

Attachment to the Application for Tax Abatement – Duval County, Texas

Project Description:

Jumping Cactus Energy Center LLC is a 120 MWac battery energy storage system (BESS) facility with an estimated investment amount of approximately \$78,000,000 and is located entirely within Duval County. The Project consists of facilities to be used for energy storage as well as support infrastructure. The improvements will consist of lithium-ion battery modules, connected to form strings, which are subsequently connected in parallel and housed inside outdoor enclosures with cooling systems and safety sensors. The improvements will also feature bi-directional inverters and transformers to convert DC power to AC electricity to discharge and vice versa to discharge. In addition to the major equipment, there will be the supporting electrical collection system and supporting facilities to be constructed and improved as necessary, as well as overhead transmission lines, and a collection substation to permit the interconnection and transmission of electricity stored and discharged by the facility. The Project has an estimated life expectancy of 20-30 years.

“Eligible Property” designation:

In accordance with the Duval County Tax Abatement Guidelines and Criteria, Section 2, Jumping Cactus Energy Center is an eligible facility with an estimated investment of approximately \$78,000,000 and will sustain above the County minimum requirement of \$10,000,000 over the 10-year period of the abatement.

Total Estimated Taxable Value Yr 1:

Jumping Cactus Energy Center is a battery energy storage system facility with an estimated investment of approximately \$78,000,000 at the completion of construction.

Total Estimated Taxable Value Yr 10:

Storage falls within the State of Texas statutory depreciation that applies to solar. Jumping Cactus Energy Center will be required to abide by the state law regarding depreciation of solar photovoltaic facilities as set forth by the Texas Legislature in HB2500 with an estimated value of approximately \$15,600,000 at the conclusion of the abatement period.

Additional Information on the proposed Project:

- (1) There are currently no existing improvements within the project area. The value of the land and any existing improvements does not reside with the Project but remains wholly intact with the landowners that have leased land for the purpose of constructing and operating the Project. Jumping Cactus Energy Center will not purchase any of the land used in the Project. All land utilized for the purpose of the Project will be under long term lease with the current landowner. Any existing improvements on land that is leased are enhancements that the landowner has made on their own behalf.
- (2) Jumping Cactus Energy Center is a battery energy storage system facility with an estimated investment of approximately \$78,000,000. The type of proposed improvements is for the

purpose of constructing and operating a utility-scale battery energy storage system facility. The proposed improvements and eligible property include:

- New and improved access roads,
- Security fences & gates,
- Lithium-ion battery modules, connected to form strings, which are subsequently connected in parallel and housed inside outdoor enclosures with cooling systems and safety sensors,
- Bi-directional inverters and transformers to convert DC power to AC electricity to discharge and vice versa to discharge,
- Supporting electrical collection system and supporting facilities,
- Overhead transmission lines, and
- A collection substation to permit the interconnection and transmission of electricity stored and discharged by the facility.

- (3) The Project has an estimated life expectancy of 20-30 years.
- (4) The impact on local businesses in the area will be positive. From local equipment and vehicles rentals, hotels for specialized tradesmen, and the restaurants and retail that support workers will significantly be affected by the expenditures. The proposed projects also have the potential to attract new businesses to the area.
- (5) Jumping Cactus Energy Center will require approximately 75 temporary construction employees during the peak of construction phase and will seek to employ one (1) permanent full-time employee to maintain and service battery energy storage system, underground electrical connections, substation, and other infrastructure associated with the safe and reliable operation of the Project. The one (1) permanent full-time employee will be shared across the four (4) projects at this location. There are no current positions occupied with respect to the proposed improvements.
- (6) No costs will be incurred by the County to provide facilities or services directly resulting from the new improvements. All improvements and associated costs will be the burden of the Project. The Project will not compete with any existing business that is a part of the local economy. The Project and its improvements will have a positive impact on the local economy through the creation of temporary construction and permanent jobs, additional commerce that construction will bring such as local goods and services, as well as the additional tax base that continued operations will provide.
- (7) No public improvements will be required by the Project nor will be necessary to operate and maintain the facilities or services directly resulting from the new improvements. The County roads proposed to be utilized during construction are shown in Appendix C. The Project expects to improve the roads used for the project and will incur the cost for improvement and maintenance of such roads during the construction period.
- (8) The Project currently does not own any property in Duval County therefore there are no taxes past due on any property owned by the Project in the Reinvestment Zone.

- (9) Battery energy storage system projects are environmentally compatible with no adverse impacts on quality of life. Extensive environmental consultation has been implemented and several studies initiated to cover all aspects of potential effects. Confirmation that we are abiding by all appropriate practices is left to government agencies including U.S. Fish and Wildlife, Texas Parks & Wildlife, and the Army Corps of Engineers.

Map Location of Project:

- (1) The Project is located in southern Duval County along County Road 255 between County Road 252 and County Road 253. Jumping Cactus Energy Center has obtained a Reinvestment Zone designation specific to the Project. Please see Appendix A for the Property Description and Appendix B for the Project Map.
- (2) Construction is estimated to begin during the 2nd quarter of 2026 and expected to be completed with a Commercial Operations Date (“COD”) in the 4th quarter of 2027, contingent upon favorable economics for the Project.

Requested Abatement: During the Tax Abatement Period, Jumping Cactus Energy Center will pay the county an agreed upon annual Payment in Lieu of Taxes (“PILOT”) payment for the ad valorem taxes abated, considering an 100% abatement of the total assessment. Should the County seek to negotiate a different abatement scenario, the Project is open to the discussion. The agreed upon Tax Abatement requested will be for a period of 10 years beginning on the first full tax year after the notice of commencement of commercial operations date (“COD”). The value of the abatable assets after the expiration of the Tax Abatement Period will be the remaining depreciable value, to be determined by the County’s third-party appraiser, and which is estimated to be 20% of the original value of the assets.