



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 12, 2016

Bill Alcorn
Superintendent
Haskell Consolidated Independent School District
605 North Avenue East
Haskell, Texas 79521

Dear Superintendent Alcorn:

On June 10, 2016, the Comptroller issued written notice that Willow Springs Windfarm, LLC (the applicant) submitted a completed application (Application #1132) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on April 6, 2016, to the Haskell 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 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 #1132.

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 does 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).

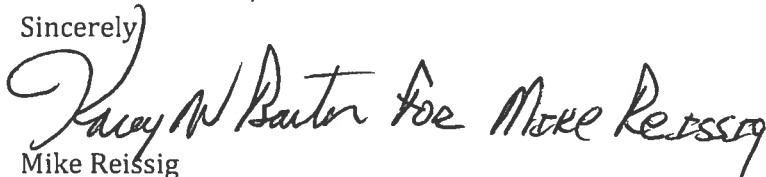
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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 June 10, 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 Will Counihan, Director, Data Analysis & Transparency, by email at Will.Counihan@cpa.texas.gov or by phone at 1-800-531-5441, ext. 6-0758, or direct in Austin at 512 936-0758.

Sincerely,

A handwritten signature in black ink that reads "Mike Reissig". The signature is written in a cursive, flowing style.

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Willow Springs Windfarm, LLC (the project) applying to Haskell 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 Willow Springs Windfarm LLC.

Applicant	Willow Springs Windfarm LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Haskell Consolidated ISD
Estimated 2014-2015 Average Daily Attendance	555
County	Haskell
Proposed Total Investment in District	\$292,000,000
Proposed Qualified Investment	\$292,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant*	6
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$858
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)A	\$856
Minimum annual wage committed to by applicant for qualified jobs	\$44,600
Minimum weekly wage required for non-qualifying jobs	\$618
Minimum annual wage required for non-qualifying jobs	\$32,123
Investment per Qualifying Job	\$48,666,667
Estimated M&O levy without any limit (15 years)	\$33,737,535
Estimated M&O levy with Limitation (15 years)	\$10,336,213
Estimated gross M&O tax benefit (15 years)	\$23,401,323
* 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 Willow Springs Windfarm LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2015	0	0	0	\$0	\$0	\$0
2016	0	0	0	\$0	\$0	\$0
2017	200	176	376	\$8,000,000	\$14,094,727	\$22,094,727
2018	6	19	25	\$258,600	\$3,037,298	\$3,295,898
2019	6	14	20	\$258,600	\$2,304,877	\$2,563,477
2020	6	10	16	\$258,600	\$2,182,806	\$2,441,406
2021	6	10	16	\$258,600	\$1,938,666	\$2,197,266
2022	6	12	18	\$258,600	\$1,816,595	\$2,075,195
2023	6	12	18	\$258,600	\$1,816,595	\$2,075,195
2024	6	10	16	\$258,600	\$1,450,384	\$1,708,984
2025	6	17	23	\$258,600	\$1,694,525	\$1,953,125
2026	6	14	20	\$258,600	\$1,450,384	\$1,708,984
2027	6	15	21	\$258,600	\$1,938,666	\$2,197,266
2028	6	12	18	\$258,600	\$1,450,384	\$1,708,984
2029	6	8	14	\$258,600	\$1,206,244	\$1,464,844
2030	6	4	10	\$258,600	\$717,963	\$976,563
2031	6	2	8	\$258,600	\$717,963	\$976,563
2032	6	4	10	\$258,600	\$229,681	\$488,281

Source: CPA, REMI, Willow Springs Windfarm LLC

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

Table 3 Estimated Direct Ad Valorem Taxes without property tax incentives										
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Haskell ISD I&S Tax Levy	Haskell ISD M&O Tax Levy	Haskell ISD M&O and I&S Tax Levies	Haskell County Tax Levy	Haskell County Memorial Hospital District Tax Levy	Haskell Water District #1	Estimated Total Property Taxes
			Tax Rate ¹	0.0486	1.1700		0.5825	0.2363	0.1812	
2018	\$286,109,898	\$286,109,898		\$139,049	\$3,347,486	\$3,486,535	\$1,666,590	\$676,078	\$518,431	\$6,347,634
2019	\$268,943,304	\$268,943,304		\$130,706	\$3,146,637	\$3,277,343	\$1,566,595	\$635,513	\$487,325	\$5,966,776
2020	\$252,806,706	\$252,806,706		\$122,864	\$2,957,838	\$3,080,703	\$1,472,599	\$597,382	\$458,086	\$5,608,770
2021	\$237,638,303	\$237,638,303		\$115,492	\$2,780,368	\$2,895,860	\$1,384,243	\$561,539	\$430,601	\$5,272,243
2022	\$223,380,005	\$223,380,005		\$108,563	\$2,613,546	\$2,722,109	\$1,301,189	\$527,847	\$404,765	\$4,955,909
2023	\$209,977,205	\$209,977,205		\$102,049	\$2,456,733	\$2,558,782	\$1,223,117	\$496,176	\$380,479	\$4,658,554
2024	\$197,378,572	\$197,378,572		\$95,926	\$2,309,329	\$2,405,255	\$1,149,730	\$466,406	\$357,650	\$4,379,041
2025	\$185,535,858	\$185,535,858		\$90,170	\$2,170,770	\$2,260,940	\$1,080,746	\$438,421	\$336,191	\$4,116,299
2026	\$174,403,707	\$174,403,707		\$84,760	\$2,040,523	\$2,125,284	\$1,015,902	\$412,116	\$316,020	\$3,869,321
2027	\$163,939,484	\$163,939,484		\$79,675	\$1,918,092	\$1,997,767	\$954,947	\$387,389	\$297,058	\$3,637,161
2028	\$154,103,115	\$154,103,115		\$74,894	\$1,803,006	\$1,877,901	\$897,651	\$364,146	\$279,235	\$3,418,932
2029	\$144,856,928	\$144,856,928		\$70,400	\$1,694,826	\$1,765,227	\$843,792	\$342,297	\$262,481	\$3,213,796
2030	\$136,165,513	\$136,165,513		\$66,176	\$1,593,136	\$1,659,313	\$793,164	\$321,759	\$246,732	\$3,020,968
2031	\$127,995,582	\$127,995,582		\$62,206	\$1,497,548	\$1,559,754	\$745,574	\$302,454	\$231,928	\$2,839,710
2032	\$120,315,847	\$120,315,847		\$58,474	\$1,407,695	\$1,466,169	\$700,840	\$284,306	\$218,012	\$2,669,327
			Total	\$1,401,405	\$33,737,535	\$35,138,941	\$16,796,679	\$6,813,829	\$5,224,993	\$63,974,441

Source: CPA, Willow Springs Windfarm LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Haskell 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 Haskell

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Haskell 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 Haskell County, Rolling Plains Water District, Haskell County Memorial Hospital District and Haskell Water District #1.

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		Haskell ISD I&S Tax Levy	Haskell ISD M&O Tax Levy	Haskell ISD M&O and I&S Tax Levies	Haskell County Tax Levy	Haskell County Memorial Hospital District Tax Levy	Haskell Water District #1	Estimated Total Property Taxes
			Tax Rate ¹	0.0486	1.1700		0.5825	0.2363	0.1812	
2018	\$286,109,898	\$20,000,000		\$139,049	\$234,000	\$373,049	\$933,290	\$283,953	\$114,933	\$1,705,226
2019	\$268,943,304	\$20,000,000		\$130,706	\$234,000	\$364,706	\$877,293	\$266,915	\$108,037	\$1,616,952
2020	\$252,806,706	\$20,000,000		\$122,864	\$234,000	\$356,864	\$824,655	\$250,901	\$101,555	\$1,533,975
2021	\$237,638,303	\$20,000,000		\$115,492	\$234,000	\$349,492	\$775,176	\$235,847	\$95,462	\$1,455,977
2022	\$223,380,005	\$20,000,000		\$108,563	\$234,000	\$342,563	\$728,666	\$221,696	\$89,734	\$1,382,658
2023	\$209,977,205	\$20,000,000		\$102,049	\$234,000	\$336,049	\$684,946	\$208,394	\$84,350	\$1,313,738
2024	\$197,378,572	\$20,000,000		\$95,926	\$234,000	\$329,926	\$643,849	\$195,890	\$79,289	\$1,248,954
2025	\$185,535,858	\$20,000,000		\$90,170	\$234,000	\$324,170	\$605,218	\$184,137	\$74,532	\$1,188,057
2026	\$174,403,707	\$20,000,000		\$84,760	\$234,000	\$318,760	\$568,905	\$173,089	\$70,060	\$1,130,814
2027	\$163,939,484	\$20,000,000		\$79,675	\$234,000	\$313,675	\$534,771	\$162,703	\$65,856	\$1,077,005
2028	\$154,103,115	\$154,103,115		\$74,894	\$1,803,006	\$1,877,901	\$897,651	\$364,146	\$364,146	\$3,503,843
2029	\$144,856,928	\$144,856,928		\$70,400	\$1,694,826	\$1,765,227	\$843,792	\$342,297	\$342,297	\$3,293,612
2030	\$136,165,513	\$136,165,513		\$66,176	\$1,593,136	\$1,659,313	\$793,164	\$321,759	\$321,759	\$3,095,995
2031	\$127,995,582	\$127,995,582		\$62,206	\$1,497,548	\$1,559,754	\$745,574	\$302,454	\$302,454	\$2,910,236
2032	\$120,315,847	\$120,315,847		\$58,474	\$1,407,695	\$1,466,169	\$700,840	\$284,306	\$284,306	\$2,735,621
			Total	\$1,401,405	\$10,336,213	\$11,737,618	\$11,157,789	\$3,798,486	\$2,498,769	\$29,192,662
			Diff	\$0	\$23,401,323	\$23,401,323	\$5,638,890	\$3,015,343	\$4,315,060	\$29,556,786

Source: CPA, Willow Springs Windfarm 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 before 25th Anniversary of Limitation Start

This represents the Comptroller's determination that Willow Springs Windfarm 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	2015	\$0	\$0	\$0	\$0
	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2018	\$234,000	\$234,000	\$3,113,486	\$3,113,486
	2019	\$234,000	\$468,000	\$2,912,637	\$6,026,122
	2020	\$234,000	\$702,000	\$2,723,838	\$8,749,961
	2021	\$234,000	\$936,000	\$2,546,368	\$11,296,329
	2022	\$234,000	\$1,170,000	\$2,379,546	\$13,675,875
	2023	\$234,000	\$1,404,000	\$2,222,733	\$15,898,608
	2024	\$234,000	\$1,638,000	\$2,075,329	\$17,973,938
	2025	\$234,000	\$1,872,000	\$1,936,770	\$19,910,707
	2026	\$234,000	\$2,106,000	\$1,806,523	\$21,717,231
	2027	\$234,000	\$2,340,000	\$1,684,092	\$23,401,323
Maintain Viable Presence (5 Years)	2028	\$1,803,006	\$4,143,006	\$0	\$23,401,323
	2029	\$1,694,826	\$5,837,833	\$0	\$23,401,323
	2030	\$1,593,136	\$7,430,969	\$0	\$23,401,323
	2031	\$1,497,548	\$8,928,517	\$0	\$23,401,323
	2032	\$1,407,695	\$10,336,213	\$0	\$23,401,323
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$1,323,234	\$11,659,446	\$0	\$23,401,323
	2034	\$1,243,840	\$12,903,286	\$0	\$23,401,323
	2035	\$1,169,209	\$14,072,495	\$0	\$23,401,323
	2036	\$1,099,057	\$15,171,552	\$0	\$23,401,323
	2037	\$1,033,113	\$16,204,665	\$0	\$23,401,323
	2038	\$1,024,920	\$17,229,585	\$0	\$23,401,323
	2039	\$1,024,920	\$18,254,505	\$0	\$23,401,323
	2040	\$1,024,920	\$19,279,425	\$0	\$23,401,323
	2041	\$1,024,920	\$20,304,345	\$0	\$23,401,323
	2042	\$1,024,920	\$21,329,265	\$0	\$23,401,323

\$21,329,265

is less than

\$23,401,323

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?

No

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: Willow Springs Windfarm LLC

[illegible]

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 Willow Springs Windfarm 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 in Tab 5 of the application:
 - a) The project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate the applicant to construct the project.
 - b) The applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics.
 - c) The applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds.
 - d) This appraised value limitation is critical to the ability of the project to move forward as currently sited.
 - e) Without the available tax incentives, the economics of the project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease.

- f) The applicant for this project is competing against other developers who have been offered or are in the process of applying for value limitation agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this project.
- g) Without the limitation approval, the applicant would likely terminate the project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in states with more favorable economics.
- Per Comptroller research:
 - a) According to the “Regional Energy Update (Feb-March 2016)”, published online by the West Texas Energy Consortium: “The first phase of the wind farm is scheduled for completion in December 2016 and encompasses 30,000 acres of land. Construction of an extension of phase one will begin in the coming months and will encompass an additional 20,000 to 30,000 acres. The second phase should come onto the grid in December 2017 and produce a total of 200 megawatts between the two phases. Construction of the wind farm will peak in the 3-4 months with an estimated 300 jobs total brought to the region.”
[https://wtxec.org/images/news_accordion/2016/WTxEC%20Newsletter%20FebruaryMarch%202016.pdf.]

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:

☒ Land has no existing improvements

☐ Land has existing improvements (*complete Section 13*)

☐ Expansion of existing operation on the land (*complete Section 13*)

☐ 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 Item 5

Documentation to assist in determining if limitation is a determining factor:

Willow Springs Windfarm, LLC (“Willow Springs”) is a Delaware limited liability company. Willow Springs has one member with 100% ownership, Lincoln Clean Energy, LLC (“LCE”). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas.

The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project.

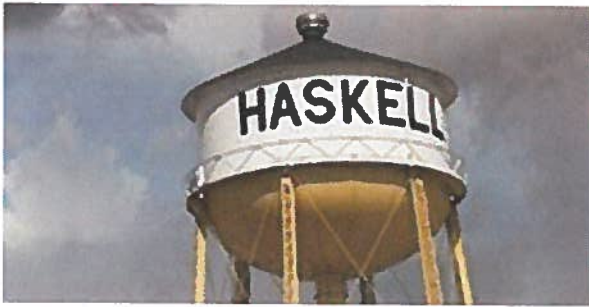
In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2015. This work consisted of earth-moving to prepare two holes for turbine foundations (though foundations were not installed) and installation of approximately 2,000 linear feet of road connecting the two foundation holes. These were not deemed taxable improvements by the Haskell County Central Appraisal District and no tax bill was delivered. The Applicant’s completion of this minor amount of PTC qualification work does in no way legally or financially commit it to constructing the project in Haskell County.

The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in states with more favorable economics.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Shining the light on Haskell

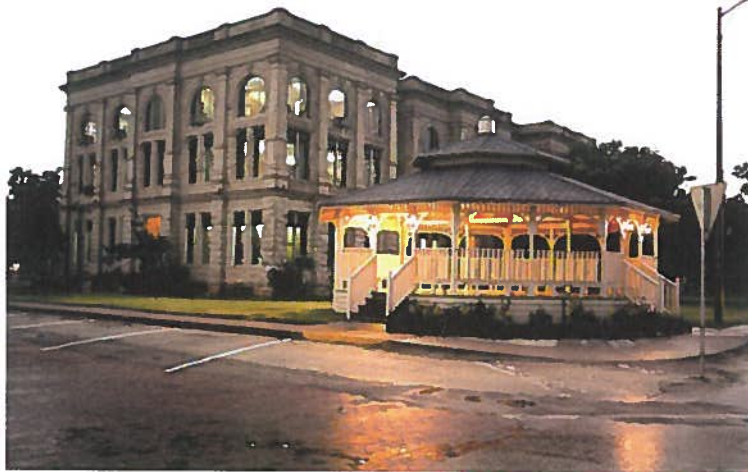
Small town with a historic start and a bright future

In a small community 55 miles north of Abilene and 100 miles south of Wichita Falls, a big breeze is blowing through and it's bringing waves of new development. Haskell, Texas has all the charm of a traditional West Texas town. Cotton fields, Friday night football games, and family owned businesses where they treat customers like friends. Home to 3,322 residents, Haskell's motto is "Deep Roots. Bright Horizons." True to their word, the historic start to this West Texas town is a nice complement to its future.

Haskell was founded in 1885 by the state legislature in honor of the Texas Revolutionary war hero Charles Ready Haskell. It is the county seat and center of commerce for Haskell County, as well as many surrounding towns. Shortly before World War II, the Lawson oilfield was discovered just outside of the city limits. As with many towns around the region, Haskell has weathered the booms and busts of the oil and gas industry over the years. The most recent downturn is no different, but this time there's an added excitement around a different type of energy.

The Alamo 7 Solar Project, presently under development, is a 1,200 acre solar farm capable of producing 106 megawatts of power

once construction is complete. The project broke ground approximately 6 months ago and is expected to open in December 2017. Over 400 people are currently employed in the building phase of the plant with Mortenson Construction. Upon



completion, the solar farm will add 8-10 permanent jobs to the local economy.

Not to be outdone by the emergence of solar energy facilities in the area, wind energy is still staking a claim in the West Texas energy game. Lincoln Clean Energy currently has a large scale wind farm project underway in Northeastern Haskell County. The first phase of the wind farm is scheduled for completion in December 2016 and encompasses 30,000 acres of land. Construction on an extension of phase one will begin in the coming months and will encompass an additional

20,000 to 30,000 acres. The second phase should come onto the grid in December 2017 and produce a total of 200 megawatts between the two phases. Building efforts on the wind farm will peak in the next 3-4 months with an estimated 300 jobs total brought to the region.

According to Wallace Emerson, the Executive Director/CEO of the Development Corporation of Haskell, many of the workers hired for both the solar project and wind project are residents who were previously laid off from jobs in the oil

and gas industry. "We are very blessed currently to have the opportunity to put many of our laid off oilfield workers back to work," said Emerson. "It's really a boon for our local economy." Investments like this can make a big difference in a small town. The future indeed looks bright in Haskell, Texas.

