



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

P.O.Box 13528 • Austin, TX 78711-3528

November 28, 2018

Heriberto Gonzalez
Superintendent
Webb Consolidated Independent School District
P. O. Box 206
Bruni, TX 78344-0206

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Webb Consolidated Independent
School District and Torrecillas Wind Energy, LLC, Application 1305

Dear Superintendent Gonzalez:

On November 8, 2018, the Comptroller issued written notice that Torrecillas Wind Energy, LLC, (applicant) submitted a completed application (Application 1305) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on October 17, 2018, to the Webb 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 1305.

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 November 8, 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 Torrecillas Wind Energy, LLC (project) applying to Webb 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 Torrecillas Wind Energy, LLC.

Applicant	Torrecillas Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Electric power generation, wind
School District	Webb CISD
2017-2018 Average Daily Attendance	253
County	Webb
Proposed Total Investment in District	\$187,000,000
Proposed Qualified Investment	\$187,000,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	7*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$923
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$48,000
Minimum annual wage committed to by applicant for qualified jobs	\$48,000
Minimum weekly wage required for non-qualifying jobs	\$684
Minimum annual wage required for non-qualifying jobs	\$35,569
Investment per Qualifying Job	\$26,714,286
Estimated M&O levy without any limit (15 years)	\$16,683,930
Estimated M&O levy with Limitation (15 years)	\$6,069,495
Estimated gross M&O tax benefit (15 years)	\$10,614,434

* Applicant is requesting district to waive requirement to create minimum number of qualifying jobs pursuant to Tax Code, 313.025 (f-1).

Table 2 is the estimated statewide economic impact of Torrecillas Wind Energy, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	150	143	293	\$7,875,000	\$11,425,000	\$19,300,000
2019	7	15	21.5	\$336,000	\$2,264,000	\$2,600,000
2020	7	9	16	\$336,000	\$1,864,000	\$2,200,000
2021	7	9	16	\$336,000	\$1,464,000	\$1,800,000
2022	7	5	12	\$336,000	\$1,164,000	\$1,500,000
2023	7	7	14	\$336,000	\$964,000	\$1,300,000
2024	7	1	8	\$336,000	\$764,000	\$1,100,000
2025	7	11	18	\$336,000	\$864,000	\$1,200,000
2026	7	7	14	\$336,000	\$864,000	\$1,200,000
2027	7	9	16	\$336,000	\$1,164,000	\$1,500,000
2028	7	9	16	\$336,000	\$1,164,000	\$1,500,000
2029	7	3	10	\$336,000	\$864,000	\$1,200,000
2030	7	5	12	\$336,000	\$364,000	\$700,000
2031	7	5	12	\$336,000	\$864,000	\$1,200,000
2032	7	7	14	\$336,000	\$364,000	\$700,000
2033	7	7	14	\$336,000	\$664,000	\$1,000,000
2034	7	5	12	\$336,000	\$864,000	\$1,200,000

Source: CPA REMI, Torrecillas Wind Energy, LLC

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

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O	Tax Rate*	Webb CISD I&S Tax Levy	Webb CISD M&O Tax Levy	Webb CISD M&O and I&S Tax Levies	Webb County Tax Levy	Estimated Total Property Taxes
			0.0900		1.0400		0.4147	
2019	\$179,534,000	\$179,534,000		\$161,581	\$1,867,154	\$2,028,734	\$744,527	\$2,773,262
2020	\$165,209,010	\$165,209,010		\$148,688	\$1,718,174	\$1,866,862	\$685,122	\$2,551,984
2021	\$152,029,076	\$152,029,076		\$136,826	\$1,581,102	\$1,717,929	\$630,465	\$2,348,393
2022	\$139,902,617	\$139,902,617		\$125,912	\$1,454,987	\$1,580,900	\$580,176	\$2,161,076
2023	\$128,745,378	\$128,745,378		\$115,871	\$1,338,952	\$1,454,823	\$533,907	\$1,988,730
2024	\$118,479,844	\$118,479,844		\$106,632	\$1,232,190	\$1,338,822	\$491,336	\$1,830,158
2025	\$109,034,700	\$109,034,700		\$98,131	\$1,133,961	\$1,232,092	\$452,167	\$1,684,259
2026	\$100,344,337	\$100,344,337		\$90,310	\$1,043,581	\$1,133,891	\$416,128	\$1,550,019
2027	\$92,348,392	\$92,348,392		\$83,114	\$960,423	\$1,043,537	\$382,969	\$1,426,506
2028	\$84,991,333	\$84,991,333		\$76,492	\$883,910	\$960,402	\$352,459	\$1,312,861
2029	\$78,222,068	\$78,222,068		\$70,400	\$813,510	\$883,909	\$324,387	\$1,208,296
2030	\$71,993,594	\$71,993,594		\$64,794	\$748,733	\$813,528	\$298,557	\$1,112,085
2031	\$66,262,665	\$66,262,665		\$59,636	\$689,132	\$748,768	\$274,791	\$1,023,559
2032	\$60,989,496	\$60,989,496		\$54,891	\$634,291	\$689,181	\$252,923	\$942,105
2033	\$56,137,485	\$56,137,485		\$50,524	\$583,830	\$634,354	\$232,802	\$867,156
			Total	\$1,443,802	\$16,683,930	\$18,127,731	\$6,652,717	\$24,780,448

Source: CPA, Torrecillas Wind Energy, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Webb 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*	Webb CISD I&S Tax Levy	Webb CISD M&O Tax Levy	Webb CISD M&O and I&S Tax Levies	Webb County Tax Levy	Estimated Total Property Taxes
			0.0900		1.0400		0.4147	
2019	\$179,534,000	\$25,000,000		\$161,581	\$260,000	\$421,581	\$297,811	\$719,392
2020	\$165,209,010	\$25,000,000		\$148,688	\$260,000	\$408,688	\$274,049	\$682,737
2021	\$152,029,076	\$25,000,000		\$136,826	\$260,000	\$396,826	\$252,186	\$649,012
2022	\$139,902,617	\$25,000,000		\$125,912	\$260,000	\$385,912	\$232,070	\$617,983
2023	\$128,745,378	\$25,000,000		\$115,871	\$260,000	\$375,871	\$213,563	\$589,434
2024	\$118,479,844	\$25,000,000		\$106,632	\$260,000	\$366,632	\$294,802	\$661,433
2025	\$109,034,700	\$25,000,000		\$98,131	\$260,000	\$358,131	\$271,300	\$629,431
2026	\$100,344,337	\$25,000,000		\$90,310	\$260,000	\$350,310	\$249,677	\$599,987
2027	\$92,348,392	\$25,000,000		\$83,114	\$260,000	\$343,114	\$229,781	\$572,895
2028	\$84,991,333	\$25,000,000		\$76,492	\$260,000	\$336,492	\$211,475	\$547,968
2029	\$78,222,068	\$78,222,068		\$70,400	\$813,510	\$883,909	\$324,387	\$1,208,296
2030	\$71,993,594	\$71,993,594		\$64,794	\$748,733	\$813,528	\$298,557	\$1,112,085
2031	\$66,262,665	\$66,262,665		\$59,636	\$689,132	\$748,768	\$274,791	\$1,023,559
2032	\$60,989,496	\$60,989,496		\$54,891	\$634,291	\$689,181	\$252,923	\$942,105
2033	\$56,137,485	\$56,137,485		\$50,524	\$583,830	\$634,354	\$232,802	\$867,156
			Total	\$1,443,802	\$6,069,495	\$7,513,297	\$3,910,175	\$11,423,472
			Diff	\$0	\$10,614,434	\$10,614,434	\$2,742,542	\$13,356,976

Source: CPA, Torrecillas Wind Energy, LLC

*Tax Rate per \$100 Valuation

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

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

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

	Tax Year	Estimated ISD M&O Tax Levy Generated (Annual)	Estimated ISD M&O Tax Levy Generated (Cumulative)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Annual)	Estimated ISD M&O Tax Levy Loss as Result of Agreement (Cumulative)
Limitation Pre-Years	2016	\$0	\$0	\$0	\$0
	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2019	\$260,000	\$260,000	\$1,607,154	\$1,607,154
	2020	\$260,000	\$520,000	\$1,458,174	\$3,065,327
	2021	\$260,000	\$780,000	\$1,321,102	\$4,386,430
	2022	\$260,000	\$1,040,000	\$1,194,987	\$5,581,417
	2023	\$260,000	\$1,300,000	\$1,078,952	\$6,660,369
	2024	\$260,000	\$1,560,000	\$972,190	\$7,632,559
	2025	\$260,000	\$1,820,000	\$873,961	\$8,506,520
	2026	\$260,000	\$2,080,000	\$783,581	\$9,290,101
	2027	\$260,000	\$2,340,000	\$700,423	\$9,990,524
	2028	\$260,000	\$2,600,000	\$623,910	\$10,614,434
Maintain Viable Presence (5 Years)	2029	\$813,510	\$3,413,510	\$0	\$10,614,434
	2030	\$748,733	\$4,162,243	\$0	\$10,614,434
	2031	\$689,132	\$4,851,375	\$0	\$10,614,434
	2032	\$634,291	\$5,485,665	\$0	\$10,614,434
	2033	\$583,830	\$6,069,495	\$0	\$10,614,434
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$537,399	\$6,606,894	\$0	\$10,614,434
	2035	\$494,675	\$7,101,569	\$0	\$10,614,434
	2036	\$455,363	\$7,556,932	\$0	\$10,614,434
	2037	\$419,189	\$7,976,121	\$0	\$10,614,434
	2038	\$385,903	\$8,362,024	\$0	\$10,614,434
	2039	\$355,273	\$8,717,297	\$0	\$10,614,434
	2040	\$327,088	\$9,044,385	\$0	\$10,614,434
	2041	\$301,151	\$9,345,536	\$0	\$10,614,434
	2042	\$277,284	\$9,622,820	\$0	\$10,614,434
	2043	\$255,320	\$9,878,140	\$0	\$10,614,434

\$9,878,140

is less than

\$10,614,434

Analysis Summary	
Is the project reasonably likely to generate tax revenue in an amount sufficient to offset the M&O levy loss as a result of the limitation agreement?	No

Source: CPA, Torrecillas Wind Energy, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	150	143	293	\$7,875,000	\$11,425,000	\$19,300,000	1000000	-500000	\$1,500,000
2019	7	15	21.5	\$336,000	\$2,264,000	\$2,600,000	200000	200000	\$0
2020	7	9	16	\$336,000	\$1,864,000	\$2,200,000	100000	200000	-\$100,000
2021	7	9	16	\$336,000	\$1,464,000	\$1,800,000	100000	200000	-\$100,000
2022	7	5	12	\$336,000	\$1,164,000	\$1,500,000	100000	200000	-\$100,000
2023	7	7	14	\$336,000	\$964,000	\$1,300,000	100000	100000	\$0
2024	7	1	8	\$336,000	\$764,000	\$1,100,000	100000	100000	\$0
2025	7	11	18	\$336,000	\$864,000	\$1,200,000	100000	100000	\$0
2026	7	7	14	\$336,000	\$864,000	\$1,200,000	100000	100000	\$0
2027	7	9	16	\$336,000	\$1,164,000	\$1,500,000	100000	0	\$100,000
2028	7	9	16	\$336,000	\$1,164,000	\$1,500,000	100000	0	\$100,000
2029	7	3	10	\$336,000	\$864,000	\$1,200,000	100000	0	\$100,000
2030	7	5	12	\$336,000	\$364,000	\$700,000	100000	0	\$100,000
2031	7	5	12	\$336,000	\$864,000	\$1,200,000	100000	0	\$100,000
2032	7	7	14	\$336,000	\$364,000	\$700,000	100000	0	\$100,000
2033	7	7	14	\$336,000	\$664,000	\$1,000,000	100000	-100000	\$200,000
2034	7	5	12	\$336,000	\$864,000	\$1,200,000	0	-100000	\$100,000
2035	7	3	10	\$336,000	\$164,000	\$500,000	0	-100000	\$100,000
2036	7	5	12	\$336,000	\$364,000	\$700,000	0	-100000	\$100,000
2037	7	1	8	\$336,000	-\$336,000	\$0	-100000	-200000	\$100,000
2038	7	(3)	4	\$336,000	-\$536,000	-\$200,000	0	-200000	\$200,000
2039	7	5	12	\$336,000	\$164,000	\$500,000	0	-300000	\$300,000
2040	7	(1)	6	\$336,000	-\$1,036,000	-\$700,000	-100000	-300000	\$200,000
2041	7	1	8	\$336,000	-\$836,000	-\$500,000	-100000	-300000	\$200,000
2042	7	1	8	\$336,000	-\$836,000	-\$500,000	-100000	-400000	\$300,000
2043	7	(3)	4	\$336,000	-\$836,000	-\$500,000	-100000	-400000	\$300,000
2044	7	(7)	0	\$336,000	-\$1,336,000	-\$1,000,000	-100000	-400000	\$300,000
2045	7	(1)	6	\$336,000	-\$1,836,000	-\$1,500,000	-100000	-500000	\$400,000
Total							\$1,900,000	-\$2,700,000	\$4,600,000
							\$14,478,140	is greater than	\$10,614,434

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

- NextEra Energy Resources (NEER) in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and Local tax incentives contribute to the lower of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.”
 - B. “Due to the extreme competitive power market in SPP most if not all Power Purchasing Agreement (PPA’s) economic model assumption are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lower the return for investors and financiers to an unacceptable level at today’s contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.”
- According to the KGNS News, news release dated June 15, 2018, “As many parts of the world celebrate Global Wind Day, a new wind mill farm was announced for Webb and Duval County. A total of 121 Wind turbines are expected to be installed in both counties. The 350 million dollar project will provide electricity to more than 372,000 homes per year and support low carbon economy. The windmill farm is expected to generate nearly 190 million dollars in property revenues for local

communities and boost the local economy. Spokesperson for Nextera Energy Resources Byran Garner says, "It's going to help jumpstart the economy, create good jobs, tax benefits, payments to land owners as well as opportunities for young people to get involved in the renewable energy business." This project is a liaison between Nextera Energy and AT&T to help boost our local economy."

- A June 15, 2018 *about att.com (Burni, Texas)* article states that "During a groundbreaking ceremony in Webb County, Texas for the first AT&T -backed wind farm projet, AT&T announced a new agreement to purchase 300 megawatts (MW) of wind energy. It also announced a scholarship program for students interested in pursuing careers as wind turbine technicians, one of the fastest-growing jobs in the U.S. The scholarship complement a new wind energy program being established at Webb Consolidated Independent Schools (WCISD) and supported by NextEra Energy Resources. Webb CISD is one of the few high schools in the nation to host its own wind technician program. NextEra Energy Resources also contributed a wind turbine gear box to the school to help students with hands-on training."
- **Supplemental Information provided by the applicant stated the following:**
 - A. Is Torrecillas Wind Energy, LLC currently known by any other project names? Torrecillas Wind Energy, LLC is not currently known by any other names.
 - B. Has the project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned? #14INR0045a and #14INR0045b originally filed with ERCOT in 2015. Amended Generator Interconnection Agreement (GIA) executed 4/2018.
 - C. Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency. Torrecillas Wind Energy, LLC has been the project name since inception.

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
Company has 312 agreement with Webb County and partial PPA
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
Company has 312 agreement with Webb County
7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.

Supporting Information

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

Torrecillas Wind Energy, LLC

Chapter 313 Application to Webb CISD

Cummings Westlake, LLC

TAB 5

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

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

NEER is keen to develop and build the proposed Torrecillas Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind projects. NextEra is active in states throughout the Great Plains and southwest, where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to our customers and making our investment more viable and marketable. NEER has over 40 wind sites in development throughout the country and are continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, NEER currently has ongoing project developments in many states, including but not limited to, California, North Dakota and Oklahoma.

Due to the extremely competitive power market in SPP most if not all PPA's economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates under a PPA. A signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

BRUNI, Texas, June 15, 2018

share    

AT&T Expands its Renewable Energy Program with NextEra Energy Resources

To celebrate today's Global Wind Day, AT&T* is expanding its renewable energy program with NextEra Energy Resources. Together, AT&T and subsidiaries of NextEra Energy Resources will help to deliver clean energy, create jobs, boost the local economy and support a low-carbon economy.

During a groundbreaking ceremony in Webb County, Texas for the first AT&T-backed wind farm project, AT&T announced a new agreement to purchase 300 megawatts (MW) of wind energy. It also announced a scholarship program for students interested in pursuing careers as wind turbine technicians, one of the fastest-growing jobs in the U.S.¹

Delivering renewable energy

AT&T's new power purchase agreement with a subsidiary of NextEra Energy Resources will deliver 300 additional megawatts (MW) of renewable energy from two new wind farm projects in Wilbarger and Hardeman Counties, Texas. The new agreement builds on AT&T's previous investments backing two wind energy centers in Webb and Duval Counties in Texas and Caddo County, Oklahoma.

Together, these agreements will deliver 820 MW of wind power, and constitute one of the largest corporate renewable energy purchases in the U.S.² The projects are expected to reduce greenhouse gas emissions equivalent to taking more than 530,000 cars off the road or providing electricity for more than 372,000 homes per year.³

"We're going big on renewable energy. It's a clean, abundant, renewable source of home-grown power," said Joe Taylor, vice president of global tech optimization and implementation, AT&T. "As one of the world's largest companies, our investments can help scale this critical energy source for America's transition to a low-carbon economy."

Creating jobs and community benefits

AT&T's investments in renewable energy will help to create jobs and economic benefits. NextEra Energy Resources estimates the AT&T-backed wind farm projects will create as many as 1,000 construction jobs in Texas and Oklahoma. The projects are also estimated to generate nearly \$190 million in property tax revenues for local communities and more than \$167 million in lease payments to landowners.⁴

"We are pleased to work with AT&T to expand the reach of renewable energy and provide a significant economic boost to local communities, both in Texas and Oklahoma," said Kevin Gildea, NextEra Energy Resources' vice president of development. "Wind energy is helping drive the clean energy economy, providing new and exciting job opportunities in rural communities as well as millions of dollars in additional revenue with which to help enhance schools, roads and other essential services."

Supporting students

AT&T-backed wind energy centers will also benefit students and local communities. During the groundbreaking event, AT&T announced a \$50,000 contribution to Texas State Technical College (TSTC) to create the AT&T Wind Energy Scholarship fund. The fund provides financial assistance for students earning a TSTC wind energy degree or certificate and is open exclusively to students from counties with AT&T-backed wind farms (Webb, Duval, Wilbarger and Hardeman Counties). NextEra Energy Resources has committed to interview graduates of the TSTC program for future wind technician positions, as they become available, as well as internship opportunities.

The scholarship complements a new wind energy program being established at Webb County Consolidated Independent Schools (WCISD) and supported by NextEra Energy Resources. Webb CISD is one of the few high schools in the nation to host its own wind technician program.⁵ NextEra Energy Resources also contributed a wind turbine gear box to the school to help students with hands-on training.

"We welcome the opportunity to educate, expose, and equip our students with dynamic skill sets stemming from the benefits of a career in renewable energy," said Beto Gonzalez, superintendent of Webb Consolidated Independent School District. "We are grateful to both NextEra Energy Resources and AT&T for their generous contributions to establish one of the nation's first high school wind energy programs and for creating a new and exciting career path for our students."

AT&T's renewable energy program is a key component of its 10x Carbon Reduction Goal and is part of the company's larger commitment to the environment. Since 2010, AT&T has put into place more than 65,000 energy efficiency projects resulting in annualized savings of \$427 million.⁶ Learn more about AT&T's commitment to environmental and social responsibility at att.com/csr.

¹Bureau of Labor Statistics, U.S. Department of Labor, Occupational Outlook Handbook, Wind Turbine Technicians, on the Internet at <https://www.bls.gov/ooh/installation-maintenance-and-repair/wind-turbine-technicians.htm>

²Business Renewables Center (2017). BRC Deal Tracker. <http://businessrenewables.org/corporate-transactions/>

³EPA Greenhouse Gas Equivalencies Calculator: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

⁴Estimates provided by NextEra Energy Resources.

⁵NBC News April 14, 2018 <https://www.nbcnews.com/news/us-news/workers-are-climbing-wind-turbines-middle-class-n865221>

⁶AT&T. CSR Website. FAQ - Energy Management (2017). <http://about.att.com/content/csr/home/frequently-requested-info/environment.html>

Nextera Energy and AT&T break ground on wind energy center



Bruni residents get a new source of sustainable energy



Nextera Energy and AT&T break ground on wind energy center



AT&T breaks ground on wind energy center



By Lizette Garcia | Posted: Fri 4:39 PM, Jun 15, 2018 | Updated: Fri 10:35 PM, Jun 15, 2018

LAREDO, TX (KGNS) - As many parts of the world celebrate Global Wind Day, a new windmill farm was announced for Webb and Duval County.





A total of 121 Wind turbines are expected to be installed in both counties.

Both machines will produce 300 megawatts of renewable energy.

This installation will create approximately 250 construction jobs in both counties.

The 350 million dollar project will provide electricity to more than 372,000 homes per year and support low carbon economy.

The windmill farm is expected to generate nearly 190 million dollars in property revenues for local communities and boost the local economy.

Spokesperson for Nextera Energy Resources Bryan Garner says, "It's going to help jumpstart the economy, create good jobs, tax benefits, payments to land owners as well as opportunities for young people to get involved in the renewable energy business."

This project is a liaison between Nextera Energy and AT&T to help boost our local economy.

AT&T has pledged to help those students who are earning a wind Energy Degree at Texas State Technical College with \$50,000.

The scholarship will be open exclusively to students from Webb, Duval, Wilbarger and Hardeman Counties.

The windmill farms are expected to start construction in the next couple of months.



COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Webb CISD–Torrecillas Wind Energy, LLC App. #1305

Comptroller Questions (via email on November 6, 2018):

1. *Is the Torrecillas Wind Energy, LLC currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*
3. *Please also list any other names by which this project may have been known in the past-in media reports, investor presentations, or any listings with any federal or state agency*

Applicant Response (via email on November 7, 2018):

1. *Is the Torrecillas Wind Energy, LLC currently known by any other project names?*
2. *#14INR0045a and #14INR0045b originally filed with EROT in 2015. Amended GIA executed 4/2018.*
3. *Torrecillas Wind Energy, LLC has been the project name since inception.*