

# Clay County, Texas Application for Tax Abatement and other Economic Development Incentives

#### Introduction

#### APPLICATION INFORMATION

- a) Name, address, principals, and owners of applicant: Hecate Energy Hazel Storage LLC
- b) Does any city or ETJ have jurisdiction and an abatement process? No
- c) Certification: By signing below, the applicant certifies its intent to comply with all applicable local, state, and federal laws.
- d) Conflict of interest: No public official (i) has or may have any interest (financial or otherwise) in the success of the Project or (ii) is in any way employed by any person or entity associated with the applicant. Description of project business:

#### **Battery Energy Storage Facility**

e) A description of the project location (including a plat with precise location and legal description). It must show the detail of all proposed ingress and egress and all County, state and federal roads that might be affected, and the location of any pre-existing structure within one mile of the reinvestment zone or Project:

See attached Map and Legal Description

f) Description of project size, scope and footprint (physical showing all anticipated or required zoning and land uses on the site): The applicant plans to develop a 500 MWac battery energy storage facility. This includes but is not limited to the following improvements: energy storage enclosures containing batteries, energy storage cooling systems, SCADA systems, transformers, fire suppression systems and all necessary equipment for commercial storage of electricity. g) The expected fair market value ("FMV") of the Project upon completion showing a separate FMV of the land on which the Project will be located and the added FMV of the facility:

1st year value of Storage Facility-\$148M

FMV of Land will not be affected by the construction of this project but it would remove the special valuation for any land currently valued as "Ag Land" were the improvements would be located.

h) The increase in FMV of the reinvestment zone property when the Project is completed and operational, showing the FMV both before and after the Project is completed:

#### Before Value of Solar Facility - \$0 After Value of Storage Facility - \$148M

- i) Identify any land outside the reinvestment zone property, affected for additional resources such as water, sewer, drainage, roads, easements, pipelines, and electricity (showing route to a transmission line or pipeline): N/A
- j) The number of full-time permanent employees/jobs to be created by the Project when operational:
- k) The salary ranges for permanent employees, including employee benefits, stated separately: \$47,221
- 1) The initial determination of applicable City, County, State, Federal or other jurisdictional entities (such as TCEQ, FDA, DOD) Codes or Requirements, and any Extraterritorial Jurisdiction (ETJ) impacting the proposed Project: N/A
- m) Expected additional resources required of the County such as water, sewer, drainage, roads, easements, fire, and security: None
- n) Any plans for environmental, historical, anthropological, cultural, and aesthetical impact to the reinvestment zone property and the properties of the immediate neighbors of the Project, the general area of the Project will be an important consideration in approval of abatement agreement: Hecate has conducted extensive environmental, archeological and cultural resource studies of the project site to identify and mitigate any potential impacts to the environment, endangered species, or archeological or cultural resources. Limited potential impacts were identified. Hecate addresses potential impacts by eliminating sensitive areas from the project site, or consulting with relevant state and federal agencies and following recommended best practices for preservation or mitigation if eliminating an area from the project site is impractical.

Any detrimental aesthetic impacts to neighboring properties should be limited due to existing vegetation and the remote location of the project site west of the town of Petrolia.

- o) Anticipated time to complete the Project showing all phases as scheduled: Estimated construction time is 18 months but could vary.
- p) Applicant's requested abatement by percentage, by year: 70% PILOT equivalent
- q) The percentage of local suppliers, contractors, or labor force to be used in the construction of the Project: Hecate will make every effort to use local vendors when available and comparable.
- r) Determination of how proposed affected land and property is currently taxed (FMV or Ag value): Land is currently taxed at the Ag Value and the portion of the land where the potential improvements will be located would be taxed at Market Value once the project breaks ground.
- s) The projected dates for the beginning construction and the beginning of actual operations: The project is anticipated to commence construction in late 2023 or early 2024, and complete construction and begin operations in 2025.
- t) Whether or not the Project will change the tax status of the reinvestment zone land and whether the applicant will pay ad valorem taxes for the land on which the facility is located: Not all of the land in the Reinvestment Zone is part of the project. Only the land parcels that have solar panels on them will change their taxable status. As part of the lease agreement, the applicant will pay the tax difference between the Ag Value and Market Value.
- u) Whether the facility is expected to require connection to an energy source (electric or gas), including generally the route(s) to connect to any existing energy source (electric transmission line or pipeline): N/A
- v) Whether or not securing a connection to an energy source will cause acquiring rights-of-way by eminent domain. (This shall identify all public roads and landowners to be crossed to connect to a transmission line.): No additional right-of-way will be needed, and no land will be acquired by eminent domain. The project site and all related facilities will be located on private land acquired by Hecate for the project. Eminent domain will not be used.

[CERTIFICATION ON THE FOLLOWING PAGE]

### **CERTIFICATION**

Brandon Westlake	_ does hereby certify that all s	statements and
representations made herein are accurate to these terms.	o the best of its knowledge and	d agree to comply with
By Authorized Representative:		40
E V	_3-10-23_	
Signature Name:	Date .	
Tunio.		91 X
Brandon Westlake		
Title: Auth. Rep.	ribon ex	
STATE OF TEXAS COUNTY OF CLAY		
This instrument was acknowledged	before me on	Date, by
Notary:		

## Exhibit 1 Location of Project

			Com pany		Primary Owner	Primary		Acreag e	
			Nam	Owner	First	Owner	Primary	(Deed	APN/P
Name	Zip	County	8	Group	Name	Last Name		ed)	IN
			Inves				Нb		
			tmen				investm		
Hb Investm	76305	Clay	ts LP	Company			ents LP	167	15169
			ng				Fleming		
				Company			Nova		
Fleming No	76305	Clay	Trust	, Trust			Trustee	<b>16</b> 0	1289
- 4 1				_	e-m1		D	470	
Arnhold Th	76305	Clay		Person	Thomas	Arnhold	Arnhold	168	1268
			r				William		
			Willia	A			Wayne Rev		
Carter Willi	75205	Class	m	Company , Trust			Trust	640	3347
Carter Willi	/0303	Clay		, irust			Fleming	Q4U	3347
			ng Novo	Company			Nova		
Fleming No	76305	Clay		, Trust			Trustee	149	1301
LIGHTING 140	70303	Clay	P	, riuse			Julie P	243	1001
			Swan				Swanda		
			da	Company			Living		
Julie P Swai	76305	Clav		Trust			Trust	48.75	15243
		,		,			Marsha		
Marshall Li-	76305	Clay		Person	Lloyd	Marshall	II.	12.68	36512
		,			- '		D		
Arnhold Th	76305	Cley		Person	Thomas	Arnhold	Arnhold	160	1284
		•	Inves				Hb		
			tmen				Investm		
Hb Investm	76305	Clay	ts LP	Company			ents LP	30.68	1824
							Waggn		
Waggner R	76377	Clay		Person	Robert	Waggner	er	45	2339
Fleming No	76305	Clay		Person	Nova	Fleming	Nova	2	7144
Harding An	76305	Clay		Parson	Andy	Harding	Andy	440	3362
							Stevens		
Stevenson	76305	,		Person	Kelly	Stevenson		97.3	7134
Harrison L (	76377	Clay		Person		Harrison	C	105	2340

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DESTRICT
11880LUTON CREATING HECATE HAZEL REINVESTMENT ZONE NO. 1
September 19, 2022
Page 5

Harrison L (	76377 Clay	Inves tmen	Person		Harrison	Ç Hb Investm	320	7379
Hb Investm	76305 Clay		Company			ents L <sup>p</sup> Bachma	556.6	15244
	76305 Clay	P Swan da	Person	Travis	Bachman	n Julie P Swanda Living		35205
Julie P Swai	76305 Clay	Flemi ng Nova	, Trust  Company			Trust Fleming Nova	284,6	15346
Fleming No	76305 Clay		, Trust			Trustee	160	1290
Fleming No	76305 Clay	Trušt ee	Company , Trust			Nova Trustee Robert Waggn	160	1291
Waggner Ri	76377 Clay	Julie P Swan da	Person	Robert	Waggner	er  Julie P  Swanda	160	2413
Julie P Swar	76305 Clay	Living	Company , Trust.			Living Trust	639.6	12874
Fleming No	76305 Clay		Company , Trust			Nova Trustee Lynda G Krottin	37.95	1293
Krottinger I	76305 Clay		Person	Lynda	Krottinger	ger	332	7397

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RESOLUTION CREATING HECATE HAZEL REINVESTMENT ZONE NO. 1
September 19, 2022
Page 6

	Anto						
	ne M				Antone		
	Swan				M		
	da				Swanda		
	Living	Company			Living		
Antone M 5 76305 Cla	v Trust	, Trust			Trust	168.2	15487
1210011211121121	Flemi	,					
	ng						
	Nova				Fleming		
		Company			Nova		
Fleming No 76305 Cla		. Trust			Trustee	63	1302
LIGHTHAN NO VOSOS CIR	y <del>oa</del> Dona	, IIUSL			I I rie riac		
	ld S				Donald	7 *	
					S		
	Praeg				_		
	er Jr				Praeger		
- 41	Liv	Company			Jr Liv	202	74.00
Donald S Pr 76305 Cla	*	, Trust			Trust	269.7	7133
	Flemi						
	ng				~1 4		
	Nova	_			Fleming		
		Company			Nova		
Fleming No 76305 Cla	y ee	, Trust			Trustee	15	1299
					Thomas		
					D		
					Arnhold		
Arnhold Th 76305 Cla		Person	Thomas	Arnhold	Jr	91	1308
	Julie						
	P						
	Swan				Julie P		
	da				Swanda		
	Living	Company			Living		
Julie P Swar 76305 Cla	/ Trust	, Trust			Trust	34.72	15168
	19				Steve		
Turner Stev 76305 Cla	/	Person	Steve	Turner	Turner	160	36012

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RESOLUTION CRAITING HECATE HAZEL REINVESTMENT ZONE NO. 1
September 19, 2022
Page 7

	Flemi						
	ng						
	Noya				Fleming		
	Trust	Company	,		Nova		
Fleming No 76305 Clay	88	, Trust			Trustee	63	1E+05
					Thomas		
					D		
					Arnhold		
Arnhold Th 76305 Clay		Person	Thomas	Arnhold	Jr	145	1278
	Julie						
	P						
	Swan				Julie P		
	da				Swanda		
	_	Company			Living		
Julie P Swai 76305 Clay		, Trust			Trust	639,5	5479
	Dona				B14		
	ld S				Donald S		
	Praeg er Ir				_		
	4. 2.	C			Praeger Jr Liv		
Danield C.D. 78205 Class	Liv	Company			Trust	5	7146
Donald S Pr 76305 Clay	ITUST	, Trust			Lynda G	3.	7140
					Krottin		
Krottinger I 76305 Clay		Person	Lynda	Krottinger	ger	58.95	15796
Marringer 1 Agans Clas	Иb	ranapin	Сутка	viórdiBo	801	delan	10,00
	Inves				НЬ		
	tmen				Investm		
His Investm 76305 Clay		Company			ents LP	279.1	18489
THE REPORT TO SOO DIG!	~				Thomas		
					D.		
					Arnhold		
Arnhold Th 76305 Clay		Person	Thomas	Arnhold	Jr.	171	1275
					Lloyd		
					Marsha		
Marshall Li. 76305 Clay		Person	Lloyd	Márshall	H	80.7	3.7038
•							

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RESOLUTION CRAITING HISCATE HAZEL REINVESTMENT ZONE NO. 1
September 19, 2022
Pago 8

							Johnny			
							Siamo			
Simmons Jo	76377	Clay		Person	Johnny	Simmons	ns	<b>164</b>	2414	
							Ólga			
							Rosinba			
Rosinbaum	76305	Clay		Person	Oiga	Rosinbaum	um	34.16	7137	
							Steve			
Turner Stev	76305	Clay		Person	Steve	Turner	Turner	59.62	36721	
			Flemi							
			ng							
			Nova				Fleming			
			Trust	Company			Nova			
Fleming No	76905	Clay	ee	, Trust			Trustee	126	1903	
							Thomas			
							D			
							Arnhold			
Arnhold Th	76305	Clay		Person	Thomas	Arnhold	Jr.	165	1259	
							Lloyd			
		-4		_		• •	Marsha	-		
Marshall Lli	76305	Clay		Person	Lloyd	Marshall	<u>II</u>	530	5439	
							Thomas			
							D			
		-		_		A -0 -1 1	Arnhold	0.00	4074	
Arnhold Th	76305			Person	Thomas	Arnhold	Jr	292	1274	
			Julle							
			P				talls b			
			Swan				Julie P			
			da	0			Swanda			
to the management	achae		_	Company			Living Trust	202	15502	
Julie P Swar			Trust	, Trust			Trust	293	10002	
Unknown C	/ <del>0</del> 3Ų5	LIEY					Lloyd	U		
							Marsha			
Manhalltt	76205	Clau		Person	Lloyd	Mershall	li Ii	120° =	36384	
Mershall Lle	くひないち	Liay		LEIZOII	ысуч	IAIGI STIGII	11	143.3	30204	

PETROLIA CONSOLIDATED INDEPENDENT REGIOOL DISTRICT
RESOLUTION CRASTIMO HECATESTAZEL REINVESTMENT ZONE NO. 1
September 19, 2022
Page 9

					Thomas		
					D		
					Arnhold		
Arnhold Th	76305 Clay	Person	Thomas	Arnhold	π	192	1307
	•				Thomas		
					D		
					Arnhold		
Arnhold Th	76305 Clay	Person	Thomas	Armhold	Jr	305	1273
					Thomas		
					D		
					Arnhold		
Arnhold Th	76305 Clay	Person	Thomas	Arnhold	Jr	126	1276
					Thomas		
					D		
					Arnhold		
Arnhold Th	76305 Clay	Person	Thomas	Arnhold	Jr	219.7	1288
					Steve		
Turner Stev	76305 Clay	Person	Steve	Turner	Turner	156.7	1283
			_	_	Steve		
Turner Stev	76305 Clay	Person	Steve	Turner	Turner	156.7	1282
					Thomas		
					D .		
			=1	A & L.d	Arnhold	148	3123
Amhold In	76305 Clay	Person	Inomas	Arnhold	Jr Anna	140	3125
	76905 61-11	Door	Amno	Harding	Harding	411	35228
Harding An	76305 Clay	Person	Anne	naruing	Andy	411	22220
Handley An	76200 Clay	Person	Andy	Harding	Harding	321.4	3161
Harding An	76305 Clay	PERSON	Αυτυγ	naromg	Thomas	3414	3101
					В		
					Arnhold		
Arabald Th	76305 Clay	Person	Thomas	Arnhold	Jr	271	1287
MILION III	Conna mak	1 410011	11001100	ra i i i i i i i i i	Thomas		2-01
					Ď		
					Arnhold		
Archold Th	76305 Clay	Person	Thomas	Arnhold	Jr	180	1304
ENTITIVIN III	, coop day	- 414					F

Petrolia Consolidated Independent Rchool District RESOLUTION CRESTED HECATE HAZEL REINVESTMENT ZONE NO. 1 September 19, 2022 Page 10

Harding An	76305	Clay	Person	Andy	Harding	Andy Harding Worsha	199	1826
				Worsha		m W		
Harding D \	76377	Clav	Person	m	Harding	Harding	311	3385

PETROLIA CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
RUSOLUTION CHUATHO HECATE HAZEL REINVESTMENT ZONE NO. 1
Soplomber 19, 2022
Page 12

-		\$ 3,594,624.00				\$ 364 060 06		\$ 29,600,000.00		2055
		\$ 174,107.20		\$ 0.588200	0%	29,600,000.00	0% \$			2054
		\$ 174,699.20		\$ 0.590200	0%		0% \$			2053
		\$ 175,291.20			0%		0% \$	\$ 29,600,000.00		2052
		\$ 175,883.20			0%		0% \$			2051
		\$ 176,475.20			0%	29,600,000.00	0% \$			2050
		\$ 177,067.20		\$ 0.598200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2049
		\$ 177,659.20				29,600,000.00	0% \$	\$ 29,600,000.00		2048
		\$ 178,251.20		\$ 0.602200	0%	ı	0% \$			2047
		\$ 178,843.20		\$ 0.604200	0%		0% \$			2046
		\$ 179,435.20		\$ 0.606200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2045
		\$ 180,027.20		\$ 0.608200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2044
		\$ 180,619.20		\$ 0.610200	0%		0% \$			2043
		\$ 181,211.20		\$ 0.612200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2042
		\$ 181,803.20		\$ 0.614200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2041
		\$ 182,395.20			0%		0% \$	\$ 29,600,000.00		2040
		\$ 182,987.20		\$ 0.618200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2039
		\$ 183,579.20		\$ 0.620200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2038
		\$ 184,171.20		\$ 0.622200	0%	29,600,000.00	0%  \$	\$ 29,600,000.00		2037
		\$ 184,763.20		\$ 0.624200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2036
		\$ 185,355.20	\$ 0.002000	\$ 0.626200	0%	29,600,000.00	0% \$	\$ 29,600,000.00		2035
		-								
	\$ 353.89	\$ 1769 436 06								
								20%		
		\$ 55,606.56		20.00% \$ 0.626200	20.00%		\$  %07	\$ 29,600,000.00		2034
		\$ 73,901.12		26.58% \$ 0.626200	26.58%		70% \$	\$ 39,338,400.00		2033
		\$ 106,792.40		\$ 0.626200	38.41%		70% \$	\$ 56,846,800.00		2032
		\$ 185,455.39		\$ 0.626200	49.36%	29,616,000.00	70% \$	\$ 98,720,000.00		2031
		\$ 165,429.52		\$	59.50%		70% \$	\$ 88,060,000.00		2030
					68.89%		70% \$	\$ 101,957,200.00		2029
		\$ 215,725.65			77.59%		70% \$	\$ 114,833,200.00		2028
		\$ 238,107.29		\$ 0.626200	85.64%		70% \$	\$ 126,747,200.00		2027
				93.10% \$ 0.626200	93.10%		70% \$	\$ 137,788,000.00		2026
500			\$	1.0000 \$ 0.626200	1.0000	44,400,000.00	70% \$	\$ 148,000,000.00	\$ 200,000,000.00	2025
WW		Expected Revenue	ETC	Tax Rate	DEPC.	Taxable Value	Abate T	Stated Value After ITC	Install Cost	Year
	Equivalent		Impact on							
	710									