongoing at this time and has not been finalized. Racks will be utilized to support approximately 1,950,000 solar photovoltaic modules that convert sunlight to direct current (DC) electrical power. The direct current is transmitted by wiring to solid state inverters that convert the DC power to alternating current (AC) 480-volt electrical power. The 480-volt electrical power is supplied by wire to transformers that increase the voltage to 34.5kV. The exact number of photovoltaic panels and their capacity will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. Renegade Renewables, LLC is also constructing generation transmission tie line, all within the Project boundary and Deaf Smith County. The Applicant requests a value limitation for all materials and equipment installed for the Project, including solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Tab 5

Documentation to Assist in Determining if Limitation is a Determining Factor

Business Plan for Dawn Solar Project

Executive Summary

Renegade Renewables, LLC d/b/a Dawn Solar is a planned approximately 650 MW (DC) solar PV powerplant to be located on the Western edge of the Texas panhandle near Hereford, TX. The project site takes advantage of the adjacent 345 kV transmission lines operated by Sharyland Utilities that pass just north and east of Hereford and will allow the powerplant to connect to ERCOT's North Hub.

The solar plant will be constructed by a world-class EPC, M.A. Mortenson Company. Dawn Solar will export power within the ERCOT market (the Electric Reliability Council of Texas) and expects to compete effectively in Texas' de-regulated energy market using a combination of Power Purchase Agreements and Financial Hedges. The expected life of the solar PV powerplant is 35+ years.

Neither the Project, Renegade Renewables, LLC, nor Dawn Solar have been known by or done business under other names in the past.

Choice of Market – ERCOT background

ERCOT is a highly competitive, 25+ million user electricity market served by a robust mix of generating assets, including a dominant percentage of natural gas (53%), and lesser amounts contributed by wind (22%), coal (17%), and nuclear 5%. Despite good insolation levels (sunshine) and low land costs, solar has lagged far behind wind development in Texas. Wind projects now total over 21 GW of capacity in 2018. Solar energy capacity is about 1%, with only 1.5 GW (1,500 MW (AC)) on-line as of June 2018.

The dynamics of the ERCOT energy market for suppliers of power is that coal and nuclear generally need to run as baseload (producing power 24 hours a day, 7 days a week) in order to be competitive, while gas, especially newer plants, have the flexibility to run either as baseload or as peaker plants that can ramp up to meet demand on a day when power prices are expected to be higher. Wind and solar are intermittent resources, meaning wind speed and sunshine can be roughly forecasted but the specific amount of power delivered to the grid will fluctuate through the day and the maximum potential output of the solar field or wind farm is achieved only during optimal conditions.

To be competitive in ERCOT, solar can leverage its inherent benefit to the ERCOT market – that solar fields achieve peak output during the hottest part of the day, coincident with high air conditioning use and higher power prices. As an additional competitive advantage, solar's production curve is quite different from wind. Solar ramps up during the morning hours and then of course ramps down as the evening approaches, typically the time frame for selling power. In contrast with wind, which often hits peak production in the overnight hours (when power demand is low) and is weakest during the middle of the day. See Chart 1. Similarly, Solar is strongest during the high demand summer months, while wind is at its weakest in mid to late summer. See Chart 2.

CHART 1

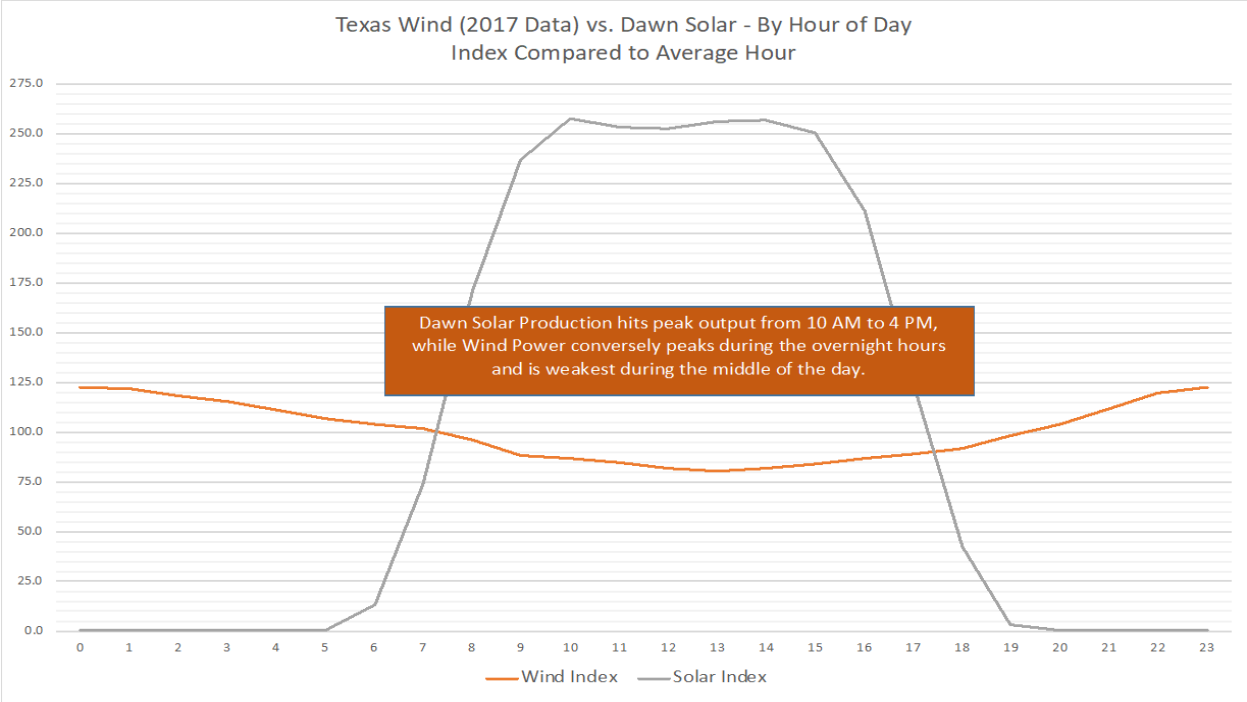
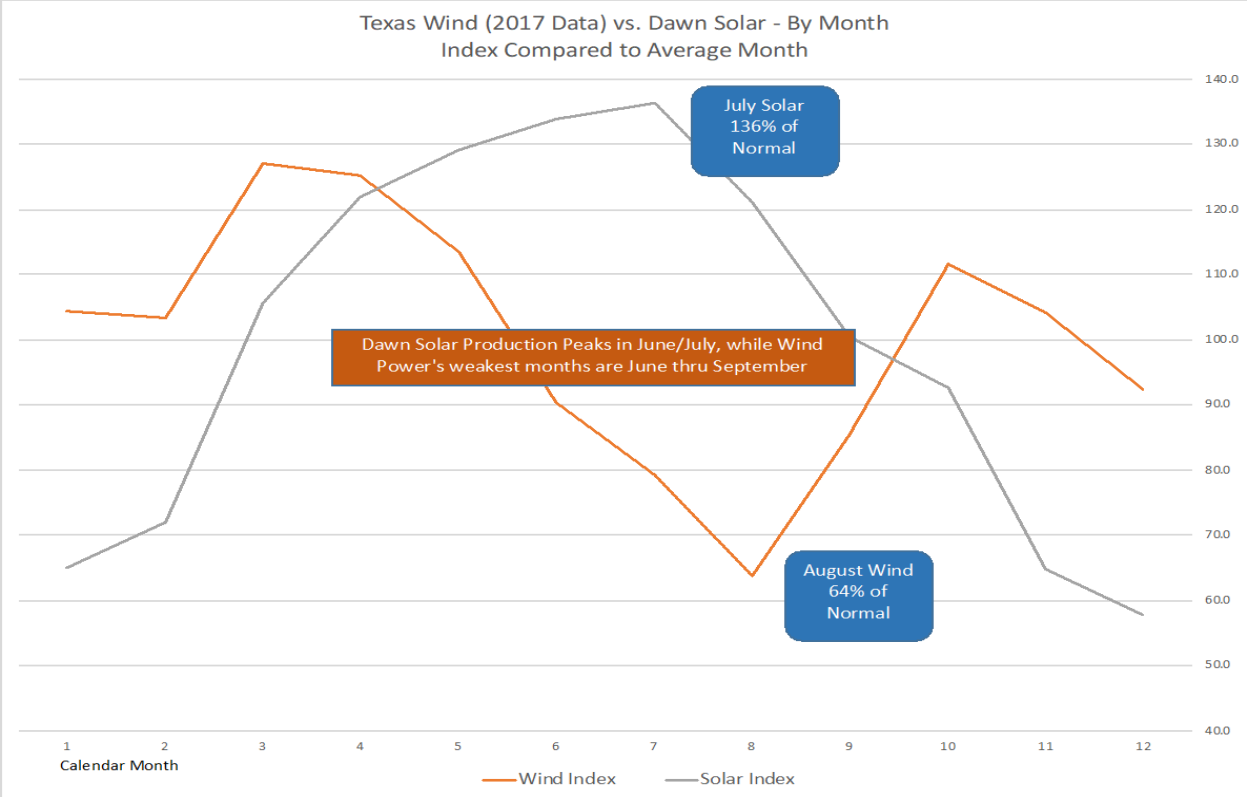


CHART 2



Section 2: Location of Project and Why it Makes Sense to Locate There

Renegade Renewables, LLC has evaluated a number of other sites in other states for this Project. Because suitable solar conditions exist throughout the Southwest, placement and construction options exist in other states. However, Dawn Solar's proposed site of northeast of Hereford, TX is an optimal location for a number of factors:

1. The selected land parcel is relatively flat, contiguous and adjacent to a US highway, allowing easy site access and making plant design and placement of equipment less complex;
2. Dawn Solar is also adjacent to Sharyland Utilities' 345kV transmission line, which is double strung and therefore has ample capacity to carry the power from Dawn Solar at a high voltage, resulting in a excellent access to the North Hub while also enabling a lower cost of construction of the interconnection line from the project to the substation;
3. The geotechnical conditions of the site do not require significant remediation or disturbance of the property. There are also very few identified wetlands on the parcel of land and the solar PV plant will not be constructed on the wetlands;
4. Hereford is located within Deaf Smith County which is part of the ERCOT market. Twenty-two panhandle counties are outside of ERCOT including two that are directly adjacent to Deaf Smith. The opportunities within ERCOT are much better for a solar powerplant than if the project were located outside ERCOT.

In spite of the above factors, Renegade Renewables, LLC could locate this project in other states within the United States and other regions within Texas with favorable solar conditions. This appraised value limitation is critical to the ability of this project to move forward as currently sited. Without the available tax incentives, the economics of the Project become less favorable and the electricity produced is less likely to be sold at a competitive price. Obtaining the limitation is critical to the economic and competitive viability of this Project, as Renegade Renewables, LLC would likely forego this project and reallocate to an area with more favorable economic conditions and opportunities.

Section 3: Benefits to & Impact on Deaf Smith County, including discussion of Cost of Project

Dawn Solar provides multiple benefits to the local economy in Deaf Smith County while simultaneously demanding relatively little from County services.

Initially, during the construction phase, the project will bring up to 500 temporary employees to work and an overall project cost of over $500 million dollars, including solar panels, racking and inverters, depending upon the final size of the project and the timing of equipment delivery to the site. Over the approximately 18-month build cycle, these construction employees will inevitably live, eat and shop nearby. Once Dawn Solar begins commercial operations, the powerplant will create approximately seven (7) new, permanent, full-time jobs and lead to a positive net economic benefit to Deaf Smith County of approximately $550,000 in payroll dollars annually, or about $20 Million over the (35 year) life of the Project. On an annual basis,

Dawn Solar is expected to produce approximately 1,400 GWhs of electricity, enough power to serve 120,000 homes in the ERCOT electricity market. And lastly, even including the proposed tax abatements, Dawn Solar will nevertheless add significantly to the property tax base in Deaf Smith County.

It is worth noting that a solar power plant is quiet, pollution free and has little impact on the surrounding properties. The racking systems reach no higher than about 10 feet and vegetation is kept low to prevent shading of the solar modules while also checking erosion. And when the project reaches the end of its commercial life, the pilings holding the racking are removed, cables that have been laid underground are pulled up and the land can be returned to a natural state without much further work.

Tab 7

a. A specific and detailed description of the qualified investment on the property for which an appraised value limitation is requested

b. A description of any new buildings, proposed new improvements or personal property to be included as part of the qualified investment

Renegade Renewables, LLC plans to construct Dawn Solar, a 650 MW solar farm in Deaf Smith County. This 313 Application refers to all qualified property within Hereford ISD necessary for the commercial operations of the proposed solar farm described in Tab 4. The proposed Project is a solar photovoltaic (PV) facility with a nameplate capacity of approximately 650 MW DC, all located in Hereford ISD. Solar equipment selection is ongoing at this time and has not been finalized. Racks will be utilized to support approximately 1,950,000 solar photovoltaic modules that convert sunlight to direct current (DC) electrical power. The direct current is transmitted by wiring to solid state inverters that convert the DC power to alternating current (AC) 480-volt electrical power. The 480-volt electrical power is supplied by wire to transformers that increase the voltage to 34.5kV. The exact number of photovoltaic panels and their capacity will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. Renegade Renewables, LLC is also constructing generation transmission tie line, all within the Project boundary, Hereford ISD, and Deaf Smith County.

This application covers all qualified property in the reinvestment zone and project boundary within Hereford ISD necessary for commercial operations. Qualified Investment and qualified property includes solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, two buildings (a maintenance building and a substation control house), paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities consisting of circuit breakers, substation transformers, high-voltage switches, cable conductors, and monitoring/communication equipment necessary for the concerted operation of a large-scale project.

Maps in Tab 11 of this Application show the proposed project area with the preliminary solar panel locations. The exact placement of these panels is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins. All property currently existing within the Project boundary is abandoned or unused agricultural or homestead improvements, unrelated to the generation of electricity, and belongs to the current property owners rather than Renegade Renewables, LLC or any affiliate thereof.

Tab 8

Description of Qualified Property

Solar equipment selection is ongoing at this time and has not been finalized. Racks will be utilized to support approximately 1,950,000 solar photovoltaic modules that convert sunlight to direct current (DC) electrical power. The direct current is transmitted by wiring to solid state inverters that convert the DC power to alternating current (AC) 480-volt electrical power. The 480-volt electrical power is supplied by wire to transformers that increase the voltage to 34.5kV. The exact number of photovoltaic panels and their capacity will vary depending upon the panels and inverters selected, manufacturer's availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed. Renegade Renewables, LLC is also constructing generation transmission tie line, all within the Project boundary, Hereford ISD, and Deaf Smith County.

This Application covers all qualified property in the reinvestment zone and project boundary within Hereford ISD necessary for commercial operations. Qualified property includes solar modules/panels, racking and mounting structures, inverters boxes, combiner boxes, meteorological equipment, foundations, roadways, buildings and offices, paving, fencing, collection system, electrical substations, generation transmission tie line and associated towers, and interconnection facilities.

Maps in Tab 11 of this Application show the proposed project area with the preliminary solar panel locations. The exact placement of these panels is subject to ongoing planning, soil studies, and engineering and will be determined before construction begins.

Tab 11

a. Project vicinity

b. Qualified Investment including location of tangible personal property to be placed in service during the Qualifying Time Period and buildings to be constructed during the Qualifying Time Period

c. Qualified Property including location of new improvements

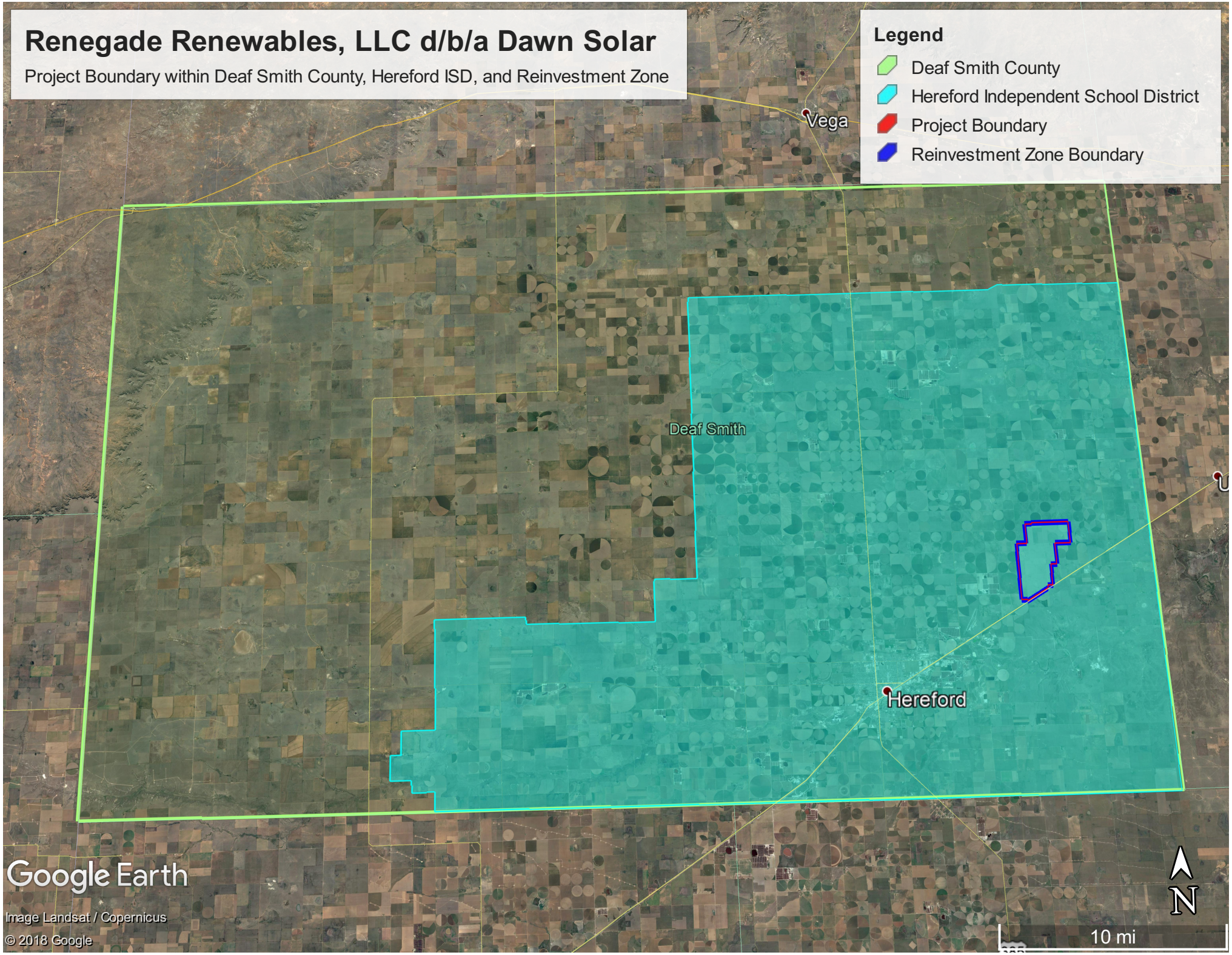
d. Existing Property

e. Land Location (vicinity map)

f. Reinvestment Zone boundaries and size with vicinity map

Renegade Renewables, LLC d/b/a Dawn Solar

Project Boundary within Deaf Smith County, Hereford ISD, and Reinvestment Zone



Tab 12

Request for Waiver of Job Creation Requirement and Supporting Information

EVERETT JONES
Everett Jones Investments

Dilip R. Limaye
Chairman

August 20, 2019

Ms. Sheri Blankenship
Superintendent
Hereford Independent School District
601 N. 25 Mile Avenue
Hereford, Texas 79045

Subject: Chapter 313 Job Waiver Request

Dear Ms. Blankenship:

Everett Jones LLC, on behalf of Renegade Renewables LLC, DBA Dawn Solar, requests that the Hereford Independent School District's Board of Trustees waive the job requirement provisions as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on School District's board findings 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 owner that is described in the application.

Dawn Solar is building a solar photovoltaic project in Deaf Smith County and requests that the Hereford Independent School District makes such a finding and waive the job creation requirement for permanent jobs for this project. The industry standard for employment for solar electric generation facilities is typically one full-time employee per 70 to 100 MW of facility generation capacity. In line with this industry standard, Dawn Solar has committed to create seven (7) permanent jobs for the project, all of which will be in Hereford ISD. Solar projects create a large number of full and part-time, including temporary jobs during the construction phase of the project, but require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs specified in this application is in line with the industry standards for a solar farm of this scope and size. This is evidenced by previously filed limitation agreement applications by solar developers who also requested a waiver of the job requirements. In addition, there are educational materials and other documentation that also suggest that Dawn Solar has the appropriate number of jobs for this project.

Dilip R. Limaye
Chairman

136 Market Street Sunbury, PA 17801
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www.everettjonesinv.com

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Date 21-Aug-19
Applicant Name Renegade Renewables, LLC d/b/a Dawn Solar
ISD Name Hereford ISD

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2020	Not eligible to become Qualified Property		0	[The only other investment made before filing complete application with district that may become Qualified Property is land.]	0
Investment made after filing complete application with district, but before final board approval of application				0	0	0	0	0
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				200,000,000	0	0	0	200,000,000
Complete tax years of qualifying time period	QTP1	2021-2022	2021	300,000,000	0	0	0	300,000,000
	QTP2	2022-2023	2022	0	0	0	0	0
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				500,000,000	0	0	0	500,000,000
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				500,000,000				

For All Columns: List amount invested each year, not cumulative totals.
Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.
Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.
Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.
Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.
Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.
Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

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 Sheri Blankenship — Print Name *(Authorized School District Representative)*

Superintendent — Title

sign here Sheri Blankenship — Signature *(Authorized School District Representative)*

Date 10/28/19

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 David Mitchell — Print Name *(Authorized Company Representative (Applicant))*

CFO — Title

sign here David M. Mitchell — Signature *(Authorized Company Representative (Applicant))*

10/23/19 — Date

REUBEN BORMAN
Notary Public, State of New York
No. 02BO6357748
Qualified in New York County
Commission Expires 04/24/2021

(Notary Seal)

GIVEN under my hand and seal of office this, the

23rd day of October 2019

Reuben Borman

Notary Public in and for the State of ~~Texas~~ New York

My Commission expires: 4/24/2021

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.