EDF Renewable Energy
4700 W. Sam Houston Pkwy. N #25
Houston, Texas 77041

October 31, 2016

Attn: Deisy Perez
Economic Development & Local Government
Data Analysis & Transparency Division
Texas Comptroller of Public Accounts
111 East 17th Street
Austin, TX 78774

Re: Application No. 1150-Amendment No. 01- Las Majadas Wind LLC Application for Appraised Value Limitation on Qualified Property- Lyford CISD.

Ms. Perez,

In response to your request made October 13, 2016, please find enclosed the amendments made to Las Majadas Wind LLC, Chapter 313 Application.

Section 8 of the application has been revised accordingly.

Tab 5, has been corrected to correlate with questions in Section 8 of the application. Other locations outside of Texas being evaluated are now included in Tab 5.

Tab 12, Job Waiver Request has been placed on company letterhead with an original signature.

Schedules A1, A2, and B have been revised to reflect appropriate amounts.

Tab 17, Section 16 of the application, signature page has also been re-signed and dated by Lyford CISD superintendent and our Director of Development.

Also enclosed is a CD copy of the finalized amendments made to the application, and excel files (Schedules A1, A2, and B included).

Sincerely,

Matt McCluskey
Director of Development
EDF Renewable Energy

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.

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.

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

Las Majadas Wind Farm, LLC was formed in 2016. In support of its creation the participating members, EDF Renewable Energy, executed documents necessary to form the entity, Las Majadas Wind Farm, LLC.

EDF Renewable Energy has entered into the following representative agreements and contracts for the development of a project phase within Lyford CISD and intends to assign these assets to Las Majadas Wind Farm, LLC:

- Grants of leases and easements covering approximately 15,000 acres with 50 landowners.
- Four Season Avian Study and contract
- Bat Acoustic Study and contract
- Threatened & Endangered Species Studies and contract
- Reinvestment Zone with Willacy County Commissioners Court
- Interconnection Application with ERCOT
- Agreement with local partner for local representation

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

Yes. EDF Renewable Energy's ("EDF RE") management team is uniquely qualified to develop and construct wind and other energy projects in the United States with a favorable wind regime. In North America, EDF RE has developed of 7.8 gigawatts of renewable energy developments and currently operates 10.7 gigawatts. 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 both OUTSIDE the state of Texas as WITHIN the state of Texas. Other locations being evaluated include, but are not limited to:

California
Colorado
Oklahoma
Kansas

Iowa
Minnesota
Illinois
Montana
Indiana
Michigan
Pennsylvania
Washington

For these reasons. EDF Renewable Energy studies and evaluates various competing sites throughout the market areas across the US where wind development is attractive. Without a Value Limitation program, EDF Renewable Energy would seek to move to alternative sites outside of the state of Texas.

The Las Majadas Wind Project is currently in such a period of assessment to determine whether the identified site in Lyford CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the subject planned 202 MW Las Majadas could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is on a level playing field with other wind projects with similar incentives. Without the requested limitation, the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately $260M needed to purchase wind turbines and other infrastructure and to fund the construction of the facility.

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?

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Las Majadas.

EDF Renewable Energy
4700 W. Sam Houston Pkwy. N #25
Houston, Texas 77041

October 31, 2016

Mr. Eduardo Infante, Superintendent
Lyford Consolidated Independent School District
P O Box 220
Lyford, TX 78569

Re: Ch-313 Application for Appraised Value Limitation – Job Waiver Request

Dear Mr. Infante,

This letter is to advise you that Las Majadas Wind Farm, LLC is submitting its Chapter 313 Application for Appraised Value Limitation on Qualified Property with a request for a waiver of the jobs creation requirement.

House Bill 1470 altered the jobs requirement be adding Section 313-025 (f-l) to permit a school district's board of trustees to make a finding that the job requirement could be waived if the job requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application. Las Majadas Wind Farm, LLC, requests that Lyford CISD's Board of Trustees make such a finding, and waive the job creation requirement for the permanent jobs. Based on the industry standard, the size and scope of this project will require approximately six (6) permanent jobs.

As background information on the creation of the full-time jobs by wind energy projects, these types of projects create a large number of full-time, temporary jobs during the construction phase, but require a small number of highly skilled technicians to operate a wind project once construction operations cease and commercial operations begin. The permanent employees of a wind project maintain and service wind turbines, underground electrical connections, substations and other infrastructure associated with the safe and reliable operation of the project. The industry standard for permanent employment is one full-time employee for every fifteen to twenty (15-20) turbines, although this number varies depending on the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. In addition to the onsite employees described, there may be asset managers or technicians who supervise, monitor, and support the wind project operations from offsite locations.

Sincerely,

Matt McCluskey
Director of Development
EDF Renewable Energy

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Amendment No. 01

Submitted: October 31, 2016

Form 50-296A
Revised May 2014

Date October 31, 2016
Applicant Name EDF Renewable Energy
ISD Name Lyford CISD

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C Other new investment made during this year that will not become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]	Column E **Total Investment** (Sum of Columns A+B+C+D)
Investment made before filing complete application with district	--	Year preceding the first complete tax year of the qualifying time period (assuming no deferrals of qualifying time period)	2017	Not eligible to become Qualified Property			[The only other investment made before filing complete application with district that may become Qualified Property is land.]	
Investment made after filing complete application with district, but before final board approval of application								
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period				0.00	0.00	0.00	0.00	0.00
Complete tax years of qualifying time period	QTP1	2018-2019	2018	$ 262,540,000.00	0.00	60,000.00	0.00	$ 262,600,000.00
	QTP2	2019-2020	2019	0.00	0.00	0.00	0.00	0.00
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]				$ 262,540,000.00	0.00	60000.00	0.00	$ 262,600,000.00
				Enter amounts from TOTAL row above in Schedule A2				
Total Qualified Investment (sum of green cells)				$ 262,600,000.00				

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.
Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Date October 31, 2016
Applicant Name EDF Renewable Energy
ISD Name Lyford CISD

Amendment No. 01

Submitted: October 31, 2016

Form 50-296A
Revised May 2014

PROPERTY INVESTMENT AMOUNTS

(Estimated Investment in each year. Do not put cumulative totals.)

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A: New investment (original cost) in **tangible personal property** placed in service during this year that will become Qualified Property	Column B: New investment made during this year in **buildings or permanent nonremovable components of buildings** that will become Qualified Property	Column C: Other investment made during this year that will not become Qualified Property [SEE NOTE]	Column D: Other investment made during this year that will become Qualified Property [SEE NOTE]	Column E: **Total Investment** (A+B+C+D)
				Enter amounts from TOTAL row in Schedule A1 in the row below				
Total Investment from Schedule A1*	--	**TOTALS FROM SCHEDULE A1**		$ 262,540,000.00	$ -	$ 60,000.00	$ -	$ 262,600,000.00
Each year prior to start of value limitation period** *Insert as many rows as necessary*	0	2017-2018	2017					
	1	2018-2019	2018	$ 262,540,000.00				$ 262,540,000.00
Value limitation period***	1	2019-2020	2019					
	2	2020-2021	2020					
	3	2021-2022	2021					
	4	2022-2023	2022					
	5	2023-2024	2023					
	6	2024-2025	2024					
	7	2025-2026	2025					
	8	2026-2027	2026					
	9	2027-2028	2027					
	10	2028-2029	2028					
Total Investment made through limitation				$ 262,540,000.00	$ -	$ 60,000.00	$ -	$ 262,600,000.00
Continue to maintain viable presence	11	2029-2030	2029					
	12	2030-2031	2030					
	13	2031-2032	2031					
	14	2032-2033	2032					
	15	2033-2034	2033					
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034					
	17	2035-2036	2035					
	18	2036-2037	2036					
	19	2037-2038	2037					
	20	2038-2039	2038					
	21	2039-2040	2039					
	22	2040-2041	2040					
	23	2041-2042	2041					
	24	2042-2043	2042					
	25	2043-2044	2043					

* All investments made through the qualifying time

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were **not** captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned
Only tangible personal property that is specifically

Column B: The total dollar amount of planned investment

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date October 31, 2016
Applicant Name EDF Renewable Energy

Amendment No. 01

Submitted: October 31, 2016

Form 50-296A
Revised May 2014

				Qualified Property			Estimated Taxable Value		
	Year	**School Year** (YYYY-YYYY)	**Tax Year** (Fill in actual tax year) YYYY	Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Pre-Year	0	2017-2018	2017						
Qualified Investment Period	1	2018-2019	2018	N/A	$ -	$ 249,470,000.00	$ 249,470,000.00	$ -	$ -
Value Limitation Period	1	2019-2020	2019	N/A	$ -	$ 236,996,500.00	$ 236,996,500.00	$ 249,470,000.00	$ 20,000,000.00
	2	2020-2021	2020	N/A	$ -	$ 225,146,675.00	$ 225,146,675.00	$ 236,996,500.00	$ 20,000,000.00
	3	2021-2022	2021	N/A	$ -	$ 213,889,341.25	$ 213,889,341.25	$ 225,146,675.00	$ 20,000,000.00
	4	2022-2023	2022	N/A	$ -	$ 203,194,874.19	$ 203,194,874.19	$ 213,889,341.25	$ 20,000,000.00
	5	2023-2024	2023	N/A	$ -	$ 193,035,130.48	$ 193,035,130.48	$ 203,194,874.19	$ 20,000,000.00
	6	2024-2025	2024	N/A	$ -	$ 183,383,373.95	$ 183,383,373.95	$ 193,035,130.48	$ 20,000,000.00
	7	2025-2026	2025	N/A	$ -	$ 174,214,205.26	$ 174,214,205.26	$ 183,383,373.95	$ 20,000,000.00
	8	2026-2027	2026	N/A	$ -	$ 165,503,494.99	$ 165,503,494.99	$ 174,214,205.26	$ 20,000,000.00
	9	2027-2028	2027	N/A	$ -	$ 157,228,320.24	$ 157,228,320.24	$ 165,503,494.99	$ 20,000,000.00
	10	2028-2029	2028	N/A	$ -	$ 149,366,904.23	$ 149,366,904.23	$ 157,228,320.24	$ 20,000,000.00
Continue to maintain viable presence	11	2029-2030	2029	N/A	$ -	$ 141,898,559.02	$ 141,898,559.02	$ 149,366,904.23	$ 149,366,904.23
	12	2030-2031	2030	N/A	$ -	$ 134,803,631.07	$ 134,803,631.07	$ 141,898,559.02	$ 141,898,559.02
	13	2031-2032	2031	N/A	$ -	$ 128,063,449.52	$ 128,063,449.52	$ 134,803,631.07	$ 134,803,631.07
	14	2032-2033	2032	N/A	$ -	$ 121,660,277.04	$ 121,660,277.04	$ 128,063,449.52	$ 128,063,449.52
	15	2033-2034	2033	N/A	$ -	$ 115,577,263.19	$ 115,577,263.19	$ 121,660,277.04	$ 121,660,277.04
Additional years for 25 year economic impact as required by 313.026(c)(1)	16	2034-2035	2034	N/A	$ -	$ 109,798,400.03	$ 109,798,400.03	$ 115,577,263.19	$ 115,577,263.19
	17	2035-2036	2035	N/A	$ -	$ 104,308,480.03	$ 104,308,480.03	$ 109,798,400.03	$ 109,798,400.03
	18	2036-2037	2036	N/A	$ -	$ 99,093,056.03	$ 99,093,056.03	$ 104,308,480.03	$ 104,308,480.03
	19	2037-2038	2037	N/A	$ -	$ 94,138,403.22	$ 94,138,403.22	$ 99,093,056.03	$ 99,093,056.03
	20	2038-2039	2038	N/A	$ -	$ 89,431,483.06	$ 89,431,483.06	$ 94,138,403.22	$ 94,138,403.22
	21	2039-2040	2039	N/A	$ -	$ 84,959,908.91	$ 84,959,908.91	$ 89,431,483.06	$ 89,431,483.06
	22	2040-2041	2040	N/A	$ -	$ 80,711,913.46	$ 80,711,913.46	$ 84,959,908.91	$ 84,959,908.91
	23	2041-2042	2041	N/A	$ -	$ 76,676,317.79	$ 76,676,317.79	$ 80,711,913.46	$ 80,711,913.46
	24	2042-2043	2042	N/A	$ -	$ 72,842,501.90	$ 72,842,501.90	$ 76,676,317.79	$ 76,676,317.79
	25	2043-2044	2043	N/A	$ -	$ 69,200,376.81	$ 69,200,376.81	$ 72,842,501.90	$ 72,842,501.90

Notes: Mar ket
Only include market value for eligible property on this schedule.

Form 50-296-A

Application for Appraised Value Limitation on Qualified Property

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17. NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here ▶ Eduardo Infante
Print Name *(Authorized School District Representative)*

Superintendent
Title

sign here ▶ Eduardo Infante
Signature *(Authorized School District Representative)*

10.31.16
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here ▶ Matthew McCluskey
Print Name *(Authorized Company Representative (Applicant))*

Director, Development
Title

sign here ▶
Signature *(Authorized Company Representative (Applicant))*

10/31/16
Date

MONICA BOOTH
Notary Public, State of Texas
Comm. Expires 06-23-2020
Notary ID 130712219

(Notary Seal)

GIVEN under my hand and seal of office this, the 31 day of October, 2016

MBooth
Notary Public in and for the State of Texas

My Commission expires: 06/23/2020

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.