

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 4, 2024

**AMENDED COMPLETENESS,  
CERTIFICATE & AGREEMENT  
APPROVAL**

Shane Mallory  
Superintendent  
Newcastle Independent School District  
P.O. Box 129  
Newcastle, Texas 76372

Re: Amendment Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Newcastle Independent School District and Plug Power Limestone, LLC, Application 1758

Dear Superintendent Mallory:

This application (Application 1758) was originally submitted on March 21, 2022, to the Newcastle Independent School District (school district) by Plug Power Limestone, LLC (applicant) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> On July 13, 2022, the Comptroller issued written notice that the applicant submitted a completed application; and later issued a certificate for a limitation on appraised value on October 11, 2022. The applicant and school district executed an agreement for a limitation on appraised value (agreement) on November 28, 2022.

On September 30, 2024, the Comptroller received an amendment to the agreement to change the start of the limitation from 2024 to 2028 creating gap years and increase investment due to an increase in cost for the same equipment at the same capacity, and, subsequently, determined that it includes the information necessary to be determined as complete. This presents the Comptroller's review of that amendment per Section 10.2 of the agreement 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)**

The information provided by the applicant related to eligibility has not changed and therefore, 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.

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<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

## Certificate decision required by 313.025(d)

### Determination required by 313.026(c)(1)

Based on the amended information provided by the applicant, 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 previously 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.

Based on these determinations, the Comptroller approves changes to the certificate for a limitation on appraised value for the amendment.

The Comptroller's review of the amended application and amended agreement assumes the accuracy and completeness of the statements in the amendment. If the amendment is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) and all amendments, 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 approval is no longer valid if the information presented in the amendment changes, or the amended limitation agreement does not conform to the amended application. Additionally, this approval is contingent on the school district approving and executing the amendment to the agreement by **December 31, 2024**.

This office has also been provided with the Amended Agreement for Limitation on Appraised Value. As requested, the amendment to the Agreement has been reviewed pursuant to 34 TAC 9.1055(e)(1). Based on our review, this office concludes that the agreement complies with the provisions of Tax Code, Chapter 313 and 34 TAC Chapter 9, Subchapter F.

Should you have any questions, please contact Stephanie Jones, Team Lead, Data Analysis & Transparency, by email at [stephanie.jones@cpa.texas.gov](mailto:stephanie.jones@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 3-4594, or at 512-463-4594.

Sincerely,

DocuSigned by:

  
8FDFC70F5753487...

Will Counihan

Director

Data Analysis & Transparency

cc: Kathy Mathias, Moak, Casey & Associates  
Brenor Brophy, Plug Power Limestone, LLC  
Andrew Temple, Plug Power Limestone, LLC  
Daron Fredrickson, Merit Advisors, LLC

### Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Plug Power Limestone, LLC (project) applying to Newcastle 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 Plug Power Limestone, LLC.

	Original	Amendment No. 2
Applicant	Plug Power Limestone, LLC	Plug Power Limestone, LLC
Tax Code, 313.024 Eligibility Category	Manufacturing	Manufacturing
School District	Newcastle ISD	Newcastle ISD
2020-2021 Average Daily Attendance	190	190
County	Young	Young
Proposed Total Investment in District	\$281,375,025	\$392,152,000
Proposed Qualified Investment	\$281,375,025	\$5,000,000
Limitation Amount	\$15,000,000	\$15,000,000
Qualifying Time Period (Full Years)	2023-2024	2023-2024
Number of new qualifying jobs committed to by applicant	10*	10*
Number of new non-qualifying jobs estimated by applicant	0	0
Average weekly wage of qualifying jobs committed to by applicant	\$908	\$908
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$908	\$908
Minimum annual wage committed to by applicant for qualified jobs	\$47,220.80	\$47,220.80
Minimum weekly wage required for non-qualifying jobs	\$952.25	\$952.25
Minimum annual wage required for non-qualifying jobs	\$49,517	\$49,517
Investment per Qualifying Job	\$28,137,503	\$39,215,200
Estimated M&O levy without any limit (15 years)	\$21,251,574	\$26,812,492
Estimated M&O levy with Limitation (15 years)	\$4,531,804	\$4,917,061
Estimated gross M&O tax benefit (15 years)	\$16,719,770	\$21,895,431

\* 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 Plug Power Limestone, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2026	200	337	537	\$10,000,000	\$32,847,000	\$42,847,000
2027	200	1,292	1492	\$10,000,000	\$115,977,000	\$125,977,000
2028	10	119	129	\$472,208	\$22,232,792	\$22,705,000
2029	10	68	78	\$472,208	\$16,129,792	\$16,602,000
2030	10	35	45	\$472,208	\$11,490,792	\$11,963,000
2031	10	17	27	\$472,208	\$8,804,792	\$9,277,000
2032	10	15	25	\$472,208	\$6,607,792	\$7,080,000
2033	10	11	21	\$472,208	\$5,386,792	\$5,859,000
2034	10	15	25	\$472,208	\$5,631,792	\$6,104,000
2035	10	25	35	\$472,208	\$5,631,792	\$6,104,000
2036	10	29	39	\$472,208	\$5,386,792	\$5,859,000
2037	10	33	43	\$472,208	\$6,363,792	\$6,836,000
2038	10	33	43	\$472,208	\$7,095,792	\$7,568,000
2039	10	45	55	\$472,208	\$8,560,792	\$9,033,000
2040	10	43	53	\$472,208	\$8,072,792	\$8,545,000
2041	10	53	63	\$472,208	\$9,537,792	\$10,010,000
2042	10	53	63	\$472,208	\$11,734,792	\$12,207,000

Source: CPA REMI, Plug Power Limestone, 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		Newcastle ISD I&S Tax Levy	Newcastle ISD M&O Tax Levy	Newcastle ISD M&O and I&S Tax Levies	Young County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4200	1.0517		0.6935	
2028	\$375,436,328	\$375,436,328		\$1,576,833	\$3,948,464	\$5,525,296	\$2,603,651	\$8,128,947
2029	\$348,181,148	\$348,181,148		\$1,462,361	\$3,661,821	\$5,124,182	\$2,414,636	\$7,538,818
2030	\$318,718,651	\$318,718,651		\$1,338,618	\$3,351,964	\$4,690,582	\$2,210,314	\$6,900,896
2031	\$286,921,954	\$286,921,954		\$1,205,072	\$3,017,558	\$4,222,630	\$1,989,804	\$6,212,434
2032	\$252,561,619	\$252,561,619		\$1,060,759	\$2,656,191	\$3,716,949	\$1,751,515	\$5,468,464
2033	\$215,474,549	\$215,474,549		\$904,993	\$2,266,146	\$3,171,139	\$1,494,316	\$4,665,455
2034	\$175,425,224	\$175,425,224		\$736,786	\$1,844,947	\$2,581,733	\$1,216,574	\$3,798,307
2035	\$132,175,082	\$132,175,082		\$555,135	\$1,390,085	\$1,945,221	\$916,634	\$2,861,855
2036	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2037	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2038	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2039	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2040	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2041	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2042	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
			Total	\$10,707,661	\$26,812,492	\$37,520,152	\$17,680,387	\$55,200,539

Source: CPA, Plug Power Limestone, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Young 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		Newcastle ISD I&S Tax Levy	Newcastle ISD M&O Tax Levy	Newcastle ISD M&O and I&S Tax Levies	Young County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.4200	1.0517		0.6935	
2028	\$375,436,328	\$15,000,000		\$1,576,833	\$157,755	\$1,734,588	\$0	\$1,734,588
2029	\$348,181,148	\$15,000,000		\$1,462,361	\$157,755	\$1,620,116	\$0	\$1,620,116
2030	\$318,718,651	\$15,000,000		\$1,338,618	\$157,755	\$1,496,373	\$0	\$1,496,373
2031	\$286,921,954	\$15,000,000		\$1,205,072	\$157,755	\$1,362,827	\$0	\$1,362,827
2032	\$252,561,619	\$15,000,000		\$1,060,759	\$157,755	\$1,218,514	\$0	\$1,218,514
2033	\$215,474,549	\$15,000,000		\$904,993	\$157,755	\$1,062,748	\$0	\$1,062,748
2034	\$175,425,224	\$15,000,000		\$736,786	\$157,755	\$894,541	\$0	\$894,541
2035	\$132,175,082	\$15,000,000		\$555,135	\$157,755	\$712,890	\$0	\$712,890
2036	\$63,506,918	\$15,000,000		\$266,729	\$157,755	\$424,484	\$0	\$424,484
2037	\$63,506,918	\$15,000,000		\$266,729	\$157,755	\$424,484	\$0	\$424,484
2038	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2039	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2040	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2041	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
2042	\$63,506,918	\$63,506,918		\$266,729	\$667,902	\$934,631	\$440,420	\$1,375,052
			Total	\$10,707,661	\$4,917,061	\$15,624,722	\$2,202,102	\$17,826,824
			Diff	\$0	\$21,895,431	\$21,895,431	\$15,478,285	\$37,373,715
Assumes School Value Limitation and Tax Abatements with the County.								

Source: CPA, Plug Power Limestone, 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 25<sup>th</sup> Anniversary of Limitation Start

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
<b>Limitation Pre-Years</b>	2025	\$52,500	\$52,500	\$0	\$0
	2026	\$0	\$52,500	\$0	\$0
	2027	\$525,000	\$577,500	\$0	\$0
<b>Limitation Period (10 Years)</b>	2028	\$157,755	\$735,255	\$3,790,709	\$3,790,709
	2029	\$157,755	\$893,010	\$3,504,066	\$7,294,775
	2030	\$157,755	\$1,050,765	\$3,194,209	\$10,488,984
	2031	\$157,755	\$1,208,520	\$2,859,803	\$13,348,787
	2032	\$157,755	\$1,366,275	\$2,498,436	\$15,847,223
	2033	\$157,755	\$1,524,030	\$2,108,391	\$17,955,614
	2034	\$157,755	\$1,681,785	\$1,687,192	\$19,642,806
	2035	\$157,755	\$1,839,540	\$1,232,330	\$20,875,136
	2036	\$157,755	\$1,997,295	\$510,147	\$21,385,283
	2037	\$157,755	\$2,155,050	\$510,147	\$21,895,431
<b>Maintain Viable Presence (5 Years)</b>	2038	\$667,902	\$2,822,952	\$0	\$21,895,431
	2039	\$667,902	\$3,490,855	\$0	\$21,895,431
	2040	\$667,902	\$4,158,757	\$0	\$21,895,431
	2041	\$667,902	\$4,826,659	\$0	\$21,895,431
	2042	\$667,902	\$5,494,561	\$0	\$21,895,431
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2043	\$667,902	\$6,162,464	\$0	\$21,895,431
	2044	\$667,902	\$6,830,366	\$0	\$21,895,431
	2045	\$667,902	\$7,498,268	\$0	\$21,895,431
	2046	\$667,902	\$8,166,170	\$0	\$21,895,431
	2047	\$667,902	\$8,834,073	\$0	\$21,895,431
	2048	\$667,902	\$9,501,975	\$0	\$21,895,431
	2049	\$667,902	\$10,169,877	\$0	\$21,895,431
	2050	\$667,902	\$10,837,779	\$0	\$21,895,431
	2051	\$667,902	\$11,505,682	\$0	\$21,895,431
	2052	\$667,902	\$12,173,584	\$0	\$21,895,431
		<b>\$12,173,584</b>	is less than	<b>\$21,895,431</b>	

#### Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Plug Power Limestone, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2026	200	337	537	\$10,000,000	\$32,847,000	\$42,847,000	2701000	-1015000	\$3,716,000
2027	200	1,292	1492	\$10,000,000	\$115,977,000	\$125,977,000	10872000	-2472000	\$13,344,000
2028	10	119	129	\$472,208	\$22,232,792	\$22,705,000	877000	1244000	-\$367,000
2029	10	68	78	\$472,208	\$16,129,792	\$16,602,000	732000	1305000	-\$573,000
2030	10	35	45	\$472,208	\$11,490,792	\$11,963,000	496000	1259000	-\$763,000
2031	10	17	27	\$472,208	\$8,804,792	\$9,277,000	397000	1175000	-\$778,000
2032	10	15	25	\$472,208	\$6,607,792	\$7,080,000	336000	1060000	-\$724,000
2033	10	11	21	\$472,208	\$5,386,792	\$5,859,000	313000	916000	-\$603,000
2034	10	15	25	\$472,208	\$5,631,792	\$6,104,000	320000	839000	-\$519,000
2035	10	25	35	\$472,208	\$5,631,792	\$6,104,000	305000	710000	-\$405,000
2036	10	29	39	\$472,208	\$5,386,792	\$5,859,000	252000	618000	-\$366,000
2037	10	33	43	\$472,208	\$6,363,792	\$6,836,000	259000	511000	-\$252,000
2038	10	33	43	\$472,208	\$7,095,792	\$7,568,000	259000	465000	-\$206,000
2039	10	45	55	\$472,208	\$8,560,792	\$9,033,000	305000	366000	-\$61,000
2040	10	43	53	\$472,208	\$8,072,792	\$8,545,000	259000	298000	-\$39,000
2041	10	53	63	\$472,208	\$9,537,792	\$10,010,000	290000	221000	\$69,000
2042	10	53	63	\$472,208	\$11,734,792	\$12,207,000	305000	229000	\$76,000
2043	10	53	63	\$472,208	\$11,246,792	\$11,719,000	305000	191000	\$114,000
2044	10	54	64	\$472,208	\$12,711,792	\$13,184,000	320000	206000	\$114,000
2045	10	60	70	\$472,208	\$12,222,792	\$12,695,000	275000	84000	\$191,000
2046	10	60	70	\$472,208	\$14,175,792	\$14,648,000	351000	122000	\$229,000
2047	10	66	76	\$472,208	\$16,129,792	\$16,602,000	397000	84000	\$313,000
2048	10	64	74	\$472,208	\$16,617,792	\$17,090,000	381000	69000	\$312,000
2049	10	62	72	\$472,208	\$17,105,792	\$17,578,000	427000	61000	\$366,000
2050	10	72	82	\$472,208	\$20,035,792	\$20,508,000	458000	8000	\$450,000
2051	10	72	82	\$472,208	\$21,011,792	\$21,484,000	488000	-23000	\$511,000
2052	10	72	82	\$472,208	\$21,988,792	\$22,461,000	473000	-8000	\$481,000
2053	10	72	82	\$472,208	\$23,453,792	\$23,926,000	504000	-38000	\$542,000
						<b>Total</b>	<b>\$23,657,000</b>	<b>\$8,485,000</b>	<b>\$15,172,000</b>
							<b>\$27,345,584</b>	is greater than	<b>\$21,895,431</b>
<b>Analysis Summary</b>									
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

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.