



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 13, 2021

Carl Taylor
Superintendent
Childress Independent School District
308 Third St. NW
Childress, TX 79201

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Childress Independent School District and Excel Advantage Services, LLC, Application 1613

Dear Superintendent Taylor:

On July 12, 2021, the Comptroller issued written notice that Excel Advantage Services, LLC (applicant) submitted a completed application (Application 1613) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 4, 2021, to the Childress 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 1613.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 12, 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 Excel Advantage Services, LLC (project) applying to Childress 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 Excel Advantage Services, LLC.

Applicant	Excel Advantage Services, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Childress ISD
2019-2020 Average Daily Attendance	976
County	Childress
Proposed Total Investment in District	\$395,300,000
Proposed Qualified Investment	\$395,300,000
Limitation Amount	\$20,000,000
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	\$982
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$982
Minimum annual wage committed to by applicant for qualified jobs	\$51,039
Minimum weekly wage required for non-qualifying jobs	\$761.00
Minimum annual wage required for non-qualifying jobs	\$39,572
Investment per Qualifying Job	\$395,300,000
Estimated M&O levy without any limit (15 years)	\$29,250,092
Estimated M&O levy with Limitation (15 years)	\$9,775,442
Estimated gross M&O tax benefit (15 years)	\$19,474,650

* 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 Excel Advantage Services, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2023	300	335	635	\$14,700,000	\$31,300,000	\$46,000,000
2024	301	1,652	1953	\$14,751,039	\$133,248,961	\$148,000,000
2025	1	89	90	\$51,039	\$20,948,961	\$21,000,000
2026	1	20	21	\$51,039	\$12,948,961	\$13,000,000
2027	1	(17)	-16	\$51,039	\$6,948,961	\$7,000,000
2028	1	(38)	-37	\$51,039	\$2,948,961	\$3,000,000
2029	1	(50)	-49	\$51,039	-\$51,039	\$0
2030	1	(52)	-51	\$51,039	-\$2,051,039	-\$2,000,000
2031	1	(44)	-43	\$51,039	-\$2,051,039	-\$2,000,000
2032	1	(34)	-33	\$51,039	-\$2,051,039	-\$2,000,000
2033	1	(24)	-23	\$51,039	-\$2,051,039	-\$2,000,000
2034	1	(19)	-18	\$51,039	-\$1,051,039	-\$1,000,000
2035	1	(13)	-12	\$51,039	-\$1,051,039	-\$1,000,000
2036	1	(5)	-4	\$51,039	-\$51,039	\$0
2037	1	(1)	0	\$51,039	-\$51,039	\$0
2038	1	(3)	-2	\$51,039	\$948,961	\$1,000,000

Source: CPA REMI, Excel Advantage Services, 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*	Childress ISD I&S Tax Levy	Childress ISD M&O Tax Levy	Childress M&O and I&S Tax Levies	Childress County Tax Levy	Childress County Hospital District Tax Levy	Gateway Groundwater Cons. District Tax Levy	Clarendon Jr. College District Tax Levy	Estimated Total Property Taxes	
2023	\$19,765,000	\$19,765,000	0.0000	\$0	\$191,009	\$191,009	\$114,637	\$43,483	\$1,977	\$9,883	\$360,988	
2024	\$395,300,000	\$395,300,000	0.0000	\$0	\$3,820,179	\$3,820,179	\$2,292,740	\$869,660	\$39,530	\$197,650	\$7,219,759	
2025	\$363,703,179	\$363,703,179	0.0000	\$0	\$3,514,828	\$3,514,828	\$2,109,478	\$800,147	\$36,370	\$181,852	\$6,642,675	
2026	\$332,106,359	\$332,106,359	0.0000	\$0	\$3,209,476	\$3,209,476	\$1,926,217	\$730,634	\$33,211	\$166,053	\$6,065,591	
2027	\$300,509,538	\$300,509,538	0.0000	\$0	\$2,904,124	\$2,904,124	\$1,742,955	\$661,121	\$30,051	\$150,255	\$5,488,506	
2028	\$268,912,718	\$268,912,718	0.0000	\$0	\$2,598,773	\$2,598,773	\$1,559,694	\$591,608	\$26,891	\$134,456	\$4,911,422	
2029	\$237,315,897	\$237,315,897	0.0000	\$0	\$2,293,421	\$2,293,421	\$1,376,432	\$522,095	\$23,732	\$118,658	\$4,334,338	
2030	\$205,719,077	\$205,719,077	0.0000	\$0	\$1,988,069	\$1,988,069	\$1,193,171	\$452,582	\$20,572	\$102,860	\$3,757,253	
2031	\$174,122,256	\$174,122,256	0.0000	\$0	\$1,682,717	\$1,682,717	\$1,009,909	\$383,069	\$17,412	\$87,061	\$3,180,169	
2032	\$142,525,436	\$142,525,436	0.0000	\$0	\$1,377,366	\$1,377,366	\$826,648	\$313,556	\$14,253	\$71,263	\$2,603,085	
2033	\$110,928,615	\$110,928,615	0.0000	\$0	\$1,072,014	\$1,072,014	\$643,386	\$244,043	\$11,093	\$55,464	\$2,026,000	
2034	\$79,331,795	\$79,331,795	0.0000	\$0	\$766,662	\$766,662	\$460,124	\$174,530	\$7,933	\$39,666	\$1,448,916	
2035	\$79,318,974	\$79,318,974	0.0000	\$0	\$766,539	\$766,539	\$460,050	\$174,502	\$7,932	\$39,659	\$1,448,682	
2036	\$79,306,154	\$79,306,154	0.0000	\$0	\$766,415	\$766,415	\$459,976	\$174,474	\$7,931	\$39,653	\$1,448,448	
2037	\$79,293,333	\$79,293,333	0.0000	\$0	\$766,291	\$766,291	\$459,901	\$174,445	\$7,929	\$39,647	\$1,448,213	
2038	\$79,280,513	\$79,280,513	0.0000	\$0	\$766,167	\$766,167	\$459,827	\$174,417	\$7,928	\$39,640	\$1,447,979	
2039	\$79,267,692	\$79,267,692	0.0000	\$0	\$766,043	\$766,043	\$459,753	\$174,389	\$7,927	\$39,634	\$1,447,745	
				Total	\$0	\$29,250,092	\$29,250,092	\$17,554,898	\$6,658,754	\$302,671	\$1,513,353	\$55,279,768

Source: CPA, Excel Advantage Services, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Childress 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, hospital, college and water district.

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	Tax Rate*	Childress ISD I&S Tax Levy	Childress ISD M&O Tax Levy	Childress ISD M&O and I&S Tax Levies	Childress County Tax Levy	Childress County Hospital District Tax Levy	Gateway Groundwater Cons. District Tax Levy	Clarendon Jr. College District Tax Levy	Estimated Total Property Taxes	
				0.0000	0.9664		0.5800	0.2200	0.0100	0.0500		
2023	\$19,765,000	\$19,765,000		\$0	\$191,009	\$191,009	\$114,637	\$43,483	\$1,977	\$9,883	\$360,988	
2024	\$395,300,000	\$395,300,000		\$0	\$3,820,179	\$3,820,179	\$2,292,740	\$869,660	\$39,530	\$197,650	\$7,219,759	
2025	\$363,703,179	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2026	\$332,106,359	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2027	\$300,509,538	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2028	\$268,912,718	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2029	\$237,315,897	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2030	\$205,719,077	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2031	\$174,122,256	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2032	\$142,525,436	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2033	\$110,928,615	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2034	\$79,331,795	\$20,000,000		\$0	\$193,280	\$193,280	\$0	\$0	\$0	\$0	\$193,280	
2035	\$79,318,974	\$79,318,974		\$0	\$766,539	\$766,539	\$460,050	\$174,502	\$7,932	\$39,659	\$1,448,682	
2036	\$79,306,154	\$79,306,154		\$0	\$766,415	\$766,415	\$459,976	\$174,474	\$7,931	\$39,653	\$1,448,448	
2037	\$79,293,333	\$79,293,333		\$0	\$766,291	\$766,291	\$459,901	\$174,445	\$7,929	\$39,647	\$1,448,213	
2038	\$79,280,513	\$79,280,513		\$0	\$766,167	\$766,167	\$459,827	\$174,417	\$7,928	\$39,640	\$1,447,979	
2039	\$79,267,692	\$79,267,692		\$0	\$766,043	\$766,043	\$459,753	\$174,389	\$7,927	\$39,634	\$1,447,745	
				Total	\$0	\$9,775,442	\$9,775,442	\$4,706,884	\$1,785,370	\$81,153	\$405,766	\$16,754,614
				Diff	\$0	\$19,474,650	\$19,474,650	\$12,848,014	\$4,873,385	\$221,517	\$1,107,587	\$38,525,154

Assumes School Value Limitation and Tax Abatements with the County, Hospital, College, and Water

Source: CPA, Excel Advantage Services, 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 Excel Advantage Services, 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	2022	\$0	\$0	\$0	\$0
	2023	\$191,009	\$191,009	\$0	\$0
	2024	\$3,820,179	\$4,011,188	\$0	\$0
Limitation Period (10 Years)	2025	\$193,280	\$4,204,468	\$3,321,548	\$3,321,548
	2026	\$193,280	\$4,397,748	\$3,016,196	\$6,337,743
	2027	\$193,280	\$4,591,028	\$2,710,844	\$9,048,588
	2028	\$193,280	\$4,784,308	\$2,405,493	\$11,454,080
	2029	\$193,280	\$4,977,588	\$2,100,141	\$13,554,221
	2030	\$193,280	\$5,170,868	\$1,794,789	\$15,349,010
	2031	\$193,280	\$5,364,148	\$1,489,437	\$16,838,448
	2032	\$193,280	\$5,557,428	\$1,184,086	\$18,022,533
	2033	\$193,280	\$5,750,708	\$878,734	\$18,901,267
	2034	\$193,280	\$5,943,988	\$573,382	\$19,474,650
Maintain Viable Presence (5 Years)	2035	\$766,539	\$6,710,527	\$0	\$19,474,650
	2036	\$766,415	\$7,476,941	\$0	\$19,474,650
	2037	\$766,291	\$8,243,232	\$0	\$19,474,650
	2038	\$766,167	\$9,009,399	\$0	\$19,474,650
	2039	\$766,043	\$9,775,442	\$0	\$19,474,650
Additional Years as Required by 313.026(c)(1) (10 Years)	2040	\$765,919	\$10,541,361	\$0	\$19,474,650
	2041	\$765,795	\$11,307,156	\$0	\$19,474,650
	2042	\$765,671	\$12,072,828	\$0	\$19,474,650
	2043	\$765,547	\$12,838,375	\$0	\$19,474,650
	2044	\$765,423	\$13,603,798	\$0	\$19,474,650
	2045	\$765,300	\$14,369,098	\$0	\$19,474,650
	2046	\$765,176	\$15,134,274	\$0	\$19,474,650
	2047	\$765,052	\$15,899,326	\$0	\$19,474,650
	2048	\$764,928	\$16,664,253	\$0	\$19,474,650
	2049	\$764,804	\$17,429,057	\$0	\$19,474,650
		\$17,429,057	is less than	\$19,474,650	
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, Excel Advantage Services, LLC					

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2023	300	335	635	\$14,700,000	\$31,300,000	\$46,000,000	2510000	-1205000	\$3,715,000
2024	301	1,652	1953	\$14,751,039	\$133,248,961	\$148,000,000	13931000	-3204000	\$17,135,000
2025	1	89	90	\$51,039	\$20,948,961	\$21,000,000	938000	1778000	-\$840,000
2026	1	20	21	\$51,039	\$12,948,961	\$13,000,000	748000	1770000	-\$1,022,000
2027	1	(17)	-16	\$51,039	\$6,948,961	\$7,000,000	519000	1694000	-\$1,175,000
2028	1	(38)	-37	\$51,039	\$2,948,961	\$3,000,000	328000	1549000	-\$1,221,000
2029	1	(50)	-49	\$51,039	-\$51,039	\$0	206000	1442000	-\$1,236,000
2030	1	(52)	-51	\$51,039	-\$2,051,039	-\$2,000,000	137000	1266000	-\$1,129,000
2031	1	(44)	-43	\$51,039	-\$2,051,039	-\$2,000,000	99000	1099000	-\$1,000,000
2032	1	(34)	-33	\$51,039	-\$2,051,039	-\$2,000,000	114000	961000	-\$847,000
2033	1	(24)	-23	\$51,039	-\$2,051,039	-\$2,000,000	92000	809000	-\$717,000
2034	1	(19)	-18	\$51,039	-\$1,051,039	-\$1,000,000	38000	687000	-\$649,000
2035	1	(13)	-12	\$51,039	-\$1,051,039	-\$1,000,000	38000	595000	-\$557,000
2036	1	(5)	-4	\$51,039	-\$51,039	\$0	15000	481000	-\$466,000
2037	1	(1)	0	\$51,039	-\$51,039	\$0	-15000	397000	-\$412,000
2038	1	(3)	-2	\$51,039	\$948,961	\$1,000,000	-15000	343000	-\$358,000
2039	1	7	8	\$51,039	\$948,961	\$1,000,000	15000	275000	-\$260,000
2040	1	3	4	\$51,039	\$1,948,961	\$2,000,000	0	191000	-\$191,000
2041	1	11	12	\$51,039	\$1,948,961	\$2,000,000	-15000	137000	-\$152,000
2042	1	13	14	\$51,039	\$2,948,961	\$3,000,000	-31000	92000	-\$123,000
2043	1	7	8	\$51,039	\$2,948,961	\$3,000,000	15000	76000	-\$61,000
2044	1	3	4	\$51,039	\$2,948,961	\$3,000,000	15000	76000	-\$61,000
2045	1	7	8	\$51,039	\$2,948,961	\$3,000,000	-31000	-15000	-\$16,000
2046	1	7	8	\$51,039	\$3,948,961	\$4,000,000	76000	15000	\$61,000
2047	1	11	12	\$51,039	\$4,948,961	\$5,000,000	168000	-15000	\$183,000
2048	1	17	18	\$51,039	\$4,948,961	\$5,000,000	153000	-38000	\$191,000
2049	1	13	14	\$51,039	\$4,948,961	\$5,000,000	153000	-53000	\$206,000
						Total	\$20,201,000	\$11,203,000	\$8,998,000
							\$26,427,057	is greater than	\$19,474,650
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 Excel Advantage Services, 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 Excel Advantage Services, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “An affiliate of the Applicant previously began development of the first solar farm in the Panhandle region. The Applicant seeks to expand from its affiliate’s initial work and create a much larger solar facility—the largest of its kind by far in the Panhandle region. The project admittedly will face the challenge of energy curtailment due to the high production from numerous wind farms in west Texas. The ERCOT Locational Marginal Pricing (LMP) analysis shows that the Applicant’s solar project will face roughly 8% curtailment, which further constrains project economics.”
 - B. “To meet investor returns for the proposed project in Childress County—given the low electricity prices (even, as a general matter, if via bilateral contract with an off-taker) and the lack of direct subsidies—the only option for the project to be viable is for the property tax burden significantly to be reduced. To be explicit, absent the grant of the requested limitation sought by Applicant, the property tax liabilities upon the project will result in returns that are deemed too low by project investors and financiers. Consequently, the Applicant will not be able to finance, build, or operate the facility in Childress County or in Texas—even with the existence of a signed off-take agreement (e.g., power purchase agreement)—due to the low clearing prices of energy in the state.”
 - C. “Without the tax incentives requested, the Applicant will have no choice but to abandon the project in Childress County altogether and pursue investment options in other states. Please note: the statements in this paragraph are true regardless of whether the electricity is sold on the open market (e.g., through the ERCOT clearing system) or via bilateral agreement (e.g., a PPA).”
 - D. “Applicant stipulates that it has leased the land on which the Applicant intends to develop the project; has entered into an Interconnection Agreement with Electric Transmission Texas, LLC;

has contracted for the provision of numerous studies and reports relating to proposed development; and has entered into tax abatement agreements with the tax districts”

- Comptroller Research
 - A. On September 17, 2018 a YouTube video titled “Misae Solar Park II” was posted stating “After successfully developed Misae Solar Park 240MW AC, next to tesla substation on 3,800 acres of flat crop land, a carefully designed solar park ready to built February 2019 with the best equipment on the market. Engineered by Miguel A. Oneto and LAE American Energy”
 - B. Per the Misae Solar website, “We have developed two of the largest solar parks in Texas to harvest electric energy in the cleanest way, using the most advanced technology. Detailed design assure successful projects. Our origin dates to 2016 when Dr. Miguel Alejandro Oneto, a radiologist and entrepreneur from McAllen, Texas developed special interest and deep knowledge in renewable energy. He selected a site in Childress County, next to Tesla's substation, 230 miles west of Dallas, to develop solar projects.Misae Solar Parks LLC assisted by Mr. Serafin Seoane, a renewable energy expert, developed Misae Solar Park Fase I and Fase II.”
 - C. On August 28, 2020 PV magazine reported that Misae solar complex was ready to move into Phase II. Pert the article, “the first phase of Misae I, built by Mortenson Renewables and financed by Goldman Sachs and the Copenhagen Infrastructure Partners, was sold to CIP in 2018. IKEA bought 49% of the project from CIP.” When referring to phase II, Dr. Oneto stated, “mostly complete and ready to build with an executed interconnection agreement.”
 - D. The qualified property for Excel Advantage Services, LLC (Application #1613) is placed adjacent to the qualified property for Childress Solar Park, LLC (Application #1197). (Proximity Map provided)
- Provided by Applicant
 - A. Excel Advantage Services, LLC does business under the name “Misae Solar Park II.
 - B. Excel Advantage Services, LLC has referred to its planned solar electricity generation project as any of the following names: “Misae Solar II,” “Misae II,” “Misae Solar Park II,” and “Fagus Solar Park.” Those names sometimes appear entirely in capitalized letters. Notwithstanding the notation “II,” there is no project “I” in existence nor is there a connection with any other project.
 - C. Excel Advantage Services, LLC has submitted a generation interconnection request to ERCOT. ERCOT assigned to the applicant the IGNR number 20INR0091 on May 15, 2018.
 - D. There will be no interconnections between App 1613 and App 1197, nor they will share any Qualified Property. They are two completely independent solar projects.

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 Q4 2021
 2. Estimated commencement of construction Q2 2022
 3. Beginning of qualifying time period (MM/DD/YYYY) 03/01/2022
 4. First year of limitation (YYYY) 2025
- 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 Q4 2024

SECTION 10: The Property

1. County or counties in which the proposed project will be located Childress
2. Central Appraisal District (CAD) that will be responsible for appraising the property Childress County Appraisal District
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>Childress ISD; 0.9664; 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Childress County; 0.58; 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>Childress Co. Hosp. Dist; 0.22; 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Gateway Groundwater Cons. Dist.; 0.01; 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Clarendon Jr. Coll. Dist.; 0.05; 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>

Supporting Information

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

Tab
5

Documentation to assist in determining if limitation is a determining factor

The applicant was formed by a landowner in Childress County with the intention of further developing the market viability of transmission-grade, solar electric generation in the Panhandle region of Texas. The Applicant requires the proposed limitation on appraised value in order to be able to develop the proposed generation facility in Childress County, Texas. Specifically, absent the grant of the limitation on appraised value, the project economics simply fail to meet the target rate of return demanded by solar energy investors for facilities of this kind. Consequently, absent the grant of the limitation, the facility will not be constructed in Childress County.

An affiliate of the Applicant previously began development of the first solar farm in the Panhandle region. The Applicant seeks to expand from its affiliate's initial work and create a much larger solar facility—the largest of its kind by far in the Panhandle region. The project admittedly will face the challenge of energy curtailment due to the high production from numerous wind farms in west Texas. The ERCOT Locational Marginal Pricing (LMP) analysis shows that the Applicant's solar project will face roughly 8% curtailment, which further constrains project economics.

Texas wholesale electricity prices can be significantly below national averages. Other states both have higher average clearing prices for electricity and offer (for example, in California) subsidies for renewable energy projects. As a result of the higher electricity prices and those subsidies, the potential for a solar electric generation project to meet its investors' desired returns is significantly higher in those states. At the same time as the potential margin is smaller in Texas, Texas imposes significant school and other property taxes. To meet investor returns for the proposed project in Childress County—given the low electricity prices (even, as a general matter, if via bilateral contract with an off-taker) and the lack of direct subsidies—the only option for the project to be viable is for the property tax burden significantly to be reduced. To be explicit, absent the grant of the requested limitation sought by Applicant, the property tax liabilities upon the project will result in returns that are deemed too low by project investors and financiers. Consequently, the Applicant will not be able to finance, build, or operate the facility in Childress County or in Texas—even with the existence of a signed off-take agreement (e.g., power purchase agreement)—due to the low clearing prices of energy in the state. Without the tax incentives requested, the Applicant will have no choice but to abandon the project in Childress County altogether and pursue investment options in other states. Please note: the statements in this paragraph are true regardless of whether the electricity is sold on the open market (e.g., through the ERCOT clearing system) or via bilateral agreement (e.g., a PPA).

Finally, in support of the answer Applicant gave to Question 2 of Section 8 of the Application, the Applicant stipulates that it has leased the land on which the Applicant intends to develop the project; has entered into an Interconnection Agreement with Electric Transmission Texas, LLC; has contracted for the provision of numerous studies and reports relating to proposed development; and has entered into tax abatement agreements with the tax districts listed in Section 10 of the Application. Each of the tax abatement agreements provide a 100% abatement in exchange for a payment in lieu of taxes (PILT) in the amounts listed in Section 10. The abatements (and PILT

obligations) begin in the year following the commercial operations date of the project facility and continue for ten (10) years.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Childress ISD– Excel Advantage Services, LLC App. #1613

Comptroller Questions (via email on August 06, 2021):

1. Is Excel Advantage Services, LLC currently known by any other project names?
2. 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.
3. Has this project applied to ERCOT at this time? **If so, please provide the project's IGNR number and when was it assigned.**

Comptroller Questions (via email on August 09, 2021):

1. Because of Application's 1613 proximity to Application 1197, will there be any interconnections between App 1613 and App 1197? i.e. will they share any Qualified Property

Applicant Response (via email on August 9, 2021):

1. Excel Advantage Services, LLC does business under the name "Misae Solar Park II." Excel Advantage Services, LLC is not known by any other name.
2. Excel Advantage Services, LLC has referred to its planned solar electricity generation project as any of the following names: "Misae Solar II," "Misae II," "Misae Solar Park II," and "Fagus Solar Park." Those names sometimes appear entirely in capitalized letters. Notwithstanding the notation "II," there is no project "I" in existence nor is there a connection with any other project.
3. Excel Advantage Services, LLC has submitted a generation interconnection request to ERCOT. ERCOT assigned to the applicant the IGNR number 20INR0091 on May 15, 2018.

Applicant Response (via email on August 9, 2021):

1. There will be no interconnections between App 1613 and App 1197, nor they will share any Qualified Property. They are two completely independent solar projects.



August 9, 2021

Tabita Collazo, Research Analyst
Economic Development and Analysis Division
Texas Comptroller of Public Accounts
111 East 17th Street, Room 427
Austin, Texas 78774

Re: *Application No. 1613 – Childress ISD – Excel Advantage Services, LLC*

Dear Ms. Collazo,

Please find and receive this letter in response to your August 6, 2021, email in which you requested additional information concerning the application of Excel Advantage Services, LLC. For purposes of clarity, those information requests are: (1) to name any other names (besides the names listed in the application) by which Excel Advantage Services, LLC may currently be known; (2) to name any other names (besides the names already listed in the application) by which the project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency; and (3) to identify whether the project has applied to ERCOT at any time and, if so, to provide the project's IGNR number and that date on which it was assigned.

First, as provided in Section 2, Item 1 of the application, Excel Advantage Services, LLC does business under the name "Misae Solar Park II." Excel Advantage Services, LLC is not known by any other name.

Second, Excel Advantage Services, LLC has referred to its planned solar electricity generation project as any of the following names: "Misae Solar II," "Misae II," "Misae Solar Park II," and "Fagus Solar Park." Those names sometimes appear entirely in capitalized letters. Notwithstanding the notation "II," there is no project "I" in existence nor is there a connection with any other project.

Excel Advantage Services, LLC has submitted a generation interconnection request to ERCOT. ERCOT assigned to the applicant the IGNR number 20INR0091 on May 15, 2018.

Please let me know if you require any additional information or if I might otherwise be of assistance.

Sincerely,

A handwritten signature in black ink that reads "Philip A. DeHart, Esq." in a cursive script.

Philip DeHart

Proximity Map

Childress

App 1197

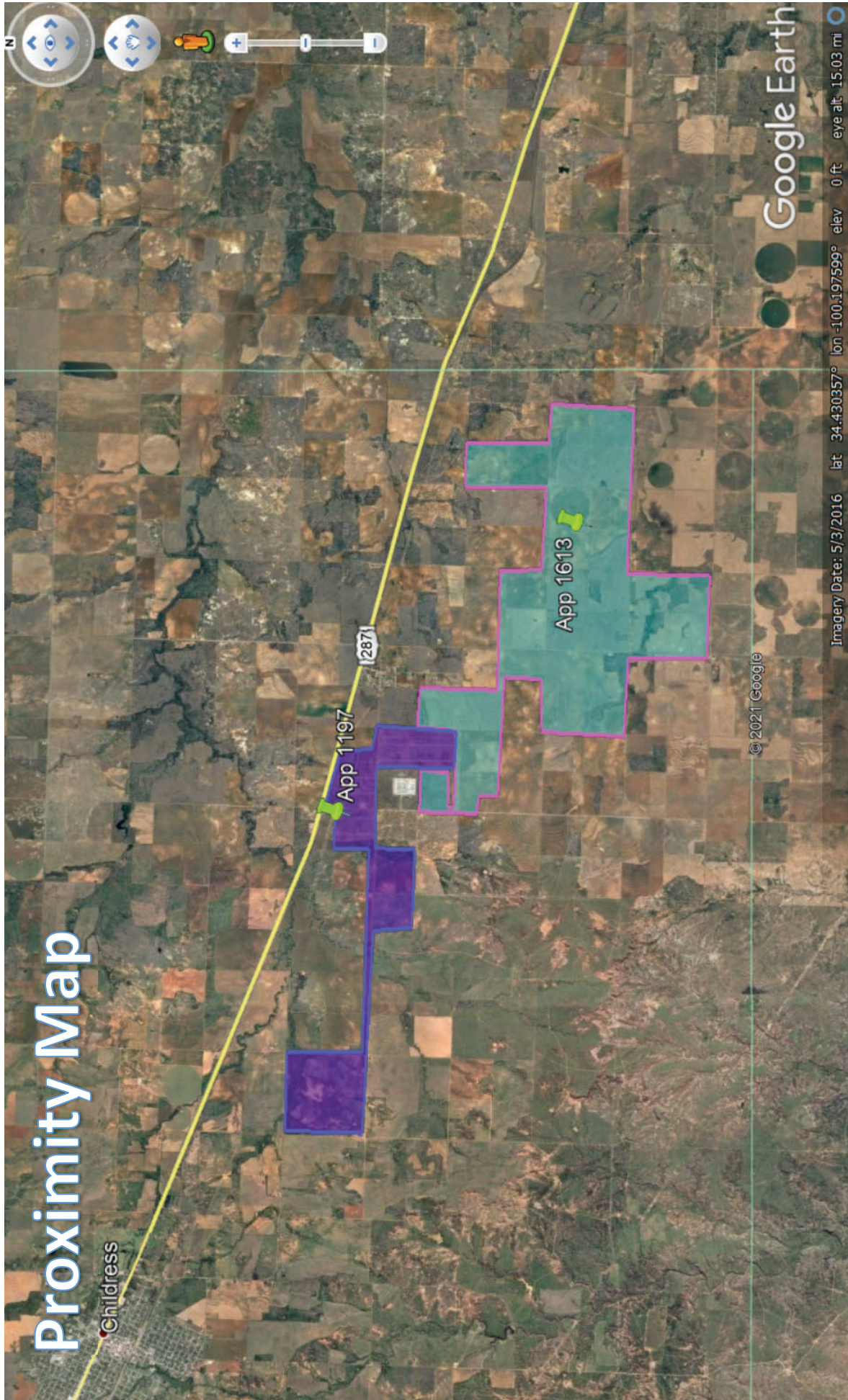
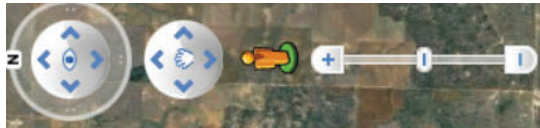
App 1613

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Imagery Date: 5/3/2016 lat 34.430357° lon -100.197599° elev 0 ft eye alt 15.03 mi



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ABOUT US

We have developed two of the largest solar parks in Texas to harvest electric energy in the cleanest way, using the most advanced technology. Detailed design assure successful projects.

Our origin dates to 2016 when Dr. Miguel Alejandro Oneto, a radiologist and entrepreneur from McAllen, Texas developed special interest and deep knowledge in renewable energy. He selected a site in Childress County, next to Tesla's substation, 230 miles west of Dallas, to develop solar projects.

Misae Solar Parks LLC assisted by Mr. Serafin Seoane, a renewable energy expert, developed Misae Solar Park Fase I and Fase II.

What does Misae Mean?

The origin of Misae is the Native American language, and has the meaning "born beneath the white-hot sun". It is pronounced as Miy-Saa-EH.

OUR DEVELOPERS



**Dr. Miguel
Alejandro Oneto**



Serafin Seoane

Dr. Miguel Alejandro Oneto

Physician radiologist from McAllen, Texas that developed special interest and deep knowledge in renewable energy. Proof of his success are the two Misae solar projects that total 1 GW/dc developed within 3 years since his commitment to renewable energy.

Dr. Oneto has demonstrated history of leadership in the hospital & health care industry and entrepreneurship. Strong business development professional with a Doctor of Medicine - MD focused in teleradiology and vascular/interventional radiology.

[News: "Dr. Solar goes from zero to 1 GW in two projects."](#)

Mr. Serafin Seoane

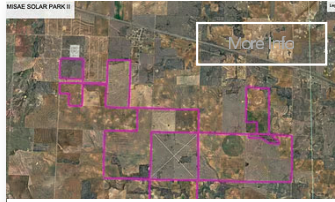
A renewable energy expert with more than 20 years of expertise improving the renewable energy sector.

Mr. Seoane has developed over 2 GW in wind farm projects and over 1.5 GW in solar energy projects, with experience in Europe, Middle East, South America and now in the USA. He has expertise in the development, financing, equipment supply and maintenance of Green Field projects.

OUR PROJECTS



Misae Solar Park



Misae Solar Park II

CONTACT US

Miguel A. Oneto, MD
+1 956 467-5126
miguel.oneto@misaesolar.com

Serafin Seoane
+35 987 717-5002
serafin.seoane@misaesolar.com

Marcela Cura, CPA, CFA
+1 956 622-4470
marcela.cura@misaesolar.com

MAILING ADDRESS - 3824 Cedar Springs Rd #801-2245, Dallas TX 75219

First Name	Last Name	Email
Type your message here...		
Submit		

Massive 1.1-GW Misae solar complex in Texas moves to Phase II

The 1.1-GWdc Misae comes equipped with Texas brio in the person of Dr. Miguel Alejandro Oneto, a radiologist by training and solar developer by calling. He's developing the massive project in the Texas panhandle along with LAE American Energy.

AUGUST 28, 2020 **ERIC WESOFF**

INSTALLATIONS MARKETS & POLICY RACKING TRACKERS UTILITY SCALE PV TEXAS
UNITED STATES



U.S. Department of Energy

Share     

Big solar projects in the U.S. are back in style and the Lone Star state is a hotbed of developer activity.

These large solar projects are no longer driven by RPS edicts or government loan programs — but by corporate clean energy buyers, utility offtakers and the sheer competitive pricing of solar (or solar-plus-storage) compared to other generation sources.

Big solar is a good fit for Texas. Although the state has no renewable portfolio standard, it has [Texas sun](#), lots of flat land, a competitive energy-only marketplace and relatively low development costs. Texas is projected to be the No. 2 state in new solar capacity over the next five years, according to SEIA, and remains one of the fastest growing solar energy markets in the country.

This week's focus project, the 1-GW Misae, comes equipped with Texas brio in the person of [Dr. Miguel Alejandro Oneto](#), a radiologist by training and solar developer by calling. He's developing the massive project in the Texas panhandle along with [LAE American Energy](#).

Misae I

The first phase of Misae I, built by [Mortenson Renewables](#) and financed by Goldman Sachs and the [Copenhagen Infrastructure Partners](#), was sold to CIP in 2018. IKEA bought 49% of the project from CIP.

When we last reported on Misae I, the equipment included:

- Jinko supplied mono-crystalline solar panels for the project
- 80 DC-to-AC inverters from Power Electronics
- Trackers were supplied by Nextracker

The [240 MWac/330 MWdc Misae I](#) "is already operational — and we are eager to get Misae II built," Oneto told **pv magazine**.

Our earlier reporting noted that the financing for phase I included a [hedge](#) to protect buyers against volatile merchant electricity market pricing. The terms also allow the owner to take advantage of upside pricing potential when demand is high.

Misae II

Dr. Oneto said that [phase II](#) development is "mostly complete and ready to build with an executed interconnection agreement" for the 517 MWac/693 MWdc behemoth. Here are some of the vitals.

- Developed on 3,800 acres of flat agriculture land next to Phase I and connected to the Tesla substation's 345 KV line
- The full interconnection study (facility, short circuit, steady state and dynamic studies) has been posted as final by AEP
- Expected to declare Notice to Proceed in December 2020 and reach COD in December 2022

Oneto told **pv magazine**, "The daytime generation profile of this solar project reduces the impact of curtailment risk." Texas has substantial wind capacity online, especially in the Panhandle region where this project is located and solar generation "better aligns with the state's demand profile."

He added, "We negotiated attractive EPC and equipment procurement options along with off-takes."

Relaunching the sale of equity

"Tax equity is not that easy to find — but we do see serious interest that

Oneto noted, "We are working with our advisor, [Rubicon Capital](#), to relaunch the sale of the equity interest in the project. During our initial outreach last year, we received feedback that the projects needs to be further developed...Since then we have been able to secure multiple off-taker options that should provide buyers with a greater degree of flexibility."

30 GW of new utility-scale PV contracted in the U.S.

There's still about 30 GW of new utility-scale solar contracted in the U.S., according to Wood Mackenzie. The analyst firm suggests that even with a 26% shortfall from its forecast, "2020 would be the biggest year for utility solar."

There's a proliferation of record setting 100-MW-plus projects now in development in unexpected places such as [Pennsylvania](#), [Mississippi](#) and [Arkansas](#) — and the number of commissioned projects of this size is going to balloon this year and next.

And critically — there are, or were, about 300 solar installers and about 10,000 solar jobs in Texas as of the fourth quarter of 2019.

"We continue to strongly believe in the superior economic potential of large solar facilities," said the solar Dr. Oneto.

If you have news or rumors about big solar or big energy storage projects — contact the editor: eric.wesoff@pv-magazine.com

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