



**GLENN HEGAR**    TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 02, 2017

Eddie Bland  
Superintendent  
Snyder Independent School District  
2901 37th Street  
Snyder, Texas 79549

Re:     Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes by and between Snyder Independent School District and Coyote Wind, LLC Application 1204

Dear Superintendent Bland:

On August 29, 2017, the Comptroller issued written notice that Coyote Wind, LLC (applicant) submitted a completed application (Application 1204) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on July 13, 2017, to the Snyder 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 1204.

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<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

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 29, 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](mailto:will.counihan@cpa.texas.gov) or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Reissig".

Mike Reissig  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Coyote Wind, LLC (project) applying to Snyder 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 Coyote Wind, LLC.

Applicant	Coyote Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Snyder ISD
2015-2016 Average Daily Attendance	2,612
County	Scurry
Proposed Total Investment in District	\$252,930,000
Proposed Qualified Investment	\$242,930,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2018-2019
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$884.62
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$893.58
Minimum annual wage committed to by applicant for qualified jobs	\$46,000
Minimum weekly wage required for non-qualifying jobs	\$929.50
Minimum annual wage required for non-qualifying jobs	\$48,334
Investment per Qualifying Job	\$126,465,000
Estimated M&O levy without any limit (15 years)	\$24,953,713
Estimated M&O levy with Limitation (15 years)	\$9,034,338
Estimated gross M&O tax benefit (15 years)	\$15,919,375

\* 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 Coyote Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	20	31	51	\$800,000	\$3,200,000	\$4,000,000
2019	180	284	464	\$7,200,000	\$30,800,000	\$38,000,000
2020	6	62	68	\$276,000	\$7,724,000	\$8,000,000
2021	6	41	47	\$276,000	\$5,724,000	\$6,000,000
2022	6	23	29	\$276,000	\$4,724,000	\$5,000,000
2023	6	13	19	\$276,000	\$3,724,000	\$4,000,000
2024	6	8	14	\$276,000	\$2,724,000	\$3,000,000
2025	6	6	12	\$276,000	\$2,724,000	\$3,000,000
2026	6	7	13	\$276,000	\$2,724,000	\$3,000,000
2027	6	9	15	\$276,000	\$2,724,000	\$3,000,000
2028	6	11	17	\$276,000	\$2,724,000	\$3,000,000
2029	6	10	16	\$276,000	\$2,724,000	\$3,000,000
2030	6	11	17	\$276,000	\$2,724,000	\$3,000,000
2031	6	12	18	\$276,000	\$2,724,000	\$3,000,000
2032	6	13	19	\$276,000	\$3,724,000	\$4,000,000

Source: CPA REMI, Coyote Wind, 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		ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Scurry County Tax Levy	Cogdell Hospital Tax Levy	Western Texas College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1240	1.0400		0.3800	0.0916	0.0673	
2019	\$238,071,400	\$238,071,400		\$295,209	\$2,475,943	\$2,771,151	\$904,671	\$218,169	\$160,170	\$4,054,161
2020	\$223,787,116	\$223,787,116		\$277,496	\$2,327,386	\$2,604,882	\$850,391	\$205,079	\$150,559	\$3,810,911
2021	\$210,359,889	\$210,359,889		\$260,846	\$2,187,743	\$2,448,589	\$799,368	\$192,774	\$141,526	\$3,582,256
2022	\$197,738,296	\$197,738,296		\$245,195	\$2,056,478	\$2,301,674	\$751,406	\$181,207	\$133,034	\$3,367,321
2023	\$185,873,998	\$185,873,998		\$230,484	\$1,933,090	\$2,163,573	\$706,321	\$170,335	\$125,052	\$3,165,282
2024	\$174,721,558	\$174,721,558		\$216,655	\$1,817,104	\$2,033,759	\$663,942	\$160,115	\$117,549	\$2,975,365
2025	\$164,238,265	\$164,238,265		\$203,655	\$1,708,078	\$1,911,733	\$624,105	\$150,508	\$110,496	\$2,796,843
2026	\$154,383,969	\$154,383,969		\$191,436	\$1,605,593	\$1,797,029	\$586,659	\$141,477	\$103,866	\$2,629,032
2027	\$145,120,931	\$145,120,931		\$179,950	\$1,509,258	\$1,689,208	\$551,460	\$132,989	\$97,634	\$2,471,290
2028	\$136,413,675	\$136,413,675		\$169,153	\$1,418,702	\$1,587,855	\$518,372	\$125,009	\$91,776	\$2,323,013
2029	\$128,228,854	\$128,228,854		\$159,004	\$1,333,580	\$1,492,584	\$487,270	\$117,509	\$86,270	\$2,183,632
2030	\$120,535,123	\$120,535,123		\$149,464	\$1,253,565	\$1,403,029	\$458,033	\$110,458	\$81,094	\$2,052,614
2031	\$113,303,016	\$113,303,016		\$140,496	\$1,178,351	\$1,318,847	\$430,551	\$103,831	\$76,228	\$1,929,457
2032	\$106,504,835	\$106,504,835		\$132,066	\$1,107,650	\$1,239,716	\$404,718	\$97,601	\$71,654	\$1,813,690
2033	\$100,114,545	\$100,114,545		\$124,142	\$1,041,191	\$1,165,333	\$380,435	\$91,745	\$67,355	\$1,704,869
			Total	\$2,975,250	\$24,953,713	\$27,928,963	\$9,117,703	\$2,198,806	\$1,614,265	\$40,859,737

Source: CPA, Coyote Wind, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Scurry 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 the county, Cogdell Hospital and Western Texas College.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		ISD I&S Tax Levy	ISD M&O Tax Levy	M&O and I&S Tax Levies	Scurry County Tax Levy	Cogdell Hospital Tax Levy	Western Texas College Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.1240	1.0400		0.3800	0.0916	0.0673	
2019	\$238,071,400	\$30,000,000		\$295,209	\$312,000	\$607,209	\$904,671	\$218,169	\$160,170	\$1,730,048
2020	\$223,787,116	\$30,000,000		\$277,496	\$312,000	\$589,496	\$227,480	\$64,436	\$41,539	\$881,411
2021	\$210,359,889	\$30,000,000		\$260,846	\$312,000	\$572,846	\$213,831	\$60,570	\$39,047	\$847,247
2022	\$197,738,296	\$30,000,000		\$245,195	\$312,000	\$557,195	\$201,001	\$56,935	\$36,704	\$815,132
2023	\$185,873,998	\$30,000,000		\$230,484	\$312,000	\$542,484	\$188,941	\$53,519	\$34,502	\$784,944
2024	\$174,721,558	\$30,000,000		\$216,655	\$312,000	\$528,655	\$177,604	\$50,308	\$32,432	\$756,567
2025	\$164,238,265	\$30,000,000		\$203,655	\$312,000	\$515,655	\$166,948	\$47,290	\$30,486	\$729,893
2026	\$154,383,969	\$30,000,000		\$191,436	\$312,000	\$503,436	\$156,931	\$44,452	\$28,657	\$704,820
2027	\$145,120,931	\$30,000,000		\$179,950	\$312,000	\$491,950	\$147,515	\$41,785	\$26,937	\$681,250
2028	\$136,413,675	\$30,000,000		\$169,153	\$312,000	\$481,153	\$138,665	\$39,278	\$25,321	\$659,095
2029	\$128,228,854	\$128,228,854		\$159,004	\$1,333,580	\$1,492,584	\$130,345	\$36,921	\$23,802	\$1,659,850
2030	\$120,535,123	\$120,535,123		\$149,464	\$1,253,565	\$1,403,029	\$458,033	\$110,458	\$81,094	\$1,971,521
2031	\$113,303,016	\$113,303,016		\$140,496	\$1,178,351	\$1,318,847	\$430,551	\$103,831	\$76,228	\$1,853,229
2032	\$106,504,835	\$106,504,835		\$132,066	\$1,107,650	\$1,239,716	\$404,718	\$97,601	\$71,654	\$1,742,036
2033	\$100,114,545	\$100,114,545		\$124,142	\$1,041,191	\$1,165,333	\$380,435	\$91,745	\$67,355	\$1,637,514
			Total	\$2,975,250	\$9,034,338	\$12,009,589	\$4,327,671	\$1,117,298	\$775,928	\$17,454,557
			Diff	\$0	\$15,919,375	\$15,919,375	\$4,790,032	\$1,081,508	\$838,337	\$23,405,180

Source: CPA, Coyote Wind, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller's determination that Coyote Wind, 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)
<b>Limitation Pre-Years</b>	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2019	\$312,000	\$312,000	\$2,163,943	\$2,163,943
	2020	\$312,000	\$624,000	\$2,015,386	\$4,179,329
	2021	\$312,000	\$936,000	\$1,875,743	\$6,055,071
	2022	\$312,000	\$1,248,000	\$1,744,478	\$7,799,550
	2023	\$312,000	\$1,560,000	\$1,621,090	\$9,420,639
	2024	\$312,000	\$1,872,000	\$1,505,104	\$10,925,743
	2025	\$312,000	\$2,184,000	\$1,396,078	\$12,321,821
	2026	\$312,000	\$2,496,000	\$1,293,593	\$13,615,415
	2027	\$312,000	\$2,808,000	\$1,197,258	\$14,812,672
	2028	\$312,000	\$3,120,000	\$1,106,702	\$15,919,375
<b>Maintain Viable Presence (5 Years)</b>	2029	\$1,333,580	\$4,453,580	\$0	\$15,919,375
	2030	\$1,253,565	\$5,707,145	\$0	\$15,919,375
	2031	\$1,178,351	\$6,885,497	\$0	\$15,919,375
	2032	\$1,107,650	\$7,993,147	\$0	\$15,919,375
	2033	\$1,041,191	\$9,034,338	\$0	\$15,919,375
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$978,720	\$10,013,058	\$0	\$15,919,375
	2035	\$919,997	\$10,933,055	\$0	\$15,919,375
	2036	\$864,797	\$11,797,851	\$0	\$15,919,375
	2037	\$812,909	\$12,610,760	\$0	\$15,919,375
	2038	\$764,134	\$13,374,895	\$0	\$15,919,375
	2039	\$718,286	\$14,093,181	\$0	\$15,919,375
	2040	\$675,189	\$14,768,371	\$0	\$15,919,375
	2041	\$634,678	\$15,403,048	\$0	\$15,919,375
	2042	\$596,597	\$15,999,646	\$0	\$15,919,375
	2043	\$560,801	\$16,560,447	\$0	\$15,919,375
		<b>\$16,560,447</b>	is greater than	<b>\$15,919,375</b>	
<b>Analysis Summary</b>					
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?					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, Coyote Wind, 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 Coyote Wind, 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 Coyote Wind, LLC in Tab 3 and Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Coyote Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC,”
  - B. “The Applicant for this Project has entered into a number of contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project.
  - C. “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.”
  - D. “This appraised value limitation is critical to the ability of the Project to move forward as currently sited.”
  - E. “Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.”
- An August 29, 2016 *Electric Light & Power* article states that during August of 2016 Lincoln Clean Energy filed interconnect deals with the Texas Public Utility Commission for two wind projects. Additionally, “Oncor filed at the commission a similar agreement with Coyote Wind for a project that is due in commercial operation on Aug. 30, 2018. The agreement covers a 242.5 MW wind farm that will be composed of 97 GE wind turbines of 2.5 MW each. The project's Point of Interconnection will also be at the Dermott Switching Station.”



- Supplemental information provided by the applicant stated the following:
  - A. “The project is only known by the name “Coyote Wind.”
  - B. “The ERCOT IGNR number is 17INR0027b.”

**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:
- ☐ Land has no existing improvements ☒ Land has existing improvements (*complete Section 13*)
- ☐ Expansion of existing operation on the land (*complete Section 13*) ☐ Relocation within Texas

## SECTION 8: Limitation as Determining Factor

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

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

## **Supporting Information**

Attachments provided in Tab 3  
of the Application for a  
Limitation on Appraised Value

### **Tab Item 3**

#### **Documentation of Combined Group Membership under Texas Tax Code 171.0001(7)**

Documentation from Texas Comptroller's Franchise Tax Division to demonstrate combined group membership:

1. Coyote Wind, LLC is a Delaware Limited Liability Company formed on May 31, 2016.
2. Coyote Wind, LLC is registered in the State of Texas as a foreign limited liability company, File Number 0802482996, in the Office of the Secretary of State. Taxpayer number 32060816728.
3. Coyote Wind, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC, which is registered in the State of Texas as a foreign limited liability company, File Number 0802369618, in the Office of the Secretary of State. Taxpayer number 32059303761.
4. Contact information for Coyote Wind, LLC is as follows:

Contact: Philip Moore

Phone: (512) 767-7461

Email: pmoore@lincolnclean.com

5. In addition, we have attached Form 05-166 (Texas Franchise Tax Affiliate Schedule) for Lincoln Clean Energy, LLC. Lincoln Clean Energy, LLC's affiliates are: Coyote Wind, LLC, Dermott Wind, LLC, Willow Springs Windfarm, LLC, Lockett Windfarm, LLC, Sandsage Solar, LLC, Stanorah Solar, LLC, Shawnee Energy Center, LLC, Rockwood Energy Center, LLC, TX Nazareth Solar, LLC, Lincoln Clean Energy Development, LLC, St. Lawrence Solar, LLC, Sage Draw Wind, LLC, Tahoka Wind, LLC, Wayside Wind, LLC, and Staked Plains Energy, LLC.

## **Supporting Information**

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

## **Tab Item 5**

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

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

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete a minimum amount of PTC qualification work before the statutorily imposed deadline of December 31, 2016. This work consisted of earth-moving to prepare seven holes for turbine foundations (though foundations were not installed) and installation of 2,000 linear feet of road connecting the seven foundation holes. These were not deemed taxable improvements by the Scurry County Central Appraisal District and no tax bill was delivered.

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

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

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller



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# Wind farms in Texas, N.D., N.Y. move forward

By [Barry Cassell](#)

08/29/2016 Chief Analyst, TransmissionHub

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wind farm january elp

August saw development steps for several wind projects around the United States, including two companion projects (149 MW apiece) in North Dakota of [NextEra](#) Energy.

Project highlights during the month, as reported by [GenerationHub](#), included:

Brady Interconnection on Aug. 25 filed with the [Federal Energy Regulatory Commission](#) a shared facilities



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agreement between Brady Interconnection, Brady Wind and Brady Wind II. Brady Wind and Brady Wind II are each developing [wind power](#) facilities of about 149 MW. Brady Wind and Brady Wind II each have an application for market-based rates pending in front of the commission.

They are part of NextEra Energy Resources, a unit of NextEra Energy. Brady Interconnection will own an about 19-mile, 230 kV generation tie line serving the Brady Wind and Brady Wind II projects in Stark County, [North Dakota](#). The point of interconnection is at the Daglum Substation owned by [Basin Electric](#) Power Cooperative. The Brady Wind facility may start producing test energy as early as Oct. 25, 2016. The Brady Wind II facility may start producing test energy as early as Nov. 15, 2016.

Filed with the [Texas](#) Public Utility Commission were interconnect deals for two wind projects of Lincoln Clean Energy that would have staggered commercial operation dates but the same interconnection point. Oncor Electric Delivery Co. filed with the commission on Aug. 19 a Standard Generation Interconnection Agreement with Dermott Wind for a 253 MW project that is due in commercial operation on Aug. 30, 2017. The project's Point of Interconnection is in Scurry County, Texas, at the Dermott Switching Station.

This project to be made up of 110 General Electric wind turbines sized at 2.3 MW each. Oncor filed at the commission a similar agreement with Coyote Wind for a project that is due in commercial operation on Aug. 30, 2018. The agreement covers a 242.5 MW wind farm that will be composed of 97 GE wind turbines of 2.5 MW each. The project's Point of Interconnection will also be at the Dermott Switching Station.

FERC approved the filing by the New York Independent System Operator and interconnecting transmission owner the New York Power Authority of an executed Large Generator Interconnection Agreement for the in-construction, 77.7 MW project of Jericho Rise Wind Farm. This wind farm is in Franklin County, New York. It will consist of 37 Gamesa G114 2.1 MW turbines.

The project will interconnect to transmission facilities of NYPA at the existing 115 kV Willis Substation. The project's commercial operation target date under this LGIA is in November of this year. A listed project contact is with EDP Renewables North America.

The U.S. Bureau of Ocean Energy Management announced in the Aug. 18 Federal Register that it has gotten an unsolicited application for wind area leasing from Trident Winds for a 765 MW wind project to be located offshore of the retired Morro Bay power plant in California. The bureau will now seek any competing offers for the tract.

The project would be located, at its closest point, about 15 nautical miles offshore Point Piedras Blancas in water depths of about 2,900 feet. It would consist of about 100 floating units, each equipped with up to an 8 MW wind turbine generator and connected by inter-unit electrical cabling, with a single transmission cable exporting electricity to the mainland. The proposal also includes plans to increase the project to 1,000 MW at a later date. Trident Winds said it will seek a long-term power purchase agreement or a

build-own-transfer transaction with one or more load serving utilities. Initial commercial operation is expected in the 2025 time frame.

Filed on Aug. 16 at the Public Utility Commission of Texas was a Standard Generation Interconnection Agreement between CenterPoint Energy Houston Electric and Chocolate Bayou Wind I for a 149.5 MW project. The Chocolate Bayou Wind Generation Project will have a Point of Interconnection near CenterPoint's Golden Substation, located in Brazoria County, Texas.

This wind project will be comprised of sixty-five 2.3 MW wind turbine generators with a total net rating of 149.5 MW. This consists of Siemens 2.3 MW Type IV turbines. There is no firm commercial operation target date for the project. A project contact listed in the SGIA is with Pioneer Green Energy.

Mt. Storm Wind Force on Aug. 15 asked the West Virginia Public Service Commission for a decision that some changes, including a smaller size for its wind project (new size is 150 MW), are not material and do not require modification of the siting certificate for the facility or, in the alternative, for modification of the siting certificate.

The revised project is expected to have a total generation capacity of 150 MW, which is 100 MW less than the total generation capacity authorized for the original project. When it was formed in 2001, Mt. Storm was owned by US Wind Force. In April 2015, interests in the project went to Mt. Storm, which is a wholly-owned unit of NextEra Energy Resources.

The New York State Board on Electric Generation Siting and the Environment issued an Aug. 12 notice about a pre-application meeting on the Bull Run Energy wind project. Bull Run Energy, an affiliate of Invenenergy Wind North America, intends to file an application for a Certificate of Environmental Compatibility and Public Need for construction of a wind facility in Clinton County, New York.

Construction would consist of up to 150 wind turbines. Bull Run proposes to interconnect the project with the electric system by constructing an about four-mile overhead 230-kV alternating current transmission line at a proposed switchyard to be built adjacent to the New York Power Authority's Ryan-Plattsburgh 230 kV transmission line in the Town of Ellenburg.

The Public Service Commission of Wisconsin on Aug. 11 issued a re-approval of the 102.5 MW Highland Wind Farm project, with the new decision taking into account two issues that a state court had remanded back to the commission. Highland Wind Farm had gotten a Certificate of Public Convenience and Necessity to construct a 102.5 MW wind facility to be located in the towns of Forest and Cylon, St. Croix County, Wisconsin. But project opponents won a court decision in the case.

The Oregon Department of Energy, which provides the staff for the Energy Facility Siting Council (EFSC), has issued a proposed order on the 500 MW Wheatridge Wind Energy Facility. The Aug. 5 proposed order recommends that the EFSC approve the application. The proposed facility would consist of up to 292 wind turbines divided into two groups: Wheatridge West and Wheatridge East.

Following issuance of this Aug. 5 proposed order, the council must conduct a contested case proceeding. The applicant is Wheatridge Wind Energy, a unit of Swaggart Wind Power. The department received the preliminary application for the Site Certificate in December 2014.

Baron Winds, which is developing a 300 MW project, on Aug. 10 filed with New York State Public Service Commission a Preliminary Scoping Statement, a key document in its pursuit of a certificate of environmental compatibility and public need. Baron Winds is a unit of EverPower Wind Holdings Inc. This facility would be located in Steuben County, New York.

The Horse Creek Wind affiliate of Starwood Energy Group Global, in an Aug. 9 registration statement as a renewable energy generator filed with the Public Utility Commission of Texas, said its 230 MW project is due for commercial operation on Sept. 16. The project is located at Weinert, Texas.

Also, the Electra Wind affiliate of Starwood on Aug. 9 filed a registration statement with the Texas commission for a 230 MW wind project in Wilbarger County, Texas, that is due for commercial operation on Oct. 3.

The U.S. Department of Energy on Aug. 9, on behalf of its Western Area Power Administration, issued a draft environmental assessment on the proposed Willow Creek Wind Energy Facility in Butte County, South Dakota. The EA reviews the potential environmental impacts of constructing, operating, and maintaining a 103 MW (nameplate) wind facility consisting of about 45 wind turbines. Wind Quarry Operations proposes to construct the Willow Creek Wind Energy Facility.

The project area is about 10 miles northeast of Newell, South Dakota. Wind Quarry proposes to interconnect the project to the Western Area Power Administration's Maurine to Rapid City 115-kV transmission line, which passes through the project area.

Algonquin Power & Utilities Corp. announced Aug. 9 the achievement of commercial operation of the 200 MW Odell Wind Project, located in Cottonwood, Jackson, Martin and Watonwan counties, Minnesota. Odell consists of 100 Vestas V110-2.0 MW wind turbine generators. Odell Wind has a long-term power purchase agreement with Xcel Energy's Northern States Power unit for the entire capacity of the facility.



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COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
– Snyder ISD – Coyote Wind, LLC App. #1204

Comptroller Questions (via email on September 08, 2017):

1. *Is “The Project” in northwestern Scurry County 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 11, 2017):

1. *The project is only known by the name “Coyote Wind.”*
2. *The ERCOT IGNR number is 17INR0027b.*