GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 29, 2018

Robert Gibson
Superintendent
Schleicher County Independent School District
205 Fields Avenue
Eldorado, Texas 76936

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Schleicher County Independent School District and Mines Wind Energy, LLC, Application 1241

Dear Superintendent Gibson:

On May 2, 2018, the Comptroller issued written notice that (applicant) submitted a completed application (Application1241) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on February 12, 2018, to the Schleicher 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 1241.

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 does 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 2, 2019, 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

Amended Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Mines Wind Energy, LLC (project) applying to Schleicher County ISD(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 Mines Wind Energy, LLC.

Applicant	Mines Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy -Wind
School District	Schleicher County ISD
2016-2017 Average Daily Attendance	527
County	Schleicher
Proposed Total Investment in District	$205,700,000
Proposed Qualified Investment	$205,700,000
Limitation Amount	$20,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	4*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$827
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(b)	$751.27
Minimum annual wage committed to by applicant for qualified jobs	$43,000,000
Minimum weekly wage required for non-qualifying jobs	$791
Minimum annual wage required for non-qualifying jobs	$41,133
Investment per Qualifying Job	$51,425,000
Estimated M&O levy without any limit (15 years)	$20,643,233
Estimated M&O levy with Limitation (15 years)	$6,631,993
Estimated gross M&O tax benefit (15 years)	$14,011,240

** 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 Mines Wind Energy, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2017	0	0	0	$0	$0	$0
2018	10	8	17.578	$525,000	$574,000	$1,099,000
2019	300	280	580	$15,750,000	$23,068,000	$38,818,000
2020	4	19	23	$172,000	$4,467,000	$4,639,000
2021	4	8	12	$172,000	$3,124,000	$3,296,000
2022	4	(0)	4	$172,000	$1,903,000	$2,075,000
2023	4	(2)	2	$172,000	$1,171,000	$1,343,000
2024	4	(2)	2	$172,000	$682,000	$854,000
2025	4	2	6	$172,000	$560,000	$732,000
2026	4	(0)	4	$172,000	$560,000	$732,000
2027	4	2	6	$172,000	$805,000	$977,000
2028	4	4	8	$172,000	$805,000	$977,000
2029	4	2	6	$172,000	$1,049,000	$1,221,000
2030	4	2	6	$172,000	$560,000	$732,000
2031	4	(0)	4	$172,000	$316,000	$488,000
2032	4	4	8	$172,000	$72,000	$244,000
2033	4	(2)	2	$172,000	$316,000	$488,000

Source: CPA REMI, *Mines Wind Energy, LLC*

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

	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Schleicher County ISD I&S Tax Levy	Schleicher County ISD M&O Tax Levy	Schleicher M&O and I&S Tax Levies	Schleicher County Tax Levy	Schleicher Hospital District Tax Levy	Plateau Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate[1]	0.0000	1.1700		0.8965	0.7500	0.0460	
2019	$0	$0		$0	$0	$0	$0	$0	$0	$0
2020	$197,486,000	$197,486,000		$0	$2,310,586	$2,310,586	$1,593,416	$177,046	$9,084	$4,090,133
2021	$181,724,850	$181,724,850		$0	$2,126,181	$2,126,181	$1,466,247	$162,916	$8,359	$3,763,703
2022	$167,223,649	$167,223,649		$0	$1,956,517	$1,956,517	$1,349,244	$149,916	$7,692	$3,463,369
2023	$153,881,624	$153,881,624		$0	$1,800,415	$1,800,415	$1,241,594	$137,955	$7,079	$3,187,042
2024	$141,606,065	$141,606,065		$0	$1,656,791	$1,656,791	$1,142,549	$126,950	$6,514	$2,932,803
2025	$130,311,676	$130,311,676		$0	$1,524,647	$1,524,647	$1,051,420	$116,824	$5,994	$2,698,885
2026	$119,919,985	$119,919,985		$0	$1,403,064	$1,403,064	$967,574	$107,508	$5,516	$2,483,663
2027	$110,358,799	$110,358,799		$0	$1,291,198	$1,291,198	$890,430	$98,937	$5,077	$2,285,641
2028	$101,561,697	$101,561,697		$0	$1,188,272	$1,188,272	$819,451	$91,050	$4,672	$2,103,444
2029	$93,467,573	$93,467,573		$0	$1,093,571	$1,093,571	$754,143	$83,794	$4,300	$1,935,807
2030	$86,020,210	$86,020,210		$0	$1,006,436	$1,006,436	$694,054	$77,117	$3,957	$1,781,565
2031	$79,167,884	$79,167,884		$0	$926,264	$926,264	$638,766	$70,974	$3,642	$1,639,646
2032	$72,863,012	$72,863,012		$0	$852,497	$852,497	$587,895	$65,322	$3,352	$1,509,066
2033	$67,061,815	$67,061,815		$0	$784,623	$784,623	$541,088	$60,121	$3,085	$1,388,917
2034	$61,724,019	$61,724,019		$0	$722,171	$722,171	$498,020	$55,336	$2,839	$1,278,366
			Total	$0	$20,643,233	$20,643,233	$14,235,891	$1,581,766	$81,161	$36,542,051

Source: CPA, Mines Wind Energy, LLC
*Tax Rate per $100 Valuatio

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Schleicher 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		Schleicher County ISD I&S Tax Levy	Schleicher County ISD M&O Tax Levy	Schleicher M&O and I&S Tax Levies	Schleicher County Tax Levy	Schleicher Hospital District Tax Levy	Plateau Water District Tax Levy	Estimated Total Property Taxes
			Tax Rate*	**0.0000**	**1.1700**		**0.8965**	**0.7500**	**0.0460**	
2019	$0	$0		$0	$0	$0	$0	$0	$0	$0
2020	$197,486,000	$20,000,000		$0	$234,000	$234,000	$1,593,416	$161,370	$9,084	$1,988,786
2021	$181,724,850	$20,000,000		$0	$234,000	$234,000	$1,466,247	$161,370	$8,359	$1,861,617
2022	$167,223,649	$20,000,000		$0	$234,000	$234,000	$1,349,244	$161,370	$7,692	$1,744,614
2023	$153,881,624	$20,000,000		$0	$234,000	$234,000	$1,241,594	$161,370	$7,079	$1,636,964
2024	$141,606,065	$20,000,000		$0	$234,000	$234,000	$1,142,549	$161,370	$6,514	$1,537,919
2025	$130,311,676	$20,000,000		$0	$234,000	$234,000	$1,051,420	$161,370	$5,994	$1,446,790
2026	$119,919,985	$20,000,000		$0	$234,000	$234,000	$967,574	$161,370	$5,516	$1,362,944
2027	$110,358,799	$20,000,000		$0	$234,000	$234,000	$890,430	$161,370	$5,077	$1,285,800
2028	$101,561,697	$20,000,000		$0	$234,000	$234,000	$819,451	$161,370	$4,672	$1,214,821
2029	$93,467,573	$20,000,000		$0	$234,000	$234,000	$754,143	$161,370	$4,300	$1,149,513
2030	$86,020,210	$86,020,210		$0	$1,006,436	$1,006,436	$694,054	$694,054	$3,957	$2,394,545
2031	$79,167,884	$79,167,884		$0	$926,264	$926,264	$638,766	$638,766	$3,642	$2,203,796
2032	$72,863,012	$72,863,012		$0	$852,497	$852,497	$587,895	$587,895	$3,352	$2,028,288
2033	$67,061,815	$67,061,815		$0	$784,623	$784,623	$541,088	$541,088	$3,085	$1,866,800
2034	$61,724,019	$61,724,019		$0	$722,172	$722,172	$498,020	$498,020	$2,839	$1,718,212
			Total	**$0**	**$6,631,993**	**$6,631,993**	**$14,235,891**	**$4,573,524**	**$81,161**	**$25,441,408**
			Diff	**$0**	**$14,011,240**	**$14,011,240**	**$0**	**-$2,991,758**	**$0**	**$11,100,643**

Source: CPA, Mines Wind Energy, 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 Mines Wind Energy, 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	2016	$0	$0	$0	$0
	2018	$0	$0	$0	$0
	2019	$0	$0	$0	$0
Limitation Period (10 Years)	2020	$234,000	$234,000	$2,076,586	$2,076,586
	2021	$234,000	$468,000	$1,892,181	$3,968,767
	2022	$234,000	$702,000	$1,722,517	$5,691,284
	2023	$234,000	$936,000	$1,566,415	$7,257,699
	2024	$234,000	$1,170,000	$1,422,791	$8,680,490
	2025	$234,000	$1,404,000	$1,290,647	$9,971,136
	2026	$234,000	$1,638,000	$1,169,064	$11,140,200
	2027	$234,000	$1,872,000	$1,057,198	$12,197,398
	2028	$234,000	$2,106,000	$954,272	$13,151,670
	2029	$234,000	$2,340,000	$859,571	$14,011,240
Maintain Viable Presence (5 Years)	2030	$1,006,436	$3,346,436	$0	$14,011,240
	2031	$926,264	$4,272,701	$0	$14,011,240
	2032	$852,497	$5,125,198	$0	$14,011,240
	2033	$784,623	$5,909,821	$0	$14,011,240
	2034	$722,171	$6,631,992	$0	$14,011,240
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	$664,707	$7,296,699	$0	$14,011,240
	2036	$611,832	$7,908,532	$0	$14,011,240
	2037	$563,180	$8,471,712	$0	$14,011,240
	2038	$518,413	$8,990,125	$0	$14,011,240
	2039	$477,220	$9,467,344	$0	$14,011,240
	2040	$439,315	$9,906,659	$0	$14,011,240
	2041	$404,436	$10,311,095	$0	$14,011,240
	2042	$372,340	$10,683,436	$0	$14,011,240
	2043	$342,806	$11,026,242	$0	$14,011,240
	2044	$315,628	$11,341,870	$0	$14,011,240

$11,341,870	is less than	$14,011,240

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

Source: CPA, Mines Wind Energy, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2017	0	0	0	$0	$0	$0	0	0	$0
2018	10	8	17.578	$525,000	$574,000	$1,099,000	61000	-38000	$99,000
2019	300	280	580	$15,750,000	$23,068,000	$38,818,000	1976000	-1045000	$3,021,000
2020	4	19	23	$172,000	$4,467,000	$4,639,000	198000	427000	-$229,000
2021	4	8	12	$172,000	$3,124,000	$3,296,000	160000	389000	-$229,000
2022	4	(0)	4	$172,000	$1,903,000	$2,075,000	114000	366000	-$252,000
2023	4	(2)	2	$172,000	$1,171,000	$1,343,000	99000	298000	-$199,000
2024	4	(2)	2	$172,000	$682,000	$854,000	122000	259000	-$137,000
2025	4	2	6	$172,000	$560,000	$732,000	99000	221000	-$122,000
2026	4	(0)	4	$172,000	$560,000	$732,000	130000	198000	-$68,000
2027	4	2	6	$172,000	$805,000	$977,000	122000	145000	-$23,000
2028	4	4	8	$172,000	$805,000	$977,000	130000	122000	$8,000
2029	4	2	6	$172,000	$1,049,000	$1,221,000	160000	130000	$30,000
2030	4	2	6	$172,000	$560,000	$732,000	114000	76000	$38,000
2031	4	(0)	4	$172,000	$316,000	$488,000	84000	38000	$46,000
2032	4	4	8	$172,000	$72,000	$244,000	84000	15000	$69,000
2033	4	(2)	2	$172,000	$316,000	$488,000	76000	-38000	$114,000
2034	4	(0)	4	$172,000	$72,000	$244,000	61000	-61000	$122,000
2035	4	(2)	2	$172,000	-$172,000	$0	15000	-84000	$99,000
2036	4	(4)	0	$172,000	-$416,000	-$244,000	-8000	-137000	$129,000
2037	4	(0)	4	$172,000	-$416,000	-$244,000	15000	-183000	$198,000
2038	4	(2)	2	$172,000	-$172,000	$0	31000	-206000	$237,000
2039	4	(0)	4	$172,000	-$172,000	$0	0	-229000	$229,000
2040	4	(2)	2	$172,000	-$660,000	-$488,000	-46000	-282000	$236,000
2041	4	(0)	4	$172,000	-$660,000	-$488,000	-46000	-305000	$259,000
2042	4	(2)	2	$172,000	-$904,000	-$732,000	0	-313000	$313,000
2043	4	(2)	2	$172,000	$316,000	$488,000	61000	-328000	$389,000
2044	4	(4)	0	$172,000	-$660,000	-$488,000	15000	-305000	$320,000
						Total	**$3,827,000**	**-$870,000**	**$4,697,000**
							$16,038,870	is greater than	**$14,011,240**

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 Mines Wind Energy, 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:

- Mines Wind Energy, LLC. in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. "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. 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."
  - B. "The applicant is actively assessing and developing other projects that are competing for limited investment funds. Competing sites being evaluated for this project investment are located in New Mexico, Colorado, Kansas, Oklahoma, Alabama, Mississippi, Arkansas and South Carolina."
- The ERCOT GINR number is 18INR0022 and the project is known as Lost Mines Wind Energy for ERCOT purposes due to another project having the name as the applicant.

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
   Applicant has executed a 312 agreement with the County
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.

For more information, visit our website: **www.TexasAhead.org/tax_programs/chapter313/**

Supporting Information

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

TAB 5

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

Mines Wind Energy, LLC is owned by SPR Development Holdings, LLC, under a Joint Development Agreement between RES America Developments Inc ("RES") and Southern Renewable Partnerships, LLC.

As one of the top renewable energy companies in the world, Renewable Energy Systems (RES) has been providing services in development, engineering, construction, and operations since 1982. RES has developed and/or built over 10 GW of renewable energy capacity worldwide, has an asset management portfolio exceeding 1 GW, and is active in a range of energy technologies including onshore wind, solar, energy storage, transmission, and demand side management (DSM).

Since 1997, RES has been active in the Americas where we developed and constructed our first wind project in the United States and today have over 7,500 MW of wind constructed in 13 states. We entered the Canadian renewable energy market in 2003, followed by the Chilean market in 2010. We started constructing our first solar project in 2010 and have since built over 280 MW in three states and one Canadian province.

The Applicant is a national wind and solar 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. Competing sites being evaluated for this project investment are located in New Mexico, Colorado, Kansas, Oklahoma, Alabama, Mississippi, Arkansas and South Carolina. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar 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.

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

All Projects, in the Full Interconnect Study (FIS) phase, without a Signed Interconnection Agreement as of March 31, 2018

GINR Reference Number	Project Name*	Interconnecting Entity	Point of Interconnection (POI)	County	Fuel	Capacity to Grid (MW)	Projected COD Month/Year (as
17INR0065	Capricorn III repower	Nextera		Sterling	WIND	0	4/2018
17INR0064	Capricorn II repower	Nextera		Sterling	WIND	0	4/2018
17INR0057	Red Canyon repower	Nextera		Borden	WIND	0	4/2018
17INR0070	Desert Sky repower	Invenergy		Pecos	WIND	7	6/2018
17INR0069	Trent repower	Invenergy		Nolan	WIND	6	6/2018
17INR0067	Sweetwater 1 repower	Leeward Energy	180151 Sweetwater1 34.5kV	Nolan	WIND	0	6/2018
17INR0060	Horse Hollow IV repower	Nextera		Taylor	WIND	0	6/2018
17INR0058	Horse Hollow II repower	Nextera		Taylor	WIND	0	6/2018
17INR0052	HH1 (HHGT increase)	Nextera	6216 Bluff Creek 138kV	Taylor	WIND	44	7/2018
17INR0104	Capricorn 4 repower	Nextera		Coke	WIND	0	7/2018
17INR0103	Horse 3 repower	Nextera		Taylor	WIND	0	7/2018
17INR0101	Horse 1 repower	Nextera		Taylor	WIND	0	7/2018
17INR0063	Capricorn I repower	Nextera		Sterling	WIND	0	7/2018
17INR0061	Capricorn IV repower	Nextera		Sterling	WIND	9	7/2018
17INR0056	Callahan repower	Nextera		Taylor	WIND	0	7/2018
17INR0054	Capricorn I & III repower	Nextera	180757 Capricorn Ridge 3 138kV	Sterling	WIND	32	7/2018
17INR0053	HH3 (HHGT increase)	Nextera	7046 Kendal 345kV	Taylor	WIND	44	7/2018
18INR0075	Gulf Wind 1 Repower	Pattern Energy		Kenedy	WIND	0	8/2018
18INR0072	Blue Summit Repower	Nextera	140382 Blue Summit 1.6 34.5kV	Wilbarger	WIND	10	12/2018
18INR0070	Blue Summit II	Nextera	61001 Jim Treece 345kV	Wilbarger	WIND	102	12/2018
18INR0068	Loraine Windpark Phase III	Third Planet Wind Power	181153 Lonewolf 345kV	Mitchell	WIND	100	12/2018
12INR0060	Infinity Live Oak Wind	Infinity Renewables	76003 Big Hill 345kV	Schleicher	WIND	200	12/2018
19INR0031	Bestla Solar	Longroad Energy	tap 138kV 1147 Cheyenne - 131853	Winkler	SOLAR	150	1/2019
18INR0061	Shakes Solar	Cypress Creek Renewables	tap 138kV 8283 Asherton - 8236 W_	Zavala	SOLAR	42	3/2019
18INR0060	Brightside Solar	Cypress Creek Renewables	tap 69kV 8198 Beeville - 8400 Three	Bee	SOLAR	50	3/2019
18INR0055	Long Draw Solar	BNB Renewables	59900 Long Draw 345kV	Borden	SOLAR	225	3/2019
18INR0023	Lost Mines Wind	RES Americas	60708 Orsted 345kV - Big Hill	Schleicher	WIND	201	3/2019
19INR0124	Solemio Springs	Alpin Sun	tap 138kV 1698 Sulphur Springs Swi	Hopkins	SOLAR	50	4/2019
19INR0119	Patriot Wind II	Nrg	85000 Nelson Sharpe 345kV	Nueces	WIND	58	4/2019
19INR0094	GSE Three Solar	Alpin Sun	6044 Turkey 69kV	Hall	SOLAR	50	4/2019
19INR0093	Sole Mio	Alpin Sun	tap 138kV 1698 Sulphur Springs - 18	Hopkins	SOLAR	45	4/2019
19INR0091	GSE ONE Solar	Alpin Sun	1808 Bonham 138kV	Fannin	SOLAR	82	4/2019
19INR0057	Old Bloomington Road	Castleman Power	8143 Dupont 138kV	Victoria	GAS	100	4/2019
19INR0056	Chamon Phase 2	Castleman Power	40260 Chamon 138kV	Harris	GAS	100	4/2019
18INR0045	Misae Solar	Childress Solar LLC	60501 Tesla 345kV	Childress	SOLAR	241	4/2019
16INR0036	Pecan Creek 1 Gas	NTE Energy	tap 345kV 11420 Sweetwater - 1140	Nolan	GAS	280	4/2019
19INR0092	Prospero Solar	Longroad Energy	79650 Clear Fork 345kV (or 1158 Ar	Andrews	SOLAR	300	5/2019
18INR0053	Fort Bend Solar	Lendlease Energy	tap 138kV 44541 Orchard - 44190 E	Fort Bend	SOLAR	240	5/2019

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Schleicher County ISD– Mines Wind Energy Wind, LLC App. #1241

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

1. *Is the Mines Wind Energy, LLC 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 April 27, 2018):

1. *Lost Mines Wind Energy Project*

2. *18INR0022*