



Santa Rita Wind Energy LLC
Chapter 313 Application to Reagan County ISD

CHECKLIST ITEM #5

Documentation to assist in determining if limitation is a determining factor

Section 8, #2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Santa Rita has begun typical due course, early stage due diligence to explore feasibility of constructing a wind facility at this site. As such, certain contracts have been executed, including agreements to site and install meteorological monitoring equipment, lease and easement agreements with landowners, contracts with environmental contractors to explore environmental impacts of the proposed project, and an Interconnection Agreement with the transmission provider. None of these contracts obligate Santa Rita to construct the project.

Section 8, #7 & 10: Is the applicant evaluating other locations not in Texas for the proposed project?

Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicants decision to invest capital and construct the project in Texas?

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, Santa Rita Wind Energy 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.