



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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P.O.Box 13528 • Austin, TX 78711-3528

May 20, 2016

Juan J. Maldonado, Sr.  
Superintendent  
Webb Consolidated Independent School District  
619 Avenue F  
Bruni, Texas 78344

Dear Superintendent Maldonado:

On April 20, 2016, the Comptroller issued written notice that Albercas Wind Energy II, LLC (the applicant) submitted a completed application (Application #1125) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on November 10, 2015, to the Webb Consolidated 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 B; 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 for 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 #1125.

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 B.

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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 by December 31, 2016.

Note that any building or improvement existing as of the application review start date of April 20, 2016, 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 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

The following tables summarize the Comptroller’s economic impact analysis of Albercas Wind Energy II (the project) applying to Webb Consolidated 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 Albercas Wind Energy II, LLC.

Applicant	Albercas Wind
Tax Code, 313.024 Eligibility Category	Renewable Energy – Solar
School District	Webb CISD
Estimated 2014-2015 Average Daily Attendance	290
County	Webb
Qualifying Time Period	2017-2018
Proposed Total Investment in District	\$270,000,000
Proposed Qualified Investment	\$270,000,000
Limitation Amount	\$60,000,000
Number of new qualifying jobs committed to by applicant*	7
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$808
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$612
Minimum annual wage committed to by applicant for qualified jobs	\$42,000
Minimum weekly wage required for non-qualifying jobs	\$731
Minimum annual wage required for non-qualifying jobs	\$38,009
Investment per Qualifying Job	\$270,000,000
Estimated M&O levy without any limit (15 years)	\$20,423,123
Estimated M&O levy with Limitation (15 years)	\$9,574,171
Estimated gross M&O tax benefit (15 years)	\$10,848,952
* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).	

**Table 2** is the estimated statewide economic impact of Albercas Wind Energy II, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	200	202	402	\$8,600,000	\$17,479,050	\$26,079,050
2017	7	25	31,9612	\$294,000	\$3,279,080	\$3,573,080
2018	7	16	23	\$294,000	\$2,487,340	\$2,781,340
2019	7	8	15	\$294,000	\$1,746,360	\$2,040,360
2020	7	3	10	\$294,000	\$1,215,170	\$1,509,170
2021	7	1	8	\$294,000	\$843,390	\$1,137,390
2022	7	(1)	6	\$294,000	\$592,650	\$886,650
2023	7	(1)	6	\$294,000	\$412,870	\$706,870
2024	7	(1)	6	\$294,000	\$284,710	\$578,710
2025	7	(1)	6	\$294,000	\$223,820	\$517,820
2026	7	(1)	6	\$294,000	\$187,650	\$481,650
2027	7	(2)	5	\$294,000	-\$20,600	\$273,400
2028	7	(2)	5	\$294,000	-\$106,310	\$187,690
2029	7	(2)	5	\$294,000	-\$164,940	\$129,060
2030	7	(2)	5	\$294,000	-\$204,990	\$89,010

Source: CPA, REMI, Albercas Wind Energy II, 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 <sup>1</sup>	Webb CISD I&S Tax Levy	Webb CISD M&O Tax Levy	Webb CISD M&O and I&S Tax Levies	Webb County Tax Levy	Estimated Total Property Taxes
				<b>0.1100</b>	<b>0.8033</b>		<b>0.4147</b>	
2017	\$264,600,000	\$264,600,000		\$291,060	\$2,125,532	\$2,416,592	\$1,097,296	\$3,513,888
2018	\$246,078,000	\$246,078,000		\$270,686	\$1,976,745	\$2,247,430	\$1,020,485	\$3,267,916
2019	\$228,853,000	\$228,853,000		\$251,738	\$1,838,376	\$2,090,114	\$949,053	\$3,039,168
2020	\$212,833,000	\$212,833,000		\$234,116	\$1,709,687	\$1,943,804	\$882,618	\$2,826,422
2021	\$197,935,000	\$197,935,000		\$217,729	\$1,590,012	\$1,807,740	\$820,836	\$2,628,577
2022	\$184,080,000	\$184,080,000		\$202,488	\$1,478,715	\$1,681,203	\$763,380	\$2,444,582
2023	\$171,194,000	\$171,194,000		\$188,313	\$1,375,201	\$1,563,515	\$709,942	\$2,273,456
2024	\$159,210,000	\$159,210,000		\$175,131	\$1,278,934	\$1,454,065	\$660,244	\$2,114,309
2025	\$148,065,000	\$148,065,000		\$162,872	\$1,189,406	\$1,352,278	\$614,026	\$1,966,303
2026	\$137,700,000	\$137,700,000		\$151,470	\$1,106,144	\$1,257,614	\$571,042	\$1,828,656
2027	\$130,815,000	\$130,815,000		\$143,897	\$1,050,837	\$1,194,733	\$542,490	\$1,737,223
2028	\$124,274,000	\$124,274,000		\$136,701	\$998,293	\$1,134,994	\$515,364	\$1,650,359
2029	\$118,060,000	\$118,060,000		\$129,866	\$948,376	\$1,078,242	\$489,595	\$1,567,837
2030	\$112,157,000	\$112,157,000		\$123,373	\$900,957	\$1,024,330	\$465,115	\$1,489,445
2031	\$106,549,000	\$106,549,000		\$117,204	\$855,908	\$973,112	\$441,859	\$1,414,971
			<b>Total</b>	<b>\$2,796,643</b>	<b>\$20,423,123</b>	<b>\$23,219,767</b>	<b>\$10,543,345</b>	<b>\$33,763,112</b>

Source: CPA, Albercas Wind Energy II, LLC

<sup>1</sup>Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Webb 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.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Webb CISD I&S Tax Levy	Webb CISD M&O Tax Levy	Webb CISD M&O and I&S Tax Levies	Webb County Tax Levy	Estimated Total Property Taxes
			Tax Rate <sup>1</sup>	0.1100	0.8033		0.4147	
2017	\$264,600,000	\$60,000,000		\$291,060	\$481,980	\$773,040	\$438,918	\$1,211,958
2018	\$246,078,000	\$60,000,000		\$270,686	\$481,980	\$752,666	\$408,194	\$1,160,860
2019	\$228,853,000	\$60,000,000		\$251,738	\$481,980	\$733,718	\$379,621	\$1,113,340
2020	\$212,833,000	\$60,000,000		\$234,116	\$481,980	\$716,096	\$353,047	\$1,069,144
2021	\$197,935,000	\$60,000,000		\$217,729	\$481,980	\$699,709	\$328,335	\$1,028,043
2022	\$184,080,000	\$60,000,000		\$202,488	\$481,980	\$684,468	\$458,028	\$1,142,496
2023	\$171,194,000	\$60,000,000		\$188,313	\$481,980	\$670,293	\$425,965	\$1,096,258
2024	\$159,210,000	\$60,000,000		\$175,131	\$481,980	\$657,111	\$396,146	\$1,053,257
2025	\$148,065,000	\$60,000,000		\$162,872	\$481,980	\$644,852	\$368,415	\$1,013,267
2026	\$137,700,000	\$60,000,000		\$151,470	\$481,980	\$633,450	\$342,625	\$976,075
2027	\$130,815,000	\$130,815,000		\$143,897	\$1,050,837	\$1,194,733	\$542,490	\$1,737,223
2028	\$124,274,000	\$124,274,000		\$136,701	\$998,293	\$1,134,994	\$515,364	\$1,650,359
2029	\$118,060,000	\$118,060,000		\$129,866	\$948,376	\$1,078,242	\$489,595	\$1,567,837
2030	\$112,157,000	\$112,157,000		\$123,373	\$900,957	\$1,024,330	\$465,115	\$1,489,445
2031	\$106,549,000	\$106,549,000		\$117,204	\$855,908	\$973,112	\$441,859	\$1,414,971
			<b>Total</b>	<b>\$2,796,643</b>	<b>\$9,574,171</b>	<b>\$12,370,815</b>	<b>\$6,353,718</b>	<b>\$18,724,533</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$10,848,952</b>	<b>\$10,848,952</b>	<b>\$4,189,627</b>	<b>\$15,038,579</b>

Source: CPA, Albercas Wind Energy II, 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 Albercas Wind Energy (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 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	\$481,980	\$481,980	\$1,643,552	\$1,643,552
	2018	\$481,980	\$963,960	\$1,494,765	\$3,138,316
	2019	\$481,980	\$1,445,940	\$1,356,396	\$4,494,713
	2020	\$481,980	\$1,927,920	\$1,227,707	\$5,722,420
	2021	\$481,980	\$2,409,900	\$1,108,032	\$6,830,452
	2022	\$481,980	\$2,891,880	\$996,735	\$7,827,187
	2023	\$481,980	\$3,373,860	\$893,221	\$8,720,408
	2024	\$481,980	\$3,855,840	\$796,954	\$9,517,362
	2025	\$481,980	\$4,337,820	\$707,426	\$10,224,788
	2026	\$481,980	\$4,819,800	\$624,164	\$10,848,952
<b>Maintain Viable Presence (5 Years)</b>	2027	\$1,050,837	\$5,870,637	\$0	\$10,848,952
	2028	\$998,293	\$6,868,930	\$0	\$10,848,952
	2029	\$948,376	\$7,817,306	\$0	\$10,848,952
	2030	\$900,957	\$8,718,263	\$0	\$10,848,952
	2031	\$855,908	\$9,574,171	\$0	\$10,848,952
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2032	\$813,116	\$10,387,288	\$0	\$10,848,952
	2033	\$772,461	\$11,159,749	\$0	\$10,848,952
	2034	\$733,839	\$11,893,588	\$0	\$10,848,952
	2035	\$697,144	\$12,590,731	\$0	\$10,848,952
	2036	\$662,289	\$13,253,020	\$0	\$10,848,952
	2037	\$629,177	\$13,882,197	\$0	\$10,848,952
	2038	\$597,719	\$14,479,916	\$0	\$10,848,952
	2039	\$567,837	\$15,047,753	\$0	\$10,848,952
	2040	\$542,228	\$15,589,980	\$0	\$10,848,952
	2041	\$542,228	\$16,132,208	\$0	\$10,848,952
		<b>\$16,132,208</b>	is greater than	<b>\$10,848,952</b>	
<b>Analysis Summary</b>					
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, Albercas Wind Energy

**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 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 Albercas Wind Energy II, 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 proposed project area has no existing improvements.
- Per the applicant, NextEra Energy Resources (NEER), the parent company, 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.
- Per the applicant, “NEER is poised to install and operate more MWs of solar than any other competitor in North America. As of February 19, 2015, NEER has 730 MW of solar PV and solar thermal projects in operation. In addition, NEER has approximately 1,040 MW of solar PV projects in construction or late stage development.”
- Per the applicant, “without the tax incentives provided by the Chapter 313 program, a project with a Power Purchase Agreement (PPA) becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed project.”
- According to the Comptroller’s research, Albercas Wind Energy II, LLC represents phase II of the Javelina Wind Energy project via an ERCOT interconnection agreement.

**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**

**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), one of the largest wholesale generators of electric power in the U.S., with nearly 19,800 MW of generating capacity across 24 states and four Canadian provinces as of February 2015. 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.

NEER is keen to develop and build the proposed Albercas 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 investment more viable and marketable. We have over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics.

Albercas has presently secured a Power Purchase Agreement (PPA) for one-third of the estimated design capacity. Due to the extremely competitive power market in ERCOT this PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

# **Supporting Information**

**Additional information  
provided by the Comptroller**



RECEIVED

2016 JAN 12 PM 2:55

Electric Transmission Texas  
400 W. 15th Street, Suite 1520  
Austin, TX 78701

January 12, 2016

PUBLIC UTILITY COMMISSION  
FILING CLERK

Ms. Lisa Clark, Filing Clerk  
Public Utility Commission of Texas  
1701 Congress Avenue  
P.O. Box 13326  
Austin, TX 78711-3326

**Re: [Docket No. 35077] — ERCOT Standard Generation Interconnection Agreement between Electric Transmission Texas, LLC and Javelina Interconnection, LLC, Individually and as Authorized Agent for Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC Filing Pursuant to 16 Tex. Admin. Code § 25.195(e) (TAC)**

Dear Ms. Clark:

Enclosed for filing are four (4) copies of the ERCOT Standard Generation Interconnection Agreement, dated December 30, 2015, between Electric Transmission Texas, LLC ("ETT") and Javelina Interconnection, LLC, Individually and as Authorized Agent for Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC (the "Agreement"). ETT is filing this Agreement with the PUCT for informational purposes. Because the Agreement contains deviations from the Commission-approved Standard Generation Interconnection Agreement (2007 version published by ERCOT) ("SGIA"), ETT has prepared this letter in accordance with 16 Tex. Admin. Code § 25.195(e) (TAC) identifying the deviations and requests that it be filed with the Agreement.

At Generator's request ETT has agreed to install Temporary Facilities at a temporary Point of Interconnection to permit Generator to begin Commercial Operation of its Plant prior to the Scheduled In-Service Date for the Permanent Facilities and permanent Point of Interconnection based upon Generator's agreement to pay ETT's costs of installation and removal of those Temporary Facilities as a contribution in aid of construction ("CIAC"). The following changes have been made to reflect the effects of this agreement:

- The following exhibits have been added to the list of exhibits in the Table of Contents:

*Exhibit "C-1" – Conceptual One-Line Drawing of Permanent Facilities/Permanent Point of Interconnection*

*Exhibit "C-2" – Conceptual One-Line Drawing of Temporary Facilities/Temporary Point of Interconnection*

*Exhibit "E-1" – Form of Corporate Guaranty*

*Exhibit "E-2" – Form of Irrevocable Standby Letter of Credit*

- The last sentence of the first paragraph of the recital has been revised as follows:

*Pursuant to the terms and conditions of this Agreement, Transmission Service Provider shall interconnect Generator's Plant with Transmission Service Provider's System consistent with the results of the Facilities Studies that were prepared in response to generation interconnection requests #13INR0055 to ERCOT from Javelina Wind Energy, LLC and #15INR0049 to ERCOT from Albercas Wind Energy, LLC.*

- A new paragraph has been added to the recital as follows:
- *Transmission Service Provider and Javelina Wind Energy, LLC entered into an ERCOT Standard Generation Interconnection Agreement as of October 7, 2014 (the "Original Agreement"). Transmission Service Provider and Javelina Wind Energy, LLC amended the Original Agreement as of August 12, 2015. This Agreement (a) supersedes the Original Agreement and all amendments thereto, and (b) provides for the interconnection of Javelina Wind Energy, LLC (may hereinafter be referred to as "Phase 1") and Albercas Wind Energy II, LLC (may hereinafter be referred to as "Phase 2").*

- The second paragraph of the recital has been revised as follows:

*This Agreement applies only to the Plant and the Parties' interconnection facilities as identified in Exhibits "C", "C-1" and "C-2".*

- The third paragraph of the recital has been revised as follows:

*This Agreement shall become effective on the Execution Date, subject to Governmental Authority approval, if required, and shall continue in full force and effect until terminated in accordance with Exhibit "A".*

- Item E. of the fourth paragraph of the recital has been revised as follows:

*E. The Interconnection Details attached hereto as Exhibits "C", "C-1" and "C-2";*

- References to the PUCT Rule in the following definition in Section 1.3 of Article 1. Definitions of the Agreement have been revised as follows:

*1.3 “Control Area” shall have the meaning ascribed thereto in PUCT Rule 25.5 or its successor.*

- A new definition of Designated Interconnection Agent has been added as Section 1.4 of Article 1. Definitions of the Agreement:

*1.4 “Designated Interconnection Agent” shall mean Javelina Interconnection, LLC, which is the entity that performs actions or functions on behalf of the principals as set forth above in the preamble of this Agreement. All references herein to Generator shall be applicable to Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC, as principals, and to the Designated Interconnection Agent, acting in its individual capacity and as the authorized agent for Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC. Designated Interconnection Agent shall serve as the single point of contact with the Transmission Service Provider for each principal’s discrete portion of the Plant and GIF subject to this Agreement. However, (a) Javelina Interconnection, LLC is bound to this Agreement, both individually and as agent for Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC; (b) Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC are both bound as principals to this Agreement; (c) Javelina Interconnection, LLC is responsible and liable for any Default related to a failure to perform the Generator obligations in this Agreement, both individually and as agent for Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC; (d) Javelina Wind Energy, LLC is severally responsible and liable for any Default related to a failure to perform those Generator obligations relating specifically to Phase 1 of the Plant; (e) Albercas Wind Energy II, LLC is severally responsible and liable for any Default related to a failure to perform those Generator obligations relating specifically to Phase 2 of the Plant; and (f) Javelina Wind Energy, LLC and Albercas Wind Energy II, LLC are both jointly and severally responsible and liable for any Default related to a failure to perform all other Generator obligations in this Agreement (that is, Generator obligations that are not specifically related to only one phase of the Plant).*

- The first sentence of the “ERCOT Requirements” definition in Section 1.6 of Article 1. Definitions of the Agreement has been revised as follows:

*1.6 “ERCOT Requirements” means the ERCOT Nodal Operating Guides, ERCOT Generation Interconnection Procedures, ERCOT Nodal Protocols as well as any other documents adopted by ERCOT*



*relating to the interconnection and operation of generators and transmission systems in ERCOT as amended from time to time, and any successors thereto.*

- References to the PUCT Rule in the following definition in Section 1.7 of Article 1. Definitions of the Agreement have been revised:

*1.7 "Facilities Study" shall have the meaning as described in PUCT Rule 25.198(d) or its successor.*

- References to the PUCT Rules in the following definition in Section 1.10 of Article 1. Definitions of the Agreement have been revised:

*1.10 "Good Utility Practice" shall have the meaning described in PUCT Rule 25.5 or its successor.*

- A new definition for "Permanent Facilities" has been added as Section 1.14 of Article 1. Definitions of the Agreement as follows:

*1.14 "Permanent Facilities" shall mean the permanent facilities required to provide for the permanent Point of Interconnection. Such permanent facilities are identified in Sections 8.1, 8.2, and 8.4 of Exhibit "C".*

- The definition of "Plant" in Article 1. Definitions of the Agreement has been revised as follows:

*1.15 "Plant" shall mean the electric generation facility owned and operated by the Generator, which is comprised of wind turbine-generators and the collection circuits that connect to the GIF, as specified in Exhibit "C".*

- The definition of "Point of Interconnection" in Article 1. Definitions of the Agreement has been revised as follows:

*1.16 "Point of Interconnection" shall mean (i) the location(s) (described in Section 2.2 of Exhibit "C") where the GIF temporarily connects to the TIF by means of the Temporary Facilities, as negotiated and defined by the Parties and as shown on Exhibit "C-2" of this Agreement; and (ii) the location(s) (described in Section 2.1 of Exhibit "C") where the GIF permanently connects to the TIF by means of the Permanent Facilities, as negotiated and defined by the Parties and as shown on Exhibit "C-1" of this Agreement. References in the Agreement to "Point of Interconnection" shall include both the temporary and permanent points of interconnection unless the context indicates otherwise.*