



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 17, 2017

Dr. John Baker
Superintendent
Seymour Independent School District
409 W. Idaho St.
Seymour, Texas 76380-1650

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations Taxes by and between Seymour Independent School
District and Seymour Hills Wind Project, LLC, Application 1202

Dear Superintendent Baker:

On August 23, 2017, the Comptroller issued written notice that Seymour Hills Wind Project, LLC (applicant) submitted a completed application (Application 1202) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on June 29, 2017, to the Seymour 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.

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

- 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 1202.

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.

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's 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).

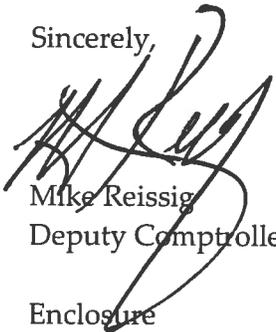
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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, 2017.

Note that any building or improvement existing as of the application review start date of August 23, 2017, 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 Seymour Hills Wind Project, LLC (project) applying to Seymour 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 Seymour Hills Wind Project, LLC.

Applicant	Seymour Hills Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Seymour ISD
Estimated 2015-2016 Average Daily Attendance	561
County	Baylor
Proposed Total Investment in District	\$127,500,000
Proposed Qualified Investment	\$127,500,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	*3
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,062
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,062
Minimum annual wage committed to by applicant for qualified jobs	\$55,223
Minimum weekly wage required for non-qualifying jobs	\$650
Minimum annual wage required for non-qualifying jobs	\$33,814
Investment per Qualifying Job	\$42,500,000
Estimated M&O levy without any limit (15 years)	\$12,575,400
Estimated M&O levy with Limitation (15 years)	\$5,532,806
Estimated gross M&O tax benefit (15 years)	\$7,042,594

* 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 Seymour Hills Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	250	282	532	\$9,000,000	\$24,498,000	\$33,498,000
2019	3	48	51,067	\$165,669	\$5,623,331	\$5,789,000
2020	3	26	29	\$165,669	\$3,875,331	\$4,041,000
2021	3	8	11	\$165,669	\$2,362,331	\$2,528,000
2022	3	(2)	1	\$165,669	\$1,348,331	\$1,514,000
2023	3	(6)	-3	\$165,669	\$716,331	\$882,000
2024	3	(7)	-4	\$165,669	\$383,331	\$549,000
2025	3	(6)	-3	\$165,669	\$303,331	\$469,000
2026	3	(3)	0	\$165,669	\$364,331	\$530,000
2027	3	(0)	3	\$165,669	\$508,331	\$674,000
2028	3	2	5	\$165,669	\$689,331	\$855,000
2029	3	3	6	\$165,669	\$765,331	\$931,000
2030	3	5	8	\$165,669	\$896,331	\$1,062,000
2031	3	6	9	\$165,669	\$1,014,331	\$1,180,000
2032	3	6	9	\$165,669	\$1,116,331	\$1,282,000
2033	3	7	10	\$165,669	\$1,199,331	\$1,365,000

Source: CPA REMI, Seymour Hills Wind Project, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County Tax Levy	Baylor County Hospital District Tax Levy	Rolling Plains Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
2019	\$125,629,000	\$125,629,000	0.0000	\$0	\$1,306,542	\$1,306,542	\$830,797	\$239,951	\$22,701	\$2,377,290
2020	\$116,866,000	\$116,866,000	0.0000	\$0	\$1,215,406	\$1,215,406	\$772,847	\$223,214	\$21,118	\$2,211,467
2021	\$108,715,500	\$108,715,500	0.0000	\$0	\$1,130,641	\$1,130,641	\$718,946	\$207,647	\$19,645	\$2,057,234
2022	\$101,134,400	\$101,134,400	0.0000	\$0	\$1,051,798	\$1,051,798	\$668,812	\$193,167	\$18,275	\$1,913,776
2023	\$94,083,700	\$94,083,700	0.0000	\$0	\$978,470	\$978,470	\$622,185	\$179,700	\$17,001	\$1,780,355
2024	\$87,525,400	\$87,525,400	0.0000	\$0	\$910,264	\$910,264	\$578,814	\$167,174	\$15,816	\$1,656,252
2025	\$81,425,400	\$81,425,400	0.0000	\$0	\$846,824	\$846,824	\$538,474	\$155,523	\$14,714	\$1,540,821
2026	\$75,751,800	\$75,751,800	0.0000	\$0	\$787,819	\$787,819	\$500,954	\$144,686	\$13,688	\$1,433,459
2027	\$70,474,600	\$70,474,600	0.0000	\$0	\$732,936	\$732,936	\$466,056	\$134,606	\$12,735	\$1,333,598
2028	\$65,566,700	\$65,566,700	0.0000	\$0	\$681,894	\$681,894	\$433,599	\$125,232	\$11,848	\$1,240,725
2029	\$62,302,200	\$62,302,200	0.0000	\$0	\$647,943	\$647,943	\$412,011	\$118,997	\$11,258	\$1,178,951
2030	\$59,200,000	\$59,200,000	0.0000	\$0	\$615,680	\$615,680	\$391,496	\$113,072	\$10,697	\$1,120,248
2031	\$56,253,200	\$56,253,200	0.0000	\$0	\$585,033	\$585,033	\$372,008	\$107,444	\$10,165	\$1,064,485
2032	\$53,452,700	\$53,452,700	0.0000	\$0	\$555,908	\$555,908	\$353,488	\$102,095	\$9,659	\$1,011,491
2033	\$50,792,500	\$50,792,500	0.0000	\$0	\$528,242	\$528,242	\$335,896	\$97,014	\$9,178	\$961,152
Total				\$0	\$12,575,400	\$12,575,400	\$7,996,383	\$2,309,521	\$218,498	\$22,881,303

Source: CPA, Seymour Hills Wind Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Baylor County, Baylor County Hospital District and Rolling Plains Groundwater Conservation District, with all property tax incentives sought using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatements with the county and hospital district.

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	Tax Rate*	Seymour ISD I&S Tax Levy	Seymour ISD M&O Tax Levy	Seymour ISD M&O and I&S Tax Levies	Baylor County Tax Levy	Baylor County Hospital District Tax Levy	Rolling Plains Groundwater Conservation District Tax Levy	Estimated Total Property Taxes
2019	\$125,629,000	\$25,000,000	0.0000	\$0	\$1,040	\$260,000	0.6613	0.1910	0.0181	\$260,000
2020	\$116,866,000	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$21,118	\$260,000
2021	\$108,715,500	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$19,645	\$260,000
2022	\$101,134,400	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$18,275	\$260,000
2023	\$94,083,700	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$17,001	\$260,000
2024	\$87,525,400	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$15,816	\$260,000
2025	\$81,425,400	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$14,714	\$260,000
2026	\$75,751,800	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$13,688	\$260,000
2027	\$70,474,600	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$12,735	\$260,000
2028	\$65,566,700	\$25,000,000		\$0	\$260,000	\$260,000	\$0	\$0	\$11,848	\$260,000
2029	\$62,302,200	\$62,302,200		\$0	\$647,943	\$647,943	\$412,011	\$118,997	\$11,258	\$1,178,951
2030	\$59,200,000	\$59,200,000		\$0	\$615,680	\$615,680	\$391,496	\$113,072	\$10,697	\$1,120,248
2031	\$56,253,200	\$56,253,200		\$0	\$585,033	\$585,033	\$372,008	\$107,444	\$10,165	\$1,064,485
2032	\$53,452,700	\$53,452,700		\$0	\$555,908	\$555,908	\$353,488	\$102,095	\$9,659	\$1,011,491
2033	\$50,792,500	\$50,792,500		\$0	\$528,242	\$528,242	\$335,896	\$97,014	\$9,178	\$961,152
			Total	\$0	\$5,532,806	\$5,532,806	\$1,864,898	\$538,621	\$218,498	\$7,936,326
			Diff	\$0	\$7,042,594	\$7,042,594	\$6,131,484	\$1,770,899	\$0	\$14,944,978

Assumes School Value Limitation and Tax Abatements with the County and Hospital District.

Source: CPA, Seymour Hills Wind Project, LLC

*Tax Rate per \$100 Valuation

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Attachment B – Tax Revenue before 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Seymour Hills Wind Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$260,000	\$260,000	\$1,046,542	\$1,046,542
	2020	\$260,000	\$520,000	\$955,406	\$2,001,948
	2021	\$260,000	\$780,000	\$870,641	\$2,872,589
	2022	\$260,000	\$1,040,000	\$791,798	\$3,664,387
	2023	\$260,000	\$1,300,000	\$718,470	\$4,382,857
	2024	\$260,000	\$1,560,000	\$650,264	\$5,033,122
	2025	\$260,000	\$1,820,000	\$586,824	\$5,619,946
	2026	\$260,000	\$2,080,000	\$527,819	\$6,147,764
	2027	\$260,000	\$2,340,000	\$472,936	\$6,620,700
	2028	\$260,000	\$2,600,000	\$421,894	\$7,042,594
Maintain Viable Presence (5 Years)	2029	\$647,943	\$3,247,943	\$0	\$7,042,594
	2030	\$615,680	\$3,863,623	\$0	\$7,042,594
	2031	\$585,033	\$4,448,656	\$0	\$7,042,594
	2032	\$555,908	\$5,004,564	\$0	\$7,042,594
	2033	\$528,242	\$5,532,806	\$0	\$7,042,594
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$501,952	\$6,034,758	\$0	\$7,042,594
	2035	\$476,975	\$6,511,733	\$0	\$7,042,594
	2036	\$453,250	\$6,964,983	\$0	\$7,042,594
	2037	\$430,702	\$7,395,685	\$0	\$7,042,594
	2038	\$409,281	\$7,804,966	\$0	\$7,042,594
	2039	\$388,923	\$8,193,889	\$0	\$7,042,594
	2040	\$369,587	\$8,563,475	\$0	\$7,042,594
	2041	\$351,210	\$8,914,686	\$0	\$7,042,594
	2042	\$335,447	\$9,250,132	\$0	\$7,042,594
	2043	\$335,348	\$9,585,480	\$0	\$7,042,594

\$9,585,480

is greater than

\$7,042,594

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

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, Seymour Hills Wind Project, LLC

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Attachment C – Limitation as a Determining Factor

Tax Code 313.026 states that the Comptroller may not issue a certificate for a limitation on appraised value under this chapter for property described in an application unless the comptroller determines that “the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state.” This represents the basis for the Comptroller’s determination.

Methodology

Texas Administrative Code 9.1055(d) states the Comptroller shall review any information available to the Comptroller including:

- the application, including the responses to the questions in Section 8 (Limitation as a Determining Factor);
- public documents or statements by the applicant concerning business operations or site location issues or in which the applicant is a subject;
- statements by officials of the applicant, public documents or statements by governmental or industry officials concerning business operations or site location issues;
- existing investment and operations at or near the site or in the state that may impact the proposed project;
- announced real estate transactions, utility records, permit requests, industry publications or other sources that may provide information helpful in making the determination; and
- market information, raw materials or other production inputs, availability, existing facility locations, committed incentives, infrastructure issues, utility issues, location of buyers, nature of market, supply chains, other known sites under consideration.

Determination

The Comptroller **has determined** that the limitation on appraised value is a determining factor in the Seymour Hills Wind Project, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Seymour Hills Wind Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “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 that are competing for limited investment funds in states outside of Texas including, but not limited to, Kansas, New Mexico, Oklahoma and Iowa. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.”
 - B. “The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the

PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.”

- The applicant has considered the Seymour Hills Wind Project for at least eight years. In a December 29, 2016, *Wichita Falls Times Record News* article it states, “The project is a long time coming. It initially was started in 2009 but stalled for a number of reasons, including an inability to find a buyer for the electricity the turbines would generate. But now there’s renewed interest in the deal, and success would mean the payment of a development fee to Carter Wind Energy for doing the heavy lifting almost a decade ago.”
- In a December 16, 2016 *Wichita Falls Times Record News* article it states, “The plans are being proposed by Infinity Renewables, an employee with the California wind energy developer told the Times Record News on Friday, and is tentatively being referred to as the "Seymour Hills" project. It appears to be a continuation of a 2009 development that was initially explored by Carter Wind Energy but dropped before the plan was realized. That project was anticipated to produce 80 megawatts of power on about 8,000 acres. Matt Carter, president of Carter Wind Energy, said his company is involved in the new project, adding that it has significantly increased in scale -- when the project is completed, it could generate as much as 300 megawatts of electricity.”
- Infinity Renewables, parent company to Seymour Hills Wind Project, LLC, is collaborating with outside organizations on this project. A May 11, 2017 *Energy Manager Today* article states, “Akamai announced on May 10 that the company is making a 20-year investment in the planned 80-MW Seymour Hills Wind Farm, which will be based outside of Dallas and is expected to begin operating in 2018. ... The project is being developed by Infinity Renewables, and the plan is to construct 38 wind turbines across about 8,000 acres. Akamai said it intends to pull enough energy from the wind farm to offset its aggregate data center operations based in Texas, which account for about 7 percent of Akamai’s global power load.”
- Infinity Renewables website lists Seymour Hills as one of its projects under development.
- Supplemental information provided by the applicant indicated the following:
 - A. The project has applied to ERCOT and its Generation Interconnection Request No. is 121NR0055.
 - B. The project is also known by other project names – “Baylor County Windfarm, Little Mountain Wind Project, Wolf Hollow Wind Project, and Mesquite Hills Wind Project. With the latter three, the project was only called by these three names for a very brief time. They had to be changed as we kept selecting names that were either identical or too close to the name of existing substations in ERCOT’s system.”

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

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Supporting Information

Section 8 of the Application for a Limitation on Appraised Value

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
3. Are you requesting that any of the land be classified as qualified investment? Yes No
4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
6. Are you including property that is owned by a person other than the applicant? Yes No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
2. Check the project characteristics that apply to the proposed project:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> Relocation within Texas

SECTION 8: Limitation as Determining Factor

1. Does the applicant currently own the land on which the proposed project will occur? Yes No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

Attachments provided in Tab
5
of the Application for a
Limitation on Appraised
Value

Seymour Hills Wind Project, LLC

Chapter 313 Application to Seymour ISD

Cummings Westlake, LLC

TAB 5

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

Infinity's team has developed and delivered more than 1,300 MW of operational wind and photovoltaic projects and brought together more than 100 years of energy industry finance, development, technology and policy expertise. Infinity's team has approximately 100 MWs in the state of Texas and the rest of the MW are spread across 5 states. Infinity's team combines experience in renewable energy development market with a capital efficient approach to deliver renewable energy projects.

While Infinity is keen to develop and build the proposed Seymour Hills Wind Project as described in this application, this Project is still in the early stages of development and further investment could be, if necessary, redeployed to other counties and states competing for similar wind energy projects. Infinity is active in various states throughout the U.S., where each project competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to customers and making our investment more viable and marketable. We have many other wind sites in development throughout the country and are continually comparing investment opportunities and market viability of each project based upon project financial metrics.

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 that are competing for limited investment funds in states outside of Texas including, but not limited to, Kansas, New Mexico, Oklahoma and Iowa. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets such as California that have state wide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

ATTACHMENT TO APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY BY SEYMOUR HILLS WIND PROJECT, LLC TO SEYMOUR ISD

Supporting Information

Additional information
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Wind farm in the works near Seymour

Christopher M. Collins, Times Record News Published 3:14 p.m. CT Dec. 16, 2016



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(Photo: TORIN HALSEY/TIMES RECORD NEWS)

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A new wind energy development is in the works just east of Seymour, federal records indicate.

In late October, plans for the construction of 38 new wind turbines in Baylor County were submitted to the Federal Aviation Administration, the agency's website shows. The FAA still has not given the project its approval, which is required for plans to go forward.

The plans are being proposed by Infinity Renewables, an employee with the California wind energy developer told the Times Record News on Friday, and is tentatively being referred to as the "Seymour Hills" project. It appears to be a continuation of a 2009 development that was initially explored by Carter Wind Energy but dropped before the plan was realized.

That project was anticipated to produce 80 megawatts of power on about 8,000 acres.

Matt Carter, president of Carter Wind Energy, said his company is involved in the new project, adding that it has significantly increased in scale – when the project is completed, it could generate as much as 300 megawatts of electricity.

The plans come amid a flurry of recent wind energy development in North Texas. In Foard County, the FAA approved in November the placement of meteorological towers near Crowell, an important step in studying whether conditions there will be conducive

f 18



to wind power development.

In Wilbarger County, wind turbines in the Harrold and Vernon school districts were scheduled to come online this fall. About 100 turbines went up at the Baylor/Knox County line in October 2015.

The most controversial of the projects is one near the town of Byers in Clay County, where Sheppard Air Force Base officials have said wind development could interfere with radar operations and flight training missions. Project leaders retorted by saying there's no proof the proposed turbines will interfere with base operations.



A promotional banner with an orange background. In the top left corner is a small square icon with a blue background and a white play button symbol. The main text reads "Hello Summer" in a large, purple, serif font, with "SUMMER SALE IS ON NOW." in a smaller, white, sans-serif font below it. At the bottom left, "99¢" is written in a large white font, followed by "for the first month" in a smaller white font. On the bottom right, there is a dark red button with the text "SUBSCRIBE NOW" in white, uppercase letters.

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Seymour wind farm may bring expansion

Wichita Falls Times Record News (TX) - December 29, 2016

- Author/Byline: Christopher M. Collins, Times Record News
- Edition: 1, TimesRecordNews
- Section: News
- Page: A2
- Readability: 11-12 grade level (Lexile: 1290)

If everything goes right in 2017, Wichita Falls could see a "Ray Clymer renaissance" of manufacturing, including ramped-up, local wind turbine production, says Matt Carter of Carter Wind Energy.

Forty-two-year-old Carter, a Wichita Falls native and third-generation wind farmer, said the so-called renaissance could partly be prompted by President-elect Donald Trump's nomination of former Texas Gov. Rick Perry and Exxon-Mobil CEO Rex Tillerson to cabinet positions, but it also could hinge on the success of a proposal to develop a 300-megawatt wind farm just east of Seymour.

The project is a long time coming. It initially was started in 2009 but stalled for a number of reasons, including an inability to find a buyer for the electricity the turbines would generate. But now there's renewed interest in the deal, and success would mean the payment of a development fee to Carter Wind Energy for doing the heavy lifting almost a decade ago.

"We want to reinvest the money from this project into the community to start an industry. And we think this could be a huge industry," said Carter, seated in his company's office building in east Wichita Falls during a December interview. With Perry and Tillerson calling the shots nationally and internationally, and wind turbine construction in the works locally, "we can bring back what I call a Ray Clymer renaissance in Wichita Falls. He was a part of bringing so much manufacturing here and a lot of that is gone. We need to bring it back."

Earlier this year, plans for the proposed Baylor County wind farm were sent to the Federal Aviation Administration, the agency charged with reviewing development details to ensure turbines won't interfere with air traffic. As of Wednesday, the FAA determination was still pending. It does not appear the project will run afoul of Sheppard Air Force, whose officials have protested the development of wind energy in neighboring Clay County.

Carter said he expects the plans to be OK'd -- they were approved during the first round of development, after all -- and he's hopeful that partner Infinity Renewables, an alternative energy developer, will be able to find a buyer for the power. Though no buyer has yet been named, some typical power purchasers are Amazon, General Motors, Wal-Mart, TXU and NRG.

Like real estate, wind turbine placement is all about location -- Baylor County's wind resource "fantastic," Carter said, noting that the proposed installation zone is flanked by transmission lines, making it a "golden triangle" for development. To sweeten the deal, landowners, who sometimes can be prickly about wind farm plans, are on board with the project.

"This area's got a fantastic (wind) resource. It's probably 20 percent better than any every county around it: Clay County, Young, Wilbarger, Wichita. It's great," Carter said. "What we've seen with these landowners is many have owned the property for generations and they've been stewards of the land for generations. And they understand growing a crop, doing ranching, and that's renewable. This is a natural extension for them. Wind is natural, renewable, harvestable resource that they can add to their portfolio."

If a buyer is found, the Baylor County project likely will utilize traditional, three-bladed wind turbines, despite the fact that Carter Wind Energy produces a two-bladed alternative to the standard design. But if the deal does get pushed through, Carter said, the development fee can be used as a capital to ratchet up local production of the company's own turbine, which is predicted to be most successful in underserved markets.

Some of those markets depend heavily on diesel fuel to create electricity, a method that's decidedly expensive and unsustainable. Carter says his family's turbines could ease those communities' dependence on fossil fuels and fill the void with wind power.

"Think the islands in the South Pacific. Think the Caribbean. Think the islands between Greece and Turkey. Think Africa," he said. "We take for granted here turning the lights on or using electricity for water processing. Access to low-cost electricity is a key piece to improving global social productivity."

Carter wind turbines have in the past been deployed in the United States, India, Newfoundland and other locales. Jay Carter Jr., Matt Carter's father, sold the first two commercial wind farms in Texas in the early 1990s, both "three-turbine demonstrations" in Amarillo and the Metroplex.

A completion date for the Baylor County project is unknown, though construction on other projects sometimes does not occur until years after the FAA has reviewed plans. The project is joined by a flurry of related development in the area: in Foard County, the FAA approved in November the placement of meteorological towers near Crowell; in Wilbarger County, wind turbines in the Harrold and Vernon school districts were scheduled to come online this fall; and about 100 turbines went up at the Baylor/Knox County line in October 2015.

• Caption: Christopher Collins/Times Record NewsMatt Carter is pictured in the office of Carter Wind Energy. Behind him is a map of the power transmission lines that crisscross the state.

• Record: *uscpcnt02-6szfwfdug401m0thoj4v*

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Akamai, a Mid-Market Corporation, Invests in Wind Farm Outside Dallas

May 11, 2017 by Cheryl Kaften



[Akamai Technologies](#), a content delivery network and cloud computing services provider headquartered in Cambridge, Massachusetts, has invested in a Texas wind farm as it attempts to fulfill a [promise](#) made a year ago to use renewable energy to power half of its global network operations by 2020.

Akamai announced on May 10 that the company is making a 20-year investment in the planned 80-MW [Seymour Hills Wind Farm](#), which will be based outside of Dallas and is expected to begin operating in 2018.

The 20-year investment places Akamai at the forefront of [an emerging trend in which mid-market corporations are investing in renewable energy projects](#) as a means of decarbonizing their operations.

The project is being developed by [Infinity Renewables](#), and the plan is to construct 38 wind turbines across about 8,000 acres. Akamai said it intends to pull enough energy from the wind farm to offset its aggregate data center operations based in

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Texas, which account for about 7 percent of Akamai's global power load.

"Akamai has been seeing a strong trend with customers that value and demand clean-powered, decarbonized services from their supply chains," said company EVP Jim Benson, Akamai. "This project is one of several in which Akamai plans to invest to reach our 50 percent goal. [Only recently have companies like Akamai with small, distributed loads, relative to big buyers like Apple, Google and Amazon, been able to make a meaningful impact on decarbonizing operations that go beyond purchasing unbundled renewable energy credits. We believe our innovative procurement strategy can be a model for others, and we're excited to help lead the way.](#)"

"[Corporate buyers](#) have become a very important market for the growth of utility-scale renewable energy deployment, having overtaken electric utilities in gigawatts purchased in 2015," said Matt Langley, VP of Finance and Origination at Infinity Renewables. "We predict that minor energy off-takers, like Akamai, represent the next big wave of corporate buyers, and we are eager to partner with them."

"Mid-market corporate buyers like Akamai represent a huge opportunity to significantly expand [private procurement of renewable energy](#)," said Lily Donge, Principal at [Business Renewables Center \(BRC\), Rocky Mountain Institute](#). "As an early mover, Akamai is leading the way for other organizations to invest in renewables and demonstrating the value of BRC's mission to make that process as easy as possible through best practices, guides and educational programs and convenings."

[Greenpeace](#) ranked Akamai in the top 20 percent of content delivery network and data center providers in its recent [Clicking Clean](#) report for action on energy efficiency, renewable energy and advocacy efforts. In addition to Akamai's renewable energy goal, Greenpeace recognized that the company's "distributed business model and relationships

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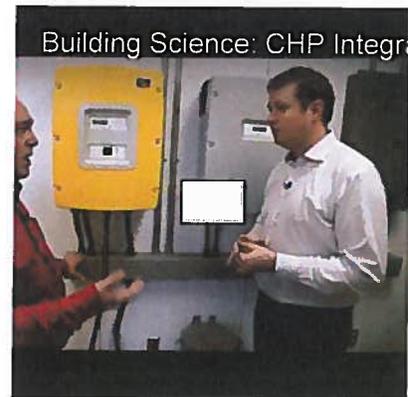
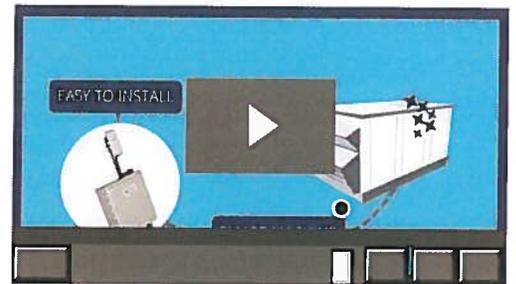
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Project Map

Operating Projects

Kansas

Nebraska

New Mexico

North Dakota

Oklahoma

Ironwood

Type: Wind
Size: 168 MW
Acreage: 6,249
Turbine type: Siemens 2.3 MW
Number of turbines: 73
Year online: 2012
Developer: Infinity Wind Power / Westar
Owner: Duke Energy, Sumitomo Corporation
Power Purchaser: Westar Energy Inc.

Shooting Star

Type: Wind
Size: 104 MW
Acreage: 11,240
Turbine type: GE Energy 1.6 MW
Number of turbines: 65
Year online: 2012
Developer: Infinity Wind Power
Owner: Exelon Wind
Power Purchaser: Sunflower Electric Power Corp.

Western Plains

Type: Wind
Size: 280MW
Acreage: 21,000 acres
Turbine type: Siemens 2.3 MW
Number of turbines: 121
Year online: 2016
Developer: Infinity Wind Power
Owner: Westar Energy, Inc.
Power Purchaser: Westar Energy, Inc.

Projects Under Construction

Texas

Buckthorn

Type: Wind
Size: 100 MW
Acreage: 8,065 acres
Turbine type: Vestas 3.45 MW
Number of turbines: 29
Year online: 2017
Developer: Infinity Wind Power
Owner: Confidential
Power Purchaser: Not Public

Projects Under Development

Iowa (1)

Kansas (6)

Minnesota (1)

Nebraska (2)

New Mexico (2)

North Dakota (2)

Oklahoma (3)

South Dakota (2)

Texas (6)

Buckthorn

Type: Wind

Projected Size: 100 MW

Jumbo Hill

Type: Wind

Projected Size: 200 MW

Live Oak

Type: Wind

Projected Size: 200 MW

Seymour Hills

Type: Wind

Projected Size: 100 MW

Tecovas

Type: Wind

Projected Size: 400 MW

Wildcat Ranch

Type: Wind

Projected Size: 150 MW

Our Locations

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Phone: (805) 569-6180

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Oakland, California

Colorado Office

Denver, Colorado

- Minnesota Office
Marshall, Minnesota



Infinity Renewables is a leading wind and solar energy project developer focused on developing high quality projects and moving them to market. Infinity's experience covers the entire project life cycle, and throughout we stand by our commitment to provide our landowners and their communities with the mutually beneficial opportunity to participate in renewable energy projects. We are proud to know our work contributes to the ultimate goal of clean, renewable, and domestic energy sources.

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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Seymour ISD – Seymour Hills Wind Project, LLC App. #1202 –

Comptroller Questions (via email on September 12, 2017):

- 1) *Is the Seymour Hills Wind Project, LLC project currently known by any other project names?*
- 2) *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number.*

Applicant Response (via email on September 12, 2017):

- 1) *Baylor County Windfarm, Little Mountain Wind Project, Wolf Hollow Wind Project, and Mesquite Hills Wind Project. With the latter three, the project was only called by these three names for a very brief time. They had to be changed as we kept selecting names that were either identical or too close to the name of existing substations in ERCOT's system.*
- 2) *121NR0055.*