



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 4, 2015

Dane Kerns  
Superintendent  
Smyer Independent School District  
P.O. Box 206  
Smyer, Texas 79367-0206

Dear Superintendent Kerns:

On May 6, 2015, the Comptroller issued written notice that Red Raider Wind, LLC (the applicant) submitted a completed application (Application #1057) for a limitation on appraised value under the provisions of Tax Code Chapter 313<sup>1</sup>. This application was originally submitted on January 29, 2015, to the Smyer Independent School District (the 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.
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 #1057.

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.

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<sup>1</sup> All statutory references are to the Texas Tax Code, unless otherwise noted.

**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 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).

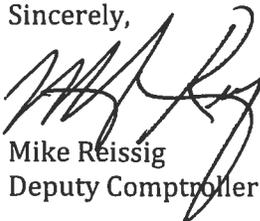
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-286) executed 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 May 6, 2015, 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 Korry Castillo, Director, Data Analysis & Transparency, by email at [korry.castillo@cpa.texas.gov](mailto:korry.castillo@cpa.texas.gov) or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig  
Deputy Comptroller

Enclosure

cc: Korry Castillo

### Attachment A – Economic Impact Analysis

This following tables summarizes the Comptroller’s economic impact analysis of Red Raider Wind, LLC (the project) applying to Smyer Independent School District (the 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 Red Raider Wind, LLC.

Applicant	Red Raider Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Wind
School District	Smyer ISD
2013-14 Enrollment in School District	405
County	Hockley
Proposed Total Investment in District	\$292,000,000
Proposed Qualified Investment	\$284,500,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant*	4
Number of new non-qualifying jobs estimated by applicant	1
Average weekly wage of qualifying jobs committed to by applicant	\$731
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$727
Minimum annual wage committed to by applicant for qualified jobs	\$38,000
Minimum weekly wage required for non-qualifying jobs	\$949
Minimum annual wage required for non-qualifying jobs	\$49,348
Investment per Qualifying Job	\$73,000,000
Estimated M&O levy without any limit (15 years)	\$26,408,008
Estimated M&O levy with Limitation (15 years)	\$7,471,404
Estimated gross M&O tax benefit (15 years)	\$18,936,604
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	



**Table 4** examines the estimated direct impact on ad valorem taxes to the school district, Hockley and Lubbock counties, South Plains College District and the Lubbock County Hospital District, 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 counties and hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought													
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate <sup>1</sup>	Smyer ISD I&S Tax Levy	Smyer ISD M&O Tax Levy	Smyer ISD M&O and I&S Tax Levies	Hockley County Tax Levy	Lubbock County Tax Levy	South Plains College Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Lubbock County Hospital District	Estimated Total Property Taxes	
2017	\$273,485,000	\$20,000,000		\$410,228	\$234,000	\$644,228	\$0	\$0	\$725,610	\$21,950	\$0	\$1,391,788	
2018	\$250,960,900	\$20,000,000		\$376,441	\$234,000	\$610,441	\$0	\$0	\$665,849	\$20,142	\$0	\$1,296,433	
2019	\$229,566,060	\$20,000,000		\$344,349	\$234,000	\$578,349	\$0	\$0	\$609,085	\$18,425	\$0	\$1,205,859	
2020	\$208,160,163	\$20,000,000		\$312,240	\$234,000	\$546,240	\$0	\$0	\$552,291	\$16,707	\$0	\$1,115,238	
2021	\$187,710,118	\$20,000,000		\$281,565	\$234,000	\$515,565	\$0	\$0	\$498,032	\$15,066	\$0	\$1,028,663	
2022	\$168,139,381	\$20,000,000		\$252,209	\$234,000	\$486,209	\$0	\$0	\$446,107	\$13,495	\$0	\$945,811	
2023	\$148,327,722	\$20,000,000		\$222,492	\$234,000	\$456,492	\$0	\$0	\$393,543	\$11,905	\$0	\$861,939	
2024	\$130,310,440	\$20,000,000		\$195,466	\$234,000	\$429,466	\$0	\$0	\$345,740	\$10,459	\$0	\$785,664	
2025	\$116,127,909	\$20,000,000		\$174,192	\$234,000	\$408,192	\$0	\$0	\$308,111	\$9,320	\$0	\$725,623	
2026	\$105,725,464	\$20,000,000		\$158,588	\$234,000	\$392,588	\$0	\$0	\$280,511	\$8,486	\$0	\$681,585	
2027	\$99,052,623	\$99,052,623		\$148,579	\$1,158,916	\$1,307,495	\$345,040	\$338,124	\$262,806	\$7,950	\$115,693	\$2,377,108	
2028	\$92,913,133	\$92,913,133		\$139,370	\$1,087,084	\$1,226,453	\$323,654	\$317,166	\$246,517	\$7,457	\$108,523	\$2,229,770	
2029	\$87,264,251	\$87,264,251		\$130,896	\$1,020,992	\$1,151,888	\$303,976	\$297,884	\$231,530	\$7,004	\$101,925	\$2,094,206	
2030	\$82,066,843	\$82,066,843		\$123,100	\$960,182	\$1,083,282	\$285,872	\$280,142	\$217,740	\$6,587	\$95,854	\$1,969,476	
2031	\$77,284,715	\$77,284,715		\$115,927	\$904,231	\$1,020,158	\$269,214	\$263,818	\$205,052	\$6,203	\$90,269	\$1,854,713	
						<b>Total</b>	<b>\$10,857,046</b>	<b>\$1,527,755</b>	<b>\$1,497,133</b>	<b>\$5,988,524</b>	<b>\$181,154</b>	<b>\$512,263</b>	<b>\$20,563,876</b>
						<b>Diff</b>	<b>\$18,936,604</b>	<b>\$6,334,609</b>	<b>\$6,207,640</b>	<b>\$0</b>	<b>\$0</b>	<b>\$2,124,023</b>	<b>\$33,602,876</b>

Assumes School Value Limitation and Tax Abatement with the Hockley and Lubbock Counties and the Lubbock Hospital District.

Source: CPA, Red Raider Wind, LLC

<sup>1</sup>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 over 25 Years

This represents the Comptroller’s determination that Red Raider Wind, 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)
<b>Limitation Pre-Years</b>	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2017	\$234,000	\$234,000	\$2,965,775	\$2,965,775
	2018	\$234,000	\$468,000	\$2,702,243	\$5,668,017
	2019	\$234,000	\$702,000	\$2,451,923	\$8,119,940
	2020	\$234,000	\$936,000	\$2,201,474	\$10,321,414
	2021	\$234,000	\$1,170,000	\$1,962,208	\$12,283,622
	2022	\$234,000	\$1,404,000	\$1,733,231	\$14,016,853
	2023	\$234,000	\$1,638,000	\$1,501,434	\$15,518,287
	2024	\$234,000	\$1,872,000	\$1,290,632	\$16,808,919
	2025	\$234,000	\$2,106,000	\$1,124,697	\$17,933,616
	2026	\$234,000	\$2,340,000	\$1,002,988	\$18,936,604
<b>Maintain Viable Presence (5 Years)</b>	2027	\$1,158,916	\$3,498,916	\$0	\$18,936,604
	2028	\$1,087,084	\$4,585,999	\$0	\$18,936,604
	2029	\$1,020,992	\$5,606,991	\$0	\$18,936,604
	2030	\$960,182	\$6,567,173	\$0	\$18,936,604
	2031	\$904,231	\$7,471,404	\$0	\$18,936,604
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2032	\$852,751	\$8,324,155	\$0	\$18,936,604
	2033	\$805,383	\$9,129,538	\$0	\$18,936,604
	2034	\$761,799	\$9,891,337	\$0	\$18,936,604
	2035	\$721,697	\$10,613,033	\$0	\$18,936,604
	2036	\$684,797	\$11,297,831	\$0	\$18,936,604
	2037	\$650,845	\$11,948,676	\$0	\$18,936,604
	2038	\$619,605	\$12,568,281	\$0	\$18,936,604
	2039	\$590,859	\$13,159,139	\$0	\$18,936,604
	2040	\$564,408	\$13,723,548	\$0	\$18,936,604
	2041	\$540,068	\$14,263,616	\$0	\$18,936,604

**\$14,263,616**

is less than

**\$18,936,604**

**Analysis Summary**

Is the project reasonably likely to generate M&O tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

No

Source: CPA, Red Raider Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	150	426	576	\$6,000,000	\$26,470,703	\$32,470,703	\$3,509,521	-\$999,451	\$4,508,972
2017	5	19	24	\$201,350	\$4,193,181	\$4,394,531	\$251,770	\$404,358	-\$152,588
2018	5	5	10	\$201,350	\$2,484,197	\$2,685,547	\$175,476	\$404,358	-\$228,882
2019	5	(3)	2	\$201,350	\$1,507,634	\$1,708,984	\$137,329	\$389,099	-\$251,770
2020	5	(9)	-4	\$201,350	\$1,019,353	\$1,220,703	\$99,182	\$366,211	-\$267,029
2021	5	(7)	-2	\$201,350	\$286,931	\$488,281	\$76,294	\$297,546	-\$221,252
2022	5	(1)	4	\$201,350	\$653,142	\$854,492	\$106,812	\$236,511	-\$129,699
2023	5	(1)	4	\$201,350	\$409,002	\$610,352	\$99,182	\$183,105	-\$83,923
2024	5	(3)	2	\$201,350	\$286,931	\$488,281	\$114,441	\$183,105	-\$68,664
2025	5	3	8	\$201,350	\$164,861	\$366,211	\$99,182	\$137,329	-\$38,147
2026	5	1	6	\$201,350	\$409,002	\$610,352	\$106,812	\$106,812	\$0
2027	5	1	6	\$201,350	\$286,931	\$488,281	\$99,182	\$53,406	\$45,776
2028	5	1	6	\$201,350	\$286,931	\$488,281	\$106,812	\$45,776	\$61,036
2029	5	(3)	2	\$201,350	\$286,931	\$488,281	\$114,441	\$22,888	\$91,553
2030	5	(3)	2	\$201,350	-\$445,491	-\$244,141	\$76,294	-\$15,259	\$91,553
2031	5	(7)	-2	\$201,350	-\$201,350	\$0	\$68,665	-\$45,776	\$114,441
2032	5	(1)	4	\$201,350	-\$689,631	-\$488,281	\$61,035	-\$53,406	\$114,441
2033	5	(7)	-2	\$201,350	-\$445,491	-\$244,141	\$45,776	-\$99,182	\$144,958
2034	5	(9)	-4	\$201,350	-\$933,772	-\$732,422	-\$7,629	-\$106,812	\$99,183
2035	5	(13)	-8	\$201,350	-\$1,177,913	-\$976,563	-\$45,776	-\$129,700	\$83,924
2036	5	(13)	-8	\$201,350	-\$2,154,475	-\$1,953,125	-\$114,441	-\$190,735	\$76,294
2037	5	(15)	-10	\$201,350	-\$2,398,616	-\$2,197,266	-\$152,588	-\$236,511	\$83,923
2038	5	(17)	-12	\$201,350	-\$2,642,756	-\$2,441,406	-\$152,588	-\$274,658	\$122,070
2039	5	(17)	-12	\$201,350	-\$2,398,616	-\$2,197,266	-\$137,329	-\$312,805	\$175,476
2040	5	(19)	-14	\$201,350	-\$3,619,319	-\$3,417,969	-\$213,623	-\$389,099	\$175,476
2041	5	(21)	-16	\$201,350	-\$3,375,178	-\$3,173,828	-\$213,623	-\$419,617	\$205,994
						<b>TOTAL</b>	<b>\$4,310,609</b>	<b>-\$442,507</b>	<b>\$4,753,116</b>
							<b>\$19,016,732</b>	is greater than	<b>\$18,936,604</b>

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

## **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 Red Raider Wind, LLC 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:

- According to the company, NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S. with nearly 17,800 MW of generating capacity across 24 states.
- Per the company, the project is still in the early stages of development, further investment could be, if necessary, redeployed to other countries and states competing for similar wind projects.
- Per the applicant, state and local tax incentives contribute to the lowering of the cost of power sold to customers making the investment more viable and marketable.
- Comptroller research includes a July 28, 2014 article, by Fox 34 News, of the Hockley County Commissioners Court giving clearance to Red Raider wind farm to start construction; and, the Court approving their tax abatement application.
- Comptroller research includes a July 31, 2014 article states the applicant is given clearance to start construction, planned for spring 2015, and will last approximately 5 to 6 months.
- Comptroller research includes a July 31, 2014 article, by The Daily Toreador, regarding the sale agreement of the Red Raider Wind, LLC project from Group NIRE to NextEra Energy Resources was signed December 2013.

### **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**

## Application for Appraised Value Limitation on Qualified Property

### SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171?  Yes  No
2. The property will be used for one of the following activities:
  - (1) manufacturing  Yes  No
  - (2) research and development  Yes  No
  - (3) a clean coal project, as defined by Section 5.001, Water Code  Yes  No
  - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code  Yes  No
  - (5) renewable energy electric generation  Yes  No
  - (6) electric power generation using integrated gasification combined cycle technology  Yes  No
  - (7) nuclear electric power generation  Yes  No
  - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7)  Yes  No
  - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051  Yes  No
3. Are you requesting that any of the land be classified as qualified investment?  Yes  No
4. Will any of the proposed qualified investment be leased under a capitalized lease?  Yes  No
5. Will any of the proposed qualified investment be leased under an operating lease?  Yes  No
6. Are you including property that is owned by a person other than the applicant?  Yes  No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment?  Yes  No

### SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:
 

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements ( <i>complete Section 13</i> )
<input type="checkbox"/> Expansion of existing operation on the land ( <i>complete Section 13</i> )	<input type="checkbox"/> Relocation within Texas

### 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.**

# **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.*

NextEra Energy Resources (NEER), with approximately 18,300 MW of generating capacity at December 31, 2013, is one of the largest wholesale generators of electric power in the U.S., with nearly 17,800 MW of generating capacity across 24 states, and with approximately 400 MW in 4 Canadian provinces. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

As of February 28, 2014, NEER's wind portfolio included 101 wind projects delivering approximately 10,284 MW throughout the U.S. and Canada.

NEER is keen to develop and build the proposed Red Raider Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our invest more viable and marketable. We have over 40 wind sites in development throughout the country and are continually comparing investment opportunities and market viability of each project based upon project financial metrics

Hockley County entered into an amended and restated abatement agreement with Red Raider Wind, LLC on March 29<sup>th</sup>, 2015.

# **Supporting Information**

Additional information  
provided by  
the Comptroller



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# Red Raider Wind, LLC is given the go ahead

Video Images

Reported by: Sydney Ryan  
Email: sryan@fox34.com

A A A A

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The Red Raider wind farm was given clearance to start construction after a special meeting with the Hockley County Commissioners' Court Monday morning. County Judge Larry Sprowls said the tax abatement application was approved as well as the agreement between Red Raider Wind, LLC and Hockley County. This will provide tax relief for the wind farm.

Red Raider Wind, LLC is given the go ahead

Starting in 2016, the farm will pay \$1500 per megawatt of power produced each year to Hockley County. This payment is based on capacity, which is estimated to be approximately 80 megawatts, so approximately \$120,000.

The Red Raider wind farm will be located in northeastern Hockley County and northwestern Lubbock County with an estimated 40 turbines. Texas Tech University engineering students will have access to the wind farm information.

Construction is planned to start in Spring 2015 and will last approximately 5 to 6 months

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# NextEra Energy Resources announces plan for construction

## Red Raider Wind farm to have 47 turbines, create 'lot of jobs'

Posted: July 30, 2014 - 6:53pm | Updated: July 31, 2014 - 12:35am



A-J File Photo



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By MATT DOTRAY  
A-J MEDIA

After almost a year of research and discussions, NextEra Energy Resources has announced plans to begin construction on a wind farm in northeast Hockley County, just outside of Lubbock County.

Construction on the project is set to begin in the spring, with the hopes of having the turbines up and running by the beginning of 2016. The plan is set to have 47 wind turbines on the site.

The name of the farm will be Red Raider Wind.

Noah Hyte, project manager and developer for NextEra Energy Resources, said the project should have a good impact on the two counties.

“To us,” Hyte said, “it could be a great success story for the two counties and the overall region. It’s a capital investment of well over \$100 million, and in terms of direct local impact, we’re talking about creating a lot of jobs.”

Apart from five or six specialists, he said the construction phase should create more than 100 seasonal full-time jobs, some of them as a result of the material that has been given priority to come out of this area.

The project was approved during a special meeting with the Hockley County Commissioners’ Court earlier this week, where the court agreed to a payment in lieu of a tax abatement for \$1,500 per installed megawatt per year during the first 10 years to Hockley County.

The project is estimated to be at 80 megawatts.

Unlike most of the turbines in the state, whose power is managed by the Electric Reliability Council of Texas, the turbines at Red Raider Wind will likely be connected with Southwest Power Pool, Hyte said. SPP provides services in nine states, so the power has the potential to be bought in states like New Mexico, Oklahoma, Nebraska and Arkansas.

It’ll be sold wholesale to various utilities, municipalities and power cooperatives.

When asked about the land use, representatives at NextEra said they have seen strong support.

“Overall, we think there’s strong support in the community both from landowners and from the municipalities themselves,” Hyte said. “Quite a few have formally expressed support and we’re continuing to engage in dialogue with the counties and the various municipalities involved.”

NextEra officials estimated they’ll be paying landowners well over \$25 million during the course of the first 30 years of the project, and the company is going to be a taxpayer of more than \$30 million for property taxes in the first 30 years as well.

Anthony Patterson, director in business development at NextEra, said wind is more compatible for landowners than other forms of energy.

“You can still ranch, you can still farm and you can still do whatever it was you were doing before the wind farm, after it’s built,” Patterson said.

Hyte went further to say wind has the potential to be a more compatible source of energy in this area due to the amount of water it takes.

On a megawatt-per-hour basis, he said a typical gas plant can use hundreds or thousands of gallons of water, where as the only water a wind turbine will require is what it takes to mix the concrete.

“Wind power compared to fossil fuel uses tremendously less water,” he said, “which I know is extremely sensitive in your area.”

Andrew Swift, associate director at the National Wind Institute and a professor at Texas Tech, said the wind farm will be beneficial for his students, who will have access to some of the data from the turbines, which is hard to get.

“It’ll be great for our student program out at the National Institute for Renewable Energy,” he said.

Swift went on to say renewable energy is continuing to grow worldwide, with wind being the leading source.

He credited the Texas Legislature for being proactive in installing transmission lines.

Steve Stengel, director of communications at NextEra Energy Resources, said the company is a big player in the Texas energy market, with about \$7 billion invested in energy infrastructure throughout the state.

It is the largest wind company in North America in terms of installed megawatts.

Depending on the market, Stengel said Red Raider Wind has the potential to expand after a few years of service.

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## Red Raider Wind, LLC. takes next step

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Posted: Thursday, July 31, 2014 3:59 pm

**Red Raider Wind, LLC. takes next step** By Kaitlin Bain  
Staff Writer | [0 comments](#)

Red Raider Wind, LLC, a company held by NextEra Energy Resources has taken the next step towards benefitting students and citizens as the Hockley County Commissioners Court has now approved an agreement with the company.

Red Raider Wind, LLC, was established by Group NIRE, national institute for renewable energy, a company created by Texas Tech to acquire land and begin new projects, Mark Harral, investor relations specialist at Group NIRE, said.

"One of the commercial projects Group NIRE has started is the Red Raider wind farm," he said. "The Red Raider wind farm, we developed and owned for a period of time. We then sold that asset to NextEra Energy Resources."

This sale was made because of the amount of funds it takes to build a complete wind farm, he said. These funds were something NextEra could afford to put into the project and Group NIRE and Tech would still be affiliated.

The agreement was signed in December 2013, he said, and mandated that while NextEra is responsible for building the project, getting the power purchase and other similar duties, Group NIRE and Tech are still affiliated.

NextEra is the largest owner and operator of wind farms in the United States, he said, which presents a new opportunity to Tech students through this agreement.

"Group NIRE has also worked with NextEra to provide students the opportunities to get jobs within NextEra," Harral said. "Since they're the largest, they have a lot of job openings available."

Destiny Vasquez, director of project development at Group NIRE, said about six students currently hold positions with NextEra.

These students hold undergraduate degrees from the National Wind Institute and are making \$23 an hour, or \$60,000 a year, she said.

"Undergrad students graduating from the National Wind Institute making about \$60,000 a year base salary," Harral said. "That's nuts."

As long as the tax abatements continue to be approved and an off taker can be secured, he said the project should be built within the next year.

He said in addition to the job opportunities available for students through NextEra, the company has also agreed to allow the data collected from the farm to be used for student research and development opportunities.

"Our focus is real world," Harral said. "You can do all the models and simulations in the lab, but if they don't match real results they're worthless. We want to be able to use this data to educate Tech students and do more research."

While Group NIRE is a company separate from the university, he said one of the company's goals is to enhance the education and studies of Tech students.

An additional project will be announce in October through Group NIRE, and he said they will continue to use part of the profits gained from these projects to put back in to PhD research at Tech.

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## **LP&L threatens to pull out of Red Raider Wind Farm project, a KCBD/Sandstorm Scholar Investigation**

*Posted: Aug 13, 2014 8:45 PM CDT Updated: Aug 13, 2014 11:49 PM CDT*

<http://www.kcbd.com/story/26275465/lpl-threatens-to-pull-out-of-red-raider-wind-farm-project>

LUBBOCK, TX (KCBD) -

Millions of dollars in taxes and land leases, along with jobs to build and maintain the facility, plus research opportunities, that's what developers say the Red Raider Wind Farm could bring to the area.

Hockley County leaders agreed, approving a tax abatement deal last month.

"I think that it will be very beneficial to the students of South Plains College, Texas Tech, definitely Smyer ISD - the scholastic benefit is phenomenal," said Hockley County Commissioner Tom Clevenger.

But now this project is facing a setback. LP&L is threatening to pull out, because of a connection to a consultant involved in LP&L's recent RFP controversy.

Before he was employed by the company, a Group NIRE employee was involved in the bid-rigging allegations that led to the firing of former LP&L CEO Gary Zheng.

This consultant wrote the RFP originally given to Zheng.

His involvement was mentioned by Marc McDougal in a press conference and discussed in the Ashcroft report.

An internal review found no wrong-doing, but the FBI is looking into the accusations.

Now this consultant works for Group NIRE, a firm that has been involved with renewable energy projects since 2010, currently assisting with the Red Raider Wind Farm.

LP&L may end their involvement in the wind farm project because of this connection, but Group NIRE CEO Mark Harral says this consultant played no role in the wind farm negotiations.

"On a few occasions he has provided information that is publicly available and that's his entire involvement in this project," Harral said.

But KCBD has obtained an email, dated May 30, 2014, where pricing is discussed.

The consultant wrote, "I think we should price the product so it will be cost effective for the term of the agreement. If we make the front end lower we need to quantify the savings in dollars to them."

Harral says, "This information that is in these emails relates to him pulling publicly available information."

If LP&L pulls out of any agreement, another electric company could still step in and buy energy, but with all those jobs on the line, LP&L's decision could have a big impact on Lubbock.

We made repeated calls to LP&L staff, but they said they would have no comment on the matter until it was presented to the Electric Utility Board on Tuesday.

We will continue to update this story as we learn more.

For more on this story, please visit our investigative partner at [www.sandstormsolar.com](http://www.sandstormsolar.com).

## **Red Raider Wind, LLC is given the go ahead**

Published: 7/28/2014 6:00 pm Updated: 7/28/2014 9:42 pm

The Red Raider wind farm was given clearance to start construction after a special meeting with the Hockley County Commissioners' Court Monday morning. County Judge Larry Sprowls said the tax abatement application was approved as well as the agreement between Red Raider Wind, LLC and Hockley County. This will provide tax relief for the wind farm.

Starting in 2016, the farm will pay \$1500 per megawatt of power produced each year to Hockley County. This payment is based on capacity, which is estimated to be approximately 80 megawatts, so approximately \$120,000.

The Red Raider wind farm will be located in northeastern Hockley County and northwestern Lubbock County with an estimated 40 turbines. Texas Tech University engineering students will have access to the wind farm information.

Construction is planned to start in Spring 2015 and will last approximately 5 to 6 months.



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## Red Raider Wind, LLC. takes next step

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Posted: Thursday, July 31, 2014 3 59 pm

By Kaitlin Bain Staff Writer | 0 comments

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Jeremy Krakosky DT @JeremyK\_DT

22 Jul

An official statement from Tech Athletics could possibly be released later today.

Retweeted by The Daily Toreador

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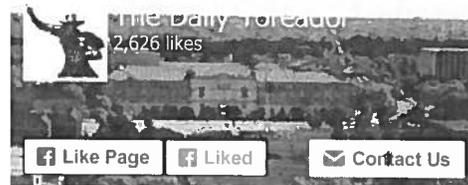
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