



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 18, 2020

David Thweatt
Superintendent
Harrold Independent School District
18106 Steward St
Harrold, Texas 76364

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Harrold Independent School District and Adams Creek Solar Project, LLC, Application 1466

Dear Superintendent Thweatt:

On April 1, 2020, the Comptroller issued written notice that Adams Creek Solar Project, LLC (applicant) submitted a completed application (Application 1466) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 17, 2020, to the Harrold 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 1466.

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 1, 2020, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

DocuSigned by:

11EA6DEF0EC441E...
Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

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

Applicant	Adams Creek Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Harrold ISD
2018-2019 Average Daily Attendance	239
County	Wilbarger
Proposed Total Investment in District	\$225,000,000
Proposed Qualified Investment	\$225,000,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,106
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,106
Minimum annual wage committed to by applicant for qualified jobs	\$57,512
Minimum weekly wage required for non-qualifying jobs	\$735
Minimum annual wage required for non-qualifying jobs	\$38,220
Investment per Qualifying Job	\$112,500,000
Estimated M&O levy without any limit (15 years)	\$16,165,738
Estimated M&O levy with Limitation (15 years)	\$5,356,707
Estimated gross M&O tax benefit (15 years)	\$10,809,031

* 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 Adams Creek Solar Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	250	230	480	\$14,378,100	\$20,621,900	\$35,000,000
2022	250	244	494	\$14,378,100	\$24,621,900	\$39,000,000
2023	2	23	25	\$115,025	\$6,884,975	\$7,000,000
2024	2	0	2	\$115,025	\$3,884,975	\$4,000,000
2025	2	(4)	-2	\$115,025	\$1,884,975	\$2,000,000
2026	2	(10)	-8	\$115,025	\$884,975	\$1,000,000
2027	2	(12)	-10	\$115,025	\$884,975	\$1,000,000
2028	2	(10)	-8	\$115,025	-\$115,025	\$0
2029	2	(8)	-6	\$115,025	-\$115,025	\$0
2030	2	(6)	-4	\$115,025	-\$115,025	\$0
2031	2	(6)	-4	\$115,025	-\$115,025	\$0
2032	2	0	2	\$115,025	-\$115,025	\$0
2033	2	0	2	\$115,025	-\$115,025	\$0
2034	2	0	2	\$115,025	-\$115,025	\$0
2035	2	4	6	\$115,025	-\$115,025	\$0
2036	2	2	4	\$115,025	-\$115,025	\$0

Source: CPA REMI, Adams Creek Solar Project, 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*	Harrold ISD I&S Tax Levy	Harrold ISD M&O Tax Levy	Harrold ISD M&O and I&S Tax Levies	Wilbarger County Tax Levy	Wilbarger County Hospital Tax Levy	Vernon Junior College Tax Levy	Estimated Total Property Taxes
				0.0000	1.0684		0.5180	0.2700	0.2211	
2022	\$25,000,000	\$25,000,000		\$0	\$267,088	\$267,088	\$129,490	\$67,500	\$55,264	\$519,341
2023	\$225,000,000	\$225,000,000		\$0	\$2,403,788	\$2,403,788	\$1,165,410	\$607,500	\$497,374	\$4,674,071
2024	\$202,540,000	\$202,540,000		\$0	\$2,163,836	\$2,163,836	\$1,049,076	\$546,858	\$447,725	\$4,207,495
2025	\$180,080,000	\$180,080,000		\$0	\$1,923,885	\$1,923,885	\$932,742	\$486,216	\$398,076	\$3,740,919
2026	\$157,620,000	\$157,620,000		\$0	\$1,683,933	\$1,683,933	\$816,409	\$425,574	\$348,427	\$3,274,343
2027	\$135,160,000	\$135,160,000		\$0	\$1,443,982	\$1,443,982	\$700,075	\$364,932	\$298,778	\$2,807,767
2028	\$112,700,000	\$112,700,000		\$0	\$1,204,030	\$1,204,030	\$583,741	\$304,290	\$249,129	\$2,341,190
2029	\$90,240,000	\$90,240,000		\$0	\$964,079	\$964,079	\$467,407	\$243,648	\$199,480	\$1,874,614
2030	\$67,780,000	\$67,780,000		\$0	\$724,128	\$724,128	\$351,073	\$183,006	\$149,831	\$1,408,038
2031	\$45,320,000	\$45,320,000		\$0	\$484,176	\$484,176	\$234,739	\$122,364	\$100,182	\$941,462
2032	\$45,310,000	\$45,310,000		\$0	\$484,069	\$484,069	\$234,688	\$122,337	\$100,160	\$941,254
2033	\$45,300,000	\$45,300,000		\$0	\$483,963	\$483,963	\$234,636	\$122,310	\$100,138	\$941,046
2034	\$45,290,000	\$45,290,000		\$0	\$483,856	\$483,856	\$234,584	\$122,283	\$100,116	\$940,839
2035	\$45,280,000	\$45,280,000		\$0	\$483,749	\$483,749	\$234,532	\$122,256	\$100,094	\$940,631
2036	\$45,270,000	\$45,270,000		\$0	\$483,642	\$483,642	\$234,480	\$122,229	\$100,072	\$940,423
2037	\$45,260,000	\$45,260,000		\$0	\$483,535	\$483,535	\$234,429	\$122,202	\$100,049	\$940,215
			Total	\$0	\$16,165,738	\$16,165,738	\$7,837,512	\$4,085,505	\$3,344,894	\$31,433,648

Source: CPA, Adams Creek Solar Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Wilbarger County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county and county hospital.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Harrold ISD I&S Tax Levy	Harrold ISD M&O Tax Levy	Harrold ISD M&O and I&S Tax Levies	Wilbarger County Tax Levy	Wilbarger County Hospital Tax Levy	Vernon Junior College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0684		0.5180	0.2700	0.2211	
2022	\$25,000,000	\$25,000,000		\$0	\$267,088	\$267,088	\$129,490	\$67,500	\$55,264	\$519,341
2023	\$225,000,000	\$25,000,000		\$0	\$267,088	\$267,088	\$349,623	\$182,250	\$497,374	\$1,296,334
2024	\$202,540,000	\$25,000,000		\$0	\$267,088	\$267,088	\$314,723	\$164,057	\$447,725	\$1,193,593
2025	\$180,080,000	\$25,000,000		\$0	\$267,088	\$267,088	\$279,823	\$145,865	\$398,076	\$1,090,851
2026	\$157,620,000	\$25,000,000		\$0	\$267,088	\$267,088	\$244,923	\$127,672	\$348,427	\$988,109
2027	\$135,160,000	\$25,000,000		\$0	\$267,088	\$267,088	\$210,022	\$109,480	\$298,778	\$885,367
2028	\$112,700,000	\$25,000,000		\$0	\$267,088	\$267,088	\$175,122	\$91,287	\$249,129	\$782,626
2029	\$90,240,000	\$25,000,000		\$0	\$267,088	\$267,088	\$140,222	\$73,094	\$199,480	\$679,884
2030	\$67,780,000	\$25,000,000		\$0	\$267,088	\$267,088	\$105,322	\$54,902	\$149,831	\$577,142
2031	\$45,320,000	\$25,000,000		\$0	\$267,088	\$267,088	\$70,422	\$36,709	\$100,182	\$474,401
2032	\$45,310,000	\$25,000,000		\$0	\$267,088	\$267,088	\$70,406	\$36,701	\$100,160	\$474,355
2033	\$45,300,000	\$45,300,000		\$0	\$483,963	\$483,963	\$234,636	\$122,310	\$100,138	\$941,046
2034	\$45,290,000	\$45,290,000		\$0	\$483,856	\$483,856	\$234,584	\$122,283	\$100,116	\$940,839
2035	\$45,280,000	\$45,280,000		\$0	\$483,749	\$483,749	\$234,532	\$122,256	\$100,094	\$940,631
2036	\$45,270,000	\$45,270,000		\$0	\$483,642	\$483,642	\$234,480	\$122,229	\$100,072	\$940,423
2037	\$45,260,000	\$45,260,000		\$0	\$483,535	\$483,535	\$234,429	\$122,202	\$100,049	\$940,215
			Total	\$0	\$5,356,707	\$5,356,707	\$3,262,760	\$1,700,798	\$3,344,894	\$13,665,158
			Diff	\$0	\$10,809,031	\$10,809,031	\$4,574,752	\$2,384,708	\$0	\$17,768,491

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Adams Creek Solar Project, 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 Adams Creek Solar Project, 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)
Limitation Pre-Years	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$267,088	\$267,088	\$0	\$0
Limitation Period (10 Years)	2023	\$267,088	\$534,175	\$2,136,700	\$2,136,700
	2024	\$267,088	\$801,263	\$1,896,749	\$4,033,449
	2025	\$267,088	\$1,068,350	\$1,656,797	\$5,690,246
	2026	\$267,088	\$1,335,438	\$1,416,846	\$7,107,092
	2027	\$267,088	\$1,602,525	\$1,176,894	\$8,283,986
	2028	\$267,088	\$1,869,613	\$936,943	\$9,220,929
	2029	\$267,088	\$2,136,700	\$696,992	\$9,917,920
	2030	\$267,088	\$2,403,788	\$457,040	\$10,374,961
	2031	\$267,088	\$2,670,875	\$217,089	\$10,592,049
	2032	\$267,088	\$2,937,963	\$216,982	\$10,809,031
Maintain Viable Presence (5 Years)	2033	\$483,963	\$3,421,925	\$0	\$10,809,031
	2034	\$483,856	\$3,905,781	\$0	\$10,809,031
	2035	\$483,749	\$4,389,530	\$0	\$10,809,031
	2036	\$483,642	\$4,873,172	\$0	\$10,809,031
	2037	\$483,535	\$5,356,707	\$0	\$10,809,031
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$483,428	\$5,840,135	\$0	\$10,809,031
	2039	\$483,322	\$6,323,457	\$0	\$10,809,031
	2040	\$483,215	\$6,806,672	\$0	\$10,809,031
	2041	\$483,108	\$7,289,779	\$0	\$10,809,031
	2042	\$483,001	\$7,772,780	\$0	\$10,809,031
	2043	\$482,894	\$8,255,675	\$0	\$10,809,031
	2044	\$482,787	\$8,738,462	\$0	\$10,809,031
	2045	\$482,681	\$9,221,143	\$0	\$10,809,031
	2046	\$482,574	\$9,703,716	\$0	\$10,809,031
	2047	\$482,467	\$10,186,183	\$0	\$10,809,031
		\$10,186,183	is less than	\$10,809,031	
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?					No

Source: CPA, Adams Creek Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2021	250	230	480	\$14,378,100	\$20,621,900	\$35,000,000	1660000	-910000	\$2,570,000
2022	250	244	494	\$14,378,100	\$24,621,900	\$39,000,000	1780000	-580000	\$2,360,000
2023	2	23	25	\$115,025	\$6,884,975	\$7,000,000	300000	630000	-\$330,000
2024	2	0	2	\$115,025	\$3,884,975	\$4,000,000	260000	600000	-\$340,000
2025	2	(4)	-2	\$115,025	\$1,884,975	\$2,000,000	180000	570000	-\$390,000
2026	2	(10)	-8	\$115,025	\$884,975	\$1,000,000	160000	520000	-\$360,000
2027	2	(12)	-10	\$115,025	\$884,975	\$1,000,000	140000	470000	-\$330,000
2028	2	(10)	-8	\$115,025	-\$115,025	\$0	140000	410000	-\$270,000
2029	2	(8)	-6	\$115,025	-\$115,025	\$0	150000	370000	-\$220,000
2030	2	(6)	-4	\$115,025	-\$115,025	\$0	150000	310000	-\$160,000
2031	2	(6)	-4	\$115,025	-\$115,025	\$0	110000	290000	-\$180,000
2032	2	0	2	\$115,025	-\$115,025	\$0	110000	270000	-\$160,000
2033	2	0	2	\$115,025	-\$115,025	\$0	80000	180000	-\$100,000
2034	2	0	2	\$115,025	-\$115,025	\$0	80000	140000	-\$60,000
2035	2	4	6	\$115,025	-\$115,025	\$0	80000	110000	-\$30,000
2036	2	2	4	\$115,025	-\$115,025	\$0	60000	70000	-\$10,000
2037	2	2	4	\$115,025	-\$115,025	\$0	30000	30000	\$0
2038	2	0	2	\$115,025	-\$115,025	\$0	20000	0	\$20,000
2039	2	2	4	\$115,025	\$884,975	\$1,000,000	30000	-20000	\$50,000
2040	2	0	2	\$115,025	-\$115,025	\$0	20000	-80000	\$100,000
2041	2	6	8	\$115,025	\$884,975	\$1,000,000	80000	-110000	\$190,000
2042	2	2	4	\$115,025	\$884,975	\$1,000,000	60000	-120000	\$180,000
2043	2	0	2	\$115,025	\$884,975	\$1,000,000	110000	-130000	\$240,000
2044	2	4	6	\$115,025	\$884,975	\$1,000,000	120000	-140000	\$260,000
2045	2	6	8	\$115,025	\$884,975	\$1,000,000	90000	-210000	\$300,000
2046	2	4	6	\$115,025	\$1,884,975	\$2,000,000	200000	-150000	\$350,000
2047	2	8	10	\$115,025	\$1,884,975	\$2,000,000	230000	-150000	\$380,000
						Total	\$6,430,000	\$2,370,000	\$4,060,000
							\$14,246,183	is greater than	\$10,809,031

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
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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 Adams Creek Solar Project, 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 Adams Creek Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “In the event a 313 agreement is not permitted Savion, LLC will reallocate the capital for this project to establish a facility in another location more financially viable. Unfortunately, this would dismiss Harrold ISD from receiving the economic benefits associated with the development a solar facility within their jurisdiction. It is our goal to reach a 313 value limitation agreement for the benefit of both Adams Creek Solar Project, LLC and Harrold ISD.”
 - B. “Due to the high property tax burden in Texas, the decision to invest within the state requires any capital investment by Savion, LLC to be based on expected economic return on their investment.”
 - C. “Without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. Savion, LLC evaluates the economic viability of proposed projects through comparing the proposed project’s rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the model must show a rate of return where the project, with the valuation limitation agreement, would exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize Savion, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district “the determining factor” to invest in this project.”
- Provided by Applicant
 - A. The application was filed with ERCOT on October 10, 2018, and the IGNR was assigned on or about November 20, 2018. The IGNR number 21INR0210 and it was assigned

- B. “Adams Creek Solar Project, LLC is a solar energy facility under development by Savion, LLC. Their mission is to integrate U.S. solar energy and energy storage development through a platform of industry-leading enterprise and site evaluation systems. Their current project portfolio includes 6 GW pipeline of solar and energy storage development projects. Their team of experienced professionals are committed to renewable energy development as well as building quality stakeholder relationships in the communities they choose to invest in.”

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

Limitation as a Determining Factor

Currently, Savion, LLC is considering a variety of other locations for Adams Creek Solar Project, LLC but believes Harrold ISD would be an ideal location for this solar facility. Other locations being evaluated for the establishment of the site include New Mexico, Ohio, Kansas, Oklahoma, Georgia, Louisiana, Alabama, South Carolina, Missouri, and Illinois--all locations where the development of this project would easily be feasible due to current company activity as well as previous development, and the presence of tax incentives. In the event a 313 agreement is not permitted Savion, LLC will reallocate the capital for this project to establish a facility in another location more financially viable. Unfortunately, this would dismiss Harrold ISD from receiving the economic benefits associated with the development a solar facility within their jurisdiction. It is our goal to reach a 313 value limitation agreement for the benefit of both Adams Creek Solar Project, LLC and Harrold ISD. Savion, LLC is constantly evaluating various locations for development and where to commit substantial long-term investment based on economic rate of return with the proposed projects. The economic benefits provided by a Chapter 313 Value Limitation is one of the most important components in their analysis.

Not only Savion, LLC but all prudent energy developers, recognize the importance of tax incentives in establishing capital intensive facilities. Due to the high property tax burden in Texas, the decision to invest within the state requires any capital investment by Savion, LLC to be based on expected economic return on their investment.

Property tax liabilities compose a substantial ongoing cost of operation that directly impacts the rate of return on the investment. Without the 313 Value Limitation tax incentive, the economics of this project could be less competitive with other capital-intensive projects and the viability of the proposed project becomes uncertain. Savion, LLC evaluates the economic viability of proposed projects through comparing the proposed project's rate of return with the Chapter 313 appraised value limitation agreement and without the value limitation agreement. To move forward, the model must show a rate of return where the project, with the valuation limitation agreement, would exceed the minimum rate of return required to proceed with the proposed investment. Therefore, receiving a value limitation agreement under Chapter 313 results in significant annual operating cost savings which would incentivize Savion, LLC to invest capital in the proposed project rather than making an alternative investment. This makes the ability to enter into a Chapter 313 appraised value limitation agreement with the school district "the determining factor" to invest in this project.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Harrold ISD– Adams Creek Solar Project, LLC App. #1466

Comptroller Questions (via email on April 28, 2020):

1. Is Adams Creek Solar Project, 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 April 30, 2020):

1. No
2. None.
3. Yes, 21INR0210 is the solar interconnection filing with ERCOT. The application was filed with ERCOT on October 10, 2018, and the IGNR was assigned on or about November 20, 2018.



Tab 4

Detailed Description of the Project

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.

In compliance with the criteria and guidelines set forth in Title 3, Chapter 313 of the Texas Property Tax Code, Adams Creek Solar Project, LLC requests an appraised value limitation from Harrold Independent School District. Savion, LLC is proposing to construct a solar electric generating facility in Wilbarger County. The project will be located within a reinvestment zone that encompasses 2,618 acres in the northeastern portion of the county. Adams Creek Solar Project, LLC will be contained 100% in Harrold ISD in the reinvestment zone to be designated. Please find attached in Tab 11 maps that further define the location of the facility.

The facility itself is expected to have a total capacity of 250 MW-AC and will feature 796,000 photovoltaic panels, and 67 central inverters.

Adams Creek Solar Project, LLC requests that this application includes all eligible and auxiliary equipment including the following:

- Solar Modules & Panels
- Inverter Boxes & Battery Storage
- Meteorological Equipment
- Operation & Maintenance Building
- Electrical Substations
- Associated Towers
- Racking & Mounting Structures
- Combiner Boxes
- Foundations
- Roadways, Paving, & Fencing
- Generation Transmission Tie Line
- Interconnection Facilities

Adams Creek Solar Project, LLC is a solar energy facility under development by Savion, LLC. Their mission is to integrate U.S. solar energy and energy storage development through a platform of industry-leading enterprise and site evaluation systems. Their current project portfolio includes 6 GW pipeline of solar and energy storage development projects. Their team of experienced professionals are committed to renewable energy development as well as building quality stakeholder relationships in the communities they choose to invest in.