



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

October 31, 2018

Adell Cueva  
Superintendent  
Benavides Independent School District  
P.O. Box Drawer P  
Benavides, Texas 78341-0916

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Benavides Independent School District and Torrecillas Wind Energy, LLC, Application 1244

Dear Superintendent Cueva:

On August 21, 2018, the Comptroller issued written notice that Torrecillas Wind Energy, LLC (applicant) submitted a completed application (Application 1244) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on January 24, 2018, to the Benavides 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.

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<sup>1</sup> 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 1244.

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 August 21, 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](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 blue ink that reads "Lisa Craven". The signature is written in a cursive style with a large initial "L".

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

### Attachment A – Economic Impact Analysis

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

Applicant	Torrecillas Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Electric power generation, wind
School District	Benavides ISD
2017-2018 Average Daily Attendance	297
County	Duval
Proposed Total Investment in District	\$222,750,000
Proposed Qualified Investment	\$222,750,000
Limitation Amount	\$20,000,000
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	\$1,275
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$1,275
Minimum annual wage committed to by applicant for qualified jobs	\$66,304
Minimum weekly wage required for non-qualifying jobs	\$709
Minimum annual wage required for non-qualifying jobs	\$36,869
Investment per Qualifying Job	\$37,125,000
Estimated M&O levy without any limit (15 years)	\$19,778,012
Estimated M&O levy with Limitation (15 years)	\$6,183,875
Estimated gross M&O tax benefit (15 years)	\$13,594,137

\* 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 Torrecillas Wind Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	300	527	826.98	\$15,750,000	\$52,250,000	\$68,000,000
2019	6	87	93	\$397,824	\$10,602,176	\$11,000,000
2020	6	62	68	\$397,824	\$8,252,176	\$8,650,000
2021	6	33	39	\$397,824	\$5,862,176	\$6,260,000
2022	6	18	24	\$397,824	\$4,422,176	\$4,820,000
2023	6	12	18	\$397,824	\$3,672,176	\$4,070,000
2024	6	12	18	\$397,824	\$3,412,176	\$3,810,000
2025	6	15	21	\$397,824	\$3,562,176	\$3,960,000
2026	6	19	25	\$397,824	\$3,902,176	\$4,300,000
2027	6	23	29	\$397,824	\$4,352,176	\$4,750,000
2028	6	27	33	\$397,824	\$4,832,176	\$5,230,000
2029	6	28	34	\$397,824	\$5,112,176	\$5,510,000
2030	6	30	36	\$397,824	\$5,482,176	\$5,880,000
2031	6	32	38	\$397,824	\$5,832,176	\$6,230,000
2032	6	33	39	\$397,824	\$6,172,176	\$6,570,000
2033	6	33	39	\$397,824	\$6,472,176	\$6,870,000

Source: CPA REMI, Torrecillas Wind Energy, 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*	Benavides ISD I&S Tax Levy	Benavides ISD M&O Tax Levy	Benavides ISD M&O and I&S Tax Levies	Duval County Tax Levy	Estimated Total Property Taxes
			<b>0.2680</b>		<b>1.0400</b>		<b>1.1000</b>	
2019	\$213,168,000	\$213,168,000		\$571,205	\$2,216,947	\$2,788,152	\$2,344,848	\$5,133,000
2020	\$196,114,560	\$196,114,560		\$525,509	\$2,039,591	\$2,565,100	\$2,157,260	\$4,722,360
2021	\$180,425,395	\$180,425,395		\$483,468	\$1,876,424	\$2,359,892	\$1,984,679	\$4,344,571
2022	\$165,991,364	\$165,991,364		\$444,790	\$1,726,310	\$2,171,101	\$1,825,905	\$3,997,006
2023	\$152,712,054	\$152,712,054		\$409,207	\$1,588,205	\$1,997,413	\$1,679,833	\$3,677,245
2024	\$140,495,090	\$140,495,090		\$376,471	\$1,461,149	\$1,837,620	\$1,545,446	\$3,383,066
2025	\$129,255,483	\$129,255,483		\$346,353	\$1,344,257	\$1,690,610	\$1,421,810	\$3,112,420
2026	\$118,915,044	\$118,915,044		\$318,645	\$1,236,716	\$1,555,361	\$1,308,065	\$2,863,427
2027	\$109,401,841	\$109,401,841		\$293,153	\$1,137,779	\$1,430,932	\$1,203,420	\$2,634,353
2028	\$100,649,693	\$100,649,693		\$269,701	\$1,046,757	\$1,316,458	\$1,107,147	\$2,423,604
2029	\$92,597,718	\$92,597,718		\$248,125	\$963,016	\$1,211,141	\$1,018,575	\$2,229,716
2030	\$85,189,901	\$85,189,901		\$228,275	\$885,975	\$1,114,250	\$937,089	\$2,051,339
2031	\$78,374,709	\$78,374,709		\$210,013	\$815,097	\$1,025,110	\$862,122	\$1,887,232
2032	\$72,104,732	\$72,104,732		\$193,212	\$749,889	\$943,101	\$793,152	\$1,736,253
2033	\$66,336,353	\$66,336,353		\$177,755	\$689,898	\$867,653	\$729,700	\$1,597,353
			<b>Total</b>	<b>\$5,095,881</b>	<b>\$19,778,012</b>	<b>\$24,873,893</b>	<b>\$20,919,051</b>	<b>\$45,792,944</b>

Source: CPA, Torrecillas Wind Energy, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Duval 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		Benavides ISD I&S Tax Levy	Benavides ISD M&O Tax Levy	Benavides ISD M&O and I&S Tax Levies	Duval County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.2680	1.0400		1.1000	
2019	\$213,168,000	\$20,000,000		\$571,205	\$208,000	\$779,205	\$468,970	\$1,248,175
2020	\$196,114,560	\$20,000,000		\$525,509	\$208,000	\$733,509	\$431,452	\$1,164,961
2021	\$180,425,395	\$20,000,000		\$483,468	\$208,000	\$691,468	\$396,936	\$1,088,404
2022	\$165,991,364	\$20,000,000		\$444,790	\$208,000	\$652,790	\$365,181	\$1,017,971
2023	\$152,712,054	\$20,000,000		\$409,207	\$208,000	\$617,207	\$335,967	\$953,174
2024	\$140,495,090	\$20,000,000		\$376,471	\$208,000	\$584,471	\$618,178	\$1,202,649
2025	\$129,255,483	\$20,000,000		\$346,353	\$208,000	\$554,353	\$568,724	\$1,123,077
2026	\$118,915,044	\$20,000,000		\$318,645	\$208,000	\$526,645	\$523,226	\$1,049,871
2027	\$109,401,841	\$20,000,000		\$293,153	\$208,000	\$501,153	\$481,368	\$982,521
2028	\$100,649,693	\$20,000,000		\$269,701	\$208,000	\$477,701	\$442,859	\$920,560
2029	\$92,597,718	\$92,597,718		\$248,125	\$963,016	\$1,211,141	\$1,018,575	\$2,229,716
2030	\$85,189,901	\$85,189,901		\$228,275	\$885,975	\$1,114,250	\$937,089	\$2,051,339
2031	\$78,374,709	\$78,374,709		\$210,013	\$815,097	\$1,025,110	\$862,122	\$1,887,232
2032	\$72,104,732	\$72,104,732		\$193,212	\$749,889	\$943,101	\$793,152	\$1,736,253
2033	\$66,336,353	\$66,336,353		\$177,755	\$689,898	\$867,653	\$729,700	\$1,597,353
			<b>Total</b>	<b>\$5,095,881</b>	<b>\$6,183,875</b>	<b>\$11,279,756</b>	<b>\$8,973,498</b>	<b>\$20,253,254</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$13,594,137</b>	<b>\$13,594,137</b>	<b>\$11,945,553</b>	<b>\$25,539,690</b>

Source: CPA, Torrecillas Wind Energy, LLC \$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 Torrecillas 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)
<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	\$208,000	\$208,000	\$2,008,947	\$2,008,947
	2020	\$208,000	\$416,000	\$1,831,591	\$3,840,539
	2021	\$208,000	\$624,000	\$1,668,424	\$5,508,963
	2022	\$208,000	\$832,000	\$1,518,310	\$7,027,273
	2023	\$208,000	\$1,040,000	\$1,380,205	\$8,407,478
	2024	\$208,000	\$1,248,000	\$1,253,149	\$9,660,627
	2025	\$208,000	\$1,456,000	\$1,136,257	\$10,796,884
	2026	\$208,000	\$1,664,000	\$1,028,716	\$11,825,601
	2027	\$208,000	\$1,872,000	\$929,779	\$12,755,380
	2028	\$208,000	\$2,080,000	\$838,757	\$13,594,137
<b>Maintain Viable Presence (5 Years)</b>	2029	\$963,016	\$3,043,016	\$0	\$13,594,137
	2030	\$885,975	\$3,928,991	\$0	\$13,594,137
	2031	\$815,097	\$4,744,088	\$0	\$13,594,137
	2032	\$749,889	\$5,493,977	\$0	\$13,594,137
	2033	\$689,898	\$6,183,875	\$0	\$13,594,137
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2034	\$634,706	\$6,818,582	\$0	\$13,594,137
	2035	\$583,930	\$7,402,511	\$0	\$13,594,137
	2036	\$537,215	\$7,939,727	\$0	\$13,594,137
	2037	\$494,238	\$8,433,965	\$0	\$13,594,137
	2038	\$454,699	\$8,888,664	\$0	\$13,594,137
	2039	\$418,323	\$9,306,987	\$0	\$13,594,137
	2040	\$384,857	\$9,691,844	\$0	\$13,594,137
	2041	\$354,069	\$10,045,913	\$0	\$13,594,137
	2042	\$325,743	\$10,371,656	\$0	\$13,594,137
	2043	\$299,684	\$10,671,340	\$0	\$13,594,137

**\$10,671,340**

is less than

**\$13,594,137**

### 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, Torrecillas Wind Energy, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	300	364	664.06	\$15,750,000	\$37,350,000	\$53,100,000	2620000	-1210000	\$3,830,000
2019	6	35	41	\$397,824	\$5,582,176	\$5,980,000	240000	410000	-\$170,000
2020	6	15	21	\$397,824	\$4,122,176	\$4,520,000	200000	420000	-\$220,000
2021	6	6	12	\$397,824	\$3,022,176	\$3,420,000	120000	370000	-\$250,000
2022	6	(0)	6	\$397,824	\$2,162,176	\$2,560,000	60000	320000	-\$260,000
2023	6	(4)	2	\$397,824	\$1,312,176	\$1,710,000	30000	260000	-\$230,000
2024	6	(6)	0	\$397,824	\$1,062,176	\$1,460,000	40000	190000	-\$150,000
2025	6	2	8	\$397,824	\$1,062,176	\$1,460,000	40000	140000	-\$100,000
2026	6	(0)	6	\$397,824	\$1,062,176	\$1,460,000	60000	80000	-\$20,000
2027	6	4	10	\$397,824	\$1,552,176	\$1,950,000	60000	20000	\$40,000
2028	6	4	10	\$397,824	\$1,802,176	\$2,200,000	80000	-30000	\$110,000
2029	6	4	10	\$397,824	\$1,312,176	\$1,710,000	50000	-50000	\$100,000
2030	6	4	10	\$397,824	\$1,312,176	\$1,710,000	20000	-80000	\$100,000
2031	6	(0)	6	\$397,824	\$1,312,176	\$1,710,000	-20000	-110000	\$90,000
2032	6	4	10	\$397,824	\$822,176	\$1,220,000	-20000	-130000	\$110,000
2033	6	(0)	6	\$397,824	\$1,312,176	\$1,710,000	-50000	-190000	\$140,000
2034	6	(0)	6	\$397,824	\$822,176	\$1,220,000	-80000	-230000	\$150,000
2035	6	(4)	2	\$397,824	\$332,176	\$730,000	-130000	-250000	\$120,000
2036	6	(6)	0	\$397,824	\$92,176	\$490,000	-190000	-320000	\$130,000
2037	6	(6)	0	\$397,824	-\$637,824	-\$240,000	-220000	-370000	\$150,000
2038	6	(10)	-4	\$397,824	-\$887,824	-\$490,000	-230000	-410000	\$180,000
2039	6	(10)	-4	\$397,824	-\$1,127,824	-\$730,000	-270000	-470000	\$200,000
2040	6	(10)	-4	\$397,824	-\$1,857,824	-\$1,460,000	-320000	-540000	\$220,000
2041	6	(10)	-4	\$397,824	-\$1,617,824	-\$1,220,000	-350000	-590000	\$240,000
2042	6	(14)	-8	\$397,824	-\$2,107,824	-\$1,710,000	-380000	-610000	\$230,000
2043	6	(18)	-12	\$397,824	-\$2,347,824	-\$1,950,000	-400000	-660000	\$260,000
2044	6	(18)	-12	\$397,824	-\$2,347,824	-\$1,950,000	-410000	-680000	\$270,000
<b>Total</b>							\$550,000	-\$4,720,000	\$5,270,000
							\$15,941,340	is greater than	\$13,594,137

**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

Source: CPA, Torrecillas Wind Energy, LLC

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 Torrecillas 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:

- Torrecillas Wind Energy, LLC ( an affiliate of NextEra Resources (NEER)) in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “ NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to California, North Dakota and Oklahoma.”
  - B. “Due to the extreme competitive power market in SPP 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 cited.”
- According to the Wind Power Monthly news release dated February 9, 2018, “United States: Telecommunications company A T & T will buy power produced from 520M W of two wind farms in Oklahoma and Texas development subsidiaries of NetEra Energy Resources.”
- Supplemental information provided by the applicant stated the following:
  - A. Is Torrecillas Wind Energy, LLC currently known by any other project names? None.
  - B. Has the project applied to ERCOT at this time? If so, please provide the project’s IGNR number. ERCOT IGNR Number is 14INR0045.

**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**

## Torrecillas Wind Energy, LLC

Chapter 313 Application to Benavides ISD

Cummings Westlake, LLC

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### TAB 5

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

NextEra Energy Resources (NEER) is one of the largest wholesale generators of electric power in the U.S., with nearly 19,880 MW of generating capacity across 24 states and four Canadian provinces as of January 2017. NEER produces the majority of its electricity from clean and renewable sources, including wind and solar. NEER also provides full energy and capacity requirements services, engages in power and gas marketing and trading activities, participates in natural gas, natural gas liquids and oil production and pipeline infrastructure development and owns a retail electricity provider. NEER has a long-term commitment to both wind and solar with an outlook to significantly expand our fleet of clean energy generating capacity.

NEER is keen to develop and build the proposed Torrecillas 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. NextEra is active in states throughout the Great Plains and southwest, 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. NEER has over 40 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, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in SPP 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



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UNITED STATES

# AT&T buys 520MW from NextEra sites

9 February 2018 by Craig Richard ,

UNITED STATES: Telecommunications company AT&T will buy power produced from 520MW of two wind farms in Oklahoma and Texas developed by subsidiaries of NextEra Energy Resources.



Minco V will be part of a wind power complex which also includes the 99.2MW Minco 1 (above)

It has signed a power purchase agreement (PPA) for 220MW from the Minco V

wind farm in Caddo county, central Oklahoma, and for 300MW from the Torrance project which is spread across Webb and Duvall counties in southern

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Pattern to build and connect 1GW New Mexico wind farm

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Texas.

NextEra's Minco V was initially slated to come online this year, but has been delayed due to lawsuits with local landowners over the proximity of the site to their land. No update is given on [NextEra's project list](#) on the developer's website, which was last updated on 31 December 2017.

Torrecillas, meanwhile, is due to be completed in 2019. The 300MW site is currently owned by Bordas Wind Energy, a joint venture of energy developers Map Energy and Enerverse LLC, but once commissioned will pass over to NextEra.

AT&T described the energy purchased from the two projects as a "key component" of [its goal](#) to develop energy solutions that deliver carbon savings "ten times the footprint of our operations by 2025".

"As one of the world's largest companies, we know how we source our energy is important," said Scott Mair, AT&T's president of operations.

"Many companies are focused on their own carbon footprint but we believe our industry can do more.

"We've been working for a long time to ensure our wind projects deliver for both our business and the environment," Mair added.

Since 2010, AT&T has embarked upon a number of [energy efficiency projects](#), including reducing fleet emissions by 99,000 metric tons of CO2e and reducing its domestic fleet by 1,800 vehicles by 2016.

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**Have you registered with us yet?**

for US project

Bloomberg joins GM in Illinois power deal

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
Benavides ISD–Torrecillas Wind Energy, LLC App. #1256

Comptroller Questions (via email on May 2, 2018):

1. *Is the Torrecillas 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 July 30, 2018):

1. *None.*
2. 14INGR0045