



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 10, 2022

Mark Ruffin
Superintendent
Normangee Independent School District
P. O. Box 219
Normangee, TX 77871

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Normangee Independent School
District and Savannah Oaks Solar Project, LLC, Application 2008

Dear Superintendent Ruffin:

On August 25, 2022, the Comptroller issued written notice that Savannah Oaks Solar Project, LLC (applicant) submitted a completed application (Application 2008) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 23, 2022, to the Normangee 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 2008.

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 by **December 31, 2022**.

Note that any building or improvement existing as of the application review start date of August 25, 2022, 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 Savannah Oaks Solar Project, LLC (project) applying to Normangee 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 Savannah Oaks Solar Project, LLC.

Applicant	Savannah Oaks Solar Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Solar
School District	Normangee ISD
2020-20121 Average Daily Attendance	546
County	Madison
Proposed Total Investment in District	\$300,000,000
Proposed Qualified Investment	\$150,000,000
Limitation Amount	\$15,000,000
Qualifying Time Period (Full Years)	2026-2027
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	\$889
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$889
Minimum annual wage committed to by applicant for qualified jobs	\$46,242
Minimum weekly wage required for non-qualifying jobs	\$844.25
Minimum annual wage required for non-qualifying jobs	\$43,901
Investment per Qualifying Job	\$300,000,000
Estimated M&O levy without any limit (15 years)	\$13,839,719
Estimated M&O levy with Limitation (15 years)	\$4,207,818
Estimated gross M&O tax benefit (15 years)	\$9,631,901

* 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 Savannah Oaks Solar Project, LLC (modeled).

Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2027	225	201	426	\$13,500,000	\$22,500,000	\$36,000,000
2028	225	211	436	\$13,500,000	\$27,500,000	\$41,000,000
2029	1	19	20	\$140	\$6,999,860	\$7,000,000
2030	1	(1)	0	\$145	\$3,999,855	\$4,000,000
2031	1	(17)	-16	\$150	\$1,999,850	\$2,000,000
2032	1	(19)	-18	\$155	-\$1,000,155	-\$1,000,000
2033	1	(19)	-18	\$160	-\$1,000,160	-\$1,000,000
2034	1	(22)	-21	\$166	-\$1,000,166	-\$1,000,000
2035	1	(19)	-18	\$171	-\$1,000,171	-\$1,000,000
2036	1	(13)	-12	\$177	-\$2,000,177	-\$2,000,000
2037	1	(11)	-10	\$183	-\$2,000,183	-\$2,000,000
2038	1	(13)	-12	\$189	-\$2,000,189	-\$2,000,000
2039	1	(7)	-6	\$195	-\$1,000,195	-\$1,000,000
2040	1	(7)	-6	\$202	-\$1,000,202	-\$1,000,000
2041	1	(9)	-8	\$209	-\$1,000,209	-\$1,000,000
2042	1	(5)	-4	\$216	-\$1,000,216	-\$1,000,000

Source: CPA REMI, Savannah Oaks Solar Project, 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		Normangee ISD I&S Tax Levy	Normangee ISD M&O Tax Levy	Normangee ISD M&O and I&S Tax Levies	Madison County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3800	0.9634		0.5488	
2028	\$75,000,000	\$75,000,000		\$285,000	\$722,550	\$1,007,550	\$411,600	\$1,419,150
2029	\$207,022,040	\$207,022,040		\$786,684	\$1,994,450	\$2,781,134	\$1,136,137	\$3,917,271
2030	\$180,931,607	\$180,931,607		\$687,540	\$1,743,095	\$2,430,635	\$992,953	\$3,423,588
2031	\$163,937,443	\$163,937,443		\$622,962	\$1,579,373	\$2,202,336	\$899,689	\$3,102,024
2032	\$145,571,667	\$145,571,667		\$553,172	\$1,402,437	\$1,955,610	\$798,897	\$2,754,507
2033	\$125,749,760	\$125,749,760		\$477,849	\$1,211,473	\$1,689,322	\$690,115	\$2,379,437
2034	\$104,345,093	\$104,345,093		\$396,511	\$1,005,261	\$1,401,772	\$572,646	\$1,974,418
2035	\$81,231,037	\$81,231,037		\$308,678	\$782,580	\$1,091,258	\$445,796	\$1,537,054
2036	\$56,259,858	\$56,259,858		\$213,787	\$542,007	\$755,795	\$308,754	\$1,064,549
2037	\$42,368,800	\$42,368,800		\$161,001	\$408,181	\$569,182	\$232,520	\$801,702
2038	\$42,364,800	\$42,364,800		\$160,986	\$408,142	\$569,129	\$232,498	\$801,627
2039	\$42,360,900	\$42,360,900		\$160,971	\$408,105	\$569,076	\$232,477	\$801,553
2040	\$42,357,100	\$42,357,100		\$160,957	\$408,068	\$569,025	\$232,456	\$801,481
2041	\$42,353,400	\$42,353,400		\$160,943	\$408,033	\$568,976	\$232,435	\$801,411
2042	\$42,349,800	\$42,349,800		\$160,929	\$407,998	\$568,927	\$232,416	\$801,343
2043	\$42,346,300	\$42,346,300		\$160,916	\$407,964	\$568,880	\$232,396	\$801,277
			Total	\$5,458,889	\$13,839,719	\$19,298,607	\$7,883,784	\$27,182,392

Source: CPA, Savannah Oaks Solar Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Madison 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		Normangee ISD I&S Tax Levy	Normangee ISD M&O Tax Levy	Normangee ISD M&O and I&S Tax Levies	Madison County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3800	0.9634		0.5488	
2028	\$75,000,000	\$75,000,000		\$285,000	\$722,550	\$1,007,550	\$411,600	\$1,419,150
2029	\$207,022,040	\$15,000,000		\$786,684	\$144,510	\$931,194	\$1,136,137	\$2,067,331
2030	\$180,931,607	\$15,000,000		\$687,540	\$144,510	\$832,050	\$992,953	\$1,825,003
2031	\$163,937,443	\$15,000,000		\$622,962	\$144,510	\$767,472	\$899,689	\$1,667,161
2032	\$145,571,667	\$15,000,000		\$553,172	\$144,510	\$697,682	\$798,897	\$1,496,580
2033	\$125,749,760	\$15,000,000		\$477,849	\$144,510	\$622,359	\$690,115	\$1,312,474
2034	\$104,345,093	\$15,000,000		\$396,511	\$144,510	\$541,021	\$572,646	\$1,113,667
2035	\$81,231,037	\$15,000,000		\$308,678	\$144,510	\$453,188	\$445,796	\$898,984
2036	\$56,259,858	\$15,000,000		\$213,787	\$144,510	\$358,297	\$308,754	\$667,052
2037	\$42,368,800	\$15,000,000		\$161,001	\$144,510	\$305,511	\$232,520	\$538,031
2038	\$42,364,800	\$15,000,000		\$160,986	\$144,510	\$305,496	\$232,498	\$537,994
2039	\$42,360,900	\$42,360,900		\$160,971	\$408,105	\$569,076	\$232,477	\$801,553
2040	\$42,357,100	\$42,357,100		\$160,957	\$408,068	\$569,025	\$232,456	\$801,481
2041	\$42,353,400	\$42,353,400		\$160,943	\$408,033	\$568,976	\$232,435	\$801,411
2042	\$42,349,800	\$42,349,800		\$160,929	\$407,998	\$568,927	\$232,416	\$801,343
2043	\$42,346,300	\$42,346,300		\$160,916	\$407,964	\$568,880	\$232,396	\$801,277
			Total	\$5,458,889	\$4,207,818	\$9,666,707	\$7,883,784	\$17,550,491
			Diff	\$0	\$9,631,901	\$9,631,901	\$0	\$9,631,901
Assumes School Value Limitation.								

Source: CPA, Savannah Oaks Solar Project, 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 Savannah Oaks Solar Project, 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)
Limitation Pre-Years	2026	\$0	\$0	\$0	\$0
	2027	\$0	\$0	\$0	\$0
	2028	\$722,550	\$722,550	\$0	\$0
Limitation Period (10 Years)	2029	\$144,510	\$867,060	\$1,849,940	\$1,849,940
	2030	\$144,510	\$1,011,570	\$1,598,585	\$3,448,525
	2031	\$144,510	\$1,156,080	\$1,434,863	\$4,883,389
	2032	\$144,510	\$1,300,590	\$1,257,927	\$6,141,316
	2033	\$144,510	\$1,445,100	\$1,066,963	\$7,208,279
	2034	\$144,510	\$1,589,610	\$860,751	\$8,069,030
	2035	\$144,510	\$1,734,120	\$638,070	\$8,707,100
	2036	\$144,510	\$1,878,630	\$397,497	\$9,104,597
	2037	\$144,510	\$2,023,140	\$263,671	\$9,368,268
	2038	\$144,510	\$2,167,650	\$263,632	\$9,631,901
Maintain Viable Presence (5 Years)	2039	\$408,105	\$2,575,755	\$0	\$9,631,901
	2040	\$408,068	\$2,983,823	\$0	\$9,631,901
	2041	\$408,033	\$3,391,856	\$0	\$9,631,901
	2042	\$407,998	\$3,799,854	\$0	\$9,631,901
	2043	\$407,964	\$4,207,818	\$0	\$9,631,901
Additional Years as Required by 313.026(c)(1) (10 Years)	2044	\$407,931	\$4,615,750	\$0	\$9,631,901
	2045	\$407,900	\$5,023,649	\$0	\$9,631,901
	2046	\$407,869	\$5,431,518	\$0	\$9,631,901
	2047	\$407,838	\$5,839,356	\$0	\$9,631,901
	2048	\$407,808	\$6,247,164	\$0	\$9,631,901
	2049	\$407,779	\$6,654,944	\$0	\$9,631,901
	2050	\$407,751	\$7,062,695	\$0	\$9,631,901
	2051	\$407,723	\$7,470,418	\$0	\$9,631,901
	2052	\$407,696	\$7,878,115	\$0	\$9,631,901
	2053	\$407,670	\$8,285,785	\$0	\$9,631,901
		\$8,285,785	is less than	\$9,631,901	
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

Source: CPA, Savannah Oaks Solar Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2027	225	201	426	\$13,500,000	\$22,500,000	\$36,000,000	1400000	-800000	\$2,200,000
2028	225	211	436	\$13,500,000	\$27,500,000	\$41,000,000	1500000	-500000	\$2,000,000
2029	1	19	20	\$140	\$6,999,860	\$7,000,000	200000	600000	-\$400,000
2030	1	(1)	0	\$145	\$3,999,855	\$4,000,000	100000	600000	-\$500,000
2031	1	(17)	-16	\$150	\$1,999,850	\$2,000,000	-100000	500000	-\$600,000
2032	1	(19)	-18	\$155	-\$1,000,155	-\$1,000,000	-100000	500000	-\$600,000
2033	1	(19)	-18	\$160	-\$1,000,160	-\$1,000,000	-100000	300000	-\$400,000
2034	1	(22)	-21	\$166	-\$1,000,166	-\$1,000,000	-100000	300000	-\$400,000
2035	1	(19)	-18	\$171	-\$1,000,171	-\$1,000,000	-100000	200000	-\$300,000
2036	1	(13)	-12	\$177	-\$2,000,177	-\$2,000,000	-200000	100000	-\$300,000
2037	1	(11)	-10	\$183	-\$2,000,183	-\$2,000,000	-200000	0	-\$200,000
2038	1	(13)	-12	\$189	-\$2,000,189	-\$2,000,000	-200000	0	-\$200,000
2039	1	(7)	-6	\$195	-\$1,000,195	-\$1,000,000	-200000	-100000	-\$100,000
2040	1	(7)	-6	\$202	-\$1,000,202	-\$1,000,000	-200000	-200000	\$0
2041	1	(9)	-8	\$209	-\$1,000,209	-\$1,000,000	-200000	-200000	\$0
2042	1	(5)	-4	\$216	-\$1,000,216	-\$1,000,000	-300000	-200000	-\$100,000
2043	1	(11)	-10	\$223	-\$1,000,223	-\$1,000,000	-300000	-300000	\$0
2044	1	(9)	-8	\$231	-\$1,000,231	-\$1,000,000	-300000	-300000	\$0
2045	1	(11)	-10	\$239	-\$2,000,239	-\$2,000,000	-300000	-300000	\$0
2046	1	(11)	-10	\$247	-\$2,000,247	-\$2,000,000	-200000	-300000	\$100,000
2047	1	(3)	-2	\$256	-\$1,000,256	-\$1,000,000	-200000	-300000	\$100,000
2048	1	(3)	-2	\$265	-\$265	\$0	-200000	-400000	\$200,000
2049	1	(5)	-4	\$274	-\$1,000,274	-\$1,000,000	-200000	-400000	\$200,000
2050	1	(9)	-8	\$283	-\$1,000,283	-\$1,000,000	-200000	-500000	\$300,000
2051	1	(7)	-6	\$292	-\$1,000,292	-\$1,000,000	-200000	-500000	\$300,000
2052	1	(11)	-10	\$302	-\$2,000,302	-\$2,000,000	-300000	-500000	\$200,000
2053	1	(17)	-16	\$312	-\$4,000,312	-\$4,000,000	-300000	-600000	\$300,000
2054	1	(15)	-14	\$322	-\$4,000,322	-\$4,000,000	-300000	-600000	\$300,000
					Total		-\$1,800,000	-\$3,900,000	\$2,100,000
							\$10,385,785	is greater than	\$9,631,901
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

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 Savannah Oaks Solar Project, 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 Savannah Oaks Solar Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Savannah LLC is keen to develop and build the proposed Savannah Oaks Solar Project as per this application, but 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. Savion LLC is active in states throughout the US, 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 our customers and making our investment more viable and marketable. Savion LLC is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Savio Energy currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado.”
 - B. “Due to the extremely competitive power market in ERCOT most if not 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 Power Purchase (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 with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”

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**

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 September 2022
2. Estimated commencement of construction September 2027
3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2026
4. First year of limitation (YYYY) January 1, 2029
- 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 December 2028

SECTION 10: The Property

1. County or counties in which the proposed project will be located Madison County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Madison 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>Normangee ISD; 100%; \$0.9634</u>
(Name, tax rate and percent of project) | I&S (ISD): <u>Normangee ISD; 100%; \$0.3800</u>
(Name, tax rate and percent of project) |
| County: <u>Madison County; 100%; \$0.5500</u>
(Name, tax rate and percent of project) | City: <u>N/A</u>
(Name, tax rate and percent of project) |
| Hospital District: <u>N/A</u>
(Name, tax rate and percent of project) | Water District: <u>N/A</u>
(Name, tax rate and percent of project) |
| Other (describe): <u>N/A</u>
(Name, tax rate and percent of project) | Other (describe): <u>N/A</u>
(Name, tax rate and percent of project) |

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.

Founded in 2019, Savion LLC is one of the country's largest and most technologically advanced utility scale solar and energy storage project development companies in the U.S. The company is headquartered in Kansas City, MO and has a current portfolio of projects in various phases across 27 states. In 2022 the company will become part of Shell New Energies US LLC (a subsidiary of Royal Dutch Shell plc).

Savion LLC is keen to develop and build the proposed Savannah Oaks Solar 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. Savion LLC is active in states throughout the US, 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 our customers and making our investment more viable and marketable. Savion LLC is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, Savion Energy currently has ongoing project developments in many states, including but not limited to, Wisconsin, Virginia, Ohio, Michigan, Kentucky and Colorado.

Due to the extremely competitive power market in ERCOT most if not 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 Power Purchase Agreement (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 with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Normangee ISD–Savannah Oaks Solar Project, LLC App. #2008

Comptroller Questions (Tab 4 of Application and Via email on August 2, 2022):

1. *Is Savannah Oaks Solar Project, LLC 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.*
4. *Please advise if you will be sharing qualified property with other applicants pending or active Chapter 313 agreement.*

Applicant Response (Tab 4 of Application and Via email on August 4, 2022):

1. *The project is not known by any other names.*
2. *The project has applied for and is awaiting assignment of ERCOT IGNR Number.*
3. *In the last sentence in Paragraph 1 of Tab 4 we clearly state that this project is not known by any northern names. For further clarification, this project is not known by any other names in the past in media reports, investor presentations, or any listings with any federal agency.*
4. *The Qualified Property and Qualified Investment that are the subject of this application is part of a project that will also be located in neighboring North Zulch ISD. The North Zulch portion has submitted separate 313 Application 1733 for that portion that will be sited in that school district.*