



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 8, 2015

Bryan Davis
Superintendent
Dimmitt Independent School District
608 W. Halsell St.
Dimmitt, Texas 79027

Dear Superintendent Davis:

On Sept. 17, 2015, the Comptroller issued written notice that Bethel Wind Farm LLC (the applicant) submitted a completed application (Application #1085) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on June 25, 2015, to the Dimmitt 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 committed 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 #1085.

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.

¹ 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 Sept.17, 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 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

These following tables summarize the Comptroller’s economic impact analysis of Bethel Wind Farm LLC (the project) applying to Dimmitt 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 Bethel Wind Farm LLC.

Applicant	Bethel Wind Farm LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy – Wind
School District	Dimmitt ISD
Estimated 2014-2015 Average Daily Attendance	1075
County	Castro
Proposed Total Investment in District	\$421,200,000
Proposed Qualified Investment	\$436,800,000
Limitation Amount	\$20,000,000
Number of new qualifying jobs committed to by applicant	10
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$927
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$927
Minimum annual wage committed to by applicant for qualified jobs	\$48,203
Minimum weekly wage required for non-qualifying jobs	
Minimum annual wage required for non-qualifying jobs	
Investment per Qualifying Job	\$42,120,000
Estimated M&O levy without any limit (15 years)	\$38,317,573
Estimated M&O levy with Limitation (15 years)	\$10,036,315
Estimated gross M&O tax benefit (15 years)	\$28,281,258

Table 2 is the estimated statewide economic impact of Bethel Wind Farm LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	200	2,237	2437	\$8,000,000	\$129,451,172	\$137,451,172
2017	10	78	88	\$482,030	\$16,363,673	\$16,845,703
2018	10	13	23	\$482,030	\$10,260,158	\$10,742,188
2019	10	(22)	-12	\$482,030	\$5,377,345	\$5,859,375
2020	10	(45)	-35	\$482,030	\$2,325,587	\$2,807,617
2021	10	(49)	-39	\$482,030	\$128,322	\$610,352
2022	10	(37)	-27	\$482,030	\$128,322	\$610,352
2023	10	(33)	-23	\$482,030	-\$359,960	\$122,070
2024	10	(31)	-21	\$482,030	-\$482,030	\$0
2025	10	(16)	-6	\$482,030	-\$604,100	-\$122,070
2026	10	(16)	-6	\$482,030	-\$604,100	-\$122,070
2027	10	(10)	0	\$482,030	-\$237,889	\$244,141
2028	10	(8)	2	\$482,030	-\$237,889	\$244,141
2029	10	(10)	0	\$482,030	-\$237,889	\$244,141
2030	10	(12)	-2	\$482,030	-\$726,171	-\$244,141
2031	10	(12)	-2	\$482,030	-\$482,030	\$0

Source: CPA, REMI, Bethel Wind Farm LLC

Table 3 examines the estimated direct impact on ad valorem taxes to the region if all taxes are assessed.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Dimmitt ISD I&S Levy	Dimmitt ISD M&O Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
				0.3300	1.0400		0.542	0.329	0.008026	
2017	\$412,781,000	\$412,781,000		\$1,362,177	\$4,292,922	\$5,655,100	\$2,237,273	\$1,358,049	\$33,130	\$9,283,552
2018	\$379,785,600	\$379,785,600		\$1,253,292	\$3,949,770	\$5,203,063	\$2,058,438	\$1,249,495	\$30,482	\$8,541,477
2019	\$349,429,500	\$349,429,500		\$1,153,117	\$3,634,067	\$4,787,184	\$1,893,908	\$1,149,623	\$28,045	\$7,858,760
2020	\$321,500,700	\$321,500,700		\$1,060,952	\$3,343,607	\$4,404,560	\$1,742,534	\$1,057,737	\$25,804	\$7,230,634
2021	\$295,806,200	\$295,806,200		\$976,160	\$3,076,384	\$4,052,545	\$1,603,270	\$973,202	\$23,741	\$6,652,758
2022	\$272,166,000	\$272,166,000		\$898,148	\$2,830,526	\$3,728,674	\$1,475,140	\$895,426	\$21,844	\$6,121,084
2023	\$250,417,100	\$250,417,100		\$826,376	\$2,604,338	\$3,430,714	\$1,357,261	\$823,872	\$20,098	\$5,631,946
2024	\$230,407,500	\$230,407,500		\$760,345	\$2,396,238	\$3,156,583	\$1,248,809	\$758,041	\$18,493	\$5,181,925
2025	\$211,998,100	\$211,998,100		\$699,594	\$2,204,780	\$2,904,374	\$1,149,030	\$697,474	\$17,015	\$4,767,892
2026	\$195,060,000	\$195,060,000		\$643,698	\$2,028,624	\$2,672,322	\$1,057,225	\$641,747	\$15,656	\$4,386,950
2027	\$179,477,200	\$179,477,200		\$592,275	\$1,866,563	\$2,458,838	\$972,766	\$590,480	\$14,405	\$4,036,489
2028	\$165,140,600	\$165,140,600		\$544,964	\$1,717,462	\$2,262,426	\$895,062	\$543,313	\$13,254	\$3,714,055
2029	\$151,950,200	\$151,950,200		\$501,436	\$1,580,282	\$2,081,718	\$823,570	\$499,916	\$12,196	\$3,417,400
2030	\$139,814,100	\$139,814,100		\$461,387	\$1,454,067	\$1,915,453	\$757,792	\$459,988	\$11,221	\$3,144,455
2031	\$128,648,200	\$128,648,200		\$424,539	\$1,337,941	\$1,762,480	\$697,273	\$423,253	\$10,325	\$2,893,331
			Total	\$12,158,461	\$38,317,573	\$50,476,033	\$19,969,350	\$12,121,617	\$295,708	\$82,862,709

Source: CPA, Bethel Wind Farm LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Castro County, 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 county and the 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 ¹	Dimmitt ISD I&S Levy	Dimmitt ISD M&O Levy	Dimmitt ISD M&O and I&S Tax Levies	Castro County Tax Levy	Castro County Hospital District Tax Levy	High Plains Underground Water Conservation District #1 Tax Levy	Estimated Total Property Taxes
				0.3300	1.0400		0.542	0.329	0.008026	
2017	\$412,781,000	\$20,000,000		\$1,362,177	\$208,000	\$1,570,177	\$451,200	\$268,800	\$33,130	\$2,323,307
2018	\$379,785,600	\$20,000,000		\$1,253,292	\$208,000	\$1,461,292	\$451,200	\$268,800	\$30,482	\$2,211,774
2019	\$349,429,500	\$20,000,000		\$1,153,117	\$208,000	\$1,361,117	\$451,200	\$268,800	\$28,045	\$2,109,163
2020	\$321,500,700	\$20,000,000		\$1,060,952	\$208,000	\$1,268,952	\$451,200	\$268,800	\$25,804	\$2,014,756
2021	\$295,806,200	\$20,000,000		\$976,160	\$208,000	\$1,184,160	\$451,200	\$268,800	\$23,741	\$1,927,902
2022	\$272,166,000	\$20,000,000		\$898,148	\$208,000	\$1,106,148	\$451,200	\$268,800	\$21,844	\$1,847,992
2023	\$250,417,100	\$20,000,000		\$826,376	\$208,000	\$1,034,376	\$451,200	\$268,800	\$20,098	\$1,774,475
2024	\$230,407,500	\$20,000,000		\$760,345	\$208,000	\$968,345	\$451,200	\$268,800	\$18,493	\$1,706,837
2025	\$211,998,100	\$20,000,000		\$699,594	\$208,000	\$907,594	\$451,200	\$268,800	\$17,015	\$1,644,609
2026	\$195,060,000	\$20,000,000		\$643,698	\$208,000	\$851,698	\$451,200	\$268,800	\$15,656	\$1,587,354
2027	\$179,477,200	\$179,477,200		\$592,275	\$1,866,563	\$2,458,838	\$972,766	\$590,480	\$14,405	\$4,036,489
2028	\$165,140,600	\$165,140,600		\$544,964	\$1,717,462	\$2,262,426	\$895,062	\$543,313	\$13,254	\$3,714,055
2029	\$151,950,200	\$151,950,200		\$501,436	\$1,580,282	\$2,081,718	\$823,570	\$499,916	\$12,196	\$3,417,400
2030	\$139,814,100	\$139,814,100		\$461,387	\$1,454,067	\$1,915,453	\$757,792	\$459,988	\$11,221	\$3,144,455
2031	\$128,648,200	\$128,648,200		\$424,539	\$1,337,941	\$1,762,480	\$697,273	\$423,253	\$10,325	\$2,893,331
			Total	\$12,158,461	\$10,036,315	\$22,194,776	\$8,658,464	\$5,204,950	\$295,708	\$36,353,898
			Diff	\$0	\$28,281,258	\$28,281,258	\$11,310,886	\$6,916,667	\$0	\$46,508,811

Source: CPA, Bethel Wind Farm LLC

¹Tax 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 Bethel Wind Farm 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)
Limitation Pre-Years	2014	\$0	\$0	\$0	\$0
	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2017	\$208,000	\$208,000	\$4,084,922	\$4,084,922
	2018	\$208,000	\$416,000	\$3,741,770	\$7,826,693
	2019	\$208,000	\$624,000	\$3,426,067	\$11,252,759
	2020	\$208,000	\$832,000	\$3,135,607	\$14,388,367
	2021	\$208,000	\$1,040,000	\$2,868,384	\$17,256,751
	2022	\$208,000	\$1,248,000	\$2,622,526	\$19,879,278
	2023	\$208,000	\$1,456,000	\$2,396,338	\$22,275,615
	2024	\$208,000	\$1,664,000	\$2,188,238	\$24,463,853
	2025	\$208,000	\$1,872,000	\$1,996,780	\$26,460,634
	2026	\$208,000	\$2,080,000	\$1,820,624	\$28,281,258
Maintain Viable Presence (5 Years)	2027	\$1,866,563	\$3,946,563	\$0	\$28,281,258
	2028	\$1,717,462	\$5,664,025	\$0	\$28,281,258
	2029	\$1,580,282	\$7,244,307	\$0	\$28,281,258
	2030	\$1,454,067	\$8,698,374	\$0	\$28,281,258
	2031	\$1,337,941	\$10,036,315	\$0	\$28,281,258
Additional Years as Required by 313.026(c)(1) (10 Years)	2032	\$1,231,105	\$11,267,420	\$0	\$28,281,258
	2033	\$1,132,810	\$12,400,230	\$0	\$28,281,258
	2034	\$1,042,369	\$13,442,599	\$0	\$28,281,258
	2035	\$959,169	\$14,401,768	\$0	\$28,281,258
	2036	\$882,617	\$15,284,385	\$0	\$28,281,258
	2037	\$812,182	\$16,096,567	\$0	\$28,281,258
	2038	\$747,374	\$16,843,941	\$0	\$28,281,258
	2039	\$687,748	\$17,531,689	\$0	\$28,281,258
	2040	\$632,887	\$18,164,576	\$0	\$28,281,258
	2041	\$582,417	\$18,746,992	\$0	\$28,281,258

\$18,746,992

is less than

\$28,281,258

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
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Source: CPA, Bethel Wind Farm LLC

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.

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	200	2,237	2437	\$8,000,000	\$129,451,172	\$137,451,172	\$19,630,432	-\$4,188,538	\$23,818,970
2017	10	78	88	\$482,030	\$16,363,673	\$16,845,703	\$823,975	\$1,762,390	-\$938,415
2018	10	13	23	\$482,030	\$10,260,158	\$10,742,188	\$617,981	\$1,754,761	-\$1,136,780
2019	10	(22)	-12	\$482,030	\$5,377,345	\$5,859,375	\$381,470	\$1,670,837	-\$1,289,367
2020	10	(45)	-35	\$482,030	\$2,325,587	\$2,807,617	\$244,141	\$1,487,732	-\$1,243,591
2021	10	(49)	-39	\$482,030	\$128,322	\$610,352	\$152,588	\$1,296,997	-\$1,144,409
2022	10	(37)	-27	\$482,030	\$128,322	\$610,352	\$198,364	\$1,113,892	-\$915,528
2023	10	(33)	-23	\$482,030	-\$359,960	\$122,070	\$144,958	\$946,045	-\$801,087
2024	10	(31)	-21	\$482,030	-\$482,030	\$0	\$183,105	\$823,975	-\$640,870
2025	10	(16)	-6	\$482,030	-\$604,100	-\$122,070	\$175,476	\$701,904	-\$526,428
2026	10	(16)	-6	\$482,030	-\$604,100	-\$122,070	\$144,958	\$587,463	-\$442,505
2027	10	(10)	0	\$482,030	-\$237,889	\$244,141	\$106,812	\$457,764	-\$350,952
2028	10	(8)	2	\$482,030	-\$237,889	\$244,141	\$99,182	\$350,952	-\$251,770
2029	10	(10)	0	\$482,030	-\$237,889	\$244,141	\$61,035	\$274,658	-\$213,623
2030	10	(12)	-2	\$482,030	-\$726,171	-\$244,141	\$38,147	\$183,105	-\$144,958
2031	10	(12)	-2	\$482,030	-\$482,030	\$0	\$7,629	\$91,553	-\$83,924
2032	10	(6)	4	\$482,030	-\$482,030	\$0	-\$15,259	\$22,888	-\$38,147
2033	10	(12)	-2	\$482,030	-\$726,171	-\$244,141	-\$68,665	-\$61,035	-\$7,630
2034	10	(16)	-6	\$482,030	-\$970,311	-\$488,281	-\$137,329	-\$114,441	-\$22,888
2035	10	(18)	-8	\$482,030	-\$1,702,733	-\$1,220,703	-\$190,735	-\$190,735	\$0
2036	10	(22)	-12	\$482,030	-\$2,191,014	-\$1,708,984	-\$244,141	-\$259,399	\$15,258
2037	10	(26)	-16	\$482,030	-\$2,435,155	-\$1,953,125	-\$305,176	-\$350,952	\$45,776
2038	10	(31)	-21	\$482,030	-\$3,167,577	-\$2,685,547	-\$305,176	-\$404,358	\$99,182
2039	10	(28)	-18	\$482,030	-\$3,167,577	-\$2,685,547	-\$366,211	-\$503,540	\$137,329
2040	10	(35)	-25	\$482,030	-\$4,388,280	-\$3,906,250	-\$442,505	-\$587,463	\$144,958
2041	10	(31)	-21	\$482,030	-\$4,144,139	-\$3,662,109	-\$473,022	-\$671,387	\$198,365
						Total	\$20,462,034	\$6,195,068	\$14,266,966
								\$33,013,958 is greater than	\$28,281,258

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

Source: CPA, Bethel Wind Farm LLC

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 Bethel Wind Farm LLC’s 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:

- Per the applicant, the applicant has made no existing investment to date on the project site.
- Per the applicant, no construction has commenced at the project site.
- According to applicant, it has a number of similar projects in other states, and appears to have a clear ability to build in other locations.
- Per the applicant, it “received a storm water permit to dig two holes in order to qualify for PTC.” PTC stands for production tax credit.
- Per the applicant, economic return is a primary input for its decision to decide which state to invest in and many other states offer various tax incentives such that this project requires this incentive to be financially competitive.

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

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**

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
Note: Received a storm water permit to dig two holes in order to qualify for PTC.
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**

CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor

Invenergy maintains a large portfolio of wind developments across the country, including in the nearby states of New Mexico, Oklahoma, and Kansas, all with similar wind resources and competitive regulatory environments. While the project entity, Bethel Wind Farm LLC, is specific to this location in Texas, the economic return for the project is constantly compared to returns from other locations within and outside of Texas. Invenergy has limited capital, human, and turbine resources, and must pick the best projects to advance as a company each year. The economic return is a primary input for this decision, and state and local incentives contribute to increase that economic return. Invenergy has other projects in similar stages of development in locations such as; Arriba, CO; Upstream, NE; Monument, KS; Red Plains, OK; Horn Mountain, NM. Many of these states mentioned offer other various tax incentives that require this project to receive a value limitation agreement to be financially competitive and allow it the best possibility of moving forward.