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KEVIN O'HANLON

CERTIFIED, CIVIL APPELLATE

CERTIFIED, CIVIL TRIAL

JUSTIN DEMERATH

BENJAMIN CASTILLO

December 7, 2018

Local Government Assistance & Economic Analysis

Texas Comptroller of Public Accounts

P.O. Box 13528

Austin, Texas 78711-3528

RE: 1301-Amended Application to the Andrews Independent School District
from Jumbo Hill Wind Project, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed is Amendment001 to Andrews ISD from Jumbo Hill Wind Project, LLC. The following changes have been made:

1. Tab 5 has been updated
2. Tabs 7 and 8 have been updated
3. Tab 11 has been updated
4. Tab 13 Wages has been updated
5. Tab 14 has been updated
6. New Signature Page

Sincerely,

A handwritten signature in black ink, appearing to read 'Kevin O'Hanlon', with a stylized flourish at the end.

Kevin O'Hanlon
School District Consultant

Cc: Jumbo Hill Wind Project, LLC
Andrews County Appraisal District

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☐ First Quarter ☒ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 5
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? ☒ Yes ☐ No
- 6a. If yes, attach evidence in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
- a. Average weekly wage for all jobs (all industries) in the county is 1,243.50
- b. 110% of the average weekly wage for manufacturing jobs in the county is 1,085.15
- c. 110% of the average weekly wage for manufacturing jobs in the region is 1,154.49
8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? ☒ §313.021(5)(A) or ☐ §313.021(5)(B)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 56,427.80
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 56,430.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? ☐ Yes ☒ No
- 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? ☐ Yes ☒ No
- 13a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in **Tab 14**. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (*not required*)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.

Jumbo Hill Wind Project, LLC

Chapter 313 Application to Andrews ISD

Cummings Westlake, LLC

TAB 4

Detailed Description of the Project

Provide 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.

Jumbo Hill Wind Project, LLC (Jumbo Hill) is requesting an appraised value limitation from Andrews Independent School District (ISD) for the Jumbo Hill Wind Project (the "Project"), a proposed wind powered electric generating facility in Andrews County. The proposed Andrews ISD Project (this application) will be constructed within Reinvestment Zones that will be established by Andrews County. The estimated acreage is 36,000 acres. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 160 MW located in Andrews ISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 63 of the 2.52 MW GE turbines with all turbines located in Andrews ISD. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, an O&M building, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 1st Quarter of 2019 with completion by December 31, 2019.

**NOTE:* The map in TAB 11 shows the potential locations of 63 of the wind turbines, an O&M building and a collector substation within Andrews ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Jumbo Hill Wind Project, LLC

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TAB 5*Documentation to assist in determining if limitation is a determining factor.*

ENGIE North America (ENGIE) manages a range of energy businesses in the United States and Canada, including retail energy sales and energy services to commercial, industrial and residential customers, natural gas and liquefied natural gas (LNG) distribution and sales, and electricity generation and cogeneration.

In the United States and Canada, ENGIE owns and/or operates cogeneration, steam, and chilled water facilities, including more than 1,000 MW in the portfolio produced by combined heat and power (CHP) units located within commercial or industrial facilities and using waste heat from an onsite generation system to provide for heating and chilling needs. The North America renewables portfolio consists of wind, solar and biomass/biogas assets, with a capacity of close to 1,000 MW. In Canada, ENGIE is among the Top 5 wind developers, with assets in Ontario, the Maritimes and British Columbia.

Engie is keen to develop and build the proposed Jumbo Hill 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 solar projects. Engie is active in states throughout the United States, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. Engie has various projects 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, Engie currently has ongoing project developments in many states, including but not limited to, Colorado, Indiana, Kansas, Minnesota, Nebraska, New Mexico, North Dakota and South Dakota.

Jumbo Hill has begun typical early stage due diligence to consider the feasibility of constructing a wind facility at this site. As such, certain contracts have been executed, including agreements to site and install meteorological monitoring equipment, lease and easement agreements with landowners, contracts with environmental contractors to explore environmental impacts of the potential project and an Interconnection Agreement with the transmission provider. None of these contracts obligate Jumbo Hill to construct the project.

Due to the extremely competitive power market in Texas most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313

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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 a 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.

Jumbo Hill Wind Project, LLC

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TAB 7**Description of Qualified Investment**

Jumbo Hill Wind Project, LLC plans to construct a 160 MW wind farm in Andrews County.

This application covers all qualified property within Andrews ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. One hundred and sixty megawatts (160 MW) will be located in Andrews ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 63 of the 2.52 MW turbines manufactured by GE.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, an O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, 2 met towers (no permanent met towers are currently in place), roads, and control systems necessary for commercial generation of electricity (The power generated from the project will be injected onto an Oncor line that crosses through the project. There are a number of different options to sell power from contracts to commercial and industrial buyers, traditional utility PPAs and hedge products to sell on the open market).

**NOTE:* The map in TAB 11 shows the potential locations of 63 of the wind turbines, an O&M building and a collector substation within Andrews ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Jumbo Hill Wind Project, LLC

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TAB 8**Description of Qualified Property**

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**NOTE:* The map in TAB 11 shows the potential locations of 63 of the wind turbines, an O&M building and a collector substation within Andrews ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Tab 11) Vicinity Map




Jumbo Hill Wind Project

11/19/2018

Legend	
Airports	
Existing Transmission	 69 kV  138 kV
Roads	
Project Boundary	
School Districts	
County Borders	


Project Location




Oklahoma
Texas
New Mexico

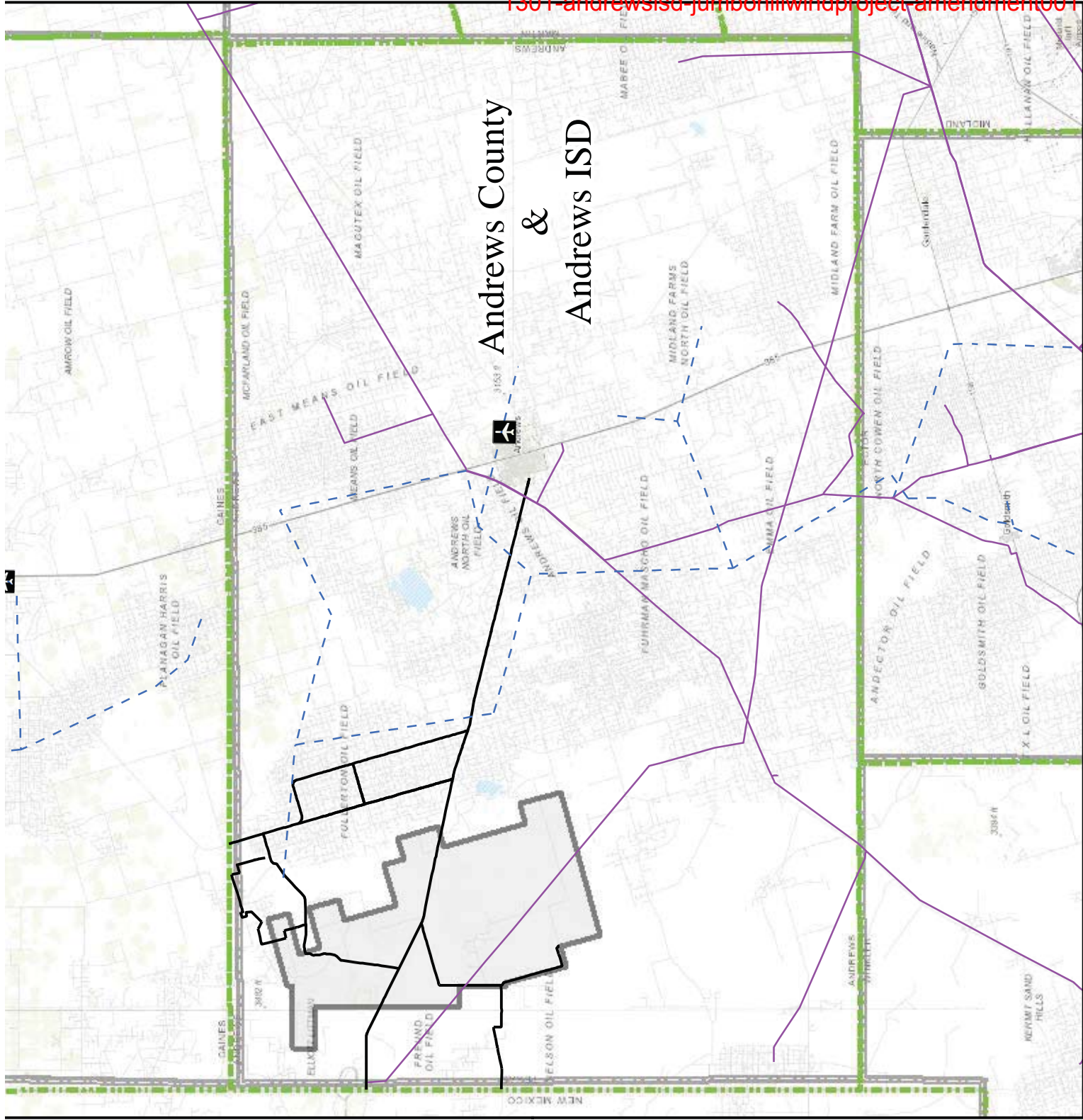
Reference

NAD 1983 UTM Zone 13N



0 2.5 5 Miles





JUMBO HILL WIND PROJECT, LLC
TAB 13 TO CHAPTER 313 APPLICATION

ANDREWS COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 1,261	\$ 65,572
SECOND	2018	\$ 1,275	\$ 66,300
THIRD	2017	\$ 1,167	\$ 60,684
FOURTH	2017	\$ 1,271	\$ 66,092
AVERAGE		\$ 1,243.50	\$ 64,662

ANDREWS COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2018	\$ 992	\$ 51,584
SECOND	2018	\$ 1,060	\$ 55,120
THIRD	2017	\$ 893	\$ 46,436
FOURTH	2017	\$ 1,001	\$ 52,052
AVERAGE		\$ 987	\$ 51,298
X		110%	110%
		\$ 1,085.15	\$ 56,427.80

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE










	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Permian Basin	2017	\$ 1,050	\$ 54,576
X		110%	110%
		\$ 1,154.49	\$ 60,034

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

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Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Andrews County	Total All	00	0	10	Total, all industries	\$1,150
2018	1st Qtr	Andrews County	Total All	00	0	10	Total, all industries	\$1,261
2017	2nd Qtr	Andrews County	Total All	00	0	10	Total, all industries	\$1,135
2018	2nd Qtr	Andrews County	Total All	00	0	10	Total, all industries	\$1,275
2017	3rd Qtr	Andrews County	Total All	00	0	10	Total, all industries	\$1,167
2017	4th Qtr	Andrews County	Total All	00	0	10	Total, all industries	\$1,271

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Andrews County	Private	31	2	31-33	Manufacturing	\$876
2018	1st Qtr	Andrews County	Private	31	2	31-33	Manufacturing	\$992
2017	2nd Qtr	Andrews County	Private	31	2	31-33	Manufacturing	\$952
2018	2nd Qtr	Andrews County	Private	31	2	31-33	Manufacturing	\$1,060
2017	3rd Qtr	Andrews County	Private	31	2	31-33	Manufacturing	\$893
2017	4th Qtr	Andrews County	Private	31	2	31-33	Manufacturing	\$1,001

2017 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations

COG	Wages	
	Hourly	Annual
Texas	\$26.24	\$54,587
1. Panhandle Regional Planning Commission	\$23.65	\$49,190
2. South Plains Association of Governments	\$19.36	\$40,262
3. NORTEX Regional Planning Commission	\$23.46	\$48,789
4. North Central Texas Council of Governments	\$26.80	\$55,747
5. Ark-Tex Council of Governments	\$18.59	\$38,663
6. East Texas Council of Governments	\$21.07	\$43,827
7. West Central Texas Council of Governments	\$21.24	\$44,178
8. Rio Grande Council of Governments	\$18.44	\$38,351
9. Permian Basin Regional Planning Commission	\$26.24	\$54,576
10. Concho Valley Council of Governments	\$19.67	\$40,924
11. Heart of Texas Council of Governments	\$21.53	\$44,781
12. Capital Area Council of Governments	\$31.49	\$65,497
13. Brazos Valley Council of Governments	\$17.76	\$39,931
14. Deep East Texas Council of Governments	\$17.99	\$37,428
15. South East Texas Regional Planning Commission	\$34.98	\$72,755
16. Houston-Galveston Area Council	\$28.94	\$60,202
17. Golden Crescent Regional Planning Commission	\$26.94	\$56,042
18. Alamo Area Council of Governments	\$22.05	\$48,869
19. South Texas Development Council	\$15.07	\$31,343
20. Coastal Bend Council of Governments	\$28.98	\$60,276
21. Lower Rio Grande Valley Development Council	\$17.86	\$37,152
22. Texoma Council of Governments	\$21.18	\$44,060
23. Central Texas Council of Governments	\$19.30	\$40,146
24. Middle Rio Grande Development Council	\$24.07	\$50,058

Source: Texas Occupational Employment and Wages

Data published: July 2018

Data published annually, next update will be July 31, 2019

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

Schedule C: Employment Information

Date 11/30/2018
Applicant Name Jumbo Hill Wind Project, LLC
ISD Name Andrews ISD

Form 50-296A
Revised May 2014

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's or man-hours (specify)	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Average annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2019-2020	2019	200 FTE	45,000	0	0	0
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020	N/A	N/A	0	5	56,430
	2	2021-2022	2021	N/A	N/A	0	5	56,430
	3	2022-2023	2022	N/A	N/A	0	5	56,430
	4	2023-2024	2023	N/A	N/A	0	5	56,430
	5	2024-2025	2024	N/A	N/A	0	5	56,430
	6	2025-2026	2025	N/A	N/A	0	5	56,430
	7	2026-2027	2026	N/A	N/A	0	5	56,430
	8	2027-2028	2027	N/A	N/A	0	5	56,430
	9	2028-2029	2028	N/A	N/A	0	5	56,430
	10	2029-2030	2029	N/A	N/A	0	5	56,430
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2044	N/A	N/A	0	5	56,430

Notes: See TAC 9.1051 for definition of non-qualifying jobs.
Only include jobs on the project site in this school district.

- C1.

Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25

X

Yes

No
- If yes, answer the following two questions:
- C1a.

Will the applicant request a job waiver, as provided under 313.025(f-1)?

X

Yes

No
- C1b.

Will the applicant avail itself of the provision in 313.021(3)(F)?

Yes

X

No

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in **Tab 17**. **NOTE:** If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print
here

Dr. Bobby Azam

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

12/6/2018

Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print
here

Matt Riley

Print Name (Authorized Company Representative (Applicant))

Senior Vice President, Head of US Wind

Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

12/3/2018

(Notary Seal)

GIVEN under my hand and seal of office this, the

day of

Notary Public in and for the State of Texas

My Commission expires:

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

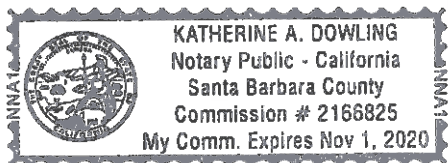
State of California)

County of Santa Barbara)On December 3, 2018 before me, Katherine A. Dowling, Notary Public,
Date Here Insert Name and Title of the Officerpersonally appeared Matt T. Riley
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Katherine A. Dowling
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____

Signer's Name: _____

☐ Corporate Officer — Title(s): _____☐ Partner — ☐ Limited ☐ General☐ Individual ☐ Attorney in Fact☐ Trustee ☐ Guardian or Conservator☐ Other: _____

Signer Is Representing: _____