GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

March 30, 2020

Russell Dacy
Superintendent
Wall Independent School District
P.O. Box 259
Wall, TX 76957

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Wall Independent School District and Concho Valley Solar, LLC, Application 1451

Dear Superintendent Dacy:

On December 31, 2019, the Comptroller issued written notice that Concho Valley Solar, LLC (applicant) submitted a completed application (Application 1451) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on November 13, 2019, to the Wall 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 1451.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of December 31, 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,

Lisa Craven

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Concho Valley Solar, LLC (project) applying to Wall 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 Concho Valley Solar, LLC.

Applicant	Concho Valley Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Wall ISD
2018-2019 Average Daily Attendance	1,148
County	Tom Green
Proposed Total Investment in District	$127,500,000
Proposed Qualified Investment	$127,500,000
Limitation Amount	$40,000,000
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	$928
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$928
Minimum annual wage committed to by applicant for qualified jobs	$48,261
Minimum weekly wage required for non-qualifying jobs	$847
Minimum annual wage required for non-qualifying jobs	$44,018
Investment per Qualifying Job	$127,500,000
Estimated M&O levy without any limit (15 years)	$6,581,453
Estimated M&O levy with Limitation (15 years)	$5,010,723
Estimated gross M&O tax benefit (15 years)	$1,570,731

** 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 Concho Valley Solar, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	150	182	332	$7,500,000	$17,500,000	$25,000,000
2022	50	72	122	$2,500,000	$8,500,000	$11,000,000
2023	1	13	14	$48,261	$2,951,739	$3,000,000
2024	1	2	3	$48,261	$1,951,739	$2,000,000
2025	1	(5)	-4	$48,261	$951,739	$1,000,000
2026	1	(7)	-6	$48,261	-$48,261	$0
2027	1	(7)	-6	$48,261	-$48,261	$0
2028	1	(6)	-5	$48,261	-$48,261	$0
2029	1	(4)	-3	$48,261	-$48,261	$0
2030	1	(2)	-1	$48,261	-$48,261	$0
2031	1	0	1	$48,261	-$48,261	$0
2032	1	1	2	$48,261	-$48,261	$0
2033	1	2	3	$48,261	$951,739	$1,000,000
2034	1	3	4	$48,261	$951,739	$1,000,000
2035	1	4	5	$48,261	$951,739	$1,000,000
2036	1	4	5	$48,261	$951,739	$1,000,000

Source: CPA REMI, Concho Valley 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		Wall ISD I&S Tax Levy	Wall ISD M&O Tax Levy	Wall ISD M&O and I&S Tax Levies	Tom Green County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2657	0.9700		0.5450	
2022	$69,942,857	$69,942,857		$185,838	$678,446	$864,284	$381,189	$1,245,472
2023	$86,802,000	$86,802,000		$230,633	$841,979	$1,072,612	$473,071	$1,545,683
2024	$79,254,000	$79,254,000		$210,578	$768,764	$979,342	$431,934	$1,411,276
2025	$71,706,000	$71,706,000		$190,523	$695,548	$886,071	$390,798	$1,276,869
2026	$63,214,500	$63,214,500		$167,961	$613,181	$781,142	$344,519	$1,125,661
2027	$54,723,000	$54,723,000		$145,399	$530,813	$676,212	$298,240	$974,452
2028	$46,231,500	$46,231,500		$122,837	$448,446	$571,283	$251,962	$823,244
2029	$36,796,500	$36,796,500		$97,768	$356,926	$454,694	$200,541	$655,235
2030	$28,305,000	$28,305,000		$75,206	$274,559	$349,765	$154,262	$504,027
2031	$22,644,000	$22,644,000		$60,165	$219,647	$279,812	$123,410	$403,222
2032	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2033	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2034	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2035	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2036	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2037	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
			Total	**$1,802,775**	**$6,581,453**	**$8,384,229**	**$3,697,827**	**$12,082,056**

Source: CPA, Concho Valley 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		Wall ISD I&S Tax Levy	Wall ISD M&O Tax Levy	Wall ISD M&O and I&S Tax Levies	Tom Green County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2657	0.9700		0.5450	
2022	$69,942,857	$69,942,857		$185,838	$678,446	$864,284	$381,189	$1,245,472
2023	$86,802,000	$40,000,000		$230,633	$388,000	$618,633	$47,307	$665,940
2024	$79,254,000	$40,000,000		$210,578	$388,000	$598,578	$43,193	$641,771
2025	$71,706,000	$40,000,000		$190,523	$388,000	$578,523	$39,080	$617,603
2026	$63,214,500	$40,000,000		$167,961	$388,000	$555,961	$34,452	$590,413
2027	$54,723,000	$40,000,000		$145,399	$388,000	$533,399	$29,824	$563,223
2028	$46,231,500	$40,000,000		$122,837	$388,000	$510,837	$25,196	$536,033
2029	$36,796,500	$36,796,500		$97,768	$356,926	$454,694	$20,054	$474,748
2030	$28,305,000	$28,305,000		$75,206	$274,559	$349,765	$15,426	$365,191
2031	$22,644,000	$22,644,000		$60,165	$219,647	$279,812	$12,341	$292,153
2032	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$10,798	$255,634
2033	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2034	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2035	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2036	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
2037	$19,813,500	$19,813,500		$52,644	$192,191	$244,835	$107,984	$352,819
			Total	**$1,802,775**	**$5,010,723**	**$6,813,498**	**$1,198,778**	**$8,012,277**
			Diff	**$0**	**$1,570,731**	**$1,570,731**	**$2,499,048**	**$4,069,779**
Assumes School Value Limitation and Tax Abatements with the County.								

Source: CPA, Concho Valley 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 Concho Valley 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	$678,446	$678,446	$0	$0
Limitation Period (10 Years)	2023	$388,000	$1,066,446	$453,979	$453,979
	2024	$388,000	$1,454,446	$380,764	$834,743
	2025	$388,000	$1,842,446	$307,548	$1,142,291
	2026	$388,000	$2,230,446	$225,181	$1,367,472
	2027	$388,000	$2,618,446	$142,813	$1,510,285
	2028	$388,000	$3,006,446	$60,446	$1,570,731
	2029	$356,926	$3,363,372	$0	$1,570,731
	2030	$274,559	$3,637,930	$0	$1,570,731
	2031	$219,647	$3,857,577	$0	$1,570,731
	2032	$192,191	$4,049,768	$0	$1,570,731
Maintain Viable Presence (5 Years)	2033	$192,191	$4,241,959	$0	$1,570,731
	2034	$192,191	$4,434,150	$0	$1,570,731
	2035	$192,191	$4,626,341	$0	$1,570,731
	2036	$192,191	$4,818,532	$0	$1,570,731
	2037	$192,191	$5,010,723	$0	$1,570,731
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	$192,191	$5,202,914	$0	$1,570,731
	2039	$192,191	$5,395,105	$0	$1,570,731
	2040	$192,191	$5,587,296	$0	$1,570,731
	2041	$192,191	$5,779,487	$0	$1,570,731
	2042	$192,191	$5,971,678	$0	$1,570,731
	2043	$192,191	$6,163,868	$0	$1,570,731
	2044	$192,191	$6,356,059	$0	$1,570,731
	2045	$192,191	$6,548,250	$0	$1,570,731
	2046	$192,191	$6,740,441	$0	$1,570,731
	2047	$192,191	$6,932,632	$0	$1,570,731

$6,932,632 is greater than **$1,570,731**

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, Concho Valley 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 Concho Valley 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 Concho Valley Solar, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "Merit SI is keen to develop and build the proposed Concho Valley Solar Project as per this application, which is situated within the Wall Independent School District in Tom Green County, but since this Project is still in early- to mid- stage of development, further investment could be redeployed to other counties within the state of Texas or an entirely different state within the United States. Merit SI is currently considering comparable solar development opportunities within Colorado, New Mexico, and Pennsylvania. This Project, as with the aforementioned projects, are limited to a finite amount of capital investment."
  B. "Key development characteristics, such as securing tax abatement commercial terms for example, will determine the ultimate location of the Concho Valley Solar Project. Tax abatements, along with several other development variables, have a significant impact on the competitiveness of the project's generation and ultimately likelihood for success. Therefore, Merit SI is continually comparing investment opportunities, rate of return, and market viability of each project based upon financial metrics."
  C. "Due to an extremely competitive power market in Texas, the Chapter 313 appraised value limitation agreement is a necessity for a solar project of this size, and the commercial terms associated have a significant impact on the project's likelihood for success. There are only a few developmental variables for a solar project which enhance the economics (i.e. property taxes, land rental payment, geotechnical adders), and since solar projects all compete with each other within Texas, a project without an appraised value limitation agreement is not competitive and is very unlikely to reach the point of construction. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited within the Wall Independent School District."

- Comptroller Research
  A. On February 12, 2020 Solar Power World Online reported that Meris SI and KOMIPO executed a Joint Development Agreement to construct the Concho Valley Solar project. Richard Gruber, CEO at Merit SI stated, "We are pleased to partner with KOMIPO America on Concho Valley Solar, a project which will bring customers in the ERCOT market emissions-free, on-peak power at great value for many years to come." Also Tom Kuster, Merit SI's CEO stated, "The teams at Merit SI and KOMIPO are well-suited partners to bring Concho Valley Solar to fruition given our complementary capabilities and well-aligned vision. We have a long-standing, successful relationship working together on similar pursuits, which is vital to achieving our joint goals."
- Provided by Applicant
  A. The project has applied to ERCOT, and AEP is currently conducting the full interconnection studies. ERCOT acknowledged the interconnection request as received on June 27, 2019. INR number 21INR0384.
  B. Concho Valley Solar, LLC ("CVS") is also known as Concho Valley Energy, LLC ("CVE"). Merit SI LLC wholly owns CVE, which wholly owns CVS. Some of our leases recorded with Tom Green County have the tenant shown as Merit SI, LLC or Merit SI Development, LLC, but all leases are being assigned to Concho Valley Solar, LLC, and such assignments will be recorded, as well.

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:
   - ☑ Land has no existing improvements
   - ☐ Land has existing improvements *(complete Section 13)*
   - ☐ Expansion of existing operation on the land *(complete Section 13)*
   - ☐ 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.

Merit SI founders are experienced entrepreneurs who sold their first venture backed by Turner Enterprises to First Solar, a leading U.S. module manufacturer and turnkey plant provider. As former executives of First Solar, they led solar systems engineering and designed the world's first control system enabling solar power to provide essential grid services beyond variable energy. After designing and safely energizing over 2,000 megawatts of the world's largest solar power plants, they founded Merit SI to bring sustainable energy to critical infrastructure operators. A repeat investment of Turner Enterprises brought patient capital, strategic relationships and additional finance expertise to the team.

Merit SI is keen to develop and build the proposed Concho Valley Solar Project as per this application, which is situated within the Wall Independent School District in Tom Green County, but since this Project is still in early- to mid- stage of development, further investment could be redeployed to other counties within the state of Texas or an entirely different state within the United States. Merit SI is currently considering comparable solar development opportunities within Colorado, New Mexico, and Pennsylvania. This Project, as with the aforementioned projects, are limited to a finite amount of capital investment.

Consistent with the 313 applications filed by companies on other renewable energy projects, the successful completion of market-competitive tax incentives is a necessity that provides a level playing field for all successful utility-scale solar projects in Texas. Key development characteristics, such as securing tax abatement commercial terms for example, will determine the ultimate location of the Concho Valley Solar Project. Tax abatements, along with several other development variables, have a significant impact on the competitiveness of the project's generation and ultimately likelihood for success. Therefore, Merit SI is continually comparing investment opportunities, rate of return, and market viability of each project based upon financial metrics.

Due to an extremely competitive power market in Texas, the Chapter 313 appraised value limitation agreement is a necessity for a solar project of this size, and the commercial terms associated have a significant impact on the project's likelihood for success. There are only a few developmental variables for a solar project which enhance the economics (i.e. property taxes, land rental payment, geotechnical adders), and since solar projects all compete with each other within Texas, a project without an appraised value limitation agreement is not competitive and is very unlikely to reach the point of construction. Therefore, this appraised value

limitation is critical to the ability of the proposed Project to move forward as currently sited within the Wall Independent School District.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
–Wall ISD– Concho Valley Solar, LLC App. #1451

Comptroller Questions (via email on February 11, 2020):

1. Is Concho Valley Solar, LLC currently known by any other project names?
2. 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.
3. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.

Applicant Response (via email on February 11, 2020):

1. Concho Valley Solar, LLC ("CVS") is also known as Concho Valley Energy, LLC ("CVE"). Merit SI LLC wholly owns CVE, which wholly owns CVS.
2. Some of our leases recorded with Tom Green County have the tenant shown as Merit SI, LLC or Merit SI Development, LLC, but all leases are being assigned to Concho Valley Solar, LLC, and such assignments will be recorded, as well. The project has not been known by any other names beyond those listed here.
3. The project has applied to ERCOT, and AEP is currently conducting the full interconnection studies. ERCOT acknowledged the interconnection request as received on June 27, 2019. The information below is extracted from the ERCOT queue report.

INR	Project Name	GINR Study Phase	Interconnecting Entity	County	CDR Reporting Zone	Projected COD	Technology	Capacity (MW)	Screening Study Started	Screening Study Complete	FIS Requested
21INR0384	Concho Valley Solar	FIS Started	MERIT SI, LLC	Tom Green	WEST	11/01/2021	PV	150	07/08/2019	12/18/2019	06/27/2019

Development & construction teams selected for 150-MW Texas solar project

By Billy Ludt | February 12, 2020

Merit SI and KOMIPO America announced the execution of a Joint Development Agreement to complete the development and construction of the 150-MW Concho Valley Solar project located in Tom Green County, Texas.

"We are pleased to partner with KOMIPO America on Concho Valley Solar, a project which will bring customers in the ERCOT market emissions-free, on-peak power at great value for many years to come," said Richard Gruber, CEO at Merit SI.

Concho Valley Solar will deploy Merit SI's advanced power plant controls platform, capable of enabling intermittent renewable power plants to generate incremental revenue by providing reliability services to the power grid. The Merit SI power plant controls system is currently managing 500 MW of solar power plants on the ERCOT grid.

"The teams at Merit SI and KOMIPO are well-suited partners to bring Concho Valley Solar to fruition given our complementary capabilities and well-aligned vision. We have a long-standing, successful relationship working together on similar pursuits, which is vital to achieving our joint goals," said Tom Kuster, Merit SI's CEO.

Merit SI is a utility- and industrial-scale renewable energy project developer. KOMIPO America is the U.S. subsidiary of Korea Midland Power Co., a global power company headquartered in South Korea.

"We are pleased to partner with the experienced and talented team at Merit SI, which has a history of developing, engineering and executing innovative, high performing, utility-scale solar power plants since 2007," said Brian Jeon, KOMIPO America Vice President. "Concho Valley Solar will support KOMIPO's long-term plan to expand in the U.S. renewable energy market."

News item from Merit SI

ABOUT THE AUTHOR