



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

May 22, 2020

Elda Alejandro  
Superintendent  
Knippa Independent School District  
100 Kessler lane  
Knippa, Texas 78870

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Knippa Independent School District and OCI Sunray, LLC, Application 1439

Dear Superintendent Alejandro:

On April 10, 2020, the Comptroller issued written notice that OCI Sunray, LLC (applicant) submitted a completed application (Application 1439) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on October 10, 2019, to the Knippa 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.

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<sup>1</sup> 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 1439.

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 April 10, 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](mailto: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 OCI Sunray, LLC (project) applying to Knippa 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 OCI Sunray, LLC.

Applicant	OCI Sunray, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Knippa ISD
2018-2019 Average Daily Attendance	416
County	Uvalde
Proposed Total Investment in District	\$168,000,000
Proposed Qualified Investment	\$168,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022
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	\$901
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$901
Minimum annual wage committed to by applicant for qualified jobs	\$46,865
Minimum weekly wage required for non-qualifying jobs	\$681.50
Minimum annual wage required for non-qualifying jobs	\$35,438
Investment per Qualifying Job	\$168,000,000
Estimated M&O levy without any limit (15 years)	\$12,342,270
Estimated M&O levy with Limitation (15 years)	\$4,004,601
Estimated gross M&O tax benefit (15 years)	\$8,337,669

\* 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 OCI Sunray, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	200	150	350	\$6,000,000	\$14,260,000	\$20,260,000
2022	1	13	13.67	\$46,865	\$2,763,135	\$2,810,000
2023	1	5	6	\$46,865	\$1,783,135	\$1,830,000
2024	1	1	2	\$46,865	\$1,173,135	\$1,220,000
2025	1	5	6	\$46,865	\$1,053,135	\$1,100,000
2026	1	1	2	\$46,865	\$683,135	\$730,000
2027	1	3	4	\$46,865	\$933,135	\$980,000
2028	1	5	6	\$46,865	\$683,135	\$730,000
2029	1	1	2	\$46,865	\$683,135	\$730,000
2030	1	5	6	\$46,865	\$443,135	\$490,000
2031	1	3	4	\$46,865	\$683,135	\$730,000
2032	1	7	8	\$46,865	\$443,135	\$490,000
2033	1	3	4	\$46,865	\$193,135	\$240,000
2034	1	5	6	\$46,865	\$443,135	\$490,000
2035	1	1	2	\$46,865	-\$46,865	\$0
2036	1	3	4	\$46,865	-\$286,865	-\$240,000

Source: CPA REMI, OCI Sunray, 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*	Knippa ISD I&S Tax Levy	Knippa ISD M&O Tax Levy	Knippa ISD M&O and I&S Tax Levies	Uvalde County Tax Levy	Uvalde Co UWCD Tax Levy	SWTJC Tax Levy	Estimated Total Property Taxes
			<b>0.1400</b>	<b>1.0685</b>			<b>0.6158</b>	<b>0.0126</b>	<b>0.1614</b>	
2022	\$154,560,000	\$154,560,000		\$216,384	\$1,651,474	\$1,867,858	\$951,780	\$19,475	\$249,460	\$3,088,572
2023	\$150,292,800	\$150,292,800		\$210,410	\$1,605,879	\$1,816,288	\$925,503	\$18,937	\$242,573	\$3,003,301
2024	\$138,660,480	\$138,660,480		\$194,125	\$1,481,587	\$1,675,712	\$853,871	\$17,471	\$223,798	\$2,770,852
2025	\$121,227,120	\$121,227,120		\$169,718	\$1,295,312	\$1,465,030	\$746,517	\$15,275	\$195,661	\$2,422,482
2026	\$105,917,280	\$105,917,280		\$148,284	\$1,131,726	\$1,280,010	\$652,239	\$13,346	\$170,950	\$2,116,545
2027	\$90,634,320	\$90,634,320		\$126,888	\$968,428	\$1,095,316	\$558,126	\$11,420	\$146,284	\$1,811,146
2028	\$72,727,200	\$72,727,200		\$101,818	\$777,090	\$878,908	\$447,854	\$9,164	\$117,382	\$1,453,308
2029	\$57,556,800	\$57,556,800		\$80,580	\$614,994	\$695,574	\$354,435	\$7,252	\$92,897	\$1,150,158
2030	\$47,496,960	\$47,496,960		\$66,496	\$507,505	\$574,001	\$292,486	\$5,985	\$76,660	\$949,132
2031	\$41,242,320	\$41,242,320		\$57,739	\$440,674	\$498,413	\$253,970	\$5,197	\$66,565	\$824,145
2032	\$40,387,200	\$40,387,200		\$56,542	\$431,537	\$488,079	\$248,704	\$5,089	\$65,185	\$807,057
2033	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
2034	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
2035	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
2036	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
			<b>Total</b>	<b>\$1,617,143</b>	<b>\$12,342,270</b>	<b>\$13,959,413</b>	<b>\$7,113,121</b>	<b>\$145,543</b>	<b>\$1,864,335</b>	<b>\$23,082,413</b>

Source: CPA, OCI Sunray, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Uvalde 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		Knippa ISD I&S Tax Levy	Knippa ISD M&O Tax Levy	Knippa ISD M&O and I&S Tax Levies	Uvalde County Tax Levy	Uvalde Co UWCD Tax Levy	SWTJC Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1400	1.0685		0.6158	0.0126	0.1614	
2022	\$154,560,000	\$20,000,000		\$216,384	\$213,700	\$430,084	\$951,780	\$19,475	\$249,460	\$1,650,799
2023	\$150,292,800	\$20,000,000		\$210,410	\$213,700	\$424,110	\$925,503	\$18,937	\$242,573	\$1,611,122
2024	\$138,660,480	\$20,000,000		\$194,125	\$213,700	\$407,825	\$853,871	\$17,471	\$223,798	\$1,502,965
2025	\$121,227,120	\$20,000,000		\$169,718	\$213,700	\$383,418	\$746,517	\$15,275	\$195,661	\$1,340,870
2026	\$105,917,280	\$20,000,000		\$148,284	\$213,700	\$361,984	\$652,239	\$13,346	\$170,950	\$1,198,519
2027	\$90,634,320	\$20,000,000		\$126,888	\$213,700	\$340,588	\$558,126	\$11,420	\$146,284	\$1,056,418
2028	\$72,727,200	\$20,000,000		\$101,818	\$213,700	\$315,518	\$447,854	\$9,164	\$117,382	\$889,918
2029	\$57,556,800	\$20,000,000		\$80,580	\$213,700	\$294,280	\$354,435	\$7,252	\$92,897	\$748,863
2030	\$47,496,960	\$20,000,000		\$66,496	\$213,700	\$280,196	\$292,486	\$5,985	\$76,660	\$655,327
2031	\$41,242,320	\$20,000,000		\$57,739	\$213,700	\$271,439	\$253,970	\$5,197	\$66,565	\$597,171
2032	\$40,387,200	\$40,387,200		\$56,542	\$431,537	\$488,079	\$248,704	\$5,089	\$65,185	\$807,057
2033	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
2034	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
2035	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
2036	\$33,600,000	\$33,600,000		\$47,040	\$359,016	\$406,056	\$206,909	\$4,234	\$54,230	\$671,429
			<b>Total</b>	<b>\$1,617,143</b>	<b>\$4,004,601</b>	<b>\$5,621,745</b>	<b>\$7,113,121</b>	<b>\$145,543</b>	<b>\$1,864,335</b>	<b>\$14,744,744</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$8,337,669</b>	<b>\$8,337,669</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,337,669</b>

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, OCI Sunray, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that OCI Sunray, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$213,700	\$213,700	\$1,437,774	\$1,437,774
	2023	\$213,700	\$427,400	\$1,392,179	\$2,829,952
	2024	\$213,700	\$641,100	\$1,267,887	\$4,097,839
	2025	\$213,700	\$854,800	\$1,081,612	\$5,179,451
	2026	\$213,700	\$1,068,500	\$918,026	\$6,097,477
	2027	\$213,700	\$1,282,200	\$754,728	\$6,852,205
	2028	\$213,700	\$1,495,900	\$563,390	\$7,415,595
	2029	\$213,700	\$1,709,600	\$401,294	\$7,816,890
	2030	\$213,700	\$1,923,300	\$293,805	\$8,110,695
	2031	\$213,700	\$2,137,000	\$226,974	\$8,337,669
<b>Maintain Viable Presence (5 Years)</b>	2032	\$431,537	\$2,568,537	\$0	\$8,337,669
	2033	\$359,016	\$2,927,553	\$0	\$8,337,669
	2034	\$359,016	\$3,286,569	\$0	\$8,337,669
	2035	\$359,016	\$3,645,585	\$0	\$8,337,669
	2036	\$359,016	\$4,004,601	\$0	\$8,337,669
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$359,016	\$4,363,617	\$0	\$8,337,669
	2038	\$364,042	\$4,727,659	\$0	\$8,337,669
	2039	\$366,376	\$5,094,035	\$0	\$8,337,669
	2040	\$369,410	\$5,463,445	\$0	\$8,337,669
	2041	\$375,944	\$5,839,388	\$0	\$8,337,669
	2042	\$377,110	\$6,216,499	\$0	\$8,337,669
	2043	\$380,377	\$6,596,876	\$0	\$8,337,669
	2044	\$386,678	\$6,983,554	\$0	\$8,337,669
	2045	\$392,512	\$7,376,067	\$0	\$8,337,669
	2046	\$406,514	\$7,782,580	\$0	\$8,337,669
		<b>\$7,782,580</b>	is less than	<b>\$8,337,669</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					No

Source: CPA, OCI Sunray, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2021	200	150	350	\$6,000,000	\$14,260,000	\$20,260,000	1030000	-650000	\$1,680,000
2022	1	13	13.67	\$46,865	\$2,763,135	\$2,810,000	110000	240000	-\$130,000
2023	1	5	6	\$46,865	\$1,783,135	\$1,830,000	90000	230000	-\$140,000
2024	1	1	2	\$46,865	\$1,173,135	\$1,220,000	90000	210000	-\$120,000
2025	1	5	6	\$46,865	\$1,053,135	\$1,100,000	80000	190000	-\$110,000
2026	1	1	2	\$46,865	\$683,135	\$730,000	110000	180000	-\$70,000
2027	1	3	4	\$46,865	\$933,135	\$980,000	140000	140000	\$0
2028	1	5	6	\$46,865	\$683,135	\$730,000	140000	120000	\$20,000
2029	1	1	2	\$46,865	\$683,135	\$730,000	150000	140000	\$10,000
2030	1	5	6	\$46,865	\$443,135	\$490,000	140000	110000	\$30,000
2031	1	3	4	\$46,865	\$683,135	\$730,000	140000	100000	\$40,000
2032	1	7	8	\$46,865	\$443,135	\$490,000	120000	80000	\$40,000
2033	1	3	4	\$46,865	\$193,135	\$240,000	120000	50000	\$70,000
2034	1	5	6	\$46,865	\$443,135	\$490,000	110000	40000	\$70,000
2035	1	1	2	\$46,865	-\$46,865	\$0	60000	20000	\$40,000
2036	1	3	4	\$46,865	-\$286,865	-\$240,000	50000	-30000	\$80,000
2037	1	1	2	\$46,865	\$193,135	\$240,000	60000	-40000	\$100,000
2038	1	3	4	\$46,865	-\$46,865	\$0	60000	-40000	\$100,000
2039	1	3	4	\$46,865	\$443,135	\$490,000	60000	-60000	\$120,000
2040	1	1	2	\$46,865	\$443,135	\$490,000	50000	-80000	\$130,000
2041	1	7	8	\$46,865	\$193,135	\$240,000	30000	-100000	\$130,000
2042	1	1	2	\$46,865	-\$46,865	\$0	30000	-100000	\$130,000
2043	1	(1)	0	\$46,865	-\$536,865	-\$490,000	-20000	-100000	\$80,000
2044	1	(5)	-4	\$46,865	-\$46,865	\$0	-20000	-90000	\$70,000
2045	1	(3)	-2	\$46,865	-\$536,865	-\$490,000	-50000	-160000	\$110,000
2046	1	(5)	-4	\$46,865	-\$1,026,865	-\$980,000	50000	-130000	\$180,000
2047	1	3	4	\$46,865	\$933,135	\$980,000	120000	-140000	\$260,000
2048	1	7	8	\$46,865	\$933,135	\$980,000	80000	-160000	\$240,000
						<b>Total</b>	<b>\$3,130,000</b>	<b>-\$30,000</b>	<b>\$3,160,000</b>
							<b>\$10,942,580</b>	is greater than	<b>\$8,337,669</b>
<b>Analysis Summary</b>									
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?									Yes

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

## Attachment C – Limitation as a Determining Factor

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

### Methodology

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

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

### Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the OCI Sunray, 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:

- OCI Solar Power, LLC (“OCISP”), the solar power platform of OCI Company Ltd., is the exclusive owner of OCI Sun Ray, LLC and an experienced pioneer in developing, constructing, financing, owning and operating utility-scale solar photovoltaic (“PV”) facilities in the United States and abroad.
- Per OCI Solar Power, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “There is ongoing deliberation regarding the proposed capital investment for the OCI Sun Ray project since other avenues for investment in alternative sites are still available. Currently, OCISP is evaluating expanding in markets where it has been successful with earlier developments including Georgia and New Jersey. OCISP is also evaluating strong market opportunities in Missouri, Illinois, Indiana, Pennsylvania, Maryland, Virginia and North Carolina. All of these opportunities compete for available development capital.”
  - B. “Essential project attributes directly affecting return on investment are considered during the solar development process. Critical project economic factors include low wholesale power prices in Texas, attaining third-party investment, energy market competition, and high Texas property tax burdens. Therefore, tax incentives play a vital role in the development of utility-scale solar energy projects. The Chapter 313 value limitation incentive program is specifically considered an important component that contributes to the viability, marketability, and success of this type of project. To help mitigate the challenges associated with solar development in Texas, OCISP has determined that the Chapter 313 value limitation incentive plays a significant function in the decision to invest capital for the OCI Sun Ray project.”
- OCI Sunray, LLC is not known by any other project names. The Project has applied to ERCOT and the IGNR number is 21INR0395 and was assigned on August 20, 2019.

**Supporting Information**

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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

# **Supporting Information**

Section 8 of the Application for  
a Limitation on Appraised Value

**SECTION 6: Eligibility Under Tax Code Chapter 313.024**

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

**SECTION 7: Project Description**

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input type="checkbox"/> Land has no existing improvements	<input checked="" type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

**SECTION 8: Limitation as Determining Factor**

1. Does the applicant currently own the land on which the proposed project will occur?  Yes  No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?  Yes  No
3. Does the applicant have current business activities at the location where the proposed project will occur?  Yes  No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?  Yes  No
5. Has the applicant received any local or state permits for activities on the proposed project site?  Yes  No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?  Yes  No
7. Is the applicant evaluating other locations not in Texas for the proposed project?  Yes  No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?  Yes  No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?  Yes  No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas?  Yes  No

**Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.**

# **Supporting Information**

Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value

**TAB 05 - LIMITATION AS A DETERMINING FACTOR:**

OCI Solar Power, LLC (“OCISP”), the solar power platform of OCI Company Ltd., is the exclusive owner of OCI SunRay, LLC and an experienced pioneer in developing, constructing, financing, owning and operating utility-scale solar photovoltaic (“PV”) facilities in the United States and abroad. Founded in 2011, OCISP became the first developer to bring utility scale solar to Texas by signing a Power Purchase Agreement with the City of San Antonio, acting through the largest municipal gas and electric provider in the U.S., CPS Energy. The following year, OCISP initiated the “Alamo Project”, a series of eight solar facilities to be constructed in Texas and totaling 560 megawatts (MW). The Alamo Project saw the completion of Alamo 6, the largest dual-axis solar farm in the United States. Finally, in 2015 it entered China’s decentralized solar PV generation market by completing a 2.6 MW facility in Jiaxing, Zhejiang China.

OCISP’s global presence and business diversification provide ample opportunities for capital investment in marketable regions with competitive incentives packages. There is ongoing deliberation regarding the proposed capital investment for the OCI SunRay project since other avenues for investment in alternative sites are still available. Currently, OCISP is evaluating expanding in markets where it has been successful with earlier developments including Georgia and New Jersey. OCISP is also evaluating strong market opportunities in Missouri, Illinois, Indiana, Pennsylvania, Maryland, Virginia and North Carolina. All of these opportunities compete for available development capital.

Essential project attributes directly affecting return on investment are considered during the solar development process. Critical project economic factors include low wholesale power prices in Texas, attaining third-party investment, energy market competition, and high Texas property tax burdens. Therefore, tax incentives play a vital role in the development of utility-scale solar energy projects. The Chapter 313 value limitation incentive program is specifically considered an important component that contributes to the viability, marketability, and success of this type of project. To help mitigate the challenges associated with solar development in Texas, OCISP has determined that the Chapter 313 value limitation incentive plays a significant function in the decision to invest capital for the OCI SunRay project.

Finally, OCISP is in the process of conducting certain preliminary studies at the proposed location. Local and state regulatory permits, other due diligence items, and tax incentive agreements will be pursued, when appropriate.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
–Knippa ISD– OCI Sunray, LLC App. #1439

Comptroller Questions (via email on February 13, 2020):

Applicant Response (via email on March 3, 2020):

1. *Is OCI Sunray, LLC currently known by any other project names?*

*No*

2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and date it was assigned.*

*Yes, Sunray IGNR: 211NR0395 assigned on August 20, 2019.*

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.*

*None (N/A).*