



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 14, 2021

Lonnie Hise
Superintendent of Schools
Haskell Consolidated Independent School District
605 N Ave E
Haskell, Texas ZIP 79521-0937

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Haskell Consolidated
Independent School District and Grasshopper Solar, LLC, Application 1616

Dear Superintendent Hise:

On August 9, 2021, the Comptroller issued written notice that Grasshopper Solar, LLC (applicant) submitted a completed application (Application 1616) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 24, 2021, to the Haskell 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 1616.

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 August 9, 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 Grasshopper Solar, LLC (project) applying to Haskell 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 Grasshopper Solar, LLC.

Applicant	Grasshopper Solar, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Haskell CISD
2019-2020 Average Daily Attendance	511
County	Haskell
Proposed Total Investment in District	\$263,500,000
Proposed Qualified Investment	\$263,500,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2023-2024
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	\$961
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$961
Minimum annual wage committed to by applicant for qualified jobs	\$49,947
Minimum weekly wage required for non-qualifying jobs	\$760
Minimum annual wage required for non-qualifying jobs	\$39,533
Investment per Qualifying Job	\$131,750,000
Estimated M&O levy without any limit (15 years)	\$12,496,594
Estimated M&O levy with Limitation (15 years)	\$5,445,664
Estimated gross M&O tax benefit (15 years)	\$7,050,930

* 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 Grasshopper Solar, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2024	210	225	435	\$8,400,000	\$24,194,000	\$32,594,000
2025	2	20	22.371	\$99,894	\$4,207,106	\$4,307,000
2026	2	16	18	\$99,894	\$3,260,106	\$3,360,000
2027	2	7	9	\$99,894	\$2,099,106	\$2,199,000
2028	2	1	3	\$99,894	\$1,360,106	\$1,460,000
2029	2	(1)	1	\$99,894	\$933,106	\$1,033,000
2030	2	(1)	1	\$99,894	\$715,106	\$815,000
2031	2	(0)	2	\$99,894	\$637,106	\$737,000
2032	2	1	3	\$99,894	\$641,106	\$741,000
2033	2	2	4	\$99,894	\$725,106	\$825,000
2034	2	3	5	\$99,894	\$846,106	\$946,000
2035	2	4	6	\$99,894	\$928,106	\$1,028,000
2036	2	5	7	\$99,894	\$1,027,106	\$1,127,000
2037	2	5	7	\$99,894	\$1,108,106	\$1,208,000
2038	2	5	7	\$99,894	\$1,170,106	\$1,270,000
2039	2	5	7	\$99,894	\$1,224,106	\$1,324,000

Source: CPA REMI, Grasshopper Solar, LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Haskell CISD I&S Tax Levy	Haskell CISD M&O Tax Levy	Haskell CISD M&O and I&S Tax Levies	Haskell County Tax Levy	Farm-Market-RD Tax Levy	Haskell Hosp. Dist Tax Levy	Haskell Water #1 Tax Levy	Precinct Road Tax Levy	Rolling Plains GCD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3315	0.9664		0.3503	0.0917	0.1936	0.1688	0.0500	0.0260	
2025	\$171,722,950	\$171,722,950		\$569,262	\$1,659,531	\$2,228,792	\$601,609	\$157,532	\$332,414	\$289,927	\$85,886	\$44,648	\$3,740,808
2026	\$157,962,980	\$157,962,980		\$523,647	\$1,526,554	\$2,050,202	\$553,403	\$144,909	\$305,778	\$266,695	\$79,004	\$41,070	\$3,441,061
2027	\$143,114,755	\$143,114,755		\$474,425	\$1,383,061	\$1,857,486	\$501,384	\$131,288	\$277,036	\$241,626	\$71,577	\$37,210	\$3,117,608
2028	\$127,067,605	\$127,067,605		\$421,229	\$1,227,981	\$1,649,210	\$445,165	\$116,567	\$245,972	\$214,533	\$63,552	\$33,038	\$2,768,037
2029	\$109,747,750	\$109,747,750		\$363,814	\$1,060,602	\$1,424,416	\$384,487	\$100,678	\$212,445	\$185,292	\$54,889	\$28,534	\$2,390,742
2030	\$91,044,520	\$91,044,520		\$301,813	\$879,854	\$1,181,667	\$318,963	\$83,521	\$176,240	\$153,714	\$45,535	\$23,672	\$1,983,311
2031	\$70,847,245	\$70,847,245		\$234,859	\$684,668	\$919,526	\$248,204	\$64,992	\$137,143	\$119,614	\$35,434	\$18,420	\$1,543,334
2032	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2033	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2034	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2035	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2036	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2037	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2038	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2039	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
			Total	\$4,286,652	\$12,496,594	\$16,783,246	\$4,530,235	\$1,186,245	\$2,503,146	\$2,183,206	\$646,735	\$336,208	\$28,169,022

Source: CPA, Grasshopper Solar, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Haskell 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.

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		Haskell CISD I&S Tax Levy	Haskell CISD M&O Tax Levy	Haskell CISD M&O and I&S Tax Levies	Haskell County Tax Levy	Farm-Market-RD Tax Levy	Haskell Hosp. Dist Tax Levy	Haskell Water #1 Tax Levy	Precinct Road Tax Levy	Rolling Plains GCD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3315	0.9664		0.3503	0.0917	0.1936	0.1688	0.0500	0.0260	
2025	\$171,722,950	\$30,000,000		\$569,262	\$289,920	\$859,182	\$601,609	\$157,532	\$332,414	\$289,927	\$85,886	\$44,648	\$2,371,197
2026	\$157,962,980	\$30,000,000		\$523,647	\$289,920	\$813,567	\$553,403	\$144,909	\$305,778	\$266,695	\$79,004	\$41,070	\$2,204,427
2027	\$143,114,755	\$30,000,000		\$474,425	\$289,920	\$764,345	\$501,384	\$131,288	\$277,036	\$241,626	\$71,577	\$37,210	\$2,024,467
2028	\$127,067,605	\$30,000,000		\$421,229	\$289,920	\$711,149	\$445,165	\$116,567	\$245,972	\$214,533	\$63,552	\$33,038	\$1,829,976
2029	\$109,747,750	\$30,000,000		\$363,814	\$289,920	\$653,734	\$384,487	\$100,678	\$212,445	\$185,292	\$54,889	\$28,534	\$1,620,059
2030	\$91,044,520	\$30,000,000		\$301,813	\$289,920	\$591,733	\$318,963	\$83,521	\$176,240	\$153,714	\$45,535	\$23,672	\$1,393,377
2031	\$70,847,245	\$30,000,000		\$234,859	\$289,920	\$524,779	\$248,204	\$64,992	\$137,143	\$119,614	\$35,434	\$18,420	\$1,148,586
2032	\$52,700,000	\$30,000,000		\$174,701	\$289,920	\$464,621	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$928,642
2033	\$52,700,000	\$30,000,000		\$174,701	\$289,920	\$464,621	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$928,642
2034	\$52,700,000	\$30,000,000		\$174,701	\$289,920	\$464,621	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$928,642
2035	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2036	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2037	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2038	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
2039	\$52,700,000	\$52,700,000		\$174,701	\$509,293	\$683,993	\$184,628	\$48,345	\$102,015	\$88,976	\$26,357	\$13,702	\$1,148,015
			Total	\$4,286,652	\$5,445,664	\$9,732,316	\$4,530,235	\$1,186,245	\$2,503,146	\$2,183,206	\$646,735	\$336,208	\$21,118,092
			Diff	\$0	\$7,050,930	\$7,050,930	\$0	\$0	\$0	\$0	\$0	\$0	\$7,050,930
Assumes School Value Limitation and Tax Abatements with the County.													

Source: CPA, Grasshopper Solar, LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Grasshopper Solar, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2022	\$0	\$0	\$0	\$0
	2023	\$0	\$0	\$0	\$0
	2024	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2025	\$289,920	\$289,920	\$1,369,611	\$1,369,611
	2026	\$289,920	\$579,840	\$1,236,634	\$2,606,245
	2027	\$289,920	\$869,760	\$1,093,141	\$3,699,386
	2028	\$289,920	\$1,159,680	\$938,061	\$4,637,447
	2029	\$289,920	\$1,449,600	\$770,682	\$5,408,129
	2030	\$289,920	\$1,739,520	\$589,934	\$5,998,064
	2031	\$289,920	\$2,029,440	\$394,748	\$6,392,811
	2032	\$289,920	\$2,319,360	\$219,373	\$6,612,184
	2033	\$289,920	\$2,609,280	\$219,373	\$6,831,557
	2034	\$289,920	\$2,899,200	\$219,373	\$7,050,930
Maintain Viable Presence (5 Years)	2035	\$509,293	\$3,408,493	\$0	\$7,050,930
	2036	\$509,293	\$3,917,786	\$0	\$7,050,930
	2037	\$509,293	\$4,427,078	\$0	\$7,050,930
	2038	\$509,293	\$4,936,371	\$0	\$7,050,930
	2039	\$509,293	\$5,445,664	\$0	\$7,050,930
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$509,293	\$5,954,957	\$0	\$7,050,930
	2041	\$509,293	\$6,464,250	\$0	\$7,050,930
	2042	\$509,293	\$6,973,542	\$0	\$7,050,930
	2043	\$509,293	\$7,482,835	\$0	\$7,050,930
	2044	\$509,293	\$7,992,128	\$0	\$7,050,930
	2045	\$509,293	\$8,501,421	\$0	\$7,050,930
	2046	\$509,293	\$9,010,714	\$0	\$7,050,930
	2047	\$509,293	\$9,520,006	\$0	\$7,050,930
	2048	\$509,293	\$10,029,299	\$0	\$7,050,930
	2049	\$509,293	\$10,538,592	\$0	\$7,050,930
		\$10,538,592	is greater than	\$7,050,930	
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, Grasshopper Solar, LLC

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller has determined that the limitation on appraised value is a determining factor in the Grasshopper Solar, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Grasshopper Solar is being developed by Orsted Onshore North America, LLC (Orsted), as a developer, owner, and operator of solar and wind projects.
- Per Orsted Onshore North America, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “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 Haskell Consolidated ISD.”
 - B. “Without the use of 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, purchases, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.”
 - C. “The project applied to ERCOT in September 2021 and has been assigned GINR number 24INR0125.”

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**

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 _____
2. Estimated commencement of construction _____
3. Beginning of qualifying time period (MM/DD/YYYY). _____
4. First year of limitation (YYYY) _____
- 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 _____

SECTION 10: The Property

1. County or counties in which the proposed project will be located _____
2. 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? ☐ 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): _____
(Name, tax rate and percent of project)

County: _____
(Name, tax rate and percent of project)

Hospital District: _____
(Name, tax rate and percent of project)

Other (describe): _____
(Name, tax rate and percent of project)

I&S (ISD): _____
(Name, tax rate and percent of project)

Other: _____

City: _____
(Name, tax rate and percent of project)

Water District: _____
(Name, tax rate and percent of project)

Other (describe): _____
(Name, tax rate and percent of project)

Supporting Information

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

Tab Item 5**Documentation to assist in determining if limitation is a determining factor**

Grasshopper Solar is being developed by Orsted Onshore North America, LLC (Orsted”), as a developer, owner, and operator of solar and wind projects.

Orsted 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 service agreements and scopes with various environmental consultants 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 applied to ERCOT in September 2021 and has been assigned GINR number 24INR0125

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 Haskell Consolidated ISD.

Without the use of 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, purchases, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.