
SARA LEON
& ASSOCIATES, LLC

April 8, 2020

Via Electronic Mail: Michelle.Luera@cpa.texas.gov

Ms. Michelle Luera, CTCM
Senior Research Analyst
Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
111 E. 17th St.
Austin, TX 78774

Re: Application 1468 between the Needville Independent School District and Old 300 Solar Center, LLC

Dear Ms. Luera:

This letter is in response to your email dated March 19, 2020. Per your request, Old 300 Solar Center, LLC made the following changes to Application No. 1468. Enumerated below are the changes contained in Amendment #001:

1. Section 1, Question 4

- the answer to Question 4 has been update, the Application was determined to be complete on February 20, 2020

2. Section 8, Question 4

- the answer to Question 4 has been revised to reflect that the applicant has made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location

3. Section 9, Question 3

- the beginning of qualifying time period timeline was revised to be consistent with the project description in Tab 4

4. Section 14, Question 7

- the wage data listed in Section 14 has been updated to reflect the recent wage data released by WC/TRACER

5. Tab 4 Detailed description of the project

- Added additional language: *The Project area is expected to be approximately 3,200 acres.*

6. Tab 5 Documentation to assist in determining if limitation is a determining factor

- revised to explain the relationship among all three entities: Lincoln Clean Energy, Old 300 Solar Center, LLC, and Orsted Onshore North America, LLC (Orsted)



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7. Tab 7 Description of Qualified Investment

- Added additional language: *The Project area is expected to be approximately 3,200 acres.*

8. Tab 8 Description of Qualified Property

- Added additional language: *The Project area is expected to be approximately 3,200 acres.*

9. Tab 11 Maps

- updated the Vicinity and ISD Map and added the O& M facility to the Location Map

10. Tab 14 Schedules

- revised Schedules C and D

11. Tab 17 Signature and Certification page

- a new Signature Page is attached

If you have any questions, or would like to discuss this matter further, please contact me at 512.637.4298.

Thanks so much for your kind attention to this matter.

Respectfully submitted,



Sara Hardner Leon

Enclosures

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cc: *Via Electronic Mail:* rhodesc@needvilleisd.com
Mr. Curtis Wayne Rhodes, Superintendent of Schools, Needville Independent School District

Via Electronic Mail: pmoore@lincolnclean.com
Mr. Philip Moore, Senior Vice President - Development, Orsted Onshore North America, LLC

Via Electronic Mail: jgoodwillie@lincolnclean.com
Ms. Jennifer Goodwillie, Director of Development, Orsted Onshore North America, LLC

Via Electronic Mail: dsewell@sbaustinlaw.com
Mr. David Sewell, Partner, Stahl, Davies, Sewell, Chavarria & Friend, LLP

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

First Name _____ Last Name _____

Title _____

Firm Name _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Email Address _____

4. On what date did the district determine this application complete?

5. Has the district determined that the electronic copy and hard copy are identical? Yes No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? Yes No

2a. If yes, please fill out contact information for that person.

First Name _____ Last Name _____

Title _____ Organization _____

Street Address _____

Mailing Address _____

City _____ State _____ ZIP _____

Phone Number _____ Fax Number _____

Mobile Number (optional) _____ Business Email Address _____

3. Does the applicant authorize the consultant to provide and obtain information related to this application? Yes No

SECTION 6: Eligibility Under Tax Code Chapter 313.024

- 1. Are you an entity subject to the tax under Tax Code, Chapter 171?
2. The property will be used for one of the following activities:
(1) manufacturing
(2) research and development
(3) a clean coal project, as defined by Section 5.001, Water Code
(4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code
(5) renewable energy electric generation
(6) electric power generation using integrated gasification combined cycle technology
(7) nuclear electric power generation
(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)
(9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051
3. Are you requesting that any of the land be classified as qualified investment?
4. Will any of the proposed qualified investment be leased under a capitalized lease?
5. Will any of the proposed qualified investment be leased under an operating lease?
6. Are you including property that is owned by a person other than the applicant?
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?

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?
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?
3. Does the applicant have current business activities at the location where the proposed project will occur?
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?
5. Has the applicant received any local or state permits for activities on the proposed project site?
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site?
7. Is the applicant evaluating other locations not in Texas for the proposed project?
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project?
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?

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.

SECTION 9: Projected Timeline

- 1. Application approval by school board
2. Commencement of construction
3. Beginning of qualifying time period
4. First year of limitation
5. Begin hiring new employees
6. Commencement of commercial operations
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)?
8. When do you anticipate the new buildings or improvements will be placed in service?

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property
3. Will this CAD be acting on behalf of another CAD to appraise this property?
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
5. Is the project located entirely within the ISD listed in Section 1?
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)?

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district?
2. What is the amount of appraised value limitation for which you are applying?
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)?
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period?

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)?

2. What is the last complete calendar quarter before application review start date:
[] First Quarter [] Second Quarter [] Third Quarter [] Fourth Quarter of (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)?

Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create?

5. What is the number of new non-qualifying jobs you are estimating you will create?

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? [] Yes [] No

6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

- a. Average weekly wage for all jobs (all industries) in the county is
b. 110% of the average weekly wage for manufacturing jobs in the county is
c. 110% of the average weekly wage for manufacturing jobs in the region is

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? [] §313.021(5)(A) or [] §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property?

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property?

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? [] Yes [] No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? [] Yes [] No

12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? [] Yes [] No

13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in Tab 14. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in Tab 15. (not required)

3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in Tab 15.

APPLICATION TAB ORDER FOR REQUESTED ATTACHMENTS

TAB	ATTACHMENT
1	Pages 1 through 11 of Application
2	Proof of Payment of Application Fee
3	Documentation of Combined Group membership under Texas Tax Code 171.0001(7), history of tax default, delinquencies and/or material litigation <i>(if applicable)</i>
4	Detailed description of the project
5	Documentation to assist in determining if limitation is a determining factor
6	Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor <i>(if applicable)</i>
7	Description of Qualified Investment
8	Description of Qualified Property
9	Description of Land
10	Description of all property not eligible to become qualified property <i>(if applicable)</i>
11	<p>Maps that clearly show:</p> <ul style="list-style-type: none"> a) Project vicinity b) Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period c) Qualified property including location of new buildings or new improvements d) Existing property e) Land location within vicinity map f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size <p>Note: Electronic maps should be high resolution files. Include map legends/markers.</p>
12	Request for Waiver of Job Creation Requirement and supporting information <i>(if applicable)</i>
13	Calculation of three possible wage requirements with TWC documentation
14	Schedules A1, A2, B, C and D completed and signed Economic Impact <i>(if applicable)</i>
15	Economic Impact Analysis, other payments made in the state or other economic information <i>(if applicable)</i>
16	<p>Description of Reinvestment or Enterprise Zone, including:</p> <ul style="list-style-type: none"> a) evidence that the area qualifies as a enterprise zone as defined by the Governor's Office b) legal description of reinvestment zone* c) order, resolution or ordinance establishing the reinvestment zone* d) guidelines and criteria for creating the zone* <p>* To be submitted with application or before date of final application approval by school board</p>
17	Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative <i>(applicant)</i>

Tab Item 4

Detailed Description of the Project

Provide 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.

Old 300 Solar Center, LLC is requesting a Chapter 313 Appraised Value Limitation Agreement from Needville ISD for a proposed solar powered electric generating facility (the "Project") to be constructed in Needville ISD in Fort Bend County. The installed capacity of the proposed project is expected to be approximately 400 megawatts (MW). Solar panel type and size have yet to be finalized. The Project area is expected to be approximately 3,200 acres.

Construction of the Project is expected to commence in the fourth quarter of 2020 and is anticipated to be complete in the first quarter of 2022. Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communication cables, electric collection system wiring, combiner boxes, DC-to-AC inverter stations, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar irradiation and weather conditions.

Tab Item 5

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

Old 300 Solar Center, LLC is a Delaware limited liability company and is a direct subsidiary of Orsted Onshore North America, LLC. Old 300 Solar Center, LLC's was previously directly owned by Lincoln Clean Energy, LLC. In the fall of 2018, Lincoln Clean Energy, LLC was purchased by Orsted, a Danish company. In December of 2019, Orsted changed the name of Lincoln Clean Energy, LLC to Orsted Onshore North America, LLC.

Orsted Onshore North America, LLC has successfully developed projects involving over \$1 billion in capital investments in some of the largest electricity markets in the United States, including California, Nebraska, New Jersey, South Dakota, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, road and home glare, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The project was also known as Spindletop Solar Center during earlier stages of its development. The Project applied to ERCOT on July 18, 2019, and it has been assigned GINR number 21INR0406.

The applicant is a national wind and solar developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable solar characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. In addition to its projects in Texas, the developer is assessing or developing projects in California, Nevada, Colorado, Texas, Nebraska, Illinois, Mississippi, Michigan, Missouri, Indiana, Florida, New York, Maryland, and Virginia. The appraised value limitation is critical to the ability of the Project to move forward in Needville ISD.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

The Old 300 Solar Center has a project website available to the public. Orsted Onshore has websites for several of its development projects, and none are intended to imply that further investment of resources into the projects are a foregone conclusion. Rather, the project websites are intended as a

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resource for the communities to find information about potential developments in their community, communicate with Orsted Onshroe, and learn more about the respective project technologies.

Tab Item 7

Description of Qualified Investment

Old 300 Solar Center, LLC plans to construct a 400 MW solar farm (the “Project”) in Fort Bend County. This application covers all qualified property in the reinvestment zone and project boundary within Needville ISD. The Project area is expected to be approximately 3,200 acres.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Needville ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and the inverters selected, manufacturer’s availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed.

Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communication cables, electric collection system wiring, combiner boxes, DC-to-AC converter stations, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar irradiation and weather conditions.

Construction of the project is anticipated to begin in quarter 4 of 2020 with completion and commercial operation by quarter 1 of 2022.

Tab Item 8

Description of Qualified Property

Old 300 Solar Center, LLC plans to construct a 400 MW solar farm (the “Project”) in Fort Bend County. This application covers all qualified property in the reinvestment zone and project boundary within Needville ISD. The Project area is expected to be approximately 3,200 acres.

The Applicant is requesting an appraised value limitation on all the property constructed or placed upon the real property within Needville ISD. Solar equipment selection is ongoing at this time and has not been finalized. The exact number of PV panels and their capacity will vary depending upon the panels and the inverters selected, manufacturer’s availability and prices, ongoing engineering design optimization, and the final megawatt generating capacity of the Project when completed.

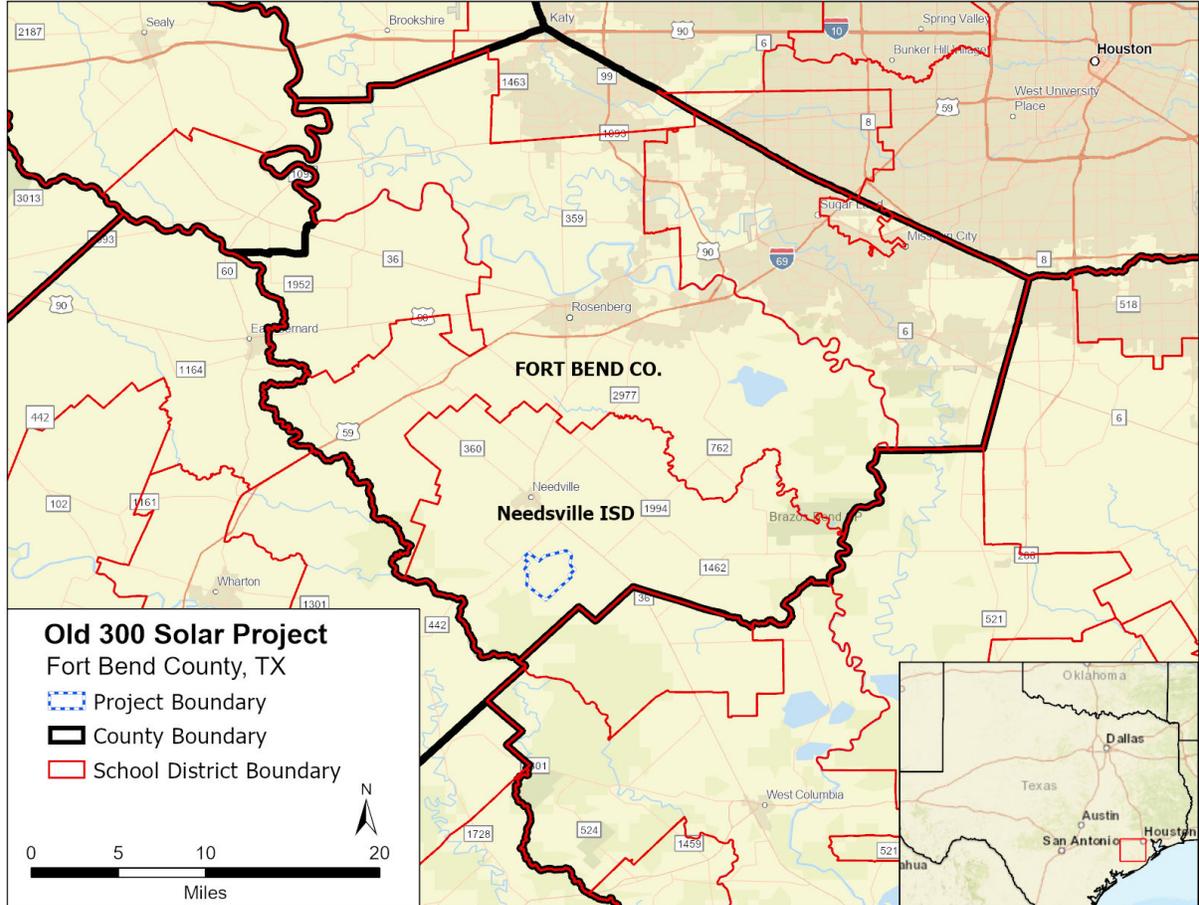
Construction of the project will include, but is not limited to, the following: solar modules/panels, metal mounting system with tracking capabilities, battery or battery system, underground conduit, communication cables, electric collection system wiring, combiner boxes, DC-to-AC converter stations, a project substation including breakers, a transformer, and meters, overhead transmission lines, inverter boxes on concrete pads, operations and maintenance facility, fencing for safety and security, telephone and internet communication system, access and service roads, and meteorological equipment to measure solar irradiation and weather conditions.

Construction of the project is anticipated to begin in quarter 4 of 2020 with completion and commercial operation by quarter 1 of 2022.

Tab Item 11

Maps

Vicinity and ISD Map:



SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17. NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Curtis Rhodes Superintendent
Print Name (Authorized School District Representative) Title
sign here [Signature] 4-8-2020
Signature (Authorized School District Representative) Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here PHILIP MOORE SVP Development
Print Name (Authorized Company Representative (Applicant)) Title
sign here [Signature] 1/2/2019
Signature (Authorized Company Representative (Applicant)) Date

GIVEN under my hand and seal of office this, the 2 day of January, 2020
[Signature]
Notary Public in and for the State of Texas
My Commission expires: 5/11/2023



If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.