



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 31, 2020

Scott Martindale
Superintendent
Iola Independent School District
7282 Fort Worth Street
P.O. Box 159
Iola, Texas 77861

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Iola Independent School District
and Blue Jay Solar I, LLC, Application 1490

Dear Superintendent Martindale:

On July 16, 2020, the Comptroller issued written notice that Blue Jay Solar I, LLC (applicant) submitted a completed application (Application 1490) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 19, 2020, to the Iola 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 1490.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 16, 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 Blue Jay Solar I, LLC (project) applying to Iola 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 Blue Jay Solar I, LLC.

Applicant	Blue Jay Solar I, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Iola ISD
2018-2019 Average Daily Attendance	490
County	Grimes
Proposed Total Investment in District	\$168,500,000
Proposed Qualified Investment	\$168,500,000
Limitation Amount	\$20,000,000
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	\$799
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$799
Minimum annual wage committed to by applicant for qualified jobs	\$41,561
Minimum weekly wage required for non-qualifying jobs	\$992.75
Minimum annual wage required for non-qualifying jobs	\$51,623
Investment per Qualifying Job	\$168,500,000
Estimated M&O levy without any limit (15 years)	\$8,665,383
Estimated M&O levy with Limitation (15 years)	\$3,699,413
Estimated gross M&O tax benefit (15 years)	\$4,965,970

* 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 Blue Jay Solar I, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	100	119	219	\$4,750,000	\$11,250,000	\$16,000,000
2022	100	124	224	\$4,750,000	\$13,250,000	\$18,000,000
2023	1	16	17	\$41,561	\$2,958,439	\$3,000,000
2024	1	8	9	\$41,561	\$1,958,439	\$2,000,000
2025	1	0	1	\$41,561	\$958,439	\$1,000,000
2026	1	(4)	-3	\$41,561	\$958,439	\$1,000,000
2027	1	(4)	-3	\$41,561	-\$41,561	\$0
2028	1	(4)	-3	\$41,561	-\$41,561	\$0
2029	1	(3)	-2	\$41,561	-\$41,561	\$0
2030	1	(1)	0	\$41,561	-\$41,561	\$0
2031	1	0	1	\$41,561	-\$41,561	\$0
2032	1	2	3	\$41,561	\$958,439	\$1,000,000
2033	1	3	4	\$41,561	\$958,439	\$1,000,000
2034	1	3	4	\$41,561	\$958,439	\$1,000,000
2035	1	4	5	\$41,561	\$958,439	\$1,000,000
2036	1	4	5	\$41,561	\$958,439	\$1,000,000
2037	1	4	5	\$41,561	\$958,439	\$1,000,000

Source: CPA REMI, Blue Jay Solar I, 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		Iola ISD I&S Tax Levy	Iola ISD M&O Tax Levy	Iola ISD M&O and I&S Tax Levies	Grimes County Tax Levy	Grimes ESD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1904	0.9700		0.5303	0.0265	
2022	\$42,000,000	\$42,000,000		\$79,951	\$407,400	\$487,351	\$222,710	\$11,131	\$721,192
2023	\$121,041,800	\$121,041,800		\$230,415	\$1,174,105	\$1,404,521	\$641,837	\$32,080	\$2,078,438
2024	\$110,546,500	\$110,546,500		\$210,436	\$1,072,301	\$1,282,737	\$586,185	\$29,298	\$1,898,220
2025	\$100,051,500	\$100,051,500		\$190,458	\$970,500	\$1,160,958	\$530,534	\$26,517	\$1,718,008
2026	\$88,246,400	\$88,246,400		\$167,986	\$855,990	\$1,023,976	\$467,936	\$23,388	\$1,515,300
2027	\$76,441,600	\$76,441,600		\$145,514	\$741,484	\$886,998	\$405,340	\$20,259	\$1,312,597
2028	\$64,637,000	\$64,637,000		\$123,043	\$626,979	\$750,022	\$342,745	\$17,131	\$1,109,897
2029	\$51,522,300	\$51,522,300		\$98,078	\$499,766	\$597,844	\$273,203	\$13,655	\$884,702
2030	\$39,718,300	\$39,718,300		\$75,608	\$385,268	\$460,875	\$210,611	\$10,527	\$682,012
2031	\$31,845,700	\$31,845,700		\$60,621	\$308,903	\$369,525	\$168,865	\$8,440	\$546,830
2032	\$27,904,600	\$27,904,600		\$53,119	\$270,675	\$323,794	\$147,967	\$7,396	\$479,157
2033	\$27,894,900	\$27,894,900		\$53,101	\$270,581	\$323,681	\$147,916	\$7,393	\$478,990
2034	\$27,885,500	\$27,885,500		\$53,083	\$270,489	\$323,572	\$147,866	\$7,390	\$478,829
2035	\$27,876,300	\$27,876,300		\$53,065	\$270,400	\$323,465	\$147,817	\$7,388	\$478,671
2036	\$27,867,400	\$27,867,400		\$53,048	\$270,314	\$323,362	\$147,770	\$7,386	\$478,518
2037	\$27,858,700	\$27,858,700		\$53,032	\$270,229	\$323,261	\$147,724	\$7,383	\$478,368
			Total	\$1,700,559	\$8,665,383	\$10,365,943	\$4,737,026	\$236,762	\$15,339,730

Source: CPA, Blue Jay Solar I, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Grimes 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		Iola ISD I&S Tax Levy	Iola ISD M&O Tax Levy	Iola ISD M&O and I&S Tax Levies	Grimes County Tax Levy	Grimes ESD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1904	0.9700		0.5303	0.0265	
2022	\$42,000,000	\$42,000,000		\$79,951	\$407,400	\$487,351	\$0	\$11,131	\$498,482
2023	\$121,041,800	\$20,000,000		\$230,415	\$194,000	\$424,415	\$0	\$32,080	\$456,495
2024	\$110,546,500	\$20,000,000		\$210,436	\$194,000	\$404,436	\$0	\$29,298	\$433,734
2025	\$100,051,500	\$20,000,000		\$190,458	\$194,000	\$384,458	\$0	\$26,517	\$410,975
2026	\$88,246,400	\$20,000,000		\$167,986	\$194,000	\$361,986	\$0	\$23,388	\$385,374
2027	\$76,441,600	\$20,000,000		\$145,514	\$194,000	\$339,514	\$0	\$20,259	\$359,774
2028	\$64,637,000	\$20,000,000		\$123,043	\$194,000	\$317,043	\$0	\$17,131	\$334,174
2029	\$51,522,300	\$20,000,000		\$98,078	\$194,000	\$292,078	\$0	\$13,655	\$305,733
2030	\$39,718,300	\$20,000,000		\$75,608	\$194,000	\$269,608	\$0	\$10,527	\$280,134
2031	\$31,845,700	\$20,000,000		\$60,621	\$194,000	\$254,621	\$0	\$8,440	\$263,062
2032	\$27,904,600	\$20,000,000		\$53,119	\$194,000	\$247,119	\$147,967	\$7,396	\$402,482
2033	\$27,894,900	\$27,894,900		\$53,101	\$270,581	\$323,681	\$147,916	\$7,393	\$478,990
2034	\$27,885,500	\$27,885,500		\$53,083	\$270,489	\$323,572	\$147,866	\$7,390	\$478,829
2035	\$27,876,300	\$27,876,300		\$53,065	\$270,400	\$323,465	\$147,817	\$7,388	\$478,671
2036	\$27,867,400	\$27,867,400		\$53,048	\$270,314	\$323,362	\$147,770	\$7,386	\$478,518
2037	\$27,858,700	\$27,858,700		\$53,032	\$270,229	\$323,261	\$147,724	\$7,383	\$478,368
			Total	\$1,700,559	\$3,699,413	\$5,399,972	\$887,060	\$236,762	\$6,523,794
			Diff	\$0	\$4,965,970	\$4,965,970	\$3,849,966	\$0	\$8,815,936
Assumes School Value Limitation and Tax Abatements with the County.									

Source: CPA, Blue Jay Solar I, 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 Blue Jay Solar I, 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	\$407,400	\$407,400	\$0	\$0
Limitation Period (10 Years)	2023	\$194,000	\$601,400	\$980,105	\$980,105
	2024	\$194,000	\$795,400	\$878,301	\$1,858,407
	2025	\$194,000	\$989,400	\$776,500	\$2,634,906
	2026	\$194,000	\$1,183,400	\$661,990	\$3,296,896
	2027	\$194,000	\$1,377,400	\$547,484	\$3,844,380
	2028	\$194,000	\$1,571,400	\$432,979	\$4,277,359
	2029	\$194,000	\$1,765,400	\$305,766	\$4,583,125
	2030	\$194,000	\$1,959,400	\$191,268	\$4,774,392
	2031	\$194,000	\$2,153,400	\$114,903	\$4,889,296
	2032	\$194,000	\$2,347,400	\$76,675	\$4,965,970
	2033	\$270,581	\$2,617,981	\$0	\$4,965,970
Maintain Viable Presence (5 Years)	2034	\$270,489	\$2,888,470	\$0	\$4,965,970
	2035	\$270,400	\$3,158,870	\$0	\$4,965,970
	2036	\$270,314	\$3,429,184	\$0	\$4,965,970
	2037	\$270,229	\$3,699,413	\$0	\$4,965,970
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$270,147	\$3,969,560	\$0	\$4,965,970
	2039	\$270,066	\$4,239,627	\$0	\$4,965,970
	2040	\$269,988	\$4,509,614	\$0	\$4,965,970
	2041	\$269,911	\$4,779,526	\$0	\$4,965,970
	2042	\$269,837	\$5,049,362	\$0	\$4,965,970
	2043	\$269,764	\$5,319,126	\$0	\$4,965,970
	2044	\$269,693	\$5,588,819	\$0	\$4,965,970
	2045	\$269,624	\$5,858,443	\$0	\$4,965,970
	2046	\$269,557	\$6,128,000	\$0	\$4,965,970
	2047	\$269,491	\$6,397,491	\$0	\$4,965,970
		\$6,397,491	is greater than	\$4,965,970	
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, Blue Jay Solar I, 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 Blue Jay Solar I, 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 Blue Jay Solar I, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “...since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Currently the investment in Texas is being evaluated against projects in Ohio, Maryland, and Virginia. Open Road Renewables is active in states throughout the East Coast and Midwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. Open Road has over 40 solar sites under development in various states across the country and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Open Road Renewables currently has ongoing project developments in several states, including but not limited to, Ohio, Maryland, and Virginia.”
 - B. “Due to the extremely competitive power market in ERCOT all PPA’s economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today’s contracted power rates under a PPA.”
 - C. “Without the tax incentives in Texas, a project becomes nonfinanceable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
 - D. “Applicant has not entered into any binding agreements, contracts, or letters of intent related to the proposed project, but has entered into options to lease the proposed project site from the current landowners and a variety of contracts and agreements that are typical during preliminary development of a solar energy project.”

- E. "Applicant submitted an application to ERCOT for the project and received a GINR number of 19INR0085, 23INR0005, and 23INR0019 and they were received May 26, 2017, October 22, 2019, and January 6, 2020 respectively."

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

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 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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

1. Estimated school board ratification of final agreement November 2020
 2. Estimated commencement of construction Q3 - 2021
 3. Beginning of qualifying time period (MM/DD/YYYY) 10/01/2021
 4. First year of limitation (MM/DD/YYYY) 01/01/2023
- 4a. For the beginning of the limitation period, notate which **one of the following** will apply according to provision of 313.027(a-1)(2):
- ☐ A. January 1 following the application date ☐ B. January 1 following the end of QTP
- ☒ C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations Q2 - 2022

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Grimes County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Grimes CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ☐ Yes ☒ No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:

M&O (ISD): <u>Iola ISD; \$0.9700, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Iola ISD; \$0.19036, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Grimes County, \$0.530261, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Grimes ESD #1, \$0.026503, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>

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.

Open Road Renewables is a renewable energy company focused on development of utility-scale clean energy projects in the United States.

Open Road principals have successfully developed over 1,400 MW of renewable energy generation facilities that are either operating or under construction. Open Road has a current pipeline totaling more than 1,000 MW of utility-scale solar projects under development in various states throughout the East Coast and Midwest. Open Road's founders are industry veterans with extensive experience in project development, power marketing, electrical interconnection, and finance

Open Road Renewables is keen to develop and build the proposed for Blue Jay Solar I, LLC's solar farm project (the "Project") as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar solar projects. Currently the investment in Texas is being evaluated against projects in Ohio, Maryland, and Virginia. Open Road Renewables is active in states throughout the East Coast and Midwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. Open Road has over 40 solar sites under development in various states across the country and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Open Road Renewables currently has ongoing project developments in several states, including but not limited to, Ohio, Maryland, and Virginia.

Due to the extremely competitive power market in ERCOT all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Applicant has not entered into any binding agreements, contracts, or letters of intent related to the proposed project, but has entered into options to lease the proposed project site from the current landowners and a variety of contracts and agreements that are typical during preliminary development of a solar energy project.

Applicant submitted an application to ERCOT for the project and received a GINR number of 19INR0085, 23INR0005, and 23INR0019 and they were received May 26, 2017, October 22, 2019, and January 6, 2020 respectively.