



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 19, 2020

Tim Glover
Superintendent
Tulia Independent School District
702 NW 8th Street
Tulia, Texas 78088

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Tulia Independent School District and TX Nazareth Solar, LLC, Application 1428

Dear Superintendent Glover:

On March 20, 2020, the Comptroller issued written notice that TX Nazareth Solar, LLC (applicant) submitted a completed application (Application 1428) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on September 16, 2019, to the Tulia 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 1428.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of March 20, 2020, 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,

DocuSigned by:

11EA6DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of TX Nazareth Solar, LLC (project) applying to Tulia 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 TX Nazareth Solar, LLC.

Applicant	TX Nazareth Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Tulia ISD
2018-2019 Average Daily Attendance	980
County	Swisher
Proposed Total Investment in District	\$120,810,749
Proposed Qualified Investment	\$120,810,749
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2022-2023
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	\$853.88
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$853.88
Minimum annual wage committed to by applicant for qualified jobs	\$44,402
Minimum weekly wage required for non-qualifying jobs	\$731.50
Minimum annual wage required for non-qualifying jobs	\$38,038
Investment per Qualifying Job	\$120,810,749
Estimated M&O levy without any limit (15 years)	\$8,173,597
Estimated M&O levy with Limitation (15 years)	\$3,382,177
Estimated gross M&O tax benefit (15 years)	\$4,791,420

* 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 TX Nazareth Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	250	303	553	\$12,500,000	\$28,739,000	\$41,239,000
2022	250	315	565.312	\$12,500,000	\$33,870,000	\$46,370,000
2023	1	35	36	\$44,402	\$7,960,598	\$8,005,000
2024	1	11	12	\$44,402	\$4,745,598	\$4,790,000
2025	1	(10)	-9	\$44,402	\$2,109,598	\$2,154,000
2026	1	(19)	-18	\$44,402	\$573,598	\$618,000
2027	1	(21)	-20	\$44,402	-\$190,402	-\$146,000
2028	1	(18)	-17	\$44,402	-\$411,402	-\$367,000
2029	1	(13)	-12	\$44,402	-\$303,402	-\$259,000
2030	1	(8)	-7	\$44,402	-\$30,402	\$14,000
2031	1	(4)	-3	\$44,402	\$322,598	\$367,000
2032	1	0	1	\$44,402	\$691,598	\$736,000
2033	1	3	4	\$44,402	\$1,023,598	\$1,068,000
2034	1	6	7	\$44,402	\$1,301,598	\$1,346,000

Source: CPA REMI, TX Nazareth Solar, 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*	Tulia ISD I&S Tax Levy	Tulia ISD M&O Tax Levy	Tulia ISD M&O and I&S Tax Levies	Swisher County Tax Levy	Swisher Memorial Hospital District Tax Levy	Swisher County Lateral Road Tax Levy	High Plains Water District Tax Levy	Noxious Weed District Tax Levy	Estimated Total Property Taxes
				0.2670	1.0618		0.6370	0.3053	0.0684	0.0063	0.0600	
2022	\$21,883,775	\$21,883,775		\$58,430	\$232,362	\$290,792	\$139,400	\$66,801	\$14,969	\$1,379	\$13,130	\$513,340
2023	\$112,474,807	\$112,474,807		\$300,308	\$1,194,258	\$1,494,565	\$716,465	\$343,335	\$76,933	\$7,086	\$67,485	\$2,638,383
2024	\$103,462,325	\$103,462,325		\$276,244	\$1,098,563	\$1,374,807	\$659,055	\$315,824	\$70,768	\$6,518	\$62,077	\$2,426,973
2025	\$93,737,060	\$93,737,060		\$250,278	\$995,300	\$1,245,578	\$597,105	\$286,137	\$64,116	\$5,905	\$56,242	\$2,198,842
2026	\$83,226,525	\$83,226,525		\$222,215	\$883,699	\$1,105,914	\$530,153	\$254,053	\$56,927	\$5,243	\$49,936	\$1,952,290
2027	\$71,882,395	\$71,882,395		\$191,926	\$763,247	\$955,173	\$457,891	\$219,425	\$49,168	\$4,529	\$43,129	\$1,686,185
2028	\$59,632,186	\$59,632,186		\$159,218	\$633,175	\$792,392	\$379,857	\$182,030	\$40,788	\$3,757	\$35,779	\$1,398,825
2029	\$46,403,409	\$46,403,409		\$123,897	\$492,711	\$616,608	\$295,590	\$141,649	\$31,740	\$2,923	\$27,842	\$1,088,510
2030	\$32,111,497	\$32,111,497		\$85,738	\$340,960	\$426,698	\$204,550	\$98,022	\$21,964	\$2,023	\$19,267	\$753,257
2031	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2032	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2033	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2034	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2035	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2036	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
			Total	\$2,055,331	\$8,173,597	\$10,228,928	\$4,903,542	\$2,349,813	\$526,534	\$48,497	\$461,872	\$18,057,314

Source: CPA, TX Nazareth Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Swisher 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 and tax abatement with the County and Swisher Memorial Hospital.

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*	Tulia ISD I&S Tax Levy	Tulia ISD M&O Tax Levy	Tulia ISD M&O and I&S Tax Levies	Swisher County Tax Levy	Swisher Memorial Hospital District Tax Levy	Swisher County Lateral Road Tax Levy	High Plains Water District Tax Levy	Noxious Weed District Tax Levy	Estimated Total Property Taxes
				0.2670	1.0618		0.6370	0.3053	0.0684	0.0063	0.0600	
2022	\$21,883,775	\$21,883,775		\$58,430	\$232,362	\$290,792	\$139,400	\$66,801	\$14,969	\$1,379	\$13,130	\$513,340
2023	\$112,474,807	\$20,000,000		\$300,308	\$212,360	\$512,668	\$716,465	\$343,335	\$76,933	\$7,086	\$67,485	\$1,656,486
2024	\$103,462,325	\$20,000,000		\$276,244	\$212,360	\$488,604	\$659,055	\$315,824	\$70,768	\$6,518	\$62,077	\$1,540,770
2025	\$93,737,060	\$20,000,000		\$250,278	\$212,360	\$462,638	\$597,105	\$286,137	\$64,116	\$5,905	\$56,242	\$1,415,902
2026	\$83,226,525	\$20,000,000		\$222,215	\$212,360	\$434,575	\$530,153	\$254,053	\$56,927	\$5,243	\$49,936	\$1,280,951
2027	\$71,882,395	\$20,000,000		\$191,926	\$212,360	\$404,286	\$457,891	\$219,425	\$49,168	\$4,529	\$43,129	\$1,135,298
2028	\$59,632,186	\$20,000,000		\$159,218	\$212,360	\$371,578	\$379,857	\$182,030	\$40,788	\$3,757	\$35,779	\$978,010
2029	\$46,403,409	\$20,000,000		\$123,897	\$212,360	\$336,257	\$295,590	\$141,649	\$31,740	\$2,923	\$27,842	\$808,159
2030	\$32,111,497	\$20,000,000		\$85,738	\$212,360	\$298,098	\$204,550	\$98,022	\$21,964	\$2,023	\$19,267	\$624,657
2031	\$24,162,150	\$20,000,000		\$64,513	\$212,360	\$276,873	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$522,591
2032	\$24,162,150	\$20,000,000		\$64,513	\$212,360	\$276,873	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$522,591
2033	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2034	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2035	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
2036	\$24,162,150	\$24,162,150		\$64,513	\$256,554	\$321,067	\$153,913	\$73,756	\$16,527	\$1,522	\$14,497	\$566,785
			Total	\$2,055,331	\$3,382,177	\$5,437,508	\$4,903,542	\$2,349,813	\$526,534	\$48,497	\$461,872	\$13,265,894
			Diff	\$0	\$4,791,420	\$4,791,420	\$0	\$0	\$0	\$0	\$0	\$4,791,420

Assumes School Value Limitation and Tax Abatements with the County and the Swisher Memorial Hospital.

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$232,362	\$232,362	\$0	\$0
Limitation Period (10 Years)	2023	\$212,360	\$444,722	\$981,898	\$981,898
	2024	\$212,360	\$657,082	\$886,203	\$1,868,100
	2025	\$212,360	\$869,442	\$782,940	\$2,651,041
	2026	\$212,360	\$1,081,802	\$671,339	\$3,322,380
	2027	\$212,360	\$1,294,162	\$550,887	\$3,873,267
	2028	\$212,360	\$1,506,522	\$420,815	\$4,294,082
	2029	\$212,360	\$1,718,882	\$280,351	\$4,574,433
	2030	\$212,360	\$1,931,242	\$128,600	\$4,703,033
	2031	\$212,360	\$2,143,602	\$44,194	\$4,747,227
	2032	\$212,360	\$2,355,962	\$44,194	\$4,791,420
Maintain Viable Presence (5 Years)	2033	\$256,554	\$2,612,516	\$0	\$4,791,420
	2034	\$256,554	\$2,869,069	\$0	\$4,791,420
	2035	\$256,554	\$3,125,623	\$0	\$4,791,420
	2036	\$256,554	\$3,382,177	\$0	\$4,791,420
	2037	\$256,554	\$3,638,730	\$0	\$4,791,420
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$256,554	\$3,895,284	\$0	\$4,791,420
	2039	\$256,554	\$4,151,838	\$0	\$4,791,420
	2040	\$256,554	\$4,408,392	\$0	\$4,791,420
	2041	\$256,554	\$4,664,945	\$0	\$4,791,420
	2042	\$256,554	\$4,921,499	\$0	\$4,791,420
	2043	\$256,554	\$5,178,053	\$0	\$4,791,420
	2044	\$256,554	\$5,434,606	\$0	\$4,791,420
	2045	\$256,554	\$5,691,160	\$0	\$4,791,420
	2046	\$256,554	\$5,947,714	\$0	\$4,791,420
	2047	\$256,554	\$6,204,268	\$0	\$4,791,420
		\$6,204,268	is greater than	\$4,791,420	
Analysis Summary					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					Yes

Source: CPA, TX Nazareth Solar, LLC

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

Attachment C – Limitation as a Determining Factor

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

Methodology

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

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

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the TX Nazareth Solar, 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:

- This project was originally submitted to the Comptroller on August 8, 2014 and assigned application number 1023. October 17, 2014 the Comptroller’s office issued a certificate letter for application number 1023. December 22, 2014 the Comptroller’s office received an executed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes for 1023. July 26, 2017, the Comptroller’s office received a notice regarding the termination of Agreement 1023 stating, “TX Nazareth Solar was not able to make the required qualified investment during the qualified time period and the Agreement became null and void as of January 1, 2017.”
- July 31, 2017, Tulia Independent School District submitted to the Comptroller’s office a new application for the property described in application number 1023, seeking an appraised value limitation for a 200 MW Solar Photovoltaic facility on behalf of TX Nazareth Solar, LLC (assigned application number 1207). The project was issued a Certificate and later Executed on December 14, 2017. August 23, 2019 a letter was issued to the Comptroller’s office stating the Applicant would not meet the required qualified investment and official action to terminate the agreement was scheduled for the September 16, 2019 board meeting.
- September 23, 2019, Tulia Independent School District submitted to the Comptroller’s office a new application for the property described in application number 1207, seeking an appraised value limitation for a 200 MW Solar Photovoltaic facility on behalf of TX Nazareth Solar, LLC (assigned application number 1428).
- Per TX Nazareth Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The applicant has entered into a number of contracts related to the project including long-term lease option agreements with landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider.”

- B. “None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application.”
- Provided by Applicant - ERCOT application filed on October 10, 2018, IGNR 21INR0210 was assigned on November 20, 2018.

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

The Applicant for this Project has entered into a number of contracts related to the Project, including long-term lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. The Project is in the late stages of development as of the date of this application. The Project was selected as a candidate for development based on the favorable solar data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313. Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project.

None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will decrease.

The Applicant is a national real estate and solar developer with the ability to locate projects of this type and other types of real estate projects in other states within the United States. The Applicant is actively assessing and developing other projects that are competing for limited investment funds. The appraised value limitation is critical to the ability of the Project to move forward as currently sited. Examples of the Applicant's other projects that are competing with the Project for funding include:

1. Calcite Solar – 100 MW, San Bernardino County, California
2. Ironhorse Storage – 100 MW, Ventura County, California
3. Axton Solar – 201 MW, Henry County, Virginia
4. Clippership Wharf – 485,000 sq. ft. urban renewal, Boston, Massachusetts