



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 1, 2018

Sammy Wyatt
Superintendent
Rankin Independent School District
P.O. Box 90
Rankin, Texas 79778

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Rankin Independent School District and High Lonesome Wind Power, LLC, Application 1237

Dear Superintendent Wyatt:

On May 4, 2018, the Comptroller issued written notice that High Lonesome Wind Power, LLC (applicant) submitted a completed application (Application 1237) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 7, 2018, to the Rankin 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 1237.

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, 2018.

Note that any building or improvement existing as of the application review start date of May 4, 2018, 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,

A handwritten signature in black ink, appearing to read "Mike Reissig", is written over the typed name and title.

Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of High Lonesome Wind Power, LLC (project) applying to Rankin 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 High Lonesome Wind Power, LLC.

Applicant	High Lonesome Wind Power, LLC
Tax Code, 313.024 Eligibility Category	Renewable Electric Energy Generation
School District	Rankin ISD
2016-2017 Average Daily Attendance	247
County	Upton
Proposed Total Investment in District	\$330,000,000
Proposed Qualified Investment	\$330,000,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	6*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,144
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,144
Minimum annual wage committed to by applicant for qualified jobs	\$59,490
Minimum weekly wage required for non-qualifying jobs	\$1,287
Minimum annual wage required for non-qualifying jobs	\$66,899
Investment per Qualifying Job	\$55,000,000
Estimated M&O levy without any limit (15 years)	\$29,316,281
Estimated M&O levy with Limitation (15 years)	\$8,681,392
Estimated gross M&O tax benefit (15 years)	\$20,634,889

* 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 High Lonesome Wind Power, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	25	24	49	\$1,312,500	\$1,739,500	\$3,052,000
2019	250	1,682	1931.64	\$13,125,000	\$109,189,000	\$122,314,000
2020	6	64	70	\$356,940	\$14,536,060	\$14,893,000
2021	6	15	21	\$356,940	\$8,676,060	\$9,033,000
2022	6	(22)	-16	\$356,940	\$4,404,060	\$4,761,000
2023	6	(37)	-31	\$356,940	\$1,596,060	\$1,953,000
2024	6	(45)	-39	\$356,940	\$9,060	\$366,000
2025	6	(37)	-31	\$356,940	-\$1,088,940	-\$732,000
2026	6	(37)	-31	\$356,940	-\$1,699,940	-\$1,343,000
2027	6	(31)	-25	\$356,940	-\$1,333,940	-\$977,000
2028	6	(27)	-21	\$356,940	-\$1,577,940	-\$1,221,000
2029	6	(22)	-16	\$356,940	-\$1,088,940	-\$732,000
2030	6	(16)	-10	\$356,940	-\$1,088,940	-\$732,000
2031	6	(14)	-8	\$356,940	-\$844,940	-\$488,000
2032	6	(6)	0	\$356,940	-\$844,940	-\$488,000
2033	6	(8)	-2	\$356,940	-\$600,940	-\$244,000
2034	6	(10)	-4	\$356,940	-\$600,940	-\$244,000

Source: CPA REMI, High Lonesome Wind Power, 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*	Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Upton County Water District Levy	Rankin Emergency Services District #1 Tax Levy	Ranking Hospital District Tax Levy	Estimated Total Property Taxes
			0.1000	1.0363			0.4687	0.0038	0.0150	0.3008	
2020	\$316,814,000	\$316,814,000		\$316,814	\$3,283,143	\$3,599,957	\$1,484,971	\$11,982	\$47,522	\$952,977	\$5,096,910
2021	\$291,506,610	\$291,506,610		\$291,507	\$3,020,883	\$3,312,390	\$1,366,350	\$11,025	\$43,726	\$876,852	\$4,689,764
2022	\$268,222,870	\$268,222,870		\$268,223	\$2,779,594	\$3,047,816	\$1,257,214	\$10,144	\$40,233	\$806,814	\$4,315,175
2023	\$246,800,910	\$246,800,910		\$246,801	\$2,557,598	\$2,804,399	\$1,156,805	\$9,334	\$37,020	\$742,377	\$3,970,538
2024	\$227,091,800	\$227,091,800		\$227,092	\$2,353,352	\$2,580,444	\$1,064,425	\$8,589	\$34,064	\$683,092	\$3,653,457
2025	\$208,958,550	\$208,958,550		\$208,959	\$2,165,437	\$2,374,396	\$979,431	\$7,903	\$31,344	\$628,547	\$3,361,729
2026	\$192,275,110	\$192,275,110		\$192,275	\$1,992,547	\$2,184,822	\$901,232	\$7,272	\$28,841	\$578,364	\$3,093,326
2027	\$176,925,520	\$176,925,520		\$176,926	\$1,833,479	\$2,010,405	\$829,285	\$6,691	\$26,539	\$532,192	\$2,846,381
2028	\$162,803,090	\$162,803,090		\$162,803	\$1,687,128	\$1,849,932	\$763,091	\$6,157	\$24,420	\$489,712	\$2,619,179
2029	\$149,809,650	\$149,809,650		\$149,810	\$1,552,477	\$1,702,287	\$702,188	\$5,666	\$22,471	\$450,627	\$2,410,141
2030	\$137,854,920	\$137,854,920		\$137,855	\$1,428,591	\$1,566,445	\$646,154	\$5,214	\$20,678	\$414,668	\$2,217,813
2031	\$126,855,820	\$126,855,820		\$126,856	\$1,314,607	\$1,441,463	\$594,599	\$4,798	\$19,028	\$381,582	\$2,040,859
2032	\$116,735,910	\$116,735,910		\$116,736	\$1,209,734	\$1,326,470	\$547,165	\$4,415	\$17,510	\$351,142	\$1,878,050
2033	\$107,424,880	\$107,424,880		\$107,425	\$1,113,244	\$1,220,669	\$503,522	\$4,063	\$16,114	\$323,134	\$1,728,254
2034	\$98,858,040	\$98,858,040		\$98,858	\$1,024,466	\$1,123,324	\$463,367	\$3,739	\$14,829	\$297,365	\$1,590,430
			Total	\$2,828,938	\$29,316,281	\$32,145,219	\$13,259,797	\$106,990	\$424,341	\$8,509,445	\$45,512,006

Source: CPA, High Lonesome Wind Power, LLC

*Tax Rate per \$100 Valuation

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

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	Tax Rate*	Rankin ISD I&S Tax Levy	Rankin ISD M&O Tax Levy	Rankin ISD M&O and I&S Tax Levies	Upton County Tax Levy	Upton County Water District Levy	Rankin Emergency Services District #1 Tax Levy	Ranking Hospital District Tax Levy	Estimated Total Property Taxes	
				0.1000	1.0363		0.4687	0.0038	0.0150	0.3008		
2020	\$316,814,000	\$25,000,000		\$316,814	\$259,075	\$575,889	\$371,243	\$11,982	\$47,522	\$238,244	\$1,244,880	
2021	\$291,506,610	\$25,000,000		\$291,507	\$259,075	\$550,582	\$341,587	\$11,025	\$43,726	\$219,213	\$1,166,133	
2022	\$268,222,870	\$25,000,000		\$268,223	\$259,075	\$527,298	\$314,304	\$10,144	\$40,233	\$201,704	\$1,093,683	
2023	\$246,800,910	\$25,000,000		\$246,801	\$259,075	\$505,876	\$289,201	\$9,334	\$37,020	\$185,594	\$1,027,026	
2024	\$227,091,800	\$25,000,000		\$227,092	\$259,075	\$486,167	\$266,106	\$8,589	\$34,064	\$170,773	\$965,698	
2025	\$208,958,550	\$25,000,000		\$208,959	\$259,075	\$468,034	\$244,858	\$7,903	\$31,344	\$157,137	\$909,275	
2026	\$192,275,110	\$25,000,000		\$192,275	\$259,075	\$451,350	\$225,308	\$7,272	\$28,841	\$144,591	\$857,362	
2027	\$176,925,520	\$25,000,000		\$176,926	\$259,075	\$436,001	\$207,321	\$6,691	\$26,539	\$133,048	\$809,600	
2028	\$162,803,090	\$25,000,000		\$162,803	\$259,075	\$421,878	\$190,773	\$6,157	\$24,420	\$122,428	\$765,656	
2029	\$149,809,650	\$25,000,000		\$149,810	\$259,075	\$408,885	\$175,547	\$5,666	\$22,471	\$112,657	\$725,226	
2030	\$137,854,920	\$137,854,920		\$137,855	\$1,428,591	\$1,566,445	\$646,154	\$5,214	\$20,678	\$414,668	\$2,653,159	
2031	\$126,855,820	\$126,855,820		\$126,856	\$1,314,607	\$1,441,463	\$594,599	\$4,798	\$19,028	\$381,582	\$2,441,470	
2032	\$116,735,910	\$116,735,910		\$116,736	\$1,209,734	\$1,326,470	\$547,165	\$4,415	\$17,510	\$351,142	\$2,246,702	
2033	\$107,424,880	\$107,424,880		\$107,425	\$1,113,244	\$1,220,669	\$503,522	\$4,063	\$16,114	\$323,134	\$2,067,501	
2034	\$98,858,040	\$98,858,040		\$98,858	\$1,024,466	\$1,123,324	\$463,367	\$3,739	\$14,829	\$297,365	\$1,902,624	
				Total	\$2,828,938	\$8,681,392	\$11,510,329	\$5,381,054	\$106,990	\$424,341	\$3,453,279	\$20,875,993
				Diff	\$0	\$20,634,890	\$20,634,890	\$7,878,743	\$0	\$0	\$5,056,165	\$24,636,013

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, High Lonesome Wind Power, 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 High Lonesome Wind Power, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy and direct, indirect and induced tax effects from project employment directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$259,075	\$259,075	\$3,024,068	\$3,024,068
	2021	\$259,075	\$518,150	\$2,761,808	\$5,785,876
	2022	\$259,075	\$777,225	\$2,520,519	\$8,306,395
	2023	\$259,075	\$1,036,300	\$2,298,523	\$10,604,918
	2024	\$259,075	\$1,295,375	\$2,094,277	\$12,699,195
	2025	\$259,075	\$1,554,450	\$1,906,362	\$14,605,558
	2026	\$259,075	\$1,813,525	\$1,733,472	\$16,339,030
	2027	\$259,075	\$2,072,600	\$1,574,404	\$17,913,434
	2028	\$259,075	\$2,331,675	\$1,428,053	\$19,341,487
	2029	\$259,075	\$2,590,750	\$1,293,402	\$20,634,890
Maintain Viable Presence (5 Years)	2030	\$1,428,591	\$4,019,341	\$0	\$20,634,890
	2031	\$1,314,607	\$5,333,947	\$0	\$20,634,890
	2032	\$1,209,734	\$6,543,682	\$0	\$20,634,890
	2033	\$1,113,244	\$7,656,926	\$0	\$20,634,890
	2034	\$1,024,466	\$8,681,392	\$0	\$20,634,890
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$942,783	\$9,624,174	\$0	\$20,634,890
	2036	\$867,628	\$10,491,802	\$0	\$20,634,890
	2037	\$798,478	\$11,290,281	\$0	\$20,634,890
	2038	\$734,854	\$12,025,135	\$0	\$20,634,890
	2039	\$676,314	\$12,701,449	\$0	\$20,634,890
	2040	\$622,450	\$13,323,899	\$0	\$20,634,890
	2041	\$572,890	\$13,896,789	\$0	\$20,634,890
	2042	\$527,289	\$14,424,078	\$0	\$20,634,890
	2043	\$485,329	\$14,909,407	\$0	\$20,634,890
	2044	\$446,721	\$15,356,129	\$0	\$20,634,890

\$15,356,129 is less than **\$20,634,890**

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

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

Source: CPA, High Lonesome Wind Power, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	25	24	49	\$1,312,500	\$1,739,500	\$3,052,000	160000	-92000	\$252,000
2019	250	1,682	1931.64	\$13,125,000	\$109,189,000	\$122,314,000	14336000	-3494000	\$17,830,000
2020	6	64	70	\$356,940	\$14,536,060	\$14,893,000	664000	1396000	-\$732,000
2021	6	15	21	\$356,940	\$8,676,060	\$9,033,000	481000	1350000	-\$869,000
2022	6	(22)	-16	\$356,940	\$4,404,060	\$4,761,000	237000	1266000	-\$1,029,000
2023	6	(37)	-31	\$356,940	\$1,596,060	\$1,953,000	122000	1160000	-\$1,038,000
2024	6	(45)	-39	\$356,940	\$9,060	\$366,000	122000	1038000	-\$916,000
2025	6	(37)	-31	\$356,940	-\$1,088,940	-\$732,000	46000	908000	-\$862,000
2026	6	(37)	-31	\$356,940	-\$1,699,940	-\$1,343,000	46000	793000	-\$747,000
2027	6	(31)	-25	\$356,940	-\$1,333,940	-\$977,000	46000	656000	-\$610,000
2028	6	(27)	-21	\$356,940	-\$1,577,940	-\$1,221,000	53000	580000	-\$527,000
2029	6	(22)	-16	\$356,940	-\$1,088,940	-\$732,000	53000	496000	-\$443,000
2030	6	(16)	-10	\$356,940	-\$1,088,940	-\$732,000	53000	420000	-\$367,000
2031	6	(14)	-8	\$356,940	-\$844,940	-\$488,000	53000	359000	-\$306,000
2032	6	(6)	0	\$356,940	-\$844,940	-\$488,000	46000	320000	-\$274,000
2033	6	(8)	-2	\$356,940	-\$600,940	-\$244,000	15000	267000	-\$252,000
2034	6	(10)	-4	\$356,940	-\$600,940	-\$244,000	-31000	214000	-\$245,000
2035	6	(8)	-2	\$356,940	-\$112,940	\$244,000	-38000	160000	-\$198,000
2036	6	(6)	0	\$356,940	-\$844,940	-\$488,000	-92000	99000	-\$191,000
2037	6	(10)	-4	\$356,940	-\$600,940	-\$244,000	-114000	69000	-\$183,000
2038	6	(12)	-6	\$356,940	-\$356,940	\$0	-122000	53000	-\$175,000
2039	6	(10)	-4	\$356,940	-\$356,940	\$0	-168000	-15000	-\$153,000
2040	6	(12)	-6	\$356,940	-\$1,088,940	-\$732,000	-198000	-53000	-\$145,000
2041	6	(10)	-4	\$356,940	-\$844,940	-\$488,000	-214000	-99000	-\$115,000
2042	6	(14)	-8	\$356,940	-\$1,088,940	-\$732,000	-214000	-130000	-\$84,000
2043	6	(14)	-8	\$356,940	-\$844,940	-\$488,000	-183000	-160000	-\$23,000
2044	6	(14)	-8	\$356,940	-\$356,940	\$0	-198000	-183000	-\$15,000
2045	6	(14)	-8	\$356,940	-\$844,940	-\$488,000	-259000	-244000	-\$15,000
Total							\$14,702,000	\$7,134,000	\$7,568,000
							\$22,924,129	is greater than	\$20,634,890
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									

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 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 High Lonesome Wind Power, 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 High Lonesome Wind Power LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Swift Current Energy (SCE) is a clean energy focused development and investment firm. Founded in 2016 by industry veterans, Swift Current Energy has over a gigawatt of utility scale wind, solar, and energy storage power projects in development across North America. Swift Current Energy is headquartered in Boston, Massachusetts with offices in Illinois, Maine, Montana, New York, and Texas.”
 - B. “SCE is keen to develop and build the proposed High Lonesome Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. SCE is active in states throughout the United States, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable.”
 - C. “SCE has many wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, SCE currently has ongoing project developments in many states, including but not limited to, Illinois, Indiana, Iowa, Maine, Minnesota, and Oklahoma.”
 - D. “Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape

clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable.”

- E. “Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- According to a Regular Meeting of the Board of Trustees of Rankin ISD on February 7, 2018, “Consideration and/or action to accept the application of High Lonesome Wind Power, LLC for an appraised value limitation on qualified property; authorize the superintendent to review the application for completeness and submit to the Comptroller; and authorize the superintendent to into any agreement to extend the deadline for Board action beyond 150 days subject to Board ratification.”
 - According to the Upton County Commissioners dated April 11, 2018, “Discuss and Act on possibly approving the Tax Abatement Agreement between Upton County and High Lonesome Wind Power, LLC. Pursuant to Chapter 312, Texas Tax Code.”

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

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

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 6: Eligibility Under Tax Code Chapter 313.024

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

SECTION 7: Project Description

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

<input 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

High Lonesome Wind Power, LLC

Chapter 313 Application to Rankin ISD

Cummings Westlake, LLC

TAB 5

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

Swift Current Energy (SCE) is a clean energy focused development and investment firm. Founded in 2016 by industry veterans, Swift Current Energy has over a gigawatt of utility scale wind, solar, and energy storage power projects in development across North America. Swift Current Energy is headquartered in Boston, Massachusetts with offices in Illinois, Maine, Montana, New York and Texas.

SCE is keen to develop and build the proposed High Lonesome Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. SCE is active in states throughout the United States, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. SCE has many wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, SCE currently has ongoing project developments in many states, including but not limited to, Illinois, Indiana, Iowa, Maine, Minnesota and Oklahoma.

Due to the extremely competitive power market in ERCOT most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Agenda of Regular Meeting
The Board of Trustees

A Regular Meeting of the Board of Trustees of Rankin ISD will be held February 7, 2018, beginning at 6:00 PM in the Rankin ISD Administration Building, 1300 Upton Street, Rankin, Texas 79778.

The subjects to be discussed or considered or upon which any formal action may be taken are as listed below. Items do not have to be taken in the order shown on this meeting notice.

Unless removed from the consent agenda, items identified within the consent agenda will be acted on at one time.

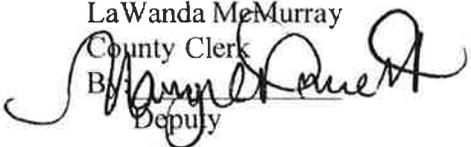
1. PRESENT AT MEETING
2. CALL TO ORDER
3. AUDIENCE /PUBLIC COMMENT
4. ANNUAL REPORT PUBLIC MEETING - 2016-2017 TEXAS ACADEMIC PERFORMANCE REPORT
Presenter: Mr. Samuel Wyatt
5. SPECIAL RECOGNITION
 - A. ELEMENTARY PARA-PROFESSIONALS
Veronica Cura, Chris Gaddis, Carla Jackson, Candi Kinney, Cindy Covington
Presenter: Mr. Brad Riker
 - B. HIGH SCHOOL PARA-PROFESSIONALS
MARTHA ALFARO
JUANITA GODDETTE
Presenter: Mr. Adrian Gallardo
6. INFORMATION ITEMS
 - A. PRINCIPALS' REPORTS
 1. ENROLLMENT
 2. ATTENDANCE
 3. UPCOMING EVENTS
 - B. ATHLETIC DIRECTOR'S REPORT
 1. ATHLETIC PROGRAMS
 2. UPCOMING EVENTS
 3. SPECIAL RECOGNITION
 - C. BUSINESS MANAGER'S REPORT
 1. DISBURSEMENTS
 2. INVESTMENTS
 3. BUDGET AMENDMENTS
7. CONSENT AGENDA ITEMS
 - A. MINUTES
 - B. INVESTMENT SCHEDULE
 - C. DISBURSEMENTS
 - D. BOARD REPORTS
8. CONSIDERATION AND/OR ACTION ITEM
 - A. CONSIDERATION AND/OR ACTION TO APPROVE AUDITOR FOR THE YEAR ENDING AUGUST 31, 2018
 - B. CONSIDERATION AND/OR ACTION TO APPROVE 2018-2019 SCHOOL CALENDAR
 - C. CONSIDERATION AND/OR ACTION OF UPTON COUNTY APPRAISAL DISTRICT REFUND
 - D. CONSIDERATION AND/OR ACTION TO APPROVE PURCHASING BAND UNIFORMS AS PRESENTED.
 - E. CONSIDERATION AND/OR ACTION TO APPROVE PURCHASING DRUMLINE INSTRUMENTS AND ACCESSORIES AS PRESENTED.
 - F. CONSIDERATION AND/OR ACTION TO ACCEPT THE APPLICATION OF **HIGH LONESOME WIND POWER, LLC** FOR AN APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY; AUTHORIZE THE SUPERINTENDENT TO REVIEW THE APPLICATION FOR COMPLETENESS AND SUBMIT TO THE COMPTROLLER; AND AUTHORIZE THE SUPERINTENDENT TO ENTER INTO ANY AGREEMENT TO EXTEND THE DEADLINE FOR BOARD ACTION BEYOND 150 DAYS SUBJECT TO BOARD RATIFICATION.

- G. CONSIDERATION AND/OR ACTION TO RETAIN CONSULTANTS TO ASSIST THE DISTRICT IN PROCESSING OF APPLICATION FOR APPRAISED VALUE LIMITATION ON QUALIFIED PROPERTY FROM HIGH LONESOME WIND POWER, LLC.
- 9. SUPERINTENDENT'S REPORT
 - A. WINTER GOVERNANCE CONFERENCE
 - B. MIDWINTER CONFERENCE RECAP
 - C. MARCH 21, 2018? NEXT MEETING DATE (WEDNESDAY AFTER SPRING BREAK)
 - D. TMSCA UPDATE
 - E. ACTIVE SHOOTER & LOCKDOWN TRAINING
 - F. POLE VAULT FOUNDATION WORK
- 10. CLOSED MEETING (TEX. GOV'T CODE 551.074)
 - A. CONSIDER SUPERINTENDENT RECOMMENDATIONS REGARDING EMPLOYMENT, RESIGNATIONS, DUTIES, AND CONTRACT STATUS OF TEACHERS/COACHES/ADMINISTRATORS, AND ALL NON-CONTRACTUAL PERSONEL
 - 1. TEACHER RESIGNATION
 - 2. PRINCIPALS' CONTRACTS
 - 3. BUSINESS MANAGER CONTRACT
 - 4. DIRECTOR OF MAINTENANCE
 - 5. DIRECTOR OF INFORMATION TECHNOLOGY
 - B. DISCUSS COMMERCIAL OR FINANCIAL INFORMATION RECEIVED HIGH LONESOME WIND POWER, LLC WITH WHOM THE DISTRICT MAY BE COMMENCING ECONOMIC DEVELOPMENT NEGOTIATIONS.
- 11. OPEN MEETING: ACTION RESULTING FROM CLOSED MEETING
 - A. TEACHER CONTRACT--CONTRACT RELEASE
 - B. PRINCIPAL CONTRACTS
 - C. BUSINESS MANAGER CONTRACT
 - D. SALARY FOR MAINTENANCE DIRECTOR AND DIRECTOR OF TECHNOLOGY
- 12. ADJOURN

NOTICE OF MEETING OF THE UPTON COUNTY COMMISSIONERS COURT

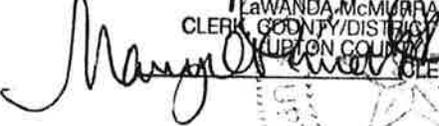
THERE WILL BE A MEETING OF THE UPTON COUNTY COMMISSIONERS COURT ON
APRIL 11, 2018 AT 9:00A.M., IN THE COMMISSIONERS COURTROOM,
UPTON COUNTY COURTHOUSE, 205 EAST 10TH STREET, RANKIN, TEXAS
TO CONSIDER AND TAKE ACTION ON THE FOLLOWING AGENDA:

1. Pay Bills
2. Accept reports, deputations and any additions to the bond list.
3. Approve the minutes of April 09, 2018
4. Approve budget amendments.
5. Discuss and Act on possibly approving the Tax Abatement Agreement between Upton County and High Lonesome Wind Power, LLC. Pursuant to Chapter 312, Texas Tax Code. Wes Jackson
6. Discuss and Act on approving the April 12, 2018 payroll

LaWanda McMurray
County Clerk
By 
Deputy

In Accordance with the Texas Open Meetings Act, Items on this Agenda may be subjected to being discussed in either open or closed session of the Court.

The Upton County Commissioners' Court meetings are available to all persons regardless of disability. Individuals with disabilities who require special assistance should contact the Upton County Commissioners' Assistant at 432/693-2321 ext. 2 or 205 East 10th Street, County Judge's office, Rankin, Texas 79778 during normal business hours and at least one (1) business day in advance.

4/5/2018 FILED AT 2:32 pm
LaWanda McMurray
CLERK COUNTY/DISTRICT COURT
UPTON COUNTY TEXAS
CLERK/DEPUTY



COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
- Rankin ISD - High Lonesome Wind Power, LLC App. #1237

Comptroller Questions (via email on July 27, 2018):

1. *Is the High Lonesome Wind Power, 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 GINR number and when was it assign.*

Applicant Response (via email on July 30, 2018):

1. *No. High Lonesome Wind Power, LLC is the only legal name of the project.*
2. *Yes, the application has applied with ERCOT. The project's GINR No. is 191NR0038. ERCOT assigned this number to the project on March 6, 2017.*