



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

November 28, 2018

Misty Gandy
Superintendent
Eden Consolidated Independent School District
113 West Bryan Street
Eden, TX 76937

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Eden Consolidated Independent
School District and Maverick Creek Wind, LLC, Application 1277

Dear Superintendent Gandy:

On September 13, 2018, the Comptroller issued written notice that Maverick Creek Wind (applicant) submitted a completed application (Application 1277) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on July 28, 2018, to the Eden Consolidated 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 1277.

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 September 13, 2018, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

Should you have any questions, please contact Will Counihan, Director, Data Analysis & Transparency, by email at will.counihan@cpa.texas.gov or by phone toll-free at 1-800-531-5441, ext. 6-0758, or at 512-936-0758.

Sincerely,

A handwritten signature in cursive script that reads "Lisa Craven".

Lisa Craven
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Maverick Creek Wind, LLC (project) applying to Eden Consolidated 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 Maverick Creek Wind, LLC.

Applicant	Maverick Creek Wind, LLC
Tax Code, 313.024 Eligibility Category	Electric power generation, wind
School District	Eden CISD
2017-2018 Average Daily Attendance	215
County	Concho
Proposed Total Investment in District	\$498,000,000
Proposed Qualified Investment	\$498,000,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2019-2021
Number of new qualifying jobs committed to by applicant	9*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$952
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$952
Minimum annual wage committed to by applicant for qualified jobs	\$48,518
Minimum weekly wage required for non-qualifying jobs	\$815
Minimum annual wage required for non-qualifying jobs	\$42,355
Investment per Qualifying Job	\$55,333,334
Estimated M&O levy without any limit (15 years)	\$48,964,926
Estimated M&O levy with Limitation (15 years)	\$13,478,795
Estimated gross M&O tax benefit (15 years)	\$35,486,131

* 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 Maverick Creek Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	200	1,488	1687.5	\$8,600,000	\$96,260,000	\$104,860,000
2020	200	1,064	1264	\$8,600,000	\$81,370,000	\$89,970,000
2021	9	54	63	\$445,662	\$16,644,338	\$17,090,000
2022	9	(5)	4	\$445,662	\$9,684,338	\$10,130,000
2023	9	(40)	-31	\$445,662	\$4,804,338	\$5,250,000
2024	9	(56)	-47	\$445,662	\$1,754,338	\$2,200,000
2025	9	(52)	-43	\$445,662	-\$75,662	\$370,000
2026	9	(54)	-45	\$445,662	-\$1,295,662	-\$850,000
2027	9	(44)	-35	\$445,662	-\$1,665,662	-\$1,220,000
2028	9	(38)	-29	\$445,662	-\$1,665,662	-\$1,220,000
2029	9	(30)	-21	\$445,662	-\$1,425,662	-\$980,000
2030	9	(23)	-14	\$445,662	-\$1,425,662	-\$980,000
2031	9	(19)	-10	\$445,662	-\$685,662	-\$240,000
2032	9	(11)	-2	\$445,662	-\$685,662	-\$240,000
2033	9	(11)	-2	\$445,662	-\$445,662	\$0
2034	9	(7)	2	\$445,662	\$534,338	\$980,000

Source: CPA REMI, Maverick Creek Wind LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Eden CISD I&S Tax Levy	Eden CISD M&O Tax Levy	Eden CISD M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Estimated Total Property Taxes
			0.0000		1.0400		0.9348	0.2989	
2021	\$490,000,000	\$490,000,000		\$0	\$5,096,000	\$5,096,000	\$4,580,520	\$1,464,610	\$11,141,130
2022	\$455,700,000	\$455,700,000		\$0	\$4,739,280	\$4,739,280	\$4,259,884	\$1,362,087	\$10,361,251
2023	\$423,801,000	\$423,801,000		\$0	\$4,407,530	\$4,407,530	\$3,961,692	\$1,266,741	\$9,635,963
2024	\$394,135,000	\$394,135,000		\$0	\$4,099,004	\$4,099,004	\$3,684,374	\$1,178,070	\$8,961,447
2025	\$366,546,000	\$366,546,000		\$0	\$3,812,078	\$3,812,078	\$3,426,472	\$1,095,606	\$8,334,156
2026	\$340,888,000	\$340,888,000		\$0	\$3,545,235	\$3,545,235	\$3,186,621	\$1,018,914	\$7,750,770
2027	\$317,026,000	\$317,026,000		\$0	\$3,297,070	\$3,297,070	\$2,963,559	\$947,591	\$7,208,220
2028	\$294,834,000	\$294,834,000		\$0	\$3,066,274	\$3,066,274	\$2,756,108	\$881,259	\$6,703,641
2029	\$274,196,000	\$274,196,000		\$0	\$2,851,638	\$2,851,638	\$2,563,184	\$819,572	\$6,234,394
2030	\$255,002,000	\$255,002,000		\$0	\$2,652,021	\$2,652,021	\$2,383,759	\$762,201	\$5,797,980
2031	\$242,252,000	\$242,252,000		\$0	\$2,519,421	\$2,519,421	\$2,264,572	\$724,091	\$5,508,084
2032	\$230,139,000	\$230,139,000		\$0	\$2,393,446	\$2,393,446	\$2,151,339	\$687,885	\$5,232,670
2033	\$218,632,000	\$218,632,000		\$0	\$2,273,773	\$2,273,773	\$2,043,772	\$653,491	\$4,971,036
2034	\$207,700,000	\$207,700,000		\$0	\$2,160,080	\$2,160,080	\$1,941,580	\$620,815	\$4,722,475
2035	\$197,315,000	\$197,315,000		\$0	\$2,052,076	\$2,052,076	\$1,844,501	\$589,775	\$4,486,351
			Total	\$0	\$48,964,926	\$48,964,926	\$44,011,936	\$14,072,708	\$107,049,570

Source: CPA, Maverick Creek Wind, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Concho 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*	Eden CISD I&S Tax Levy	Eden CISD M&O Tax Levy	Eden CISD M&O and I&S Tax Levies	Concho County Tax Levy	Concho County Hospital District Tax Levy	Estimated Total Property Taxes
				0.0000	1.0400		0.9348	0.2989	
2021	\$490,000,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2022	\$455,700,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2023	\$423,801,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2024	\$394,135,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2025	\$366,546,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2026	\$340,888,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2027	\$317,026,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2028	\$294,834,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2029	\$274,196,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2030	\$255,002,000	\$20,000,000		\$0	\$208,000	\$208,000	\$0	\$0	\$208,000
2031	\$242,252,000	\$242,252,000		\$0	\$2,519,421	\$2,519,421	\$2,264,572	\$724,091	\$5,508,084
2032	\$230,139,000	\$230,139,000		\$0	\$2,393,446	\$2,393,446	\$2,151,339	\$687,885	\$5,232,670
2033	\$218,632,000	\$218,632,000		\$0	\$2,273,773	\$2,273,773	\$2,043,772	\$653,491	\$4,971,036
2034	\$207,700,000	\$207,700,000		\$0	\$2,160,080	\$2,160,080	\$1,941,580	\$620,815	\$4,722,475
2035	\$197,315,000	\$197,315,000		\$0	\$2,052,076	\$2,052,076	\$1,844,501	\$589,775	\$4,486,351
			Total	\$0	\$13,478,795	\$13,478,795	\$10,245,763	\$3,276,058	\$27,000,616
			Diff	\$0	\$35,486,131	\$35,486,131	\$33,766,173	\$10,796,651	\$80,048,954

Source: CPA, Maverick Creek Wind, LLC

*Tax Rate per \$100 Valuation

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

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

This represents the Comptroller’s determination that Maverick Creek Wind, LLC (project) is reasonably likely to generate, before the 25th anniversary of the beginning of the limitation period, tax revenue in an amount sufficient to offset the school district maintenance and operations ad valorem tax revenue lost as a result of the agreement. This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy 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	2018	\$0	\$0	\$0	\$0
	2019	\$0	\$0	\$0	\$0
	2020	\$1,560,000	\$1,560,000	\$0	\$0
Limitation Period (10 Years)	2021	\$208,000	\$1,768,000	\$4,888,000	\$4,888,000
	2022	\$208,000	\$1,976,000	\$4,531,280	\$9,419,280
	2023	\$208,000	\$2,184,000	\$4,199,530	\$13,618,810
	2024	\$208,000	\$2,392,000	\$3,891,004	\$17,509,814
	2025	\$208,000	\$2,600,000	\$3,604,078	\$21,113,893
	2026	\$208,000	\$2,808,000	\$3,337,235	\$24,451,128
	2027	\$208,000	\$3,016,000	\$3,089,070	\$27,540,198
	2028	\$208,000	\$3,224,000	\$2,858,274	\$30,398,472
	2029	\$208,000	\$3,432,000	\$2,643,638	\$33,042,110
	2030	\$208,000	\$3,640,000	\$2,444,021	\$35,486,131
Maintain Viable Presence (5 Years)	2031	\$2,519,421	\$6,159,421	\$0	\$35,486,131
	2032	\$2,393,446	\$8,552,866	\$0	\$35,486,131
	2033	\$2,273,773	\$10,826,639	\$0	\$35,486,131
	2034	\$2,160,080	\$12,986,719	\$0	\$35,486,131
	2035	\$2,052,076	\$15,038,795	\$0	\$35,486,131
Additional Years as Required by 313.026(c)(1) (10 Years)	2036	\$1,949,470	\$16,988,265	\$0	\$35,486,131
	2037	\$1,852,001	\$18,840,266	\$0	\$35,486,131
	2038	\$1,759,399	\$20,599,665	\$0	\$35,486,131
	2039	\$1,671,426	\$22,271,090	\$0	\$35,486,131
	2040	\$1,587,851	\$23,858,942	\$0	\$35,486,131
	2041	\$1,508,458	\$25,367,399	\$0	\$35,486,131
	2042	\$1,433,037	\$26,800,436	\$0	\$35,486,131
	2043	\$1,361,381	\$28,161,817	\$0	\$35,486,131
	2044	\$1,300,000	\$29,461,817	\$0	\$35,486,131
	2045	\$1,300,000	\$30,761,817	\$0	\$35,486,131

\$30,761,817

is less than

\$35,486,131

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, Maverick Creek Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2019	350	398	748.047	\$15,050,000	\$44,520,000	\$59,570,000	2907000	-1366000	\$4,273,000
2020	350	420	770	\$15,050,000	\$51,112,000	\$66,162,000	3067000	-854000	\$3,921,000
2021	9	52	61	\$445,662	\$11,029,338	\$11,475,000	549000	961000	-\$412,000
2022	9	18	27	\$445,662	\$7,977,338	\$8,423,000	420000	946000	-\$526,000
2023	9	7	16	\$445,662	\$6,024,338	\$6,470,000	328000	893000	-\$565,000
2024	9	(1)	8	\$445,662	\$4,071,338	\$4,517,000	351000	832000	-\$481,000
2025	9	7	16	\$445,662	\$3,582,338	\$4,028,000	343000	763000	-\$420,000
2026	9	5	14	\$445,662	\$3,216,338	\$3,662,000	328000	717000	-\$389,000
2027	9	9	18	\$445,662	\$3,460,338	\$3,906,000	343000	641000	-\$298,000
2028	9	14	23	\$445,662	\$4,193,338	\$4,639,000	351000	587000	-\$236,000
2029	9	16	25	\$445,662	\$4,193,338	\$4,639,000	359000	580000	-\$221,000
2030	9	22	31	\$445,662	\$4,193,338	\$4,639,000	336000	511000	-\$175,000
2031	9	18	27	\$445,662	\$4,437,338	\$4,883,000	275000	481000	-\$206,000
2032	9	22	31	\$445,662	\$3,949,338	\$4,395,000	275000	450000	-\$175,000
2033	9	20	29	\$445,662	\$4,437,338	\$4,883,000	259000	374000	-\$115,000
2034	9	22	31	\$445,662	\$5,169,338	\$5,615,000	259000	343000	-\$84,000
2035	9	22	31	\$445,662	\$4,437,338	\$4,883,000	206000	298000	-\$92,000
2036	9	22	31	\$445,662	\$4,437,338	\$4,883,000	183000	244000	-\$61,000
2037	9	22	31	\$445,662	\$4,925,338	\$5,371,000	214000	198000	\$16,000
2038	9	20	29	\$445,662	\$5,169,338	\$5,615,000	229000	191000	\$38,000
2039	9	26	35	\$445,662	\$6,146,338	\$6,592,000	259000	168000	\$91,000
2040	9	22	31	\$445,662	\$5,658,338	\$6,104,000	214000	122000	\$92,000
2041	9	24	33	\$445,662	\$6,146,338	\$6,592,000	275000	92000	\$183,000
2042	9	28	37	\$445,662	\$7,611,338	\$8,057,000	290000	69000	\$221,000
2043	9	24	33	\$445,662	\$7,855,338	\$8,301,000	290000	53000	\$237,000
2044	9	24	33	\$445,662	\$7,855,338	\$8,301,000	275000	61000	\$214,000
2045	9	26	35	\$445,662	\$7,855,338	\$8,301,000	259000	0	\$259,000
Total							\$13,444,000	\$8,355,000	\$5,089,000
							\$35,850,817	is greater than	\$35,486,131
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 Maverick Creek Wind, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Maverick Creek Wind, LLC, (an affiliate of Renewable Energy Systems [RES]) in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “Since 1977, 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.”
 - B. “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. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind project in order to be able to offer electricity at prices that are marketable to Texas customers at a 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.”
 - C. “The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at todays contracted power rate under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a PPA because of the lower price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.”
- **Supplemental information provided by the applicant stated the following:**
 - A. Is Maverick Creek Wind, LLC currently known by any other project names? The Maverick Creek Wind, LLC is not known by any other name.

- B. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned. The GNR for this project are 20INR0045 and 20INR0046 as shown in Tab 4 of the original Application. Those numbers were assigned January 5, 2018.

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 (complete Section 13)
<input type="checkbox"/> Expansion of existing operation on the land (complete Section 13)	<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

TAB 5

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

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. Continuing to provide innovative solutions for our clients, we are a leader in the energy storage market and in 2014 constructed our first 4 MW energy storage project in Ohio. While RES has constructed transmission lines for other projects, in 2013 we built an independent 214-mile/230kV transmission line.

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. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a wind 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.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Eden CISD–Maverick Creek Wind, LLC App. #1277

Comptroller Questions (via email on August 24, 2018):

1. *Is the Maverick Creek Wind, 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 and when was it assigned.*

Applicant Response (via mail on August 30, 2018):

1. *The Maverick Creek Wind, LLC is not known by any other name.*
2. The GINR numbers for this project are 20INR0045 and 20INR0046 as shown in Tab 4 of the original Application These numbers were assigned on January 5, 2018