



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

February 25, 2020

Dr. Garth Oliver
Superintendent
Louise Independent School District
408 2nd Street
Louise, TX 77455

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Louise Independent School District and Space City Solar Ranch, LLC, Application 1436

Dear Superintendent Oliver:

On December 17, 2019, the Comptroller issued written notice that Space City Solar Ranch, LLC (applicant) submitted a completed application (Application 1436) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on September 11, 2019 to the Louise 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 1436.

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 December 17, 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 Space City Solar Ranch, LLC (project) applying to Louise 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 Space City Solar Ranch, LLC.

Applicant	Space City Solar Ranch, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Louise ISD
2018-2019 Average Daily Attendance	474
County	Wharton
Proposed Total Investment in District	\$296,556,600
Proposed Qualified Investment	\$296,556,600
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$919
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$919
Minimum annual wage committed to by applicant for qualified jobs	\$47,800
Minimum weekly wage required for non-qualifying jobs	\$779
Minimum annual wage required for non-qualifying jobs	\$40,495
Investment per Qualifying Job	\$98,852,200
Estimated M&O levy without any limit (15 years)	\$15,276,014
Estimated M&O levy with Limitation (15 years)	\$5,602,459
Estimated gross M&O tax benefit (15 years)	\$9,673,555

* 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 Space City Solar Ranch, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	200	259	459	\$11,000,000	\$23,000,000	\$34,000,000
2021	500	647	1147	\$27,500,000	\$62,500,000	\$90,000,000
2022	3	65	68	\$143,400	\$12,856,600	\$13,000,000
2023	3	31	34	\$143,400	\$7,856,600	\$8,000,000
2024	3	(7)	-4	\$143,400	\$3,856,600	\$4,000,000
2025	3	(24)	-21	\$143,400	\$1,856,600	\$2,000,000
2026	3	(28)	-25	\$143,400	-\$143,400	\$0
2027	3	(25)	-22	\$143,400	-\$143,400	\$0
2028	3	(19)	-16	\$143,400	-\$143,400	\$0
2029	3	(12)	-9	\$143,400	-\$143,400	\$0
2030	3	(5)	-2	\$143,400	\$856,600	\$1,000,000
2031	3	2	5	\$143,400	\$856,600	\$1,000,000
2032	3	6	9	\$143,400	\$1,856,600	\$2,000,000
2033	3	10	13	\$143,400	\$1,856,600	\$2,000,000
2034	3	12	15	\$143,400	\$2,856,600	\$3,000,000
2035	3	13	16	\$143,400	\$2,856,600	\$3,000,000

Source: CPA REMI, Space City Solar Ranch, 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*	Louise ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Wharton County Tax Levy	West Wharton Hospital District Tax Levy	Wharton County Junior College Tax Levy	Louise Water District Tax Levy	Estimated Total Property Taxes
			0.0000	1.0500			0.4740	0.2220	0.1435	0.1484	
2022	\$193,515,936	\$193,515,936		\$0	\$2,031,917	\$2,031,917	\$917,188	\$429,605	\$277,618	\$287,236	\$3,943,565
2023	\$178,023,551	\$178,023,551		\$0	\$1,869,247	\$1,869,247	\$843,760	\$395,212	\$255,393	\$264,240	\$3,627,853
2024	\$161,306,486	\$161,306,486		\$0	\$1,693,718	\$1,693,718	\$764,528	\$358,100	\$231,410	\$239,427	\$3,287,184
2025	\$143,240,289	\$143,240,289		\$0	\$1,504,023	\$1,504,023	\$678,902	\$317,993	\$205,493	\$212,612	\$2,919,022
2026	\$123,741,824	\$123,741,824		\$0	\$1,299,289	\$1,299,289	\$586,487	\$274,707	\$177,520	\$183,670	\$2,521,673
2027	\$102,686,636	\$102,686,636		\$0	\$1,078,210	\$1,078,210	\$486,694	\$227,964	\$147,314	\$152,418	\$2,092,600
2028	\$79,950,073	\$79,950,073		\$0	\$839,476	\$839,476	\$378,931	\$177,489	\$114,696	\$118,670	\$1,629,263
2029	\$55,386,821	\$55,386,821		\$0	\$581,562	\$581,562	\$262,511	\$122,959	\$79,458	\$82,211	\$1,128,700
2030	\$41,722,224	\$41,722,224		\$0	\$438,083	\$438,083	\$197,747	\$92,623	\$59,855	\$61,928	\$850,236
2031	\$41,717,124	\$41,717,124		\$0	\$438,030	\$438,030	\$197,722	\$92,612	\$59,847	\$61,921	\$850,132
2032	\$41,712,124	\$41,712,124		\$0	\$437,977	\$437,977	\$197,699	\$92,601	\$59,840	\$61,913	\$850,031
2033	\$41,707,224	\$41,707,224		\$0	\$437,926	\$437,926	\$197,676	\$92,590	\$59,833	\$61,906	\$849,931
2034	\$41,702,524	\$41,702,524		\$0	\$437,877	\$437,877	\$197,653	\$92,580	\$59,826	\$61,899	\$849,835
2035	\$41,697,924	\$41,697,924		\$0	\$437,828	\$437,828	\$197,631	\$92,569	\$59,820	\$61,892	\$849,741
2036	\$41,693,424	\$41,693,424		\$0	\$437,781	\$437,781	\$197,610	\$92,559	\$59,813	\$61,886	\$849,649
2037	\$41,689,024	\$41,689,024		\$0	\$437,735	\$437,735	\$197,589	\$92,550	\$59,807	\$61,879	\$849,560
2038	\$41,684,724	\$41,684,724		\$0	\$437,690	\$437,690	\$197,569	\$92,540	\$59,801	\$61,873	\$849,472
2039	\$41,680,524	\$41,680,524		\$0	\$437,646	\$437,646	\$197,549	\$92,531	\$59,795	\$61,866	\$849,387
			Total	\$0	\$15,276,014	\$15,276,014	\$6,895,447	\$3,229,786	\$2,087,140	\$2,159,446	\$29,647,833

Source: CPA, Space City Solar Ranch, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Wharton 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*	Louise ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Wharton County Tax Levy	West Wharton Hospital District Tax Levy	Wharton County Junior College Tax Levy	Louise Water District Tax Levy	Estimated Total Property Taxes	
				0.0000	1.0500		0.4740	0.2220	0.1435	0.1484		
2022	\$193,515,936	\$20,000,000		\$0	\$210,000	\$210,000	\$917,188	\$429,605	\$277,618	\$287,236	\$1,556,794	
2023	\$178,023,551	\$20,000,000		\$0	\$210,000	\$210,000	\$843,760	\$395,212	\$255,393	\$264,240	\$1,448,973	
2024	\$161,306,486	\$20,000,000		\$0	\$210,000	\$210,000	\$764,528	\$358,100	\$231,410	\$239,427	\$1,332,629	
2025	\$143,240,289	\$20,000,000		\$0	\$210,000	\$210,000	\$678,902	\$317,993	\$205,493	\$212,612	\$1,206,895	
2026	\$123,741,824	\$20,000,000		\$0	\$210,000	\$210,000	\$586,487	\$274,707	\$177,520	\$183,670	\$1,071,194	
2027	\$102,686,636	\$20,000,000		\$0	\$210,000	\$210,000	\$486,694	\$227,964	\$147,314	\$152,418	\$924,658	
2028	\$79,950,073	\$20,000,000		\$0	\$210,000	\$210,000	\$378,931	\$177,489	\$114,696	\$118,670	\$766,421	
2029	\$55,386,821	\$20,000,000		\$0	\$210,000	\$210,000	\$262,511	\$122,959	\$79,458	\$82,211	\$595,470	
2030	\$41,722,224	\$20,000,000		\$0	\$210,000	\$210,000	\$197,747	\$92,623	\$59,855	\$61,928	\$500,370	
2031	\$41,717,124	\$20,000,000		\$0	\$210,000	\$210,000	\$197,722	\$92,612	\$59,847	\$61,921	\$500,334	
2032	\$41,712,124	\$41,712,124		\$0	\$437,977	\$437,977	\$197,699	\$92,601	\$59,840	\$61,913	\$728,277	
2033	\$41,707,224	\$41,707,224		\$0	\$437,926	\$437,926	\$197,676	\$92,590	\$59,833	\$61,906	\$728,191	
2034	\$41,702,524	\$41,702,524		\$0	\$437,877	\$437,877	\$197,653	\$92,580	\$59,826	\$61,899	\$728,109	
2035	\$41,697,924	\$41,697,924		\$0	\$437,828	\$437,828	\$197,631	\$92,569	\$59,820	\$61,892	\$728,029	
2036	\$41,693,424	\$41,693,424		\$0	\$437,781	\$437,781	\$197,610	\$92,559	\$59,813	\$61,886	\$727,951	
2037	\$41,689,024	\$41,689,024		\$0	\$437,735	\$437,735	\$197,589	\$92,550	\$59,807	\$61,879	\$727,874	
2038	\$41,684,724	\$41,684,724		\$0	\$437,690	\$437,690	\$197,569	\$92,540	\$59,801	\$61,873	\$727,799	
2039	\$41,680,524	\$41,680,524		\$0	\$437,646	\$437,646	\$197,549	\$92,531	\$59,795	\$61,866	\$727,725	
				Total	\$0	\$5,602,459	\$5,602,459	\$6,895,447	\$3,229,786	\$2,087,140	\$2,159,446	\$15,727,692
				Diff	\$0	\$9,673,555	\$9,673,555	\$0	\$0	\$0	\$0	\$13,920,141

Source: CPA, Space City Solar Ranch, 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 Space City Solar Ranch, 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	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$1,477,764	\$1,477,764	\$0	\$0
Limitation Period (10 Years)	2022	\$210,000	\$1,687,764	\$1,821,917	\$1,821,917
	2023	\$210,000	\$1,897,764	\$1,659,247	\$3,481,165
	2024	\$210,000	\$2,107,764	\$1,483,718	\$4,964,883
	2025	\$210,000	\$2,317,764	\$1,294,023	\$6,258,906
	2026	\$210,000	\$2,527,764	\$1,089,289	\$7,348,195
	2027	\$210,000	\$2,737,764	\$868,210	\$8,216,405
	2028	\$210,000	\$2,947,764	\$629,476	\$8,845,880
	2029	\$210,000	\$3,157,764	\$371,562	\$9,217,442
	2030	\$210,000	\$3,367,764	\$228,083	\$9,445,525
	2031	\$210,000	\$3,577,764	\$228,030	\$9,673,555
Maintain Viable Presence (5 Years)	2032	\$437,977	\$4,015,741	\$0	\$9,673,555
	2033	\$437,926	\$4,453,667	\$0	\$9,673,555
	2034	\$437,877	\$4,891,543	\$0	\$9,673,555
	2035	\$437,828	\$5,329,371	\$0	\$9,673,555
	2036	\$437,781	\$5,767,152	\$0	\$9,673,555
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$437,735	\$6,204,887	\$0	\$9,673,555
	2038	\$437,690	\$6,642,577	\$0	\$9,673,555
	2039	\$437,646	\$7,080,222	\$0	\$9,673,555
	2040	\$437,602	\$7,517,825	\$0	\$9,673,555
	2041	\$437,560	\$7,955,385	\$0	\$9,673,555
	2042	\$415,723	\$8,371,108	\$0	\$9,673,555
	2043	\$415,683	\$8,786,790	\$0	\$9,673,555
	2044	\$415,644	\$9,202,434	\$0	\$9,673,555
	2045	\$415,606	\$9,618,040	\$0	\$9,673,555
	2046	\$415,569	\$10,033,610	\$0	\$9,673,555

\$10,033,610
 is greater than **\$9,673,555**

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, Space City Solar Ranch, 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 Space City Solar Ranch, LLC’s 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:

- EDF Renewables (parent company of Space City Solar Ranch, LLC) in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “EDF Renewables’ has developed operating power projects supplying power on the West Coast, Mid-west and Northeast portions of the US. With origins dating back to 1985, EDF Renewables has a presence worldwide having built 16 GW of operating projects with and additional 1,000MW of renewable energy projects currently under constructions.”
 - B. “EDF Renewables is a national wind and solar developer currently evaluating a large project pipeline of approximately 24GW of wind and solar project opportunities in Washington, Oregon, California, Nevada, Utah Arizona, Colorado, Wyoming, New Mexico, Texas, Oklahoma, Kansas, Nebraska, North Dakota, Minnesota, Iowa, Missouri, Arkansas, Louisiana, Michigan, Illinois, Indiana, Ohio, Kentucky, North Carolina, Alabama, Georgia, Florida, New York, Maine and New Jersey, as well as locations in Canada and Mexico. With both domestic U.S. and international opportunities, the company has the ability to locate projects of this type in any of these states and countries where favorable wind and solar conditions exists.”
 - C. “The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at todays contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.”

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 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



CUMMINGS WESTLAKE

SPACE CITY SOLAR RANCH, LLC

Chapter 313 Application Louise ISD

TAB 5

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

With origins dating back to 1985, EDF Renewables, has a presence worldwide having built 16 GW of operating projects with an additional 1,000MW of renewable energy projects currently under construction. EDF Renewables has developed operating power projects supplying power on the West Coast, Mid-west and Northeast portions of the US.

EDF Renewables is a national wind and solar developer currently evaluating a large project pipeline of approximately 24GW of wind and solar project opportunities in Washington, Oregon, California, Nevada, Utah, Arizona, Colorado Wyoming, New Mexico, Texas, Oklahoma, Kansas, Nebraska North Dakota Minnesota, Iowa, Missouri, Arkansas, Louisiana Michigan, Illinois, Indiana, Ohio Kentucky North Carolina Alabama, Georgia, Florida, New York, Maine and new Jersey as well as locations in Canada and Mexico. With both domestic U.S and international opportunities, the company has the ability to locate projects of this type in any of these states and countries where favorable wind and solar conditions exist. The Applicant is actively assessing the financial viability and potential development of this project against other projects in the development pipeline that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets in other areas of the country that have statewide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Louise ISD–Space City Solar Ranch, LLC App. #1436

Comptroller Questions (via Tab 4 for questions 1-2 and email on January 23, 2020 for question 3):

1. *Is the Space City Solar Ranch, 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 (via Tab 4 of application and email on January 24, 2020):

1. *The project is not known by any other names.*
2. *The Project IGNR Numbers are 21INR0341 and 20INR0342. Both assigned on April 10, 2019.*
3. *Space City Solar Ranch, LLC is not known by any other names and has not been known by any other names in past media reports, investor presentations or listings with any state federal agencies.*