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Enbridge considers \$256M solar energy project at Ingleside export terminal

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Canada-based Enbridge Inc. (NYSE: ENB), which has a major presence in Houston, is considering building a solar energy project next to its export terminal near Corpus Christi, Texas.

An Enbridge subsidiary proposed building an 85-megawatt solar power generating facility along the Corpus Christi Bay in San Patricio County. The solar project, dubbed Project Keen, would be developed on land adjacent the Enbridge Ingleside Energy Center, which Enbridge acquired as part of a \$3 billion deal last year.

The company said it plans to invest \$256 million developing Project Keen, which would include approximately 170,000 photovoltaic modules and 25 inverters. Project Keen would be located within the boundaries of Ingleside Independent School District, which



MODA MIDSTREAM LLC

Enbridge Ingleside Energy Center in the Coastal Bend area near Corpus Christi, Texas.

Enbridge has asked for tax incentives under Chapter 313 of the Texas Tax Code.

Enbridge seeks to limit the project's taxable valuation to \$30 million for its first 10 years in operation starting in 2025. The limitation would apply to all facilities and equipment for Project Keen, including solar panels, racking infrastructure, power transformers, roadways and other site development. Enbridge said should incentives be approved, construction is estimated to begin in the fourth quarter.

The company's applications shows that Project Keen would require 250 full-time workers during construction and create a single permanent job.

All Chapter 313 agreements must be approved by the Texas comptroller, who must decide that the incentives are a determining factor for the project. Enbridge said if the project cannot lower its property tax liabilities through Chapter 313, the company would consider reallocating its proposed investment to other projects outside of Texas, including in Minnesota, Illinois, Wisconsin, Louisiana and western Canada.

"In Texas, ad valorem property tax is one of the highest annual operating expenses associated with new facility construction and would be a significant ongoing expense and liability throughout the life of the proposed project," Enbridge wrote in the application.

Enbridge acquired the Ingleside crude export facility and other assets from Houston-based Moda Midstream LLC in 2021. The \$3 billion deal included a 20% stake in the 670,000-barrel-per-day Cactus II Pipeline; a 100% operating interest in the 300,000-barrel-per-day Viola pipeline; and a 100% operating interest in the 350,000-barrel Taft Terminal. It also included a 50% stake in a brownfield deep-water crude and refined products terminal development opportunity in the St. James, Louisiana, area.

At the time, Enbridge said it planned to build out at least 60 megawatts of solar-power production capacity on 500 acres on the Ingleside Energy Center property — more than should be required to power the terminal.

In May, Enbridge and Denver-based Humble Midstream LLC announced plans to jointly develop and market a low-carbon hydrogen and ammonia production and export facility at the Enbridge Ingleside Energy Center. Enbridge and Humble estimate the potential cost of the new project would be between \$2.5 billion and \$3 billion.

Enbridge's core business is in midstream oil and gas transportation, but the infrastructure company has also invested \$6.12 billion in its renewable energy and power transmission portfolio since developing its first wind farm in 2002. Enbridge operates 20 wind farms, four solar energy projects, five waste heat recovery facilities, a geothermal project and a hydroelectric facility across its North American and European portfolio.

Developers of solar farms, wind farms, renewable fuels plants, semiconductor manufacturing plants, and other industrial and energy projects have sought tax abatements with Texas school districts through Chapter 313 applications. After the Texas Legislature did not advance a bill that would have extended the incentives by two years, the Chapter 313 program is slated to expire at the end of this year.

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