



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

May 21, 2019

Duane Hyde  
Superintendent  
Highland Independent School District  
6625 FM 608  
Roscoe, Texas 79545

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Highland Independent School District and Maryneal Windpower, LLC, Application 1331

Dear Superintendent Hyde:

On February 20, the Comptroller issued written notice that Maryneal Windpower, LLC (applicant) submitted a completed application (Application 1331) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on November 19, 2018, to the Highland Independent School District (school district) by the applicant.

This presents the results of the Comptroller's review of the application and determinations required:

- 1) under Section 313.025(h) to determine if the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C; and
- 2) under Section 313.025(d), to issue a certificate for a limitation on appraised value of the property and provide the certificate to the governing body of the school district or provide the governing body a written explanation of the Comptroller's decision not to issue a certificate, using the criteria set out in Section 313.026.

**Determination required by 313.025(h)**

Sec. 313.024(a)      Applicant is subject to tax imposed by Chapter 171.  
Sec. 313.024(b)      Applicant is proposing to use the property for an eligible project.

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<sup>1</sup> All Statutory references are to the Texas Tax Code, unless otherwise noted.

- Sec. 313.024(d) Applicant has requested a waiver to create the required number of new qualifying jobs and pay all jobs created that are not qualifying jobs a wage that exceeds the county average weekly wage for all jobs in the county where the jobs are located.
- Sec. 313.024(d-2) Not applicable to Application 1331.

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 February 20, 2019, or any tangible personal property placed in service prior to that date may not become "Qualified Property" as defined by 313.021(2) and the Texas Administrative Code.

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

Sincerely,

A handwritten signature in blue ink that reads "Lisa Craven". The signature is written in a cursive, flowing style.

Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

### Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Maryneal Windpower, LLC (project) applying to Highland 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 Maryneal Windpower, LLC.

Applicant	Maryneal Windpower, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation - Wind
School District	Highland ISD
2017-2018 Average Daily Attendance	212
County	Nolan
Proposed Total Investment in District	\$175,200,000
Proposed Qualified Investment	\$175,200,000
Limitation Amount	\$30,000,000
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)(A)	\$935
Minimum annual wage committed to by applicant for qualified jobs	\$48,596
Minimum weekly wage required for non-qualifying jobs	\$830
Minimum annual wage required for non-qualifying jobs	\$43,135
Investment per Qualifying Job	\$58,400,000
Estimated M&O levy without any limit (15 years)	\$19,231,736
Estimated M&O levy with Limitation (15 years)	\$8,038,159
Estimated gross M&O tax benefit (15 years)	\$11,193,577

\* 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 Maryneal Windpower, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2019	150	193	343	\$7,500,000	\$16,500,000	\$24,000,000
2020	150	203	353	\$7,500,000	\$19,500,000	\$27,000,000
2021	3	30	33	\$145,788	\$4,854,212	\$5,000,000
2022	3	16	19	\$145,788	\$3,854,212	\$4,000,000
2023	3	3	6	\$145,788	\$1,854,212	\$2,000,000
2024	3	(3)	0	\$145,788	\$854,212	\$1,000,000
2025	3	(4)	-1	\$145,788	\$854,212	\$1,000,000
2026	3	(3)	0	\$145,788	\$854,212	\$1,000,000
2027	3	0	3	\$145,788	\$854,212	\$1,000,000
2028	3	3	6	\$145,788	\$854,212	\$1,000,000
2029	3	5	8	\$145,788	\$854,212	\$1,000,000
2030	3	7	10	\$145,788	\$1,854,212	\$2,000,000
2031	3	8	11	\$145,788	\$1,854,212	\$2,000,000
2032	3	8	11	\$145,788	\$1,854,212	\$2,000,000
2033	3	8	11	\$145,788	\$1,854,212	\$2,000,000

Source: CPA REMI, Maryneal Windpower, 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*	Highland I&S Tax Levy	Highland M&O Tax Levy	Highland M&O and I&S Tax Levies	Nolan County Tax Levy	Rolling Plains Memorial Hospital District Tax Levy	Nolan County Farm-to-Market Tax Levy	West-Tex Groundwater Tax Levy	Estimated Total Property Taxes
			0.1500	0.1500	1.1600		0.4713	0.4040	0.0967	0.0050	
2021	\$164,500,000	\$164,500,000		\$246,750	\$1,908,200	\$2,154,950	\$775,210	\$664,531	\$159,068	\$8,225	\$3,761,983
2022	\$154,630,000	\$154,630,000		\$231,945	\$1,793,708	\$2,025,653	\$728,697	\$624,659	\$149,524	\$7,732	\$3,536,264
2023	\$145,352,200	\$145,352,200		\$218,028	\$1,686,086	\$1,904,114	\$684,975	\$587,179	\$140,553	\$7,268	\$3,324,089
2024	\$136,631,068	\$136,631,068		\$204,947	\$1,584,920	\$1,789,867	\$643,877	\$551,949	\$132,120	\$6,832	\$3,124,643
2025	\$128,433,204	\$128,433,204		\$192,650	\$1,489,825	\$1,682,475	\$605,244	\$518,832	\$124,192	\$6,422	\$2,937,165
2026	\$120,727,212	\$120,727,212		\$181,091	\$1,400,436	\$1,581,526	\$568,929	\$487,702	\$116,741	\$6,036	\$2,760,935
2027	\$113,483,579	\$113,483,579		\$170,225	\$1,316,410	\$1,486,635	\$534,794	\$458,440	\$109,736	\$5,674	\$2,595,279
2028	\$106,674,564	\$106,674,564		\$160,012	\$1,237,425	\$1,397,437	\$502,706	\$430,933	\$103,152	\$5,334	\$2,439,562
2029	\$100,274,090	\$100,274,090		\$150,411	\$1,163,179	\$1,313,591	\$472,544	\$405,077	\$96,963	\$5,014	\$2,293,188
2030	\$94,257,645	\$94,257,645		\$141,386	\$1,093,389	\$1,234,775	\$444,191	\$380,773	\$91,145	\$4,713	\$2,155,597
2031	\$88,602,186	\$88,602,186		\$132,903	\$1,027,785	\$1,160,689	\$417,540	\$357,926	\$85,677	\$4,430	\$2,026,261
2032	\$83,286,055	\$83,286,055		\$124,929	\$966,118	\$1,091,047	\$392,487	\$336,451	\$80,536	\$4,164	\$1,904,685
2033	\$78,288,892	\$78,288,892		\$117,433	\$908,151	\$1,025,584	\$368,938	\$316,264	\$75,704	\$3,914	\$1,790,404
2034	\$73,591,558	\$73,591,558		\$110,387	\$853,662	\$964,049	\$346,802	\$297,288	\$71,162	\$3,680	\$1,682,980
2035	\$69,176,065	\$69,176,065		\$103,764	\$802,442	\$906,206	\$325,994	\$279,451	\$66,892	\$3,459	\$1,582,001
			<b>Total</b>	<b>\$2,486,862</b>	<b>\$19,231,736</b>	<b>\$21,718,599</b>	<b>\$7,812,926</b>	<b>\$6,697,452</b>	<b>\$1,603,164</b>	<b>\$82,895</b>	<b>\$37,915,037</b>

Source: CPA, Maryneal Windpower, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Lavaca 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 and Rolling Plains Memorial Hospital District.

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*	Highland ISD I&S Tax Levy	Highland ISD M&O Tax Levy	Highland ISD M&O and I&S Tax Levies	Nolan County Tax Levy	Rolling Plains Memorial Hospital District Tax Levy	Nolan County Farm-to-Market Tax Levy	West-Tex Groundwater Tax Levy	Estimated Total Property Taxes
			0.1500	1.1600			0.4713	0.4040	0.0967	0.0050	
2021	\$164,500,000	\$30,000,000		\$246,750	\$348,000	\$594,750	\$193,802	\$166,133	\$159,068	\$8,225	\$954,685
2022	\$154,630,000	\$30,000,000		\$231,945	\$348,000	\$579,945	\$182,174	\$156,165	\$149,524	\$7,732	\$918,284
2023	\$145,352,200	\$30,000,000		\$218,028	\$348,000	\$566,028	\$171,244	\$146,795	\$140,553	\$7,268	\$884,067
2024	\$136,631,068	\$30,000,000		\$204,947	\$348,000	\$552,947	\$160,969	\$137,987	\$132,120	\$6,832	\$851,903
2025	\$128,433,204	\$30,000,000		\$192,650	\$348,000	\$540,650	\$151,311	\$129,708	\$124,192	\$6,422	\$821,669
2026	\$120,727,212	\$30,000,000		\$181,091	\$348,000	\$529,091	\$142,232	\$121,925	\$116,741	\$6,036	\$793,249
2027	\$113,483,579	\$30,000,000		\$170,225	\$348,000	\$518,225	\$133,698	\$114,610	\$109,736	\$5,674	\$766,534
2028	\$106,674,564	\$30,000,000		\$160,012	\$348,000	\$508,012	\$125,677	\$107,733	\$103,152	\$5,334	\$741,422
2029	\$100,274,090	\$30,000,000		\$150,411	\$348,000	\$498,411	\$118,136	\$101,269	\$96,963	\$5,014	\$717,816
2030	\$94,257,645	\$30,000,000		\$141,386	\$348,000	\$489,386	\$111,048	\$95,193	\$91,145	\$4,713	\$695,627
2031	\$88,602,186	\$88,602,186		\$132,903	\$1,027,785	\$1,160,689	\$417,540	\$357,926	\$85,677	\$4,430	\$1,936,154
2032	\$83,286,055	\$83,286,055		\$124,929	\$966,118	\$1,091,047	\$392,487	\$336,451	\$80,536	\$4,164	\$1,819,985
2033	\$78,288,892	\$78,288,892		\$117,433	\$908,151	\$1,025,584	\$368,938	\$316,264	\$75,704	\$3,914	\$1,710,786
2034	\$73,591,558	\$73,591,558		\$110,387	\$853,662	\$964,049	\$346,802	\$297,288	\$71,162	\$3,680	\$1,608,139
2035	\$69,176,065	\$69,176,065		\$103,764	\$802,442	\$906,206	\$325,994	\$279,451	\$66,892	\$3,459	\$1,511,651
			<b>Total</b>	<b>\$2,486,862</b>	<b>\$8,038,159</b>	<b>\$10,525,022</b>	<b>\$3,342,052</b>	<b>\$2,864,897</b>	<b>\$1,603,164</b>	<b>\$82,895</b>	<b>\$16,731,970</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$11,193,577</b>	<b>\$11,193,577</b>	<b>\$4,470,875</b>	<b>\$3,832,555</b>	<b>\$0</b>	<b>\$0</b>	<b>\$21,183,066</b>

Source: CPA, Maryneal Windpower, 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 25<sup>th</sup> Anniversary of Limitation Start

This represents the Comptroller’s determination that MARYNEAL WINDPOWER, 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)
<b>Limitation Pre-Years</b>	2017-2018	\$0	\$0	\$0	\$0
	2019-2020	\$0	\$0	\$0	\$0
	2020-2021	\$87,000	\$87,000	\$0	\$0
<b>Limitation Period (10 Years)</b>	2021-2022	\$348,000	\$435,000	\$1,560,200	\$1,560,200
	2022-2023	\$348,000	\$783,000	\$1,445,708	\$3,005,908
	2023-2024	\$348,000	\$1,131,000	\$1,338,086	\$4,343,994
	2024-2025	\$348,000	\$1,479,000	\$1,236,920	\$5,580,914
	2025-2026	\$348,000	\$1,827,000	\$1,141,825	\$6,722,739
	2026-2027	\$348,000	\$2,175,000	\$1,052,436	\$7,775,175
	2027-2028	\$348,000	\$2,523,000	\$968,410	\$8,743,584
	2028-2029	\$348,000	\$2,871,000	\$889,425	\$9,633,009
	2029-2030	\$348,000	\$3,219,000	\$815,179	\$10,448,189
	2030-2031	\$348,000	\$3,567,000	\$745,389	\$11,193,577
<b>Maintain Viable Presence (5 Years)</b>	2031-2032	\$1,027,785	\$4,594,785	\$0	\$11,193,577
	2032-2033	\$966,118	\$5,560,904	\$0	\$11,193,577
	2033-2034	\$908,151	\$6,469,055	\$0	\$11,193,577
	2034-2035	\$853,662	\$7,322,717	\$0	\$11,193,577
	2035-2036	\$802,442	\$8,125,159	\$0	\$11,193,577
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2036-2037	\$754,296	\$8,879,455	\$0	\$11,193,577
	2037-2038	\$709,038	\$9,588,493	\$0	\$11,193,577
	2038-2039	\$666,496	\$10,254,989	\$0	\$11,193,577
	2039-2040	\$626,506	\$10,881,495	\$0	\$11,193,577
	2040-2041	\$588,916	\$11,470,411	\$0	\$11,193,577
	2041-2042	\$553,581	\$12,023,991	\$0	\$11,193,577
	2042-2043	\$520,366	\$12,544,357	\$0	\$11,193,577
	2043-2044	\$489,144	\$13,033,501	\$0	\$11,193,577
	2044-2045	\$459,795	\$13,493,296	\$0	\$11,193,577
	2045-2046	\$432,208	\$13,925,504	\$0	\$11,193,577

**\$13,925,504** is greater than **\$11,193,577**

<b>Analysis Summary</b>	
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 levied directly related to this project.  
Source: CPA, MARYNEAL WINDPOWER, 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 Maryneal Windpower, 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 Maryneal Windpower, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “The applicant has entered into long term lease agreements with the landowners in the project area. The applicant has also signed interconnection study agreements to interconnect the project to the transmission system. None of the contracts or agreements with the Company has entered into requires or obligates the Company to move forward with the proposed project in the event that a Chapter 313 Appraised Value Limitation is not approved.”
  - B. “Without a Limitation on Appraised Value, the economics of the project become far less attractive and Duke Energy would allocate its financial resources to alternative sites outside the State of Texas with more favorable economic returns which would include: Oklahoma, Iowa, South Dakota.”
  - C. “The financial viability of the Maryneal Windpower, LLC project is contingent on receiving the Chapter 313 Appraised Value Limitation and the project cannot move forward without it.”
- Comptroller Research and Supplemental information provided by Applicant
  - A. Sweetwater Wind 5 (App #55) overlaps the project area with this project, Maryneal Windpower, LLC. (See attached map provided by the applicant.)
  - B. Per Duke Energy, Sweetwater Windpower is located in Nolan County, Texas and it generates 585MW of electricity. It began operations in 2003.
  - C. Per the applicant, “there is no property included on App #1331 that was also included in a previous application (App #55).”

### 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 type="checkbox"/> Land has no existing improvements	<input checked="" 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



Maryneal Windpower, LLC  
Chapter 313 Application to Highland ISD

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**CHECKLIST ITEM #5**

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

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

The applicant has entered into long term lease agreements with the landowners in the project area. The applicant has also signed interconnection study agreements to interconnect the project to the transmission system. None of the contracts or agreements with the Company has entered into requires or obligates the Company to move forward with the proposed project in the event that a Chapter 313 Appraised Value Limitation is not approved.

In order for the project to qualify for the federal income tax Production Tax Credit (PTC), the Applicant was required to complete PTC qualification work before the statutorily imposed deadline of December 31, 2016. This work consisted of earth moving and installation of approximately 5400 linear feet of road connecting proposed turbine locations. These were not deemed taxable improvements by the Nolan County Central Appraisal District and no tax bill was delivered. The Applicant's completion of this PTC qualification work does in no way legally or financially commit it to constructing the project in Nolan County.

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

Duke Energy Renewables, acting as parent company of Maryneal Windpower, LLC, is a U.S. developer of wind projects, and has operations in several regions within the contiguous United States. Duke has the ability to locate wind farms anywhere in the U.S. and bases its decision to deploy capital on projects with the best return on investment. For these reasons Duke Energy studies and compares the economic returns at various competing sites throughout the market areas where wind development is attractive. Without a Limitation on Appraised Value, the economics of the project become far less attractive and Duke Energy would allocate its financial resources to alternative sites outside the State of Texas with more favorable economic returns which would include:

- Oklahoma
- Iowa
- South Dakota



Maryneal Windpower, LLC  
Chapter 313 Application to Highland ISD

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**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?**

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of Maryneal Windpower, LLC. The financial viability of the Maryneal Windpower, LLC project is contingent on receiving the Chapter 313 Appraised Value Limitation and the project cannot move forward without it.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
– Highland ISD– Maryneal Windpower, LLC App. #1331

Comptroller Questions (via email on April 5, 2019):

1. Is Maryneal Windpower, LLC currently known by any other project names?
2. 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.
3. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.

Comptroller Questions (via email on April 8, 2019):

1. Per the attachment, please provide the project name to which the existing turbine belong to. Also is this project under a Chapter 313 limitation, and if so, what is the Application number?
2. Please explain any interconnections between this project and the existing turbine project, i.e., is there any qualified property that will also be included in this existing application (App 1331).

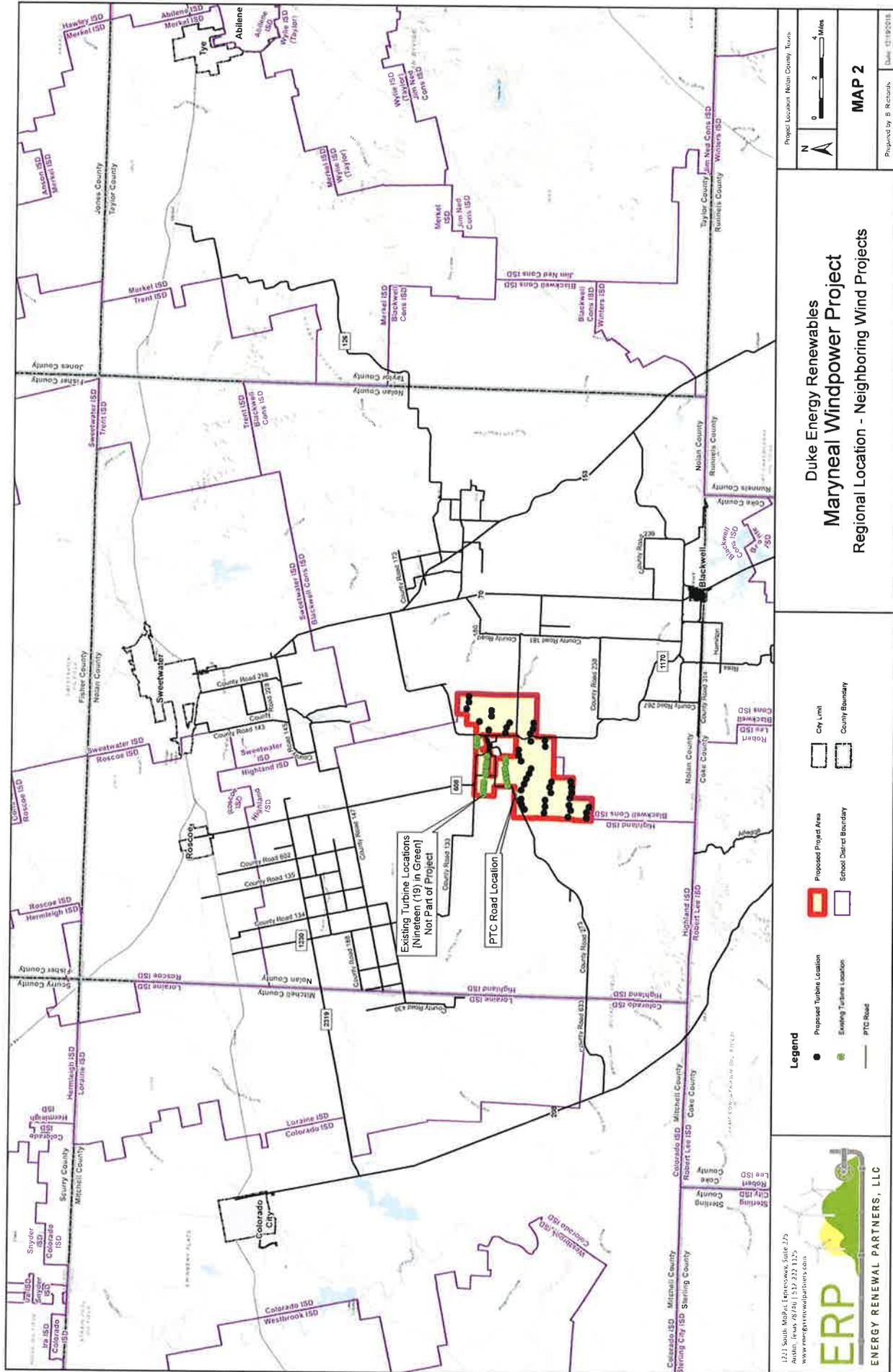
Applicant Response (via email on April 5, 2019):

1. None other than Maryneal Windpower, LLC and 18INR0031
2. None other than Maryneal Windpower, LLC and 18INR0031
3. Yes, 18INR0031. Will provide follow up once client responds with date IGNR was assigned. The IGNR was sent to ERCOT 5/20/2016 and the project received the queue number on 5/24/2016

Applicant Response (via email on April 8, 2019):

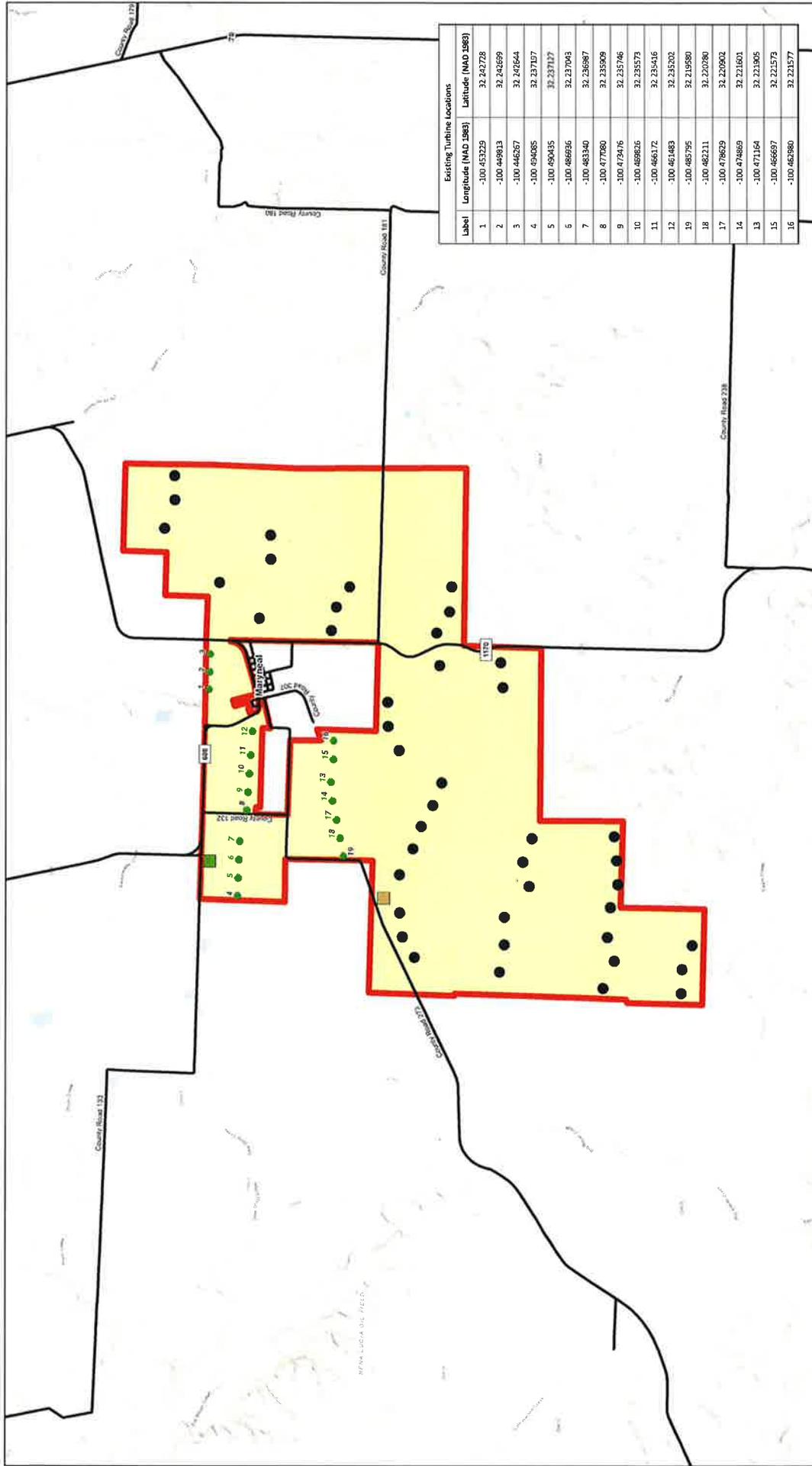
1. Those turbines are From App No.55 and the portion of that agreement assigned to "Sweetwater Wind 5".
2. There is no property included on App #1331 that was also included in a previous application.

Sweetwater Wind 5 and Maryneal overlapping project areas. Received on 1/18/2019 by the applicant.



121 South Maple, Eureka, Suite 275  
Austin, Texas 78704 | 512.221.1125  
www.erpwindpartners.com





Label	Longitude (NAD 1983)	Latitude (NAD 1983)
1	-100.453229	32.242728
2	-100.449813	32.242599
3	-100.446257	32.242644
4	-100.454085	32.237157
5	-100.450435	32.237127
6	-100.466936	32.237043
7	-100.463340	32.236587
8	-100.477080	32.235909
9	-100.472476	32.235746
10	-100.469626	32.235573
11	-100.466172	32.235416
12	-100.461483	32.235202
13	-100.465795	32.219580
14	-100.462211	32.220280
15	-100.478629	32.220602
16	-100.474869	32.221601
17	-100.471154	32.221585
18	-100.466687	32.221573
19	-100.462980	32.221577

**Duke Energy Renewables  
Maryneal Windpower Project  
Maryneal Windpower and  
Neighboring Project Locations**

Project Location: Nolan County, Texas

0 0.5 1 Mile

**MAP 2A**

Prepared by: J. Hobbs Date: 2/11/2015

**Legend**

- Proposed Maryneal Windpower Turbine Location
- Existing Turbine Location
- Proposed Project Substation
- Proposed O&M Building
- Proposed Project Area

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Austin, Texas 78718 | 512-232-1175  
www.energypartners.com

Wind Energy (/our-company/about-us/businesses/renewable-energy/wind-energy)



# Sweetwater Windpower

## Sweetwater Windpower

- Located in Nolan County, Texas
- Generates 585 megawatts (MW) of electricity, with a net Duke Energy Renewables capacity of 283 MW
- Began commercial operation in 2003, with additional phases added through 2007
- Supplies electricity to Austin Energy, CPS and others under the terms of various agreements
- Consists of 392 General Electric, MHI and Siemens wind turbines



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