



Honorable Judge James Oakley
Burnet County Judge
220 S. Pierce
Burnet, TX 78611

December 1, 2022

Re: Application for Texas Property Tax Code Chapter 312 Tax Abatement Agreement

Dear Honorable Judge Oakley:

Please find attached an application for Chapter 312 Tax Abatement Application. On behalf of our client, Backbone Creek BESS, LLC, and in accordance with the guidelines and principles outlined in Chapter 312 of the Texas Property Tax Code, it is our request that the Burnet County Commissioners Court consider this Application, and ultimate approval of a Tax Abatement Agreement.

The project will consist of a Battery Energy Storage System (BESS), beginning construction in Q3 2023, with an expected completion by Q4 2024. The facility will have a capacity of 120 Megawatts AC (180 Megawatt Hours). The facility will be able to provide short periods of grid support during extreme weather or unstable grid conditions that could help keep the wider electricity system running or help bring it back online after failures.

An approved Tax Abatement Agreement will undoubtedly incentivize this investment and provide the county with approximately \$1,500,000 in property tax revenues to Burnet County and approximately \$9,000,000 to Marble Falls ISD over the next 30 years.

If you have any questions, please feel free to contact me at 469-298-1594 or gpeters@keatax.com. We look forward to working with you.

Sincerely,

A handwritten signature in black ink, appearing to read "GPeters", written over a horizontal line.

Garrett Peters - Tax Manager - K.E. Andrews

APPLICATION FOR TAX ABATEMENT
BURNET COUNTY, TEXAS

Applicant / Organization:

Backbone Creek BESS, LLC
c/o UBS Asset Management (Americas) Inc.
10 State House Square, 15th Floor
Hartford CT, 06103

Contact:

Garrett Peters
KE Andrews & Company
2424 Ridge Rd
Rockwall, Texas 75087

Property Location & Description:

The Backbone Creek BESS is a planned facility to be owned by Backbone Creek, LLC, and located in Marble Falls ISD and central Burnet County, Texas.

Improvements Description:

The current scope of the project is contemplated to include:

- Concrete Foundations
- Batteries
- Containers
- Transformers
- Inverters
- Cabling
- Collection Line
- Collection Station

APPLICATION FOR TAX ABATEMENT (CONT.)

Projected Value of Proposed Improvements:

\$82,000,000

Projected Timeline:

- Construction Start – Q3 2023
- Construction Complete – Q4 2024
- Operations Commence – Q4 2024

Construction Employment:

- 30 Jobs

Reinvestment Zone:

This proposed reinvestment zone will be formed on Burnet County Appraisal District Property ID 104909, with a legal description, ABS A0211 WILLIAM CARUTHERS, TRACT & ABSTS 62, 99, 620, 1143, 479.38 ACRES. More generally known as 696 Bluebonnet Cir, Marble Falls, Texas.

The property card for this parcel is attached to this Application for the Commissioners Court's reference.

Fees & Expenses

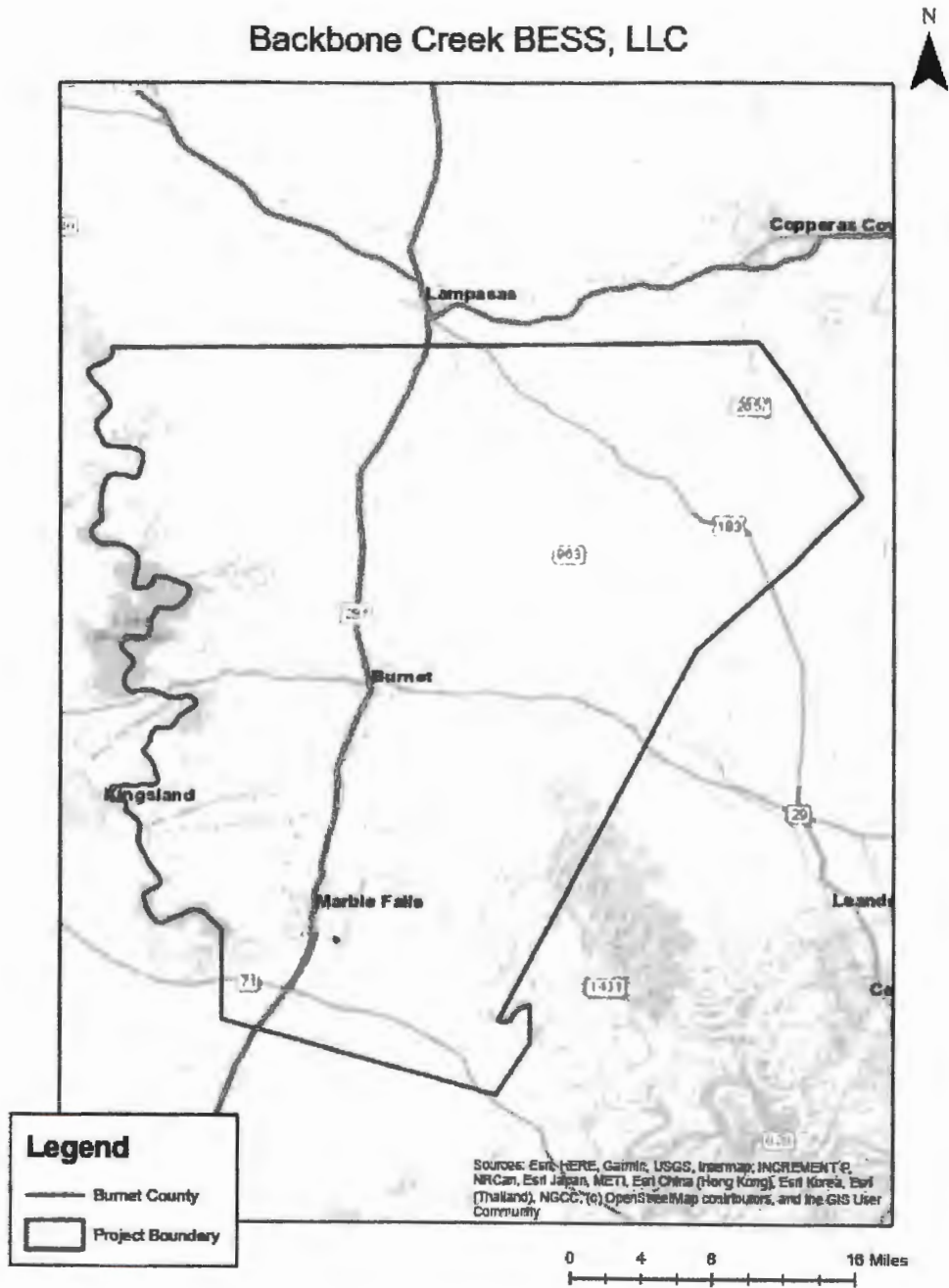
Backbone Creek BESS, LLC agrees to pay a \$1,000 non-refundable application fee, and shall reimburse the County its reasonable consulting and attorney fees as may be incurred in preparation and negotiation of the abatement agreement.

Certification of No Delinquent Taxes on Applicant's Property

Backbone Creek BESS, LLC does not currently own any property within the proposed Reinvestment Zone.

SITE MAP (1 of 2)

Backbone Creek BESS, LLC



Backbone Creek BESS, LLC



Legend

 Project Boundary[illegible]

Burnet County - Estimated Ad Valorem Economic Impact

Backbone Creek BESS, LLC is proposing a straight-line 100% Tax Abatement over ten years, coupled with an annual PILOT (Payment-in-Lieu-of-Taxes) of \$300/MW., as shown in the table below. Overall, this equates to a ten-year, 80% abatement.

Backbone Creek BESS, LLC - Burnet County Taxes Only								
Projected In Service Date: 2024								
YEAR	PLANT	FACTOR	TAXABLE VALUE	TAX RATE (BURNET CO)	Without Abatement	ABATEMENT PERCENTAGE	With Abatement	Proposed PILOT
					ESTIMATED TAXES		ESTIMATED TAXES	ESTIMATED PILOTS / TAXES
2025	82,000,000	100.00%	82,000,000	0.35300%	289,460	80%	57,892	36,000
2026	82,000,000	91.50%	75,030,000	0.35300%	264,856	80%	52,971	36,000
2027	82,000,000	83.00%	68,060,000	0.35300%	240,252	80%	48,050	36,000
2028	82,000,000	74.50%	61,090,000	0.35300%	215,648	80%	43,130	36,000
2029	82,000,000	66.00%	54,120,000	0.35300%	191,044	80%	38,209	36,000
2030	82,000,000	57.50%	47,150,000	0.35300%	166,440	80%	33,288	36,000
2031	82,000,000	49.00%	40,180,000	0.35300%	141,835	80%	28,367	36,000
2032	82,000,000	40.50%	33,210,000	0.35300%	117,231	80%	23,446	36,000
2033	82,000,000	32.00%	26,240,000	0.35300%	92,627	80%	18,525	36,000
2034	82,000,000	23.50%	19,270,000	0.35300%	68,023	80%	13,605	36,000
2035	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2036	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2037	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2038	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2039	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2040	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2041	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2042	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2043	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2044	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2045	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2046	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2047	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2048	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2049	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2050	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2051	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2052	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2053	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
2054	82,000,000	20.00%	16,400,000	0.35300%	57,892		57,892	57,892
Years 1 - 10					1,787,416		357,483	360,000
Years 11 - 30					1,157,840		1,157,840	1,157,840
Totals:					2,945,256		1,515,323	1,517,840

Benefits to Local Schools

Marble Falls Independent School District - Estimated Ad Valorem Economic Impact

PLEASE NOTE: THE PROJECT IS NOT APPLYING FOR A CHAPTER 313 AGREEMENT WITH MARBLE FALLS ISD, THEREFORE IT WILL PAY 100% OF THE MAINTENANCE & OPERATIONS, AND INTEREST & SINKING FUND TAXES.

Backbone Creek BESS, LLC - Marble Falls ISD Taxes Only

Projected In Service Date: 2024

YEAR	PLANT	FACTOR	TAXABLE VALUE	TAX RATE (MARBLE FALLS ISD)	ESTIMATED TAXES
2025	82,000,000	100.00%	82,000,000	1.07320%	880,024
2026	82,000,000	91.50%	75,030,000	1.07320%	805,222
2027	82,000,000	83.00%	68,060,000	1.07320%	730,420
2028	82,000,000	74.50%	61,090,000	1.07320%	655,618
2029	82,000,000	66.00%	54,120,000	1.07320%	580,816
2030	82,000,000	57.50%	47,150,000	1.07320%	506,014
2031	82,000,000	49.00%	40,180,000	1.07320%	431,212
2032	82,000,000	40.50%	33,210,000	1.07320%	356,410
2033	82,000,000	32.00%	26,240,000	1.07320%	281,608
2034	82,000,000	23.50%	19,270,000	1.07320%	206,806
2035	82,000,000	20.00%	16,400,000	1.07320%	176,005
2036	82,000,000	20.00%	16,400,000	1.07320%	176,005
2037	82,000,000	20.00%	16,400,000	1.07320%	176,005
2038	82,000,000	20.00%	16,400,000	1.07320%	176,005
2039	82,000,000	20.00%	16,400,000	1.07320%	176,005
2040	82,000,000	20.00%	16,400,000	1.07320%	176,005
2041	82,000,000	20.00%	16,400,000	1.07320%	176,005
2042	82,000,000	20.00%	16,400,000	1.07320%	176,005
2043	82,000,000	20.00%	16,400,000	1.07320%	176,005
2044	82,000,000	20.00%	16,400,000	1.07320%	176,005
2045	82,000,000	20.00%	16,400,000	1.07320%	176,005
2046	82,000,000	20.00%	16,400,000	1.07320%	176,005
2047	82,000,000	20.00%	16,400,000	1.07320%	176,005
2048	82,000,000	20.00%	16,400,000	1.07320%	176,005
2049	82,000,000	20.00%	16,400,000	1.07320%	176,005
2050	82,000,000	20.00%	16,400,000	1.07320%	176,005
2051	82,000,000	20.00%	16,400,000	1.07320%	176,005
2052	82,000,000	20.00%	16,400,000	1.07320%	176,005
2053	82,000,000	20.00%	16,400,000	1.07320%	176,005
2054	82,000,000	20.00%	16,400,000	1.07320%	176,005

Years 1 - 10 5,434,148

Years 11 - 30 3,520,096

Totals: 8,954,244

CASH ONLY IF ALL CheckLock™ SECURITY FEATURES LISTED ON BACK INDICATE NO TAMPERING OR COPYING

KE ANDREWS & COMPANY
AD VALOREM TAX SERVICE
 2424 RIDGE ROAD
 ROCKWALL, TX 75087
 (469) 298-1594

HomeBank Texas
 DALLAS, TX
 88-2277/1119

26553

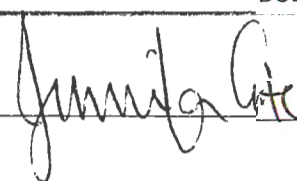
12/1/2022

PAY TO THE ORDER OF Burnet County Judge \$ ****1,000.00**

One Thousand and 00/100***** DOLLARS

ATTN: Honorable Judge Oakley
 Burnet County Judge
 220 S. Pierce
 Burnet, Texas 78611

PROTECTED AGAINST FRAUD





MEMO

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KE Andrews & Company

Burnet County Judge

Black Mountain Renewables Projects

12/1/2022

26553

1,000.00

Cash - HomeBank Ch

1,000.00