



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 22, 2021

Adolfo Pena
Superintendent
Rio Grande City Consolidated Independent School District
1 South Fort Ringgold
Rio Grande City, TX 78582

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Rio Grande Consolidated Independent School District and Vega Solar Energy LLC, Application 1552

Dear Superintendent Pena:

On May 18, 2021, the Comptroller issued written notice that Vega Solar Energy LLC (applicant) submitted a completed application (Application 1552) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on December 10, 2020, to the Rio Grande Consolidated 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 1552.

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 one year of the date of this letter.

Note that any building or improvement existing as of the application review start date of May 18, 2021, 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 Vega Solar Energy LLC (project) applying to Rio Grande City Consolidated 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 Rio Grande City Consolidated Independent School District.

Applicant	Vega Solar Energy LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Rio Grande City Consolidated ISD
2019-2020 Average Daily Attendance	8,577
County	Starr
Proposed Total Investment in District	\$138,872,318
Proposed Qualified Investment	\$138,872,318
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2023-2024
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	\$500
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$500
Minimum annual wage committed to by applicant for qualified jobs	\$26,000
Minimum weekly wage required for non-qualifying jobs	\$634
Minimum annual wage required for non-qualifying jobs	\$32,955
Investment per Qualifying Job	\$138,872,318
Estimated M&O levy without any limit (15 years)	\$10,215,779
Estimated M&O levy with Limitation (15 years)	\$4,783,038
Estimated gross M&O tax benefit (15 years)	\$5,432,741

* 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 Vega Solar Energy LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2022	300	(300)	0	\$15,000,000	\$21,000,000	\$36,000,000
2023	300	(300)	0	\$15,000,000	\$21,000,000	\$36,000,000
2024	1	(1)	0	\$26,000	\$1,974,000	\$2,000,000
2025	1	(1)	0	\$26,000	\$2,974,000	\$3,000,000
2026	1	(1)	0	\$26,000	\$1,974,000	\$2,000,000
2027	1	(1)	0	\$26,000	\$974,000	\$1,000,000
2028	1	(1)	0	\$26,000	-\$26,000	\$0
2029	1	(1)	0	\$26,000	-\$26,000	\$0
2030	1	(1)	0	\$26,000	-\$26,000	\$0
2031	1	(1)	0	\$26,000	-\$26,000	\$0
2032	1	(1)	0	\$26,000	\$974,000	\$1,000,000
2033	1	(1)	0	\$26,000	\$974,000	\$1,000,000
2034	1	(1)	0	\$26,000	\$974,000	\$1,000,000
2035	1	(1)	0	\$26,000	\$974,000	\$1,000,000
2036	1	(1)	0	\$26,000	\$974,000	\$1,000,000
2037	1	(1)	0	\$26,000	\$974,000	\$1,000,000

Source: CPA REMI, Vega Solar Energy 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*	Rio Grande City CISD I&S Tax Levy	Rio Grande City CISD M&O Tax Levy	Rio Grande City CISD M&O and I&S Tax Levies	Starr County Tax Levy	Starr County Memorial Hospital Tax Levy	South Texas College Tax Levy	Drainage District Tax Levy	Estimated Total Property Taxes
				0.3017	0.9989		0.7659	0.2641	0.1718	0.0125	
2023	\$69,436,159	\$69,436,159		\$209,489	\$693,598	\$903,087	\$531,812	\$183,413	\$119,291	\$8,680	\$1,746,282
2024	\$138,872,319	\$138,872,319		\$418,978	\$1,387,196	\$1,806,173	\$1,063,623	\$366,826	\$238,583	\$17,359	\$3,492,564
2025	\$127,744,634	\$127,744,634		\$385,406	\$1,276,041	\$1,661,447	\$978,396	\$337,432	\$219,465	\$15,968	\$3,212,709
2026	\$115,736,877	\$115,736,877		\$349,178	\$1,156,096	\$1,505,274	\$886,429	\$305,714	\$198,836	\$14,467	\$2,910,720
2027	\$102,759,549	\$102,759,549		\$310,026	\$1,026,465	\$1,336,491	\$787,035	\$271,435	\$176,541	\$12,845	\$2,584,347
2028	\$88,752,986	\$88,752,986		\$267,768	\$886,554	\$1,154,321	\$679,759	\$234,437	\$152,478	\$11,094	\$2,232,090
2029	\$73,627,687	\$73,627,687		\$222,135	\$735,467	\$957,602	\$563,914	\$194,485	\$126,492	\$9,203	\$1,851,697
2030	\$57,294,154	\$57,294,154		\$172,856	\$572,311	\$745,168	\$438,816	\$151,340	\$98,431	\$7,162	\$1,440,917
2031	\$39,647,972	\$39,647,972		\$119,618	\$396,044	\$515,662	\$303,664	\$104,729	\$68,115	\$4,956	\$997,125
2032	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2033	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2034	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2035	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2036	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2037	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2038	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
			Total	\$3,085,495	\$10,215,779	\$13,301,274	\$7,832,881	\$2,701,429	\$1,757,004	\$127,838	\$25,720,425

Source: CPA, Vega Solar Energy LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Starr 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		Rio Grande City CISD I&S Tax Levy	Rio Grande City CISD M&O Tax Levy	Rio Grande City CISD M&O and I&S Tax Levies	Starr County Tax Levy	Starr County Memorial Hospital Tax Levy	South Texas College Tax Levy	Drainage District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3017	0.9989		0.7659	0.2641	0.1718	0.0125	
2023	\$69,436,159	\$30,000,000		\$209,489	\$299,670	\$509,159	\$106,362	\$55,024	\$119,291	\$8,680	\$798,516
2024	\$138,872,319	\$30,000,000		\$418,978	\$299,670	\$718,648	\$212,725	\$110,048	\$238,583	\$17,359	\$1,297,362
2025	\$127,744,634	\$30,000,000		\$385,406	\$299,670	\$685,076	\$195,679	\$101,230	\$219,465	\$15,968	\$1,217,418
2026	\$115,736,877	\$30,000,000		\$349,178	\$299,670	\$648,848	\$177,286	\$91,714	\$198,836	\$14,467	\$1,131,151
2027	\$102,759,549	\$30,000,000		\$310,026	\$299,670	\$609,696	\$157,407	\$81,431	\$176,541	\$12,845	\$1,037,919
2028	\$88,752,986	\$30,000,000		\$267,768	\$299,670	\$567,438	\$135,952	\$70,331	\$152,478	\$11,094	\$937,293
2029	\$73,627,687	\$30,000,000		\$222,135	\$299,670	\$521,805	\$112,783	\$58,345	\$126,492	\$9,203	\$828,629
2030	\$57,294,154	\$30,000,000		\$172,856	\$299,670	\$472,526	\$87,763	\$45,402	\$98,431	\$7,162	\$711,285
2031	\$39,647,972	\$30,000,000		\$119,618	\$299,670	\$419,288	\$60,733	\$31,419	\$68,115	\$4,956	\$584,510
2032	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$45,698	\$23,641	\$51,253	\$3,729	\$512,328
2033	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$45,698	\$23,641	\$51,253	\$3,729	\$512,328
2034	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2035	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2036	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2037	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
2038	\$29,832,936	\$29,832,936		\$90,006	\$298,001	\$388,007	\$228,490	\$78,803	\$51,253	\$3,729	\$750,282
			Total	\$3,085,495	\$4,783,038	\$7,868,533	\$2,480,538	\$1,086,237	\$1,757,004	\$127,838	\$13,320,150
			Diff	\$0	\$5,432,741	\$5,432,741	\$5,352,343	\$1,615,191	\$0	\$0	\$12,400,275

Source: CPA, Vega Solar Energy 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 Vega Solar Energy 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	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2023	\$299,670	\$299,670	\$393,928	\$393,928
	2024	\$299,670	\$599,340	\$1,087,526	\$1,481,453
	2025	\$299,670	\$899,010	\$976,371	\$2,457,825
	2026	\$299,670	\$1,198,680	\$856,426	\$3,314,250
	2027	\$299,670	\$1,498,350	\$726,795	\$4,041,045
	2028	\$299,670	\$1,798,020	\$586,884	\$4,627,929
	2029	\$299,670	\$2,097,690	\$435,797	\$5,063,726
	2030	\$299,670	\$2,397,360	\$272,641	\$5,336,367
	2031	\$299,670	\$2,697,030	\$96,374	\$5,432,741
	2032	\$298,001	\$2,995,031	\$0	\$5,432,741
Maintain Viable Presence (5 Years)	2033	\$298,001	\$3,293,032	\$0	\$5,432,741
	2034	\$298,001	\$3,591,034	\$0	\$5,432,741
	2035	\$298,001	\$3,889,035	\$0	\$5,432,741
	2036	\$298,001	\$4,187,036	\$0	\$5,432,741
	2037	\$298,001	\$4,485,037	\$0	\$5,432,741
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$298,001	\$4,783,038	\$0	\$5,432,741
	2039	\$298,001	\$5,081,040	\$0	\$5,432,741
	2040	\$298,001	\$5,379,041	\$0	\$5,432,741
	2041	\$298,001	\$5,677,042	\$0	\$5,432,741
	2042	\$298,001	\$5,975,043	\$0	\$5,432,741
	2043	\$298,001	\$6,273,044	\$0	\$5,432,741
	2044	\$298,001	\$6,571,046	\$0	\$5,432,741
	2045	\$298,001	\$6,869,047	\$0	\$5,432,741
	2046	\$298,001	\$7,167,048	\$0	\$5,432,741
	2047	\$298,001	\$7,465,049	\$0	\$5,432,741
		\$7,465,049	is greater than	\$5,432,741	
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, Vega Solar Energy 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 Vega Solar Energy LLC’s (parent company Invenergy Renewables LLC) 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 Vega Solar Energy LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Invenergy Renewables LLC is North America’s largest privately held renewable energy provider, with a national portfolio of wind, solar storage, and natural gas projects. With operations in several regions throughout the continuous United States, Invenergy considers economic return on investment as they decided where to locate development projects.”
 - B. “Without tax incentives such as the Ch 313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Starr County becomes unlikely if Vega Solar Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.”
 - C. “Invenergy is currently considering alternative sites outside the State of Texas for solar development including locations in the following states: Oklahoma, Louisiana, Missouri, Kansas and New Mexico.”
- A February 8, 2021 *San Antonio Business Journal*, (*San Antonio, TX*) article states that “Chicago-based Invenergy LLC submitted an application to the Rio Grande City Independent School District on Jan. 11 for a project it is calling Vega Solar. The projected 200megawatt farm will be building over 5,000 acres, at least some of which has already under lease with area landowners, according to the construction in March of next year with an expected operational date of June 2023.”

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

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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 April 30, 2021
2. Estimated commencement of construction March 31, 2022
3. Beginning of qualifying time period (MM/DD/YYYY) December 31, 2022
4. First year of limitation (YYYY) 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 June 30, 2023

SECTION 10: The Property

1. County or counties in which the proposed project will be located Starr County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Starr 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>Rio Grande City C.I.S.D., 0.9989, 100%</u> <i>(Name, tax rate and percent of project)</i>	I&S (ISD): <u>Rio Grande City C.I.S.D., 0.3017, 100%</u> <i>(Name, tax rate and percent of project)</i>
County: <u>Starr County, 0.7659, 100%</u> <i>(Name, tax rate and percent of project)</i>	City: <u>N/A</u> <i>(Name, tax rate and percent of project)</i>
Hospital District: <u>Starr County Memorial Hospital, 0.264146, 100%</u> <i>(Name, tax rate and percent of project)</i>	Water District: <u>Drainage District, 0.0125, 100%</u> <i>(Name, tax rate and percent of project)</i>
Other (describe): <u>South Texas College, 0.1718, 100%</u> <i>(Name, tax rate and percent of project)</i>	Other (describe): <u>N/A</u> <i>(Name, tax rate and percent of project)</i>

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value



CHECKLIST ITEM #5

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

2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

The Applicant for this Project has entered into a number of contracts related to the Project, including longterm lease option agreements with area landowners, contracts with environmental consultants to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. The Project was selected as a candidate for development based on the favorable solar data, nearby access to the electric grid, and favorable tax incentives under Texas Tax Code chapters 312 and 313. Obtaining a value limitation agreement is critical to the economic and competitive viability of this Project.

None of the current Project agreements firmly commit the Applicant to the development of the Project. A number of variables remain undetermined at this stage, including the approval of this application. The Applicant could still elect to devote resources to other projects that it has in development. 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 decrease.

7. Is the applicant evaluating other locations not in Texas for the proposed project?

Invenergy, as the parent company of Vega Solar Energy LLC, is North America's largest privately held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.

Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Starr County becomes unlikely. If Vega Solar Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.

Invenergy is currently considering alternative sites outside the State of Texas for solar developments, including locations in the following states: Oklahoma, Louisiana, Missouri, Kansas and New Mexico.



Vega Solar Energy LLC
Chapter 313 Application to Rio Grande City CISD

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Vega Solar Energy. The financial viability of the Vega Solar Energy project is contingent on receiving the Chapter 313 Appraised Value Limitation, and the project cannot move forward without it.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Rio Grande City CISD–Vega Solar Energy LLC App. #1552

Comptroller Questions (via email on June 4, 2021):

1. *Is Vega Solar Energy LLC the currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*
3. *Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency*

Applicant Response (via Application, Tab 4):

1. *This project has been in the ERCOT interconnection queue as Equinox I and Equinox II.*
2. *Vega Solar Energy was assigned on December 12, 2018 the following IGNR numbers by ERCOT 21INRO226 and 21INRO227.*
3. *The project has gone by no other names in past media reports, investor presentations, or any other listings with any federal or state agency.*

Two solar farms planned for South Texas



By Jessica Corso
Reporter, San Antonio Business Journal
Feb 3, 2021
Updated Feb 8, 2021, 9:20am CST

Proposals to build a pair of solar farms with total projected capacity of 500 megawatts were submitted in January to school boards in San Patricio and Starr counties.

A single megawatt can power 200 Texas homes at peak demand, according to 2018 data from the Electric Reliability Council of Texas, meaning these two farms alone could power 100,000 homes during the hot summer months.

The companies are seeking tax breaks from the school boards before moving ahead with the solar farms, which are projected to be operational over the next two years.

The first application was submitted by Virginia-based Apex Clean Energy Inc. Apex informed the Sinton Independent School District in San Patricio County that it intends to build a 300 megawatt farm across 3,000 acres within the school district's boundaries. The company anticipates starting construction on the farm, which it is calling Welder Solar, in

the fourth quarter of this year with a completion date scheduled for December 2022.

Chicago-based Invenergy LLC submitted an application to the Rio Grande City Independent School District on Jan. 11 for a project it is calling Vega Solar. The projected 200 megawatt farm will be built over 5,000 acres, at least some of which has already under lease with area landowners, according to the application. Invenergy told the school board it plans to begin construction in March of next year with an expected operational date of June 2023.

Apex already operates or is developing six wind farms in South Texas but doesn't list any active or under construction solar farms in the area on its website. Invenergy also doesn't list any South Texas energy projects on its website, though it lists two operational natural gas plants and a wind farm under contract across the border in the Mexican state of Nuevo Leon.

Neither San Patricio nor Starr county have a single operational utility-scale solar farm, according to the U.S. Energy Information Administration.