



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 22, 2016

Thomas Weeaks
Superintendent
Glasscock County Independent School District
P.O. Box 9
Garden City, Texas 79739

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Glasscock County Independent School District and Bearkat Wind Energy I, LLC, Application 1148

Dear Superintendent Weeaks:

On October 25, 2016, the Comptroller issued written notice that Bearkat Wind Energy I, LLC (applicant) submitted a completed application (Application 1148) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on August 8, 2016, to the Glasscock County Independent School District (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 1148.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period. See Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state. See Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).

The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) 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 by December 31, 2016.

Note that any building or improvement existing as of the application review start date of October 25, 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 toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,



Mike Reissig
Deputy Comptroller
Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Bearkat Wind Energy I, LLC (project) applying to Glasscock County Independent School District (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 Bearkat Wind Energy I, LLC.

Applicant	Bearkat Wind Energy I, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Glasscock County ISD
2015-2016 Average Daily Attendance	291
County	Glasscock County
Proposed Total Investment in District	\$250,000,000
Proposed Qualified Investment	\$250,000,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,109
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,109
Minimum annual wage committed to by applicant for qualified jobs	\$57,700
Minimum weekly wage required for non-qualifying jobs	\$902
Minimum annual wage required for non-qualifying jobs	\$46,892
Investment per Qualifying Job	\$50,000,000
Estimated M&O levy without any limit (15 years)	\$25,279,313
Estimated M&O levy with Limitation (15 years)	\$8,296,800
Estimated gross M&O tax benefit (15 years)	\$16,982,513
* 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 Bearkat Wind Energy I, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	150	144	294	\$7,854,600	\$11,066,300	\$18,920,900
2018	5	15	19,531	\$288,500	\$2,397,050	\$2,685,550
2019	5	9	14	\$288,500	\$1,786,700	\$2,075,200
2020	5	7	12	\$288,500	\$1,664,630	\$1,953,130
2021	5	9	14	\$288,500	\$1,298,410	\$1,586,910
2022	5	7	12	\$288,500	\$1,176,340	\$1,464,840
2023	5	9	14	\$288,500	\$1,176,340	\$1,464,840
2024	5	7	12	\$288,500	\$1,176,340	\$1,464,840
2025	5	13	18	\$288,500	\$1,298,410	\$1,586,910
2026	5	9	14	\$288,500	\$1,298,410	\$1,586,910
2027	5	11	16	\$288,500	\$1,420,480	\$1,708,980
2028	5	9	14	\$288,500	\$1,176,340	\$1,464,840
2029	5	1	6	\$288,500	\$1,176,340	\$1,464,840
2030	5	3	8	\$288,500	\$443,920	\$732,420
2031	5	(1)	4	\$288,500	\$443,920	\$732,420
2032	5	1	6	\$288,500	-\$44,360	\$244,140

Source: CPA REMI, Bearkat Wind Energy I, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate ¹	Glasscock County ISD I&S Tax Levy	Glasscock County ISD M&O Tax Levy	Glasscock County ISD M&O and I&S Tax Levies	Glasscock County Ground Water Tax Levy	Glasscock County Tax Levy	Estimated Total Property Taxes
				0.0900	1.0371		0.0124	0.4000	
2018	\$250,000,000	\$250,000,000		\$225,000	\$2,592,750	\$2,817,750	\$30,933	\$1,000,000	\$3,848,683
2019	\$237,500,000	\$237,500,000		\$213,750	\$2,463,113	\$2,676,863	\$29,386	\$950,000	\$3,656,248
2020	\$225,000,000	\$225,000,000		\$202,500	\$2,333,475	\$2,535,975	\$27,839	\$900,000	\$3,463,814
2021	\$212,500,000	\$212,500,000		\$191,250	\$2,203,838	\$2,395,088	\$26,293	\$850,000	\$3,271,380
2022	\$200,000,000	\$200,000,000		\$180,000	\$2,074,200	\$2,254,200	\$24,746	\$800,000	\$3,078,946
2023	\$187,500,000	\$187,500,000		\$168,750	\$1,944,563	\$2,113,313	\$23,199	\$750,000	\$2,886,512
2024	\$175,000,000	\$175,000,000		\$157,500	\$1,814,925	\$1,972,425	\$21,653	\$700,000	\$2,694,078
2025	\$162,500,000	\$162,500,000		\$146,250	\$1,685,288	\$1,831,538	\$20,106	\$650,000	\$2,501,644
2026	\$150,000,000	\$150,000,000		\$135,000	\$1,555,650	\$1,690,650	\$18,560	\$600,000	\$2,309,210
2027	\$137,500,000	\$137,500,000		\$123,750	\$1,426,013	\$1,549,763	\$17,013	\$550,000	\$2,116,775
2028	\$125,000,000	\$125,000,000		\$112,500	\$1,296,375	\$1,408,875	\$15,466	\$500,000	\$1,924,341
2029	\$112,500,000	\$112,500,000		\$101,250	\$1,166,738	\$1,267,988	\$13,920	\$450,000	\$1,731,907
2030	\$100,000,000	\$100,000,000		\$90,000	\$1,037,100	\$1,127,100	\$12,373	\$400,000	\$1,539,473
2031	\$87,500,000	\$87,500,000		\$78,750	\$907,462	\$986,212	\$10,826	\$350,000	\$1,347,039
2032	\$75,000,000	\$75,000,000		\$67,500	\$777,825	\$845,325	\$9,280	\$300,000	\$1,154,605
			Total	\$2,193,750	\$25,279,313	\$27,473,063	\$301,592	\$9,750,000	\$37,524,654

Source: CPA, Bearkat Wind Energy I, LLC

¹Tax Rate per \$100 Valuation

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

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		Glasscock County ISD I&S Tax Levy	Glasscock County ISD M&O Tax Levy	Glasscock County ISD M&O and I&S Tax Levies	Glasscock County Ground Water Tax Levy	Glasscock County Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.0900	1.0371		0.0124	0.4000	
2018	\$250,000,000	\$30,000,000		\$225,000	\$311,130	\$536,130	\$30,933	\$400,000	\$967,063
2019	\$237,500,000	\$30,000,000		\$213,750	\$311,130	\$524,880	\$29,386	\$380,000	\$934,266
2020	\$225,000,000	\$30,000,000		\$202,500	\$311,130	\$513,630	\$27,839	\$360,000	\$901,469
2021	\$212,500,000	\$30,000,000		\$191,250	\$311,130	\$502,380	\$26,293	\$340,000	\$868,673
2022	\$200,000,000	\$30,000,000		\$180,000	\$311,130	\$491,130	\$24,746	\$320,000	\$835,876
2023	\$187,500,000	\$30,000,000		\$168,750	\$311,130	\$479,880	\$23,199	\$450,000	\$953,079
2024	\$175,000,000	\$30,000,000		\$157,500	\$311,130	\$468,630	\$21,653	\$420,000	\$910,283
2025	\$162,500,000	\$30,000,000		\$146,250	\$311,130	\$457,380	\$20,106	\$390,000	\$867,486
2026	\$150,000,000	\$30,000,000		\$135,000	\$311,130	\$446,130	\$18,560	\$360,000	\$824,690
2027	\$137,500,000	\$30,000,000		\$123,750	\$311,130	\$434,880	\$17,013	\$330,000	\$781,893
2028	\$125,000,000	\$125,000,000		\$112,500	\$1,296,375	\$1,408,875	\$15,466	\$500,000	\$1,924,341
2029	\$112,500,000	\$112,500,000		\$101,250	\$1,166,738	\$1,267,988	\$13,920	\$450,000	\$1,731,907
2030	\$100,000,000	\$100,000,000		\$90,000	\$1,037,100	\$1,127,100	\$12,373	\$400,000	\$1,539,473
2031	\$87,500,000	\$87,500,000		\$78,750	\$907,462	\$986,212	\$10,826	\$350,000	\$1,347,039
2032	\$75,000,000	\$75,000,000		\$67,500	\$777,825	\$845,325	\$9,280	\$300,000	\$1,154,605
			Total	\$2,193,750	\$8,296,800	\$10,490,550	\$301,592	\$5,750,000	\$16,542,142
			Diff	\$0	\$16,982,513	\$16,982,513	\$0	\$4,000,000	\$20,982,513

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Bearkat Wind Energy I, 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 Bearkat Wind Energy I, 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	\$311,130	\$311,130	\$2,281,620	\$2,281,620
	2019	\$311,130	\$622,260	\$2,151,983	\$4,433,603
	2020	\$311,130	\$933,390	\$2,022,345	\$6,455,948
	2021	\$311,130	\$1,244,520	\$1,892,708	\$8,348,655
	2022	\$311,130	\$1,555,650	\$1,763,070	\$10,111,725
	2023	\$311,130	\$1,866,780	\$1,633,433	\$11,745,158
	2024	\$311,130	\$2,177,910	\$1,503,795	\$13,248,953
	2025	\$311,130	\$2,489,040	\$1,374,158	\$14,623,110
	2026	\$311,130	\$2,800,170	\$1,244,520	\$15,867,630
	2027	\$311,130	\$3,111,300	\$1,114,883	\$16,982,513
Maintain Viable Presence (5 Years)	2028	\$1,296,375	\$4,407,675	\$0	\$16,982,513
	2029	\$1,166,738	\$5,574,413	\$0	\$16,982,513
	2030	\$1,037,100	\$6,611,513	\$0	\$16,982,513
	2031	\$907,462	\$7,518,975	\$0	\$16,982,513
	2032	\$777,825	\$8,296,800	\$0	\$16,982,513
Additional Years as Required by 313.026(c)(1) (10 Years)	2033	\$648,187	\$8,944,987	\$0	\$16,982,513
	2034	\$518,550	\$9,463,537	\$0	\$16,982,513
	2035	\$518,550	\$9,982,087	\$0	\$16,982,513
	2036	\$518,550	\$10,500,638	\$0	\$16,982,513
	2037	\$518,550	\$11,019,188	\$0	\$16,982,513
	2038	\$518,550	\$11,537,738	\$0	\$16,982,513
	2039	\$518,550	\$12,056,288	\$0	\$16,982,513
	2040	\$518,550	\$12,574,838	\$0	\$16,982,513
	2041	\$518,550	\$13,093,388	\$0	\$16,982,513
	2042	\$518,550	\$13,611,938	\$0	\$16,982,513

\$13,611,938

is less than

\$16,982,513

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: CPA, Bearkat Wind Energy I, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2017	150	144	294	\$7,854,600	\$11,066,300	\$18,920,900	11459350	-2624510	\$14,083,860
2018	5	15	19.531	\$288,500	\$2,397,050	\$2,685,550	419620	1045230	-\$625,610
2019	5	9	14	\$288,500	\$1,786,700	\$2,075,200	305180	1022340	-\$717,160
2020	5	7	12	\$288,500	\$1,664,630	\$1,953,130	144960	961300	-\$816,340
2021	5	9	14	\$288,500	\$1,298,410	\$1,586,910	68660	831600	-\$762,940
2022	5	7	12	\$288,500	\$1,176,340	\$1,464,840	38150	701900	-\$663,750
2023	5	9	14	\$288,500	\$1,176,340	\$1,464,840	-15260	602720	-\$617,980
2024	5	7	12	\$288,500	\$1,176,340	\$1,464,840	-38150	488280	-\$526,430
2025	5	13	18	\$288,500	\$1,298,410	\$1,586,910	-53410	381470	-\$434,880
2026	5	9	14	\$288,500	\$1,298,410	\$1,586,910	-76290	282290	-\$358,580
2027	5	11	16	\$288,500	\$1,420,480	\$1,708,980	-114440	167850	-\$282,290
2028	5	9	14	\$288,500	\$1,176,340	\$1,464,840	-114440	91550	-\$205,990
2029	5	1	6	\$288,500	\$1,176,340	\$1,464,840	-106810	53410	-\$160,220
2030	5	3	8	\$288,500	\$443,920	\$732,420	-83920	-15260	-\$68,660
2031	5	(1)	4	\$288,500	\$443,920	\$732,420	-76290	-76290	\$0
2032	5	1	6	\$288,500	-\$44,360	\$244,140	-91550	-91550	\$0
2033	5	(1)	4	\$288,500	\$199,780	\$488,280	-129700	-167850	\$38,150
2034	5	(1)	4	\$288,500	\$199,780	\$488,280	-160220	-205990	\$45,770
2035	5	(5)	0	\$288,500	-\$532,640	-\$244,140	-221250	-244140	\$22,890
2036	5	(1)	4	\$288,500	-\$532,640	-\$244,140	-236510	-335690	\$99,180
2037	5	(7)	-2	\$288,500	-\$776,780	-\$488,280	-259400	-381470	\$122,070
2038	5	(5)	0	\$288,500	-\$1,265,060	-\$976,560	-274660	-411990	\$137,330
2039	5	(7)	-2	\$288,500	-\$1,020,920	-\$732,420	-335690	-511170	\$175,480
2040	5	(7)	-2	\$288,500	-\$1,753,340	-\$1,464,840	-411990	-541690	\$129,700
2041	5	(9)	-4	\$288,500	-\$1,753,340	-\$1,464,840	-427250	-610350	\$183,100
2042	5	(9)	-4	\$288,500	-\$1,997,480	-\$1,708,980	-442500	-625610	\$183,110
2043	5	(9)	-4	\$288,500	-\$1,753,340	-\$1,464,840	-427250	-671390	\$244,140
2044	5	(9)	-4	\$288,500	-\$1,753,340	-\$1,464,840	-457760	-686650	\$228,890
Total							\$7,881,180	-\$1,571,660	\$9,452,840
							\$23,064,778	is greater than	\$16,982,513

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

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 Bearkat Wind Energy I, 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:

- November 22, 2013, Glasscock County ISD submitted an application seeking appraised value limitation on qualified property on behalf of Bearkat Renewable Energy Project, LLC to the Comptroller’s office (application #383). The applicant executed an agreement with the school district.
- July 05, 2016, received an agreement cancellation letter between Glasscock County ISD and Bearkat Renewable Energy Project, LLC. The Qualifying Time Period expired on December 31, 2015, and prior to the expiration of the Qualifying Time Period , the applicant failed to make the \$30 million minimum Qualified Investment during the Qualified Time Period.
- August 08, 2016, Glasscock County ISD resubmitted a new application for the property described in application #383 and seeking appraised value limitation on qualified property on behalf of Bearkat Wind Energy I, LLC to the Comptroller’s office (application #1148).
- Per Bearkat Wind Energy I, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Bearkat was formed in 2015. Since its formation Bearkat and its associate parties have entered into the following representative agreements and contracts for the development of a project phase within Glasscock ISD and intend to assign these assets to Bearkat. Grants of leases and easements covering approximately 30,000 acres with 65 landowners, FAA radar impacts study contract with Westslope Consulting, Wind Data Measurement contract with Wireless Innovations for data transmission for 5 Met Towers, Contract with V-Bar for data storage and verification of wind data, Microwave Path Studies and contract with Comsearch, D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC, Bird and Bat Conservation Strategy (BBCS) and contract with Westwood Professional Services, Phase One Environmental Site Assessment (ESA) and contract with Westwood Professional Services, Full wind study and contract with AWS Truepower, Avian study and contract with Westwood

Professional Services, Bat study and contract with Westwood Professional Services, Threatened and endangered species survey and contract with Westwood Professional Services, Jurisdictional Wetland Study and contract with Westwood Professional Services, Phase one environmental site assessment and contract with Westwood Professional Services, Contract with Barr Engineering to conduct geotechnical surveys.”

- B. “The business activities these agreements and contracts listed above will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Glasscock ISD. These contracts and initial investments are preliminary in nature as Bearkat has determined that a value limitation agreement with Glasscock ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.”
 - C. “Tri Global Energy’s team has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, financeability, and the economic returns they represent in comparison to other project opportunities across the country. The Bearkat Project is currently in such a period of assessment to determine whether the identified site in Glasscock ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.”
 - D. “A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support.
 - E. “Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately 300M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.”
 - F. “Applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be deployed for Applicant’s project (dependent upon approval of the Appraised Value Limitation) has been considered for use in projects located in numerous states, which include Missouri, Kansas, and Nebraska.”
- According to Tri Global Energy news release dated July 22, 2016, “Tri Global Energy sold two of its West Texas wind projects: 366 MW BearKat Renewable Energy in Glasscock County and 150 MW Blue Cloud Renewable Energy in Bailey and Lamb Counties. Both wind projects are late-stage development assets with Production Tax Credit qualifications in hand. TGE will continue as the developer through financial close for both projects.”
 - Attached map indicates the proposed project location.

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 type="checkbox"/> Land has no existing improvements	<input checked="" 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**

Attachment 5

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

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.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

Bearkat was formed in 2015.

Since its formation Bearkat and its associate parties have entered into the following representative agreements and contracts for the development of a project phase within Glasscock ISD and intend to assign these assets to Bearkat:

- Grants of leases and easements covering approximately 30,000 acres with 65 landowners.
- FAA radar impacts study contract with Westslope Consulting
- Wind Data Measurement contract with Wireless Innovations for data transmission for 5 Met Towers
- Contract with V-Bar for data storage and verification of wind data
- Microwave Path Studies and contract with Comsearch
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC
- Bird and Bat Conservation Strategy (BBCS) and contract with Westwood Professional Services
- Phase One Environmental Site Assessment (ESA) and contract with Westwood Professional Services
- Full wind study and contract with AWS Truepower
- Avian study and contract with Westwood Professional Services
- Bat study and contract with Westwood Professional Services
- Threatened and endangered species survey and contract with Westwood Professional Services
- Jurisdictional Wetland Study and contract with Westwood Professional Services
- Phase one environmental site assessment and contract with Westwood Professional Services
- Contract with Barr Engineering to conduct geotechnical surveys

Attachment to Application for Chapter 313 Appraised Value Limitation
by Bearkat Wind Energy I, LLC to Glasscock ISD

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities these agreements and contracts listed above will determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in the Glasscock ISD.

These contracts and initial investments are preliminary in nature as Bearkat has determined that a value limitation agreement with Glasscock ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

Tri Global Energy's team has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country.

The Bearkat Project is currently in such a period of assessment to determine whether the identified site in Glasscock ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation. The Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately 300M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

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?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of Bearkat Wind Energy, LLC.

Applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be deployed for Applicant's project (dependent upon approval of the Appraised Value Limitation) has been considered for use in projects located in numerous states, which include Missouri, Kansas, and Nebraska.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

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NEWS FROM TRI GLOBAL ENERGY

TRI GLOBAL ENERGY TOPS TEXAS WIND DEVELOPMENT

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Capacity and Generation



DALLAS (July 22, 2016) -- Tri Global Energy, the utility-scale renewable energy developer with wind projects located in Texas and New Mexico, remains the leading developer of wind energy projects in Texas, according to the second quarter 2016 Market Report from the America Wind Energy Association (AWEA).

"Overwhelmingly, all Americans want clean energy," said John Billingsley, Tri Global Energy CEO. "Increasing renewable energy -- both wind and solar power -- in the U.S. is in our country's long-term interest."

With over 2,200 megawatts (MW) of wind generation projects currently under construction in Texas, TGE's wind projects represent nearly a third of all wind power projects currently being developed in the state and about a quarter of all wind projects now under development nationally.

The AWEA Market Report comes out on the heels of an acquisition Tri Global Energy just completed with

Danish fund manager, Copenhagen Infrastructure Partners. TGE sold two of its West Texas wind projects: 366 MW BearKat Renewable Energy in Glasscock County and 150 MW Blue Cloud Renewable Energy in Bailey and Lamb Counties. Both wind projects are late-stage development assets with Production Tax Credit qualifications in hand. TGE will continue as the developer through financial close for both projects.

“The market for renewable energy is thriving,” said Billingsley. “The energy evolution is happening right now – in Texas and across America – accelerating our nation’s overall shift to clean energy.”

Texas continues to lead the U.S. with over 17,700 MW of installed wind capacity and hosts 42 percent of total wind power projects under construction, the highest level of any state. Texas also generates the most electricity from wind energy – about 23.5 percent of the total wind generation in the U.S., according to AWEA.

About Tri Global Energy

Tri Global Energy is a leading renewable energy company in the U.S. headquartered in Dallas. Its TGE Wind division owns and develops utility-scale wind projects in Texas and New Mexico. In 2014, TGE Wind concluded 520 megawatts of wind transactions and will commercialize approximately 2,000 megawatts cumulatively by the end of 2017. The company's TGE Solar division provides solar energy solutions, and its management team have developed, financed, engineered, constructed and operated over 1,000 solar projects for utilities, large corporations, schools and churches, and municipalities and residences. Recently Tri Global Energy joined some of America's largest companies at the White House for the American Business Act on Climate Pledge, committing to support the global challenge of climate change.

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Have questions about Tri Global Energy? Interested in interviewing an executive? Please contact us with your requests.



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Danish Investor Acquires 516 MW In Texas

 by **NAW Staff**
on July 12, 2016

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Denmark-based Copenhagen Infrastructure Partners has purchased two wind farms from developer Tri Global Energy.



According to Copenhagen Infrastructure Partners, the deal includes the acquisition of the 366 MW Bearkat Renewable Energy Project, located in Glasscock County, Texas, and the 150 MW Blue Cloud Renewable Energy Project, located in Bailey and Lamb Counties, Texas.

Tri Global Energy will continue to assist Copenhagen Infrastructure Partners with the development toward financial close, and the projects are planned to be fully operational before 2018 and qualify for 100%

production tax credits.

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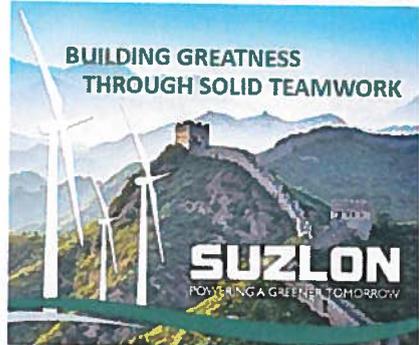

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