



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

January 11, 2019

Olivia Del Hierro Gloria
Superintendent
Benjamin Independent School District
300 W. Hays St.
P.O. Box 166
Benjamin, Texas 79505

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Benjamin Independent School
District and TG East Wind Project, LLC, Application 1274

Dear Superintendent Del Hierro Gloria:

On October 16, 2018, the Comptroller issued written notice that TG East Wind Project, LLC (applicant) submitted a completed application (Application 1274) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 9, 2018, to the Benjamin 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 1274.

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, 2019.

Note that any building or improvement existing as of the application review start date of October 16, 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,



Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of TG East Wind Project, LLC (project) applying to Benjamin 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 TG East Wind Project, LLC.

Applicant	TG East Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Benjamin ISD
2017-2018 Average Daily Attendance	101
County	Knox
Proposed Total Investment in District	\$347,500,000
Proposed Qualified Investment	\$347,500,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2020-2021
Number of new qualifying jobs committed to by applicant	3*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$935
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$935
Minimum annual wage committed to by applicant for qualified jobs	\$48,596
Minimum weekly wage required for non-qualifying jobs	\$780
Minimum annual wage required for non-qualifying jobs	\$40,548
Investment per Qualifying Job	\$115,833,333
Estimated M&O levy without any limit (15 years)	\$39,199,811
Estimated M&O levy with Limitation (15 years)	\$12,083,037
Estimated gross M&O tax benefit (15 years)	\$27,116,774

* 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 TG East Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	125	164	288.913	\$6,545,500	\$14,127,500	\$20,673,000
2020	3	30	33	\$145,788	\$3,694,212	\$3,840,000
2021	3	31	34	\$145,788	\$3,565,212	\$3,711,000
2022	3	26	29	\$145,788	\$3,161,212	\$3,307,000
2023	3	22	25	\$145,788	\$2,819,212	\$2,965,000
2024	3	19	22	\$145,788	\$2,631,212	\$2,777,000
2025	3	18	21	\$145,788	\$2,523,212	\$2,669,000
2026	3	17	20	\$145,788	\$2,455,212	\$2,601,000
2027	3	16	19	\$145,788	\$2,415,212	\$2,561,000
2028	3	16	19	\$145,788	\$2,448,212	\$2,594,000
2029	3	16	19	\$145,788	\$2,427,212	\$2,573,000
2030	3	11	14	\$145,788	\$1,975,212	\$2,121,000
2031	3	9	12	\$145,788	\$1,752,212	\$1,898,000
2032	3	8	11	\$145,788	\$1,614,212	\$1,760,000
2033	3	7	10	\$145,788	\$1,541,212	\$1,687,000
2034	3	7	10	\$145,788	\$1,520,212	\$1,666,000

Source: CPA REMI, TG East Wind Project, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Benjam in ISD I&S Tax	Benjamin ISD M&O Tax Levy	M&O and I&S Tax Levies	Knox Tax Levy	Hospital District Tax Levy	Rolling Plains GWD	Estimated Total Property Taxes
				0.0000	1.1700		0.7303	0.3672	0.2086	
2020	\$330,635,530	\$330,635,530		\$0	\$3,868,436	\$3,868,436	\$2,414,664	\$1,214,193	\$689,706	\$8,186,999
2021	\$309,233,660	\$309,233,660		\$0	\$3,618,034	\$3,618,034	\$2,258,364	\$1,135,599	\$645,061	\$7,657,058
2022	\$291,831,790	\$291,831,790		\$0	\$3,414,432	\$3,414,432	\$2,131,277	\$1,071,694	\$608,761	\$7,226,164
2023	\$261,028,050	\$261,028,050		\$0	\$3,054,028	\$3,054,028	\$1,906,314	\$958,573	\$544,505	\$6,463,420
2024	\$258,429,920	\$258,429,920		\$0	\$3,023,630	\$3,023,630	\$1,887,340	\$949,032	\$539,085	\$6,399,087
2025	\$243,626,180	\$243,626,180		\$0	\$2,850,426	\$2,850,426	\$1,779,226	\$894,668	\$508,204	\$6,032,525
2026	\$226,224,310	\$226,224,310		\$0	\$2,646,824	\$2,646,824	\$1,652,139	\$830,764	\$471,904	\$5,601,631
2027	\$208,822,440	\$208,822,440		\$0	\$2,443,223	\$2,443,223	\$1,525,051	\$766,859	\$435,604	\$5,170,736
2028	\$208,822,440	\$208,822,440		\$0	\$2,443,223	\$2,443,223	\$1,525,051	\$766,859	\$435,604	\$5,170,736
2029	\$179,018,700	\$179,018,700		\$0	\$2,094,519	\$2,094,519	\$1,307,391	\$657,410	\$373,433	\$4,432,754
2030	\$174,018,700	\$174,018,700		\$0	\$2,036,019	\$2,036,019	\$1,270,876	\$639,049	\$363,003	\$4,308,947
2031	\$172,278,513	\$172,278,513		\$0	\$2,015,659	\$2,015,659	\$1,258,167	\$632,658	\$359,373	\$4,265,857
2032	\$167,110,157	\$167,110,157		\$0	\$1,955,189	\$1,955,189	\$1,220,422	\$613,679	\$348,592	\$4,137,881
2033	\$162,096,853	\$162,096,853		\$0	\$1,896,533	\$1,896,533	\$1,183,810	\$595,268	\$338,134	\$4,013,745
2034	\$157,233,947	\$157,233,947		\$0	\$1,839,637	\$1,839,637	\$1,148,295	\$577,410	\$327,990	\$3,893,333
				\$0	\$39,199,811	\$39,199,811	\$24,468,388	\$12,303,715	\$6,988,958	\$82,960,872

Source: CPA, TG East Wind Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Knox 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*	Benjam in ISD I&S Tax	Benjamin ISD M&O Tax Levy	M&O and I&S Tax Levies	Knox Tax Levy	Hospital District Tax Levy	Rolling Plains GWD	Estimated Total Property Taxes
				0.0000	1.1700		0.7303	0.3672	0.2086	
2020	\$330,635,530	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$689,706	\$234,000
2021	\$309,233,660	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$645,061	\$234,000
2022	\$291,831,790	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$608,761	\$234,000
2023	\$261,028,050	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$544,505	\$234,000
2024	\$258,429,920	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$539,085	\$234,000
2025	\$243,626,180	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$508,204	\$234,000
2026	\$226,224,310	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$471,904	\$234,000
2027	\$208,822,440	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$435,604	\$234,000
2028	\$208,822,440	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$435,604	\$234,000
2029	\$179,018,700	\$20,000,000		\$0	\$234,000	\$234,000	\$0	\$0	\$373,433	\$234,000
2030	\$174,018,700	\$174,018,700		\$0	\$2,036,019	\$2,036,019	\$1,270,876	\$639,049	\$363,003	\$3,945,944
2031	\$172,278,513	\$172,278,513		\$0	\$2,015,659	\$2,015,659	\$1,258,167	\$632,658	\$359,373	\$3,906,484
2032	\$167,110,157	\$167,110,157		\$0	\$1,955,189	\$1,955,189	\$1,220,422	\$613,679	\$348,592	\$3,789,290
2033	\$162,096,853	\$162,096,853		\$0	\$1,896,533	\$1,896,533	\$1,183,810	\$595,268	\$338,134	\$3,675,611
2034	\$157,233,947	\$157,233,947		\$0	\$1,839,637	\$1,839,637	\$1,148,295	\$577,410	\$327,990	\$3,565,343
			Total	\$0	\$12,083,037	\$12,083,037	\$6,081,570	\$3,058,064	\$6,988,958	\$21,222,671
			Diff	\$0	\$27,116,774	\$27,116,774	\$18,386,818	\$9,245,651	\$0	\$61,738,200

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, TG East Wind Project, LLC

*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller’s determination that TG East Wind Project, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided in the application.

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2020	\$234,000	\$234,000	\$3,634,436	\$3,634,436
	2021	\$234,000	\$468,000	\$3,384,034	\$7,018,470
	2022	\$234,000	\$702,000	\$3,180,432	\$10,198,901
	2023	\$234,000	\$936,000	\$2,820,028	\$13,018,930
	2024	\$234,000	\$1,170,000	\$2,789,630	\$15,808,560
	2025	\$234,000	\$1,404,000	\$2,616,426	\$18,424,986
	2026	\$234,000	\$1,638,000	\$2,412,824	\$20,837,810
	2027	\$234,000	\$1,872,000	\$2,209,223	\$23,047,033
	2028	\$234,000	\$2,106,000	\$2,209,223	\$25,256,256
	2029	\$234,000	\$2,340,000	\$1,860,519	\$27,116,774
	Maintain Viable Presence (5 Years)	2030	\$2,036,019	\$4,376,019	\$0
2031		\$2,015,659	\$6,391,677	\$0	\$27,116,774
2032		\$1,955,189	\$8,346,866	\$0	\$27,116,774
2033		\$1,896,533	\$10,243,399	\$0	\$27,116,774
2034		\$1,839,637	\$12,083,037	\$0	\$27,116,774
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$1,784,448	\$13,867,485	\$0	\$27,116,774
	2036	\$1,730,915	\$15,598,399	\$0	\$27,116,774
	2037	\$1,678,987	\$17,277,386	\$0	\$27,116,774
	2038	\$1,628,618	\$18,906,004	\$0	\$27,116,774
	2039	\$1,579,759	\$20,485,763	\$0	\$27,116,774
	2040	\$1,532,366	\$22,018,129	\$0	\$27,116,774
	2041	\$1,486,395	\$23,504,525	\$0	\$27,116,774
	2042	\$1,441,803	\$24,946,328	\$0	\$27,116,774
	2043	\$1,398,549	\$26,344,877	\$0	\$27,116,774
	2044	\$1,356,593	\$27,701,470	\$0	\$27,116,774

\$27,701,470

is greater than

\$27,116,774

Analysis Summary

Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?

Yes

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

Source: CPA, TG East Wind Project, 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 TG East Wind Project, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per TG East Wind Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - “While the wind regime for the TG East Wind Project, LLC is very good, there are currently many favorable locations for wind projects that could be developed across the US. TG East Wind Project, LLC has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Benjamin ISD. Investors are looking for wind projects across the US and can locate projects in a wide variety of locations. Should TG East Wind Project, LLC be unable to develop a competitive project in Texas that is able to generate sufficient returns, these investors may deploy their investments elsewhere.”
 - “Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other counties or states competing for similar wind projects.”
- Supplemental information provided by the applicant stated the following:
 - A. TG East is a separately held, wholly owned project known only under the TG East Wind Project name.
 - B. The ERCOT IGNR number for the facility is 19INR0052 and was assigned on January 23, 2018.
- A February 8, 2018 news release by *Taaleri* states “Taaleri Energia Ltd has acquired the company’s first U.S. wind project. Located in Knox County, Texas, the 277 MW Truscott-Gilliland East Wind Project represents approximately USD 350 million of investment in the North American renewable power sector.”

- A July 16, 2018 *reNEWS* article states, "Finnish outfit Taaleri Energia has entered the US wind market with the acquisition of the 277MW Truscott-Gilliland East project in Texas for \$350m. The wind farm, which will be located in Knox County, will be developed with Taaleri's North American partner NorthRenew Energy. It was acquired from Truscott Gilliland Wind."

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**

Attachment 5

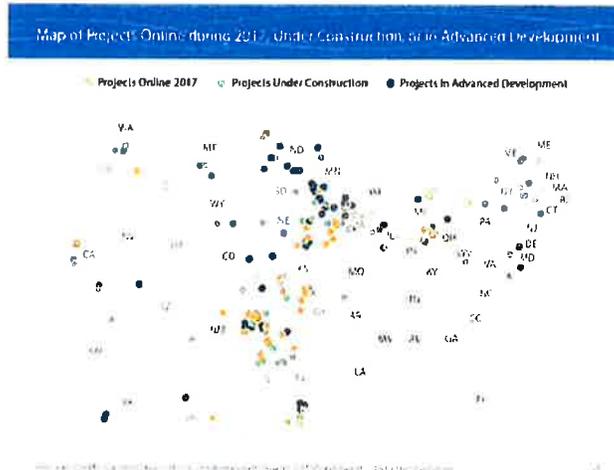
Documentation to assist in determining if limitation is a determining factor.

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.

While the wind regime for the TG East Wind Project, LLC is very good, there are currently many favorable locations for wind projects that could be developed across the US. TG East Wind Project, LLC has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Benjamin ISD. Investors are looking for wind projects across the US and can locate projects in a wide variety of locations. Should TG East Wind Project, LLC be unable to develop a competitive project in Texas that is able to generate sufficient returns, these investors may deploy their investments elsewhere.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association (“AWEA”) there are now 89,077 MW of installed wind capacity in the United States and over 54,000 wind turbines. At the beginning of 2017 there has been more U.S. wind power under development than ever in history with more than 13,332 MW that are currently under construction.

When completed, these projects will generate enough electricity annually to power millions of households. A graphic provided by AWEA in its market report demonstrates the national geographic diversity of successfully completed projects.



Clearly wind projects are abundant and the Applicant can locate the Project in a wide variety of locations across the United States should it be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Taaleri team member accomplishments include leadership roles in the development, construction, and operations of approximately 5.3 Billion Euros worth of installations. Taaleri Energia North America's President, Don Curry, has served in multiple roles across the renewable energy and finance space in the United States. His experience, combined with the overall Taleri group's expertise, provide for a very competitive group uniquely positioned to find suitable projects across not only the State of Texas, but also global markets.

The Northrenew staff have a proven track record of sourcing strong projects and moving them through the development process. Team members have been involved in the development of over 3,500MW's of wind and over 1,000MW's of solar projects.

As such, the development resources necessary to advance the subject planned 278 MW TG East Wind Project, LLC could be redeployed to other renewable energy development projects in other power markets in the United States. TG East Wind Project, LLC, however, was formed for the express purpose of developing a wind farm that would help bring economic development to the area. Northrenew and Taaleri identified Texas, and in particular Benjamin ISD, for its strong wind resource, access to available transmission capacity, participation in the ERCOT market, and favorable property tax incentives under the Tax Code for Chapter 312 tax abatement and Chapter 313 Appraised Value Limitation.

Taaleri prefers to finalize development and build the proposed TG East Wind Project, LLC as described throughout this Application. Should the appraised value limitation be granted, TG East Wind Project, LLC has created a development and investment plan that it is capitalized to implement. Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other counties or states competing for similar wind projects.

Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

TG East Wind Project, LLC was formed in 2018.

Since its formation, TG East Wind Project, LLC and its associate parties have entered into the following representative agreements and contracts for the development of a project phase within Benjamin ISD and intend to assign these assets to TG East Wind Project, LLC:

- Grants of leases and easements covering approximately 26,400 acres with 39 landowners.
- Full wind study and contract with Adams Wind
- Geotechnical study contract with Adams Wind
- Interconnection studies with AEP

Does the applicant have current business activities at the location where the proposed project will occur?

The business activities these agreements and contracts listed above will help to determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in Benjamin ISD.

These contracts and initial investments are preliminary in nature as TG East Wind Project, LLC has determined that a value limitation agreement with Benjamin ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

Is the applicant evaluating other locations not in Texas for the proposed project?

Taaleri's team along with Northrenew has extensive experience in markets across the country. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities across the country.

The TG East Project is currently in such a period of assessment to determine whether the identified site in Benjamin ISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable.

A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately 347M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

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?

The information provided in this Attachment and throughout the application has been assembled to provide the reviewer with the best possible data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of the TG East Wind Project, LLC.

The applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be deployed for the Applicant's project (dependent upon approval of the Appraised Value Limitation) has been considered for use in projects located in numerous states, which include Kansas, New Mexico, Colorado, Illinois, Montana, Pennsylvania, and Oklahoma.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



Taaleri Energia secures its first wind project in the U.S.



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Source: Taaleri Oyj

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TAALERI PLC

PRESS RELEASE

8 February 2018

Taaleri Energia secures its first wind project in the U.S.

Taaleri Energia Ltd has acquired the company's first U.S. wind project. Located in Knox County, Texas, the 277 MW Truscott-Gilliland East Wind Project represents approximately USD 350 million of investment in the North American renewable power sector.

"This project is located in a strong wind area with excellent grid connectivity. By avoiding areas within ERCOT plagued by high levels of curtailment, the TG East project represents an excellent first American project for Taaleri," says Mr. **Taamir Fareed** who is in charge of Taaleri Energia's operations in the U.S.

Taaleri Energia is finalizing the project together with its North American development partner NorthRenew Energy. The project is planned to reach commercial operations in the end of 2019. The project was acquired from Truscott Gilliland Wind LLC, who had development assistance from Chermac Energy Corporation.

Taaleri Energia will begin negotiations for the full financing package for the project in mid-2018, and due to the project size Taaleri will be seeking co-investors to invest alongside with its renewable energy fund.

"This project is a great addition to our existing wind energy portfolio. Our strategy of working with co-investors on large-scale projects has served Taaleri well throughout global markets. We are excited to have the same opportunity in the U.S.," explains Dr. **Kai Rintala**, Managing Director of Taaleri Energia.

Taaleri has identified the North American market as one of the key market areas for renewable energy future growth. Due to the corporate social responsibility initiatives, the falling cost of

Taaleri Energia secures its first wind project in the U.S.

renewable technologies and flexible policy instruments, private enterprises and public institutions other than utilities signed in 2017 a record amount of 2.8 GW of contracts to purchase renewable energy power.

"Cost of energy produced by wind and solar has constantly been decreasing. It has led to a situation in several regions in the U.S. where wind and solar are cheaper to build than coal and natural gas. Therefore the future of renewables in the U.S. market looks very bright," says Fareed.

Due to the constantly growing market opportunities, Taaleri Energia is looking forward to expanding its U.S. portfolio with new wind and solar projects during 2018.

Taaleri Plc
Communications

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About Taaleri Energia

Taaleri Energia is focused on development and long-term ownership of renewable energy assets and a subsidiary of Taaleri Plc. Taaleri Energia is an energy infrastructure developer and investor, managing energy infrastructure assets over their entire lifecycle.

Currently Taaleri Energia manages a 750 MW portfolio of renewable energy assets under construction and in operation in the Nordics and Europe. It is the second largest wind power producer in Finland with 312 MW of production capacity.

About North Renew

NorthRenew Energy is a renewable energy development company focused on acquiring early stage wind and solar projects throughout North America that can deliver attractive current income and limited downside risk through the early application of critical project development skillsets.

NorthRenew's partners have over 80 years of collective experience in all aspects of project development having been involved in over 200 transactions representing more than 5,000 megawatts of capacity and USD 100 billion in transaction value across a wide range of renewables, traditional power, utility and real estate transactions. In addition to traditional utility-scale projects, NRE is pursuing advanced energy initiatives including energy storage and microgrid projects.

About Chermac

Chermac Energy Corporation is an experienced wind developer which began work on

Taaleri Energia secures its first wind project in the U.S.

alternative energy wind development in the State of Oklahoma that expanded into Texas, Kansas and New Mexico already in 1999. To date 1,000 MW of wind projects Chermac Energy has developed has been placed into production with an additional 2,500 MW of Chermac developed wind and solar capacity expected to be completed by the end of 2021.

Taaleri in brief

Taaleri is a financial group whose parent company Taaleri Plc is listed on Nasdaq Helsinki's main market. The Taaleri Group comprises three business areas: Wealth Management, Financing, and Energy. Taaleri provides services to institutional investors, companies and private individuals. The Group's operational subsidiaries are: Taaleri Wealth Management Ltd and its subsidiaries, Taaleri Private Equity Funds Ltd Group, Taaleri Investments Ltd Group, Taaleri Energia Oy and Garantia Insurance Company Ltd. In addition, Taaleri has associated companies Fellow Finance Plc, which offers peer-to-peer lending services, and Inderes Oy, which produces analyses and marketing information for investors.

At the end of June 2017, Taaleri had assets under management totalling EUR 5.3 billion and 4,300 wealth management customers. Taaleri Plc has over 3,200 shareholders. Taaleri's operations are supervised by the Finnish Financial Supervisory Authority.

More information about our company and services:

www.taaleri.com

www.fellowfinance.fi

www.garantia.fi

www.inderes.fi

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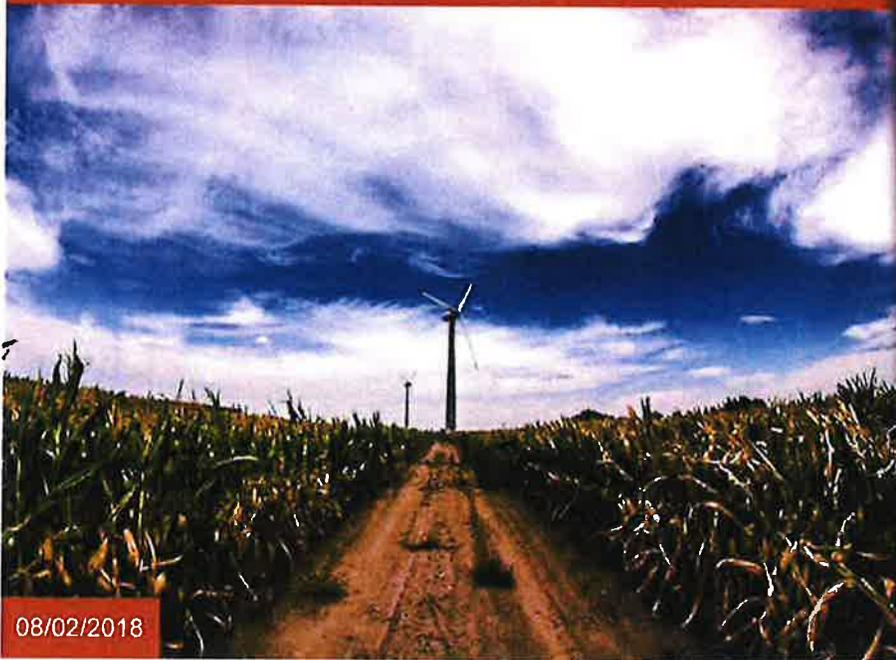
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Finns play 277MW Texas hand

Taaleri Energia acquiring Truscott-Gilliland East wind farm for \$350m



08/02/2018

Finnish outfit Taaleri Energia has entered the US wind market with the acquisition of the 277MW Truscott-Gilliland East project in Texas for \$350m.

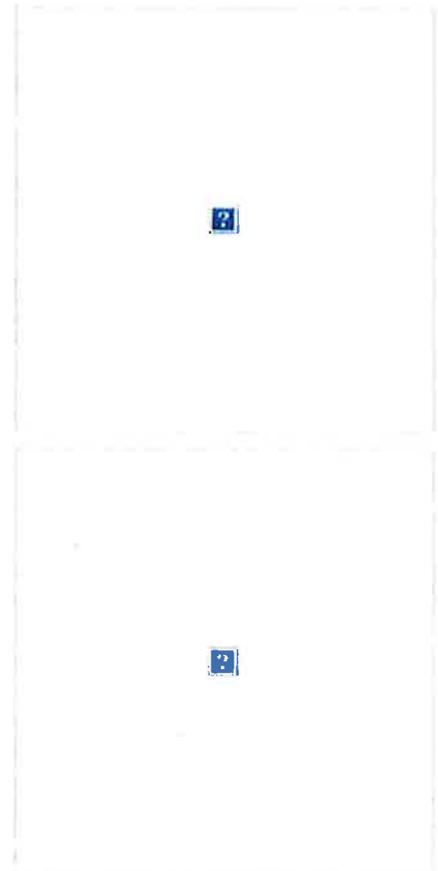
The wind farm, which will be located in Knox County, will be developed with Taaleri's North American partner NorthRenew Energy. It was acquired from Truscott Gilliland Wind.

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The project is scheduled to be operational by the end of 2019.

Taaleri Energia said it will start



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negotiations for the full financing package for Truscott-Gilliland East in mid-2018. The Finns will be seeking co-investors because of the size of the wind farm.

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Taaleri US operations head Taamir Fareed said: "This project is located in a strong wind area with excellent grid connectivity."

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The company said it plans to grow its US portfolio with further wind and solar acquisitions in 2018.

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Finland-based Taaleri Energia Ltd. has acquired its first U.S. wind farm, the 277 MW Truscott-Gilliland East Wind Project in Knox County, Texas.

The project represents an approximately \$350 million investment in the North American renewable power sector, the company says.

“This project is located in a strong wind area with excellent grid connectivity. By avoiding areas within ERCOT plagued by high levels of curtailment, the TG East project represents an excellent first American project for Taaleri,” says Taamir

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Fareed, who is in charge of Taaleri Energia's operations in the U.S.

Taaleri Energia is finalizing the project with its North American development partner, NorthRenew Energy. The wind farm is expected to reach commercial operations by the end of 2019. The project was acquired from Truscott Gilliland Wind LLC, which had development assistance from Chermac Energy Corp.

Taaleri Energia will begin negotiations for the full financing package for the project in mid-2018, and due to the project size, Taaleri will be seeking co-investors.

"This project is a great addition to our existing wind energy portfolio. Our strategy of working with co-investors on large-scale projects has served Taaleri well throughout global markets. We are excited to have the same opportunity in the U.S.," says Kai Rintala, managing director of Taaleri Energia.

Taaleri says it has identified North America as a key market area for future renewable energy growth for the company. It plans to further expand its U.S. portfolio with more wind and solar projects in 2018.

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Benjamin ISD – TG East Wind, LLC App. #1274

The Applicant provided the following statements in Tab 4:

- TG East is a separately held, wholly owned project known only under the TG East Wind Project name.
- The ERCOT IGNR number for the facility is 191NR0052.

Comptroller Questions (via email on September 18, 2018):

1. *When was the ERCOT IGNR number assigned?*
2. *The date was 01/23/2018.*