



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 9, 2016

Dr. Cheryl Floyd  
Superintendent  
Huckabay Independent School District  
200 CR 421  
Stephenville, Texas 76401-6429

Dear Superintendent Floyd:

On June 2, 2016, the Comptroller issued written notice that Buckthorn Wind Project, LLC (the applicant) submitted a completed application (Application #1126) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on February 17, 2016, to the Huckabay 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 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 #1115.

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 by December 31, 2016.

Note that any building or improvement existing as of the application review start date of June 2, 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 Buckthorn Wind Project, LLC (the project) applying to Huckabay 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 Buckthorn Wind Project, LLC.

Applicant	Buckthorn Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Huckabay ISD
Estimated 2014-15 Average Daily Attendance	180
County	Erath
Qualified Time Period	2017-2018
Proposed Total Investment in District	\$139,130,000
Proposed Qualified Investment	\$139,130,000
Limitation Amount	\$10,000,000
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$898
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)	\$898
Minimum annual wage committed to by applicant for qualified jobs	\$46,675
Minimum weekly wage required for non-qualifying jobs	\$629
Minimum annual wage required for non-qualifying jobs	\$32,695
Investment per Qualifying Job	\$46,376,667
Estimated M&O levy without any limit (15 years)	\$12,924,845
Estimated M&O levy with Limitation (15 years)	\$3,726,809
Estimated gross M&O tax benefit (15 years)	\$9,198,036
<i>* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).</i>	

**Table 2** is the estimated statewide economic impact of Buckthorn Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	100	745	845	\$4,421,600	\$45,138,947	\$49,560,547
2018	3	24	27.3438	\$139,650	\$5,719,725	\$5,859,375
2019	3	5	8	\$139,650	\$3,156,248	\$3,295,898
2020	3	(13)	-10	\$139,650	\$1,691,405	\$1,831,055
2021	3	(17)	-14	\$139,650	\$470,702	\$610,352
2022	3	(19)	-16	\$139,650	-\$505,861	-\$366,211
2023	3	(23)	-20	\$139,650	-\$872,072	-\$732,422
2024	3	(21)	-18	\$139,650	-\$994,142	-\$854,492
2025	3	(19)	-16	\$139,650	-\$1,238,283	-\$1,098,633
2026	3	(19)	-16	\$139,650	-\$1,482,423	-\$1,342,773
2027	3	(17)	-14	\$139,650	-\$1,604,494	-\$1,464,844
2028	3	(15)	-12	\$139,650	-\$1,604,494	-\$1,464,844
2029	3	(15)	-12	\$139,650	-\$1,604,494	-\$1,464,844
2030	3	(17)	-14	\$139,650	-\$2,336,916	-\$2,197,266
2031	3	(21)	-18	\$139,650	-\$2,092,775	-\$1,953,125
2032	3	(17)	-14	\$139,650	-\$2,336,916	-\$2,197,266

Source: CPA, REMI, Buckthorn Wind Project, 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>	Huckabay ISD I&S Tax Levy	Huckabay Hill ISD M&O Tax Levy	Huckabay ISD M&O and I&S Tax Levies	Erath County Tax Levy	MTWD	Estimated Total Property Taxes
			0.0000	1.0400			0.3891	0.0120	
2018	\$139,122,000	\$139,122,000		\$0	\$1,446,869	\$1,446,869	\$541,324	\$16,695	\$2,004,887
2019	\$128,015,760	\$128,015,760		\$0	\$1,331,364	\$1,331,364	\$498,109	\$15,362	\$1,844,835
2020	\$117,797,549	\$117,797,549		\$0	\$1,225,095	\$1,225,095	\$458,350	\$14,136	\$1,697,580
2021	\$108,396,334	\$108,396,334		\$0	\$1,127,322	\$1,127,322	\$421,770	\$13,008	\$1,562,100
2022	\$99,746,764	\$99,746,764		\$0	\$1,037,366	\$1,037,366	\$388,115	\$11,970	\$1,437,451
2023	\$91,788,717	\$91,788,717		\$0	\$954,603	\$954,603	\$357,150	\$11,015	\$1,322,767
2024	\$84,466,880	\$84,466,880		\$0	\$878,456	\$878,456	\$328,661	\$10,136	\$1,217,252
2025	\$77,730,364	\$77,730,364		\$0	\$808,396	\$808,396	\$302,449	\$9,328	\$1,120,172
2026	\$71,532,353	\$71,532,353		\$0	\$743,936	\$743,936	\$278,332	\$8,584	\$1,030,853
2027	\$65,829,775	\$65,829,775		\$0	\$684,630	\$684,630	\$256,144	\$7,900	\$948,673
2028	\$60,583,003	\$60,583,003		\$0	\$630,063	\$630,063	\$235,728	\$7,270	\$873,062
2029	\$55,755,580	\$55,755,580		\$0	\$579,858	\$579,858	\$216,945	\$6,691	\$803,494
2030	\$51,313,967	\$51,313,967		\$0	\$533,665	\$533,665	\$199,663	\$6,158	\$739,486
2031	\$47,227,306	\$47,227,306		\$0	\$491,164	\$491,164	\$183,761	\$5,667	\$680,593
2032	\$43,467,209	\$43,467,209		\$0	\$452,059	\$452,059	\$169,131	\$5,216	\$626,406
					\$0	\$0	0	0	\$0
			<b>Total</b>	<b>\$0</b>	<b>\$12,924,845</b>	<b>\$12,924,845</b>	<b>\$4,835,632</b>	<b>\$149,133</b>	<b>\$17,909,610</b>

Source: CPA, Buckthorn Wind Project, 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 Sterling 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.

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Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate	Huckabay ISD I&S Tax Levy	Huckabay Hill ISD M&O Tax Levy	Huckabay ISD M&O and I&S Tax Levies	Erath County Tax Levy	MTWD	Estimated Total Property Taxes
				0.0000	1.0400		0.3891	0.0120	
2018	\$139,122,000	\$10,000,000		\$0	\$104,000	\$104,000	\$541,324	\$16,695	\$662,018
2019	\$128,015,760	\$10,000,000		\$0	\$104,000	\$104,000	\$498,109	\$15,362	\$617,471
2020	\$117,797,549	\$10,000,000		\$0	\$104,000	\$104,000	\$458,350	\$14,136	\$576,486
2021	\$108,396,334	\$10,000,000		\$0	\$104,000	\$104,000	\$421,770	\$13,008	\$538,778
2022	\$99,746,764	\$10,000,000		\$0	\$104,000	\$104,000	\$388,115	\$11,970	\$504,084
2023	\$91,788,717	\$10,000,000		\$0	\$104,000	\$104,000	\$357,150	\$11,015	\$472,165
2024	\$84,466,880	\$10,000,000		\$0	\$104,000	\$104,000	\$328,661	\$10,136	\$442,797
2025	\$77,730,364	\$10,000,000		\$0	\$104,000	\$104,000	\$302,449	\$9,328	\$415,776
2026	\$71,532,353	\$10,000,000		\$0	\$104,000	\$104,000	\$278,332	\$8,584	\$390,916
2027	\$65,829,775	\$10,000,000		\$0	\$104,000	\$104,000	\$256,144	\$7,900	\$368,043
2028	\$60,583,003	\$60,583,003		\$0	\$630,063	\$630,063	\$235,728	\$7,270	\$873,062
2029	\$55,755,580	\$55,755,580		\$0	\$579,858	\$579,858	\$216,945	\$6,691	\$803,494
2030	\$51,313,967	\$51,313,967		\$0	\$533,665	\$533,665	\$199,663	\$6,158	\$739,486
2031	\$47,227,306	\$47,227,306		\$0	\$491,164	\$491,164	\$183,761	\$5,667	\$680,593
2032	\$43,467,209	\$43,467,209		\$0	\$452,059	\$452,059	\$169,131	\$5,216	\$626,406
			<b>Total</b>	<b>\$0</b>	<b>\$3,726,809</b>	<b>\$3,726,809</b>	<b>\$4,835,632</b>	<b>\$149,133</b>	<b>\$8,711,574</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$9,198,036</b>	<b>\$9,198,036</b>	<b>\$0</b>	<b>\$0</b>	<b>\$9,198,036</b>

Source: CPA, Buckthorn Wind Project, 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 Buckthorn Wind Project, 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 and investment 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>	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2018	\$104,000	\$104,000	\$1,342,869	\$1,342,869
	2019	\$104,000	\$208,000	\$1,227,364	\$2,570,233
	2020	\$104,000	\$312,000	\$1,121,095	\$3,691,327
	2021	\$104,000	\$416,000	\$1,023,322	\$4,714,649
	2022	\$104,000	\$520,000	\$933,366	\$5,648,015
	2023	\$104,000	\$624,000	\$850,603	\$6,498,618
	2024	\$104,000	\$728,000	\$774,456	\$7,273,074
	2025	\$104,000	\$832,000	\$704,396	\$7,977,469
	2026	\$104,000	\$936,000	\$639,936	\$8,617,406
	2027	\$104,000	\$1,040,000	\$580,630	\$9,198,036
<b>Maintain Viable Presence (5 Years)</b>	2028	\$630,063	\$1,670,063	\$0	\$9,198,036
	2029	\$579,858	\$2,249,921	\$0	\$9,198,036
	2030	\$533,665	\$2,783,587	\$0	\$9,198,036
	2031	\$491,164	\$3,274,751	\$0	\$9,198,036
	2032	\$452,059	\$3,726,809	\$0	\$9,198,036
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2033	\$416,079	\$4,142,888	\$0	\$9,198,036
	2034	\$382,973	\$4,525,861	\$0	\$9,198,036
	2035	\$352,512	\$4,878,373	\$0	\$9,198,036
	2036	\$324,485	\$5,202,858	\$0	\$9,198,036
	2037	\$298,696	\$5,501,554	\$0	\$9,198,036
	2038	\$274,967	\$5,776,521	\$0	\$9,198,036
	2039	\$253,133	\$6,029,654	\$0	\$9,198,036
	2040	\$233,042	\$6,262,696	\$0	\$9,198,036
	2041	\$214,556	\$6,477,252	\$0	\$9,198,036
	2042	\$197,545	\$6,674,797	\$0	\$9,198,036

\$6,674,797

is less than

\$9,198,036

<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?	No

Source: CPA, Buckthorn Wind Project, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2017	100	745	845	\$4,421,600	\$45,138,947	\$49,560,547	6431580	-1510620	\$7,942,200
2018	3	24	27.3438	\$139,650	\$5,719,725	\$5,859,375	244141	595093	-\$350,952
2019	3	5	8	\$139,650	\$3,156,248	\$3,295,898	213623	579834	-\$366,211
2020	3	(13)	-10	\$139,650	\$1,691,405	\$1,831,055	91553	518799	-\$427,246
2021	3	(17)	-14	\$139,650	\$470,702	\$610,352	22888	434875	-\$411,987
2022	3	(19)	-16	\$139,650	-\$505,861	-\$366,211	-22888	343323	-\$366,211
2023	3	(23)	-20	\$139,650	-\$872,072	-\$732,422	-53406	259399	-\$312,805
2024	3	(21)	-18	\$139,650	-\$994,142	-\$854,492	-45776	198364	-\$244,140
2025	3	(19)	-16	\$139,650	-\$1,238,283	-\$1,098,633	-91553	152588	-\$244,141
2026	3	(19)	-16	\$139,650	-\$1,482,423	-\$1,342,773	-122070	76294	-\$198,364
2027	3	(17)	-14	\$139,650	-\$1,604,494	-\$1,464,844	-175476	-22888	-\$152,588
2028	3	(15)	-12	\$139,650	-\$1,604,494	-\$1,464,844	-175476	-68665	-\$106,811
2029	3	(15)	-12	\$139,650	-\$1,604,494	-\$1,464,844	-190735	-99182	-\$91,553
2030	3	(17)	-14	\$139,650	-\$2,336,916	-\$2,197,266	-228882	-160217	-\$68,665
2031	3	(21)	-18	\$139,650	-\$2,092,775	-\$1,953,125	-228882	-213623	-\$15,259
2032	3	(17)	-14	\$139,650	-\$2,336,916	-\$2,197,266	-251770	-274658	\$22,888
2033	3	(19)	-16	\$139,650	-\$2,092,775	-\$1,953,125	-282288	-343323	\$61,035
2034	3	(21)	-18	\$139,650	-\$2,825,197	-\$2,685,547	-343323	-350952	\$7,629
2035	3	(23)	-20	\$139,650	-\$2,825,197	-\$2,685,547	-350952	-411987	\$61,035
2036	3	(23)	-20	\$139,650	-\$3,557,619	-\$3,417,969	-419617	-495911	\$76,294
2037	3	(26)	-23	\$139,650	-\$4,290,041	-\$4,150,391	-473022	-556946	\$83,924
2038	3	(28)	-25	\$139,650	-\$4,534,181	-\$4,394,531	-457764	-587463	\$129,699
2039	3	(28)	-25	\$139,650	-\$4,290,041	-\$4,150,391	-488281	-648499	\$160,218
2040	3	(30)	-27	\$139,650	-\$5,999,025	-\$5,859,375	-534058	-724792	\$190,734
2041	3	(30)	-27	\$0	-\$5,615,234	-\$5,615,234	-579834	-770569	\$190,735
2042	3	(34)	-31	\$0	-\$6,347,656	-\$6,347,656	-595093	-801086	\$205,993
<b>Total</b>							<b>\$892,639</b>	<b>-\$4,882,812</b>	<b>\$5,775,451</b>
							<b>\$12,450,248</b>	is greater than	<b>\$9,198,036</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

Source: CPA, REMI, Buckthorn Wind Project, LLC

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## **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 **determines** that the limitation on appraised value is a determining factor in the Buckthorn Wind Project, 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:

- According to the applicant, the project becomes non-financeable without the tax incentives provided by Chapter 313.
- Based on CPA’s research and information contained in the North America Procurement Council’s (NAPC’s) newsletter, the Buckthorn Wind Project signed a purchase power agreement (PPA) with LCRA for wind energy in February of 2016.
- CPA research also noted that Beaver Creek Archaeology conducted an intensive archaeological survey for the Buckthorn Wind Project in Erath County, Texas. The proposed project is approximately 342 acres in size and is located on private property with a total of 49 turbine 4-acre turbine locations.

### **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 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

# Buckthorn Wind Project, LLC

Chapter 313 Application to Huckabay ISD

Cummings Westlake, LLC

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## TAB 5

### Documentation to assist in determining if limitation is a determining factor.

Buckthorn Wind met with the Comptroller's Economic Development group regarding the status of the project to discuss and demonstrate that the approval of a Chapter 313 agreement was a determining factor in the building of the project.

Infinity Wind Power, LLC ("Infinity") is actively developing wind energy projects throughout Texas as well as other states. The multi-year development process includes significant land option payments to local landowners, as well as environmental studies, surveys, wind resource assessment, and substantial transmission interconnection payments. Other Infinity-funded projects have continued to support local wind energy development and local economic growth including the Live Oak Wind Project in Schleicher County and the Buckthorn Wind Project in Erath County. Infinity successfully developed five wind projects that are now operational. Infinity currently has two other projects under construction in Kansas and North Dakota and are expected to be operational by the end of 2016.

Depending on the ability to generate cost-effective electricity for regional consumers, Infinity has the ability to allocate or reallocate investments to another state, another region of Texas, or another region of the world. Buckthorn Wind Project, LLC believes, however, that the proposed site in Erath County is a desirable business location and can provide electricity at a price that is competitive with other regions of Texas. Electric utilities are focused on providing low-cost energy supply to their customers, and contracting for the sale of electricity is currently highly competitive, particularly because of the large number of potential wind energy facilities that can be built in West and Central Texas given the newly constructed transmission capacity.

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 Power Purchase Agreement (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. As of the time of this application Buckthorn does not have a PPA. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

# **Supporting Information**

**Additional information  
located by the Comptroller**



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## \*UPDATED\* Buckthorn Wind Project

**Bid Date & Time:** 02/17/16

**Status:** bidding **Report:** 5261108

**Country :**United States **State:** TX **County:** Santa Barbara

**Location:** Texas

**Scope:** Construction of 96 MW wind power generating facility.

**Notes:** 02/08/16 - Update: LCRA has signed a purchase power agreement with Buckthorn Wind Project LLC for wind energy, capacity and renewable energy credits. The project to begin generating power for customers in fall 2016.11/12/13 - Update: This project is in the early development phase. Funding, design and permit application stage.BID DATE NOT YET ESTABLISHED. PLEASE NOTE THIS INFORMATION IS INCOMPLETE AND IS FOR GENERAL PURPOSES ONLY. INTERESTED PRIME CONTRACTORS NOT ALREADY PREQUALIFIED WITH THE OWNER MAY WANT TO SEEK PREQUALIFICATION FOR THIS AND OTHER PROJECTS.

**Plans:** From Owner.

**Outside Link:**

<http://www.lcra.org/about/newsroom/news-releases/Pages/LCRA-signs-agreement-to-purchase-additional-wind-energy.aspx>

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## Lower Colorado River Authority Signs Texas PPA

by NAW Staff  
on June 16, 2015

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The Lower Colorado River Authority (LCRA) has agreed to purchase wind energy, capacity and renewable energy credits associated with the 96.6 MW Buckthorn Wind Project, located in Erath County, Texas.

The project, developed by Infinity Wind Power, will add to LCRA's diverse energy portfolio made up of wind, coal, natural gas and water to provide its wholesale electric customers with reliable, cost-effective electric power. LCRA already purchases wind capacity from providers in West Texas and near the Texas Gulf Coast.

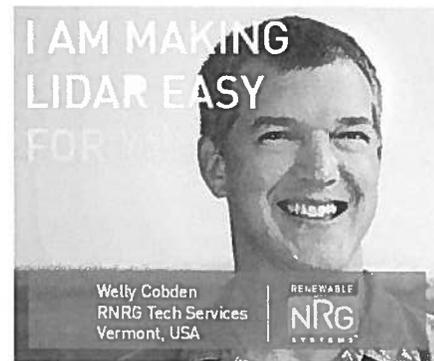
LCRA says it selected the wind farm after evaluating 27 proposals from across the state. The Buckthorn Wind Project is expected to begin generating power in fall 2016.

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