



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

March 25, 2020

Ryder Appleton
Superintendent
Veribest Independent School District
10062 FM Hwy 360
Veribest, TX 76886

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Veribest Independent School District and Brushy Creek Solar, LLC, Application 1444

Dear Superintendent Appleton:

On February 11, 2020, the Comptroller issued written notice that Brushy Creek Solar, LLC (applicant) submitted a completed application (Application 1444) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on October 21, 2019, to the Veribest 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 B; 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 1444.

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 B.

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 February 11, 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,

A handwritten signature in black ink that reads "Lisa Craven". The signature is written in a cursive, flowing style.

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Brushy Creek Solar LLC (project) applying to Veribest 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 Brushy Creek Solar, LLC.

| | |
|---|--------------------------|
| Applicant | Brushy Creek Solar LLC |
| Tax Code, 313.024 Eligibility Category | Renewable Energy - Solar |
| School District | Veribest ISD |
| 2018-2019 Average Daily Attendance | 262 |
| County | Tom Green |
| Proposed Total Investment in District | \$175,000,000 |
| Proposed Qualified Investment | \$175,000,000 |
| Limitation Amount | \$40,000,000 |
| 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 | \$929 |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B) | \$929 |
| Minimum annual wage committed to by applicant for qualified jobs | \$48,300 |
| Minimum weekly wage required for non-qualifying jobs | \$847 |
| Minimum annual wage required for non-qualifying jobs | \$44,018 |
| Investment per Qualifying Job | \$175,000,000 |
| Estimated M&O levy without any limit (15 years) | \$8,832,246 |
| Estimated M&O levy with Limitation (15 years) | \$5,605,163 |
| Estimated gross M&O tax benefit (15 years) | \$3,227,084 |

* 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 Brushy Creek Solar LLC (modeled).

| Year | Employment | | | Personal Income | | |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
| | Direct | Indirect + Induced | Total | Direct | Indirect + Induced | Total |
| 2021 | 200 | 268 | 468 | \$12,800,000 | \$24,200,000 | \$37,000,000 |
| 2022 | 200 | 280 | 480 | \$12,800,000 | \$29,200,000 | \$42,000,000 |
| 2023 | 1 | 33 | 34 | \$48,300 | \$6,951,700 | \$7,000,000 |
| 2024 | 1 | 9 | 10 | \$48,300 | \$3,951,700 | \$4,000,000 |
| 2025 | 1 | (10) | -9 | \$48,300 | \$1,951,700 | \$2,000,000 |
| 2026 | 1 | (18) | -17 | \$48,300 | -\$48,300 | \$0 |
| 2027 | 1 | (20) | -19 | \$48,300 | -\$48,300 | \$0 |
| 2028 | 1 | (17) | -16 | \$48,300 | -\$1,048,300 | -\$1,000,000 |
| 2029 | 1 | (13) | -12 | \$48,300 | -\$48,300 | \$0 |
| 2030 | 1 | (8) | -7 | \$48,300 | -\$48,300 | \$0 |
| 2031 | 1 | (4) | -3 | \$48,300 | -\$48,300 | \$0 |
| 2032 | 1 | 0 | 1 | \$48,300 | \$951,700 | \$1,000,000 |
| 2033 | 1 | 3 | 4 | \$48,300 | \$951,700 | \$1,000,000 |
| 2034 | 1 | 5 | 6 | \$48,300 | \$951,700 | \$1,000,000 |
| 2035 | 1 | 6 | 7 | \$48,300 | \$951,700 | \$1,000,000 |
| 2036 | 1 | 6 | 7 | \$48,300 | \$951,700 | \$1,000,000 |

Source: CPA REMI, Brushy Creek 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* | Veribest ISD I&S Tax Levy | Veribest ISD M&O Tax Levy | Veribest ISD M&O and I&S Tax Levies | Tom Green County Tax Levy | Tom Green County Emergency Service District Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|---------------------------|---------------------------|-------------------------------------|---------------------------|--|--------------------------------|
| | | | | 0.1200 | 1.0684 | | 0.5350 | 0.0286 | |
| 2022 | \$37,500,000 | \$37,500,000 | | \$45,000 | \$400,650 | \$445,650 | \$200,625 | \$10,729 | \$657,004 |
| 2023 | \$114,547,500 | \$114,547,500 | | \$137,457 | \$1,223,825 | \$1,361,282 | \$612,829 | \$32,772 | \$2,006,884 |
| 2024 | \$105,396,500 | \$105,396,500 | | \$126,476 | \$1,126,056 | \$1,252,532 | \$563,871 | \$30,154 | \$1,846,557 |
| 2025 | \$95,523,050 | \$95,523,050 | | \$114,628 | \$1,020,568 | \$1,135,196 | \$511,048 | \$27,329 | \$1,673,573 |
| 2026 | \$84,853,650 | \$84,853,650 | | \$101,824 | \$906,576 | \$1,008,401 | \$453,967 | \$24,277 | \$1,486,644 |
| 2027 | \$73,339,300 | \$73,339,300 | | \$88,007 | \$783,557 | \$871,564 | \$392,365 | \$20,982 | \$1,284,912 |
| 2028 | \$60,906,500 | \$60,906,500 | | \$73,088 | \$650,725 | \$723,813 | \$325,850 | \$17,425 | \$1,067,088 |
| 2029 | \$47,481,750 | \$47,481,750 | | \$56,978 | \$507,295 | \$564,273 | \$254,027 | \$13,585 | \$831,885 |
| 2030 | \$32,979,300 | \$32,979,300 | | \$39,575 | \$352,351 | \$391,926 | \$176,439 | \$9,435 | \$577,801 |
| 2031 | \$24,908,300 | \$24,908,300 | | \$29,890 | \$266,120 | \$296,010 | \$133,259 | \$7,126 | \$436,396 |
| 2032 | \$24,898,100 | \$24,898,100 | | \$29,878 | \$266,011 | \$295,889 | \$133,205 | \$7,123 | \$436,217 |
| 2033 | \$24,888,100 | \$24,888,100 | | \$29,866 | \$265,904 | \$295,770 | \$133,151 | \$7,120 | \$436,042 |
| 2034 | \$24,878,400 | \$24,878,400 | | \$29,854 | \$265,801 | \$295,655 | \$133,099 | \$7,118 | \$435,872 |
| 2035 | \$24,868,900 | \$24,868,900 | | \$29,843 | \$265,699 | \$295,542 | \$133,049 | \$7,115 | \$435,706 |
| 2036 | \$24,859,700 | \$24,859,700 | | \$29,832 | \$265,601 | \$295,433 | \$132,999 | \$7,112 | \$435,544 |
| 2037 | \$24,850,700 | \$24,850,700 | | \$29,821 | \$265,505 | \$295,326 | \$132,951 | \$7,110 | \$435,387 |
| | | | Total | \$992,016 | \$8,832,246 | \$9,824,262 | \$4,422,737 | \$236,513 | \$14,483,512 |

Source: CPA, Brushy Creek Solar LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Tom Green 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.

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 | | Veribest ISD I&S Tax Levy | Veribest ISD M&O Tax Levy | Veribest ISD M&O and I&S Tax Levies | Tom Green County Tax Levy | Tom Green County Emergency Service District Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|------------------|---------------------------|---------------------------|-------------------------------------|---------------------------|--|--------------------------------|
| | | | Tax Rate* | 0.1200 | 1.0684 | | 0.5350 | 0.0286 | |
| 2022 | \$37,500,000 | \$37,500,000 | | \$45,000 | \$400,650 | \$445,650 | \$200,625 | \$10,729 | \$657,004 |
| 2023 | \$114,547,500 | \$40,000,000 | | \$137,457 | \$427,360 | \$564,817 | \$183,849 | \$32,772 | \$781,438 |
| 2024 | \$105,396,500 | \$40,000,000 | | \$126,476 | \$427,360 | \$553,836 | \$169,161 | \$30,154 | \$753,151 |
| 2025 | \$95,523,050 | \$40,000,000 | | \$114,628 | \$427,360 | \$541,988 | \$153,314 | \$27,329 | \$722,631 |
| 2026 | \$84,853,650 | \$40,000,000 | | \$101,824 | \$427,360 | \$529,184 | \$136,190 | \$24,277 | \$689,651 |
| 2027 | \$73,339,300 | \$40,000,000 | | \$88,007 | \$427,360 | \$515,367 | \$117,710 | \$20,982 | \$654,059 |
| 2028 | \$60,906,500 | \$40,000,000 | | \$73,088 | \$427,360 | \$500,448 | \$97,755 | \$17,425 | \$615,628 |
| 2029 | \$47,481,750 | \$40,000,000 | | \$56,978 | \$427,360 | \$484,338 | \$76,208 | \$13,585 | \$574,131 |
| 2030 | \$32,979,300 | \$32,979,300 | | \$39,575 | \$352,351 | \$391,926 | \$52,932 | \$9,435 | \$454,293 |
| 2031 | \$24,908,300 | \$24,908,300 | | \$29,890 | \$266,120 | \$296,010 | \$39,978 | \$7,126 | \$343,114 |
| 2032 | \$24,898,100 | \$24,898,100 | | \$29,878 | \$266,011 | \$295,889 | \$39,961 | \$7,123 | \$342,974 |
| 2033 | \$24,888,100 | \$24,888,100 | | \$29,866 | \$265,904 | \$295,770 | \$133,151 | \$7,120 | \$436,042 |
| 2034 | \$24,878,400 | \$24,878,400 | | \$29,854 | \$265,801 | \$295,655 | \$133,099 | \$7,118 | \$435,872 |
| 2035 | \$24,868,900 | \$24,868,900 | | \$29,843 | \$265,699 | \$295,542 | \$133,049 | \$7,115 | \$435,706 |
| 2036 | \$24,859,700 | \$24,859,700 | | \$29,832 | \$265,601 | \$295,433 | \$132,999 | \$7,112 | \$435,544 |
| 2037 | \$24,850,700 | \$24,850,700 | | \$29,821 | \$265,505 | \$295,326 | \$132,951 | \$7,110 | \$435,387 |
| | | | Total | \$992,016 | \$5,605,163 | \$6,597,179 | \$1,932,934 | \$236,513 | \$8,766,625 |
| | | | Diff | \$0 | \$3,227,084 | \$3,227,084 | \$2,489,803 | \$0 | \$5,716,887 |

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Brushy Creek 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 Brushy Creek 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 | \$400,650 | \$400,650 | \$0 | \$0 |
| Limitation Period (10 Years) | 2023 | \$427,360 | \$828,010 | \$796,465 | \$796,465 |
| | 2024 | \$427,360 | \$1,255,370 | \$698,696 | \$1,495,162 |
| | 2025 | \$427,360 | \$1,682,730 | \$593,208 | \$2,088,370 |
| | 2026 | \$427,360 | \$2,110,090 | \$479,216 | \$2,567,586 |
| | 2027 | \$427,360 | \$2,537,450 | \$356,197 | \$2,923,783 |
| | 2028 | \$427,360 | \$2,964,810 | \$223,365 | \$3,147,148 |
| | 2029 | \$427,360 | \$3,392,170 | \$79,935 | \$3,227,084 |
| | 2030 | \$352,351 | \$3,744,521 | \$0 | \$3,227,084 |
| | 2031 | \$266,120 | \$4,010,641 | \$0 | \$3,227,084 |
| | 2032 | \$266,011 | \$4,276,652 | \$0 | \$3,227,084 |
| Maintain Viable Presence (5 Years) | 2033 | \$265,904 | \$4,542,557 | \$0 | \$3,227,084 |
| | 2034 | \$265,801 | \$4,808,358 | \$0 | \$3,227,084 |
| | 2035 | \$265,699 | \$5,074,057 | \$0 | \$3,227,084 |
| | 2036 | \$265,601 | \$5,339,658 | \$0 | \$3,227,084 |
| | 2037 | \$265,505 | \$5,605,163 | \$0 | \$3,227,084 |
| Additional Years as Required by 313.026(c)(1) (10 Years) | 2038 | \$265,411 | \$5,870,574 | \$0 | \$3,227,084 |
| | 2039 | \$265,320 | \$6,135,894 | \$0 | \$3,227,084 |
| | 2040 | \$265,231 | \$6,401,125 | \$0 | \$3,227,084 |
| | 2041 | \$265,145 | \$6,666,270 | \$0 | \$3,227,084 |
| | 2042 | \$265,060 | \$6,931,330 | \$0 | \$3,227,084 |
| | 2043 | \$251,890 | \$7,183,221 | \$0 | \$3,227,084 |
| | 2044 | \$251,810 | \$7,435,031 | \$0 | \$3,227,084 |
| | 2045 | \$251,732 | \$7,686,763 | \$0 | \$3,227,084 |
| | 2046 | \$251,655 | \$7,938,418 | \$0 | \$3,227,084 |
| | 2047 | \$251,580 | \$8,189,999 | \$0 | \$3,227,084 |

\$8,189,999

is greater than

\$3,227,084

| 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, Brushy Creek 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 Brushy Creek Solar 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:

- Per Brushy Creek Solar LLC (parent company BayWa) in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The international trading conglomerate BayWa AG pools all its renewable activities in its subsidiary BayWa r.e. (r.e. stands for “renewable Energy”), active in the wind, solar, geothermal and biogas industries. Headquartered in Munich since inception in 1923, BAWa AG is publicly traded company.”
 - B. “With over 1,800 employees working in BayWa r.e. in more than 30 locations across Europe, Japan, Southeast Asia and North America, the group has developed and constructed over 2.5 GW’s and actively provides O&M and asset management for over 6 GWs. BayWa r.e. acquires, develops, constructs and operates renewable energy projects as well as distributing PV components on a wholesale basis. BayWa r.e. Solar Projects, LLC is responsible for the group’s North American activities in the solar and storage sectors.”
 - C. “BaWa has many opportunities to invest its capital in other alternative locations in the United States and internationally. Current U.S. locations under consideration are California, Kentucky, North Carolina, Illinois, Utah and Georgia. A key consideration for choosing to invest in this project is the projected return on capital. 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). Without a 313 Value Limitation, the applicant would be forced to allocate the resources and investment for 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



TAB 5

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

The international trading conglomerate BayWa AG pools all its renewable activities in its subsidiary BayWa r.e. (r.e. stands for “renewable energy”), active in the wind, solar, geothermal and biogas industries. Headquartered in Munich since inception in 1923, BayWa AG is a publicly traded company generating an annual revenue of 16.6 billion Euros and employs over 17,000 individuals across its three core segments: Agriculture, Building Materials, and Energy.

With over 1,800 employees working in BayWa r.e. in more than 30 locations across Europe, Japan, Southeast Asia and North America, the group has developed and constructed over 2.5 GWs and actively provides O&M and asset management for over 6 GWs. BayWa r.e. acquires, develops, constructs and operates renewable energy projects as well as distributing PV components on a wholesale basis. BayWa r.e. Solar Projects, LLC is responsible for the group's North American activities in the solar and storage sectors.

BayWa is a unique provider of renewable energy for a number of reasons:

- 96 Years of operating experience
- 6 GW of renewable energy experience
- The ability to finance the full cycle of a project on balance sheet
- 100% control and ownership of development assets
- Over 4 GW pipeline of projects in the U.S. and Mexican markets
- In-house turnkey services including development, EPC, financing and O&M

In light of its global scope, BayWa has many opportunities to invest its capital in other alternate locations in the United States and internationally. Current U.S. locations under consideration are in California, Kentucky, North Carolina, Illinois, Utah and Georgia. A key consideration for choosing to invest in this project is the projected return on capital. 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). Without the 313 Value Limitation, the applicant would be forced to allocate the resources and investment for 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)
Veribest ISD – Brushy Creek Solar LLC App. #1444

Comptroller Questions (via email on January 15, 2020):

1. *Is the Brushy Creek Solar 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 (Application Tab 4 and via email on January 16, 2020):

1. *This project is also known as the Brushy Creek Solar Project and Anson Solar I LLC.*
2. 20INR0213, assigned on November 7, 2018.
3. *To the extent the project has been mentioned in media reports, investor presentations, state or federal agency the names listed in the response to Question 1 would be responsive.*