GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 30, 2019

Steve Wolf
Superintendent
Lazbuddie Independent School District
P.O. Box 9
Lazbuddie, Texas 79053

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Lazbuddie Independent School District and Lazbuddie Wind Energy, LLC, Application 1374

Dear Superintendent Wolf:

On July 16, 2019, the Comptroller issued written notice that Lazbuddie Wind Energy, LLC (applicant) submitted a completed application (Application 1374) for a limitation on appraised value under the provisions of Tax Code Chapter 313.[1] This application was originally submitted on May 14, 2019, to the Lazbuddie 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 1374.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of July 16, 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 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 Lazbuddie Wind Energy, LLC (project) applying to Lazbuddie 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 Lazbuddie Wind Energy, LLC.

Applicant	Lazbuddie Wind Energy, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Lazbuddie ISD
2017-2018 Average Daily Attendance	180
County	Parmer
Proposed Total Investment in District	$250,000,000
Proposed Qualified Investment	$250,000,000
Limitation Amount	$20,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	5*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	$1,058
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	$1,041
Minimum annual wage committed to by applicant for qualified jobs	$55,000
Minimum weekly wage required for non-qualifying jobs	$820
Minimum annual wage required for non-qualifying jobs	$42,641
Investment per Qualifying Job	$50,000,000
Estimated M&O levy without any limit (15 years)	$15,434,655
Estimated M&O levy with Limitation (15 years)	$4,808,918
Estimated gross M&O tax benefit (15 years)	$10,625,736

** 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 Lazbuddie Wind Energy, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	100	89	189	$5,000,000	$8,000,000	$13,000,000
2021	175	161	336	$8,750,000	$15,250,000	$24,000,000
2022	5	16	21	$275,000	$3,725,000	$4,000,000
2023	5	9	14	$275,000	$2,725,000	$3,000,000
2024	5	1	6	$275,000	$1,725,000	$2,000,000
2025	5	5	10	$275,000	$725,000	$1,000,000
2026	5	1	6	$275,000	$725,000	$1,000,000
2027	5	5	10	$275,000	$725,000	$1,000,000
2028	5	3	8	$275,000	$725,000	$1,000,000
2029	5	1	6	$275,000	$725,000	$1,000,000
2030	5	1	6	$275,000	$725,000	$1,000,000
2031	5	1	6	$275,000	$725,000	$1,000,000
2032	5	5	10	$275,000	-$275,000	$0
2033	5	3	8	$275,000	$725,000	$1,000,000
2034	5	3	8	$275,000	$725,000	$1,000,000
2035	5	1	6	$275,000	-$275,000	$0

Source: CPA REMI, Lazbuddie 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		Lazbuddie ISD I&S Tax Levy	Lazbuddie ISD M&O Tax Levy	Lazbuddie ISD M&O and I&S Tax Levies	Parmer County Tax Levy	Parmer County Hospital District Tax Levy	High Plains Underground Water Conservation District Tax Levy	Parmer FMR Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0200		0.4397	0.2545	0.0067	0.1095	
2021	$40,000,000	$40,000,000		$0	$408,000	$408,000	$175,880	$101,800	$2,680	$43,800	$732,160
2022	$214,164,500	$214,164,500		$0	$2,184,478	$2,184,478	$941,681	$545,049	$14,349	$234,510	$3,920,067
2023	$197,033,800	$197,033,800		$0	$2,009,745	$2,009,745	$866,358	$501,451	$13,201	$215,752	$3,606,507
2024	$178,549,250	$178,549,250		$0	$1,821,202	$1,821,202	$785,081	$454,408	$11,963	$195,511	$3,268,165
2025	$158,573,146	$158,573,146		$0	$1,617,446	$1,617,446	$697,246	$403,569	$10,624	$173,638	$2,902,523
2026	$137,013,684	$137,013,684		$0	$1,397,540	$1,397,540	$602,449	$348,700	$9,180	$150,030	$2,507,898
2027	$113,733,160	$113,733,160		$0	$1,160,078	$1,160,078	$500,085	$289,451	$7,620	$124,538	$2,081,772
2028	$88,593,871	$88,593,871		$0	$903,657	$903,657	$389,547	$225,471	$5,936	$97,010	$1,621,622
2029	$61,435,163	$61,435,163		$0	$626,639	$626,639	$270,130	$156,352	$4,116	$67,272	$1,124,509
2030	$46,325,382	$46,325,382		$0	$472,519	$472,519	$203,693	$117,898	$3,104	$50,726	$847,940
2031	$46,316,874	$46,316,874		$0	$472,432	$472,432	$203,655	$117,876	$3,103	$50,717	$847,784
2032	$46,308,536	$46,308,536		$0	$472,347	$472,347	$203,619	$117,855	$3,103	$50,708	$847,631
2033	$46,300,366	$46,300,366		$0	$472,264	$472,264	$203,583	$117,834	$3,102	$50,699	$847,482
2034	$46,292,358	$46,292,358		$0	$472,182	$472,182	$203,547	$117,814	$3,102	$50,690	$847,335
2035	$46,284,511	$46,284,511		$0	$472,102	$472,102	$203,513	$117,794	$3,101	$50,682	$847,192
2036	$46,276,821	$46,276,821		$0	$472,024	$472,024	$203,479	$117,775	$3,101	$50,673	$847,051
			Total	$0	$15,434,655	$15,434,655	$6,653,547	$3,851,098	$101,384	$1,656,956	$27,697,639

Source: CPA, Lazbuddie Wind Energy, LLC
*Tax Rate per $100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Parmer 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		Lazbuddie ISD I&S Tax Levy	Lazbuddie ISD M&O Tax Levy	Lazbuddie ISD M&O and I&S Tax Levies	Parmer County Tax Levy	Parmer County Hospital District Tax Levy	High Plains Underground Water Conservation District Tax Levy	Parmer FMR Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0200		0.4397	0.2545	0.0067	0.1095	
2021	$40,000,000	$40,000,000		$0	$408,000	$408,000	$175,880	$101,800	$2,680	$43,800	$732,160
2022	$214,164,500	$20,000,000		$0	$204,000	$204,000	$612,093	$545,049	$14,349	$234,510	$1,610,001
2023	$197,033,800	$20,000,000		$0	$204,000	$204,000	$563,132	$501,451	$13,201	$215,752	$1,497,537
2024	$178,549,250	$20,000,000		$0	$204,000	$204,000	$510,303	$454,408	$11,963	$195,511	$1,376,185
2025	$158,573,146	$20,000,000		$0	$204,000	$204,000	$453,210	$403,569	$10,624	$173,638	$1,245,041
2026	$137,013,684	$20,000,000		$0	$204,000	$204,000	$391,592	$348,700	$9,180	$150,030	$1,103,502
2027	$113,733,160	$20,000,000		$0	$204,000	$204,000	$325,055	$289,451	$7,620	$124,538	$950,664
2028	$88,593,871	$20,000,000		$0	$204,000	$204,000	$253,206	$225,471	$5,936	$97,010	$785,623
2029	$61,435,163	$20,000,000		$0	$204,000	$204,000	$175,585	$156,352	$4,116	$67,272	$607,325
2030	$46,325,382	$20,000,000		$0	$204,000	$204,000	$132,400	$117,898	$3,104	$50,726	$508,128
2031	$46,316,874	$20,000,000		$0	$204,000	$204,000	$132,376	$117,876	$3,103	$50,717	$508,073
2032	$46,308,536	$46,308,536		$0	$472,347	$472,347	$203,619	$117,855	$3,103	$50,708	$847,631
2033	$46,300,366	$46,300,366		$0	$472,264	$472,264	$203,583	$117,834	$3,102	$50,699	$847,482
2034	$46,292,358	$46,292,358		$0	$472,182	$472,182	$203,547	$117,814	$3,102	$50,690	$847,335
2035	$46,284,511	$46,284,511		$0	$472,102	$472,102	$203,513	$117,794	$3,101	$50,682	$847,192
2036	$46,276,821	$46,276,821		$0	$472,024	$472,024	$203,479	$117,775	$3,101	$50,673	$847,051
			Total	$0	$4,808,918	$4,808,918	$4,742,573	$3,851,098	$101,384	$1,656,956	$15,160,929
			Diff	$0	$10,625,736	$10,625,736	$1,910,974	$0	$0	$0	$12,536,710
Assumes School Value Limitation and Tax Abatements with the County.											

Source: CPA, Lazbuddie 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 Lazbuddie 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	2019	$0	$0	$0	$0
	2020	$0	$0	$0	$0
	2021	$408,000	$408,000	$0	$0
Limitation Period (10 Years)	2022	$204,000	$612,000	$1,980,478	$1,980,478
	2023	$204,000	$816,000	$1,805,745	$3,786,223
	2024	$204,000	$1,020,000	$1,617,202	$5,403,425
	2025	$204,000	$1,224,000	$1,413,446	$6,816,871
	2026	$204,000	$1,428,000	$1,193,540	$8,010,411
	2027	$204,000	$1,632,000	$956,078	$8,966,489
	2028	$204,000	$1,836,000	$699,657	$9,666,146
	2029	$204,000	$2,040,000	$422,639	$10,088,785
	2030	$204,000	$2,244,000	$268,519	$10,357,304
	2031	$204,000	$2,448,000	$268,432	$10,625,736
Maintain Viable Presence (5 Years)	2032	$472,347	$2,920,347	$0	$10,625,736
	2033	$472,264	$3,392,611	$0	$10,625,736
	2034	$472,182	$3,864,793	$0	$10,625,736
	2035	$472,102	$4,336,895	$0	$10,625,736
	2036	$472,024	$4,808,918	$0	$10,625,736
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	$471,947	$5,280,865	$0	$10,625,736
	2038	$471,871	$5,752,737	$0	$10,625,736
	2039	$471,798	$6,224,534	$0	$10,625,736
	2040	$471,725	$6,696,259	$0	$10,625,736
	2041	$471,654	$7,167,914	$0	$10,625,736
	2042	$471,585	$7,639,498	$0	$10,625,736
	2043	$471,517	$8,111,015	$0	$10,625,736
	2044	$471,450	$8,582,465	$0	$10,625,736
	2045	$471,385	$9,053,850	$0	$10,625,736
	2046	$471,320	$9,525,170	$0	$10,625,736
		$9,525,170	is less than	**$10,625,736**	

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, Lazbuddie Wind Energy, LLC

	Employment			Personal Income			Revenue & Expenditure		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2020	100	89	189	$5,000,000	$8,000,000	$13,000,000	656000	-343000	$999,000
2021	175	161	336	$8,750,000	$15,250,000	$24,000,000	1137000	-488000	$1,625,000
2022	5	16	21	$275,000	$3,725,000	$4,000,000	160000	328000	-$168,000
2023	5	9	14	$275,000	$2,725,000	$3,000,000	130000	305000	-$175,000
2024	5	1	6	$275,000	$1,725,000	$2,000,000	130000	275000	-$145,000
2025	5	5	10	$275,000	$725,000	$1,000,000	122000	252000	-$130,000
2026	5	1	6	$275,000	$725,000	$1,000,000	145000	221000	-$76,000
2027	5	5	10	$275,000	$725,000	$1,000,000	107000	168000	-$61,000
2028	5	3	8	$275,000	$725,000	$1,000,000	107000	160000	-$53,000
2029	5	1	6	$275,000	$725,000	$1,000,000	107000	145000	-$38,000
2030	5	1	6	$275,000	$725,000	$1,000,000	99000	114000	-$15,000
2031	5	1	6	$275,000	$725,000	$1,000,000	92000	92000	$0
2032	5	5	10	$275,000	-$275,000	$0	76000	69000	$7,000
2033	5	3	8	$275,000	$725,000	$1,000,000	76000	23000	$53,000
2034	5	3	8	$275,000	$725,000	$1,000,000	61000	31000	$30,000
2035	5	1	6	$275,000	-$275,000	$0	23000	15000	$8,000
2036	5	3	8	$275,000	-$275,000	$0	23000	-38000	$61,000
2037	5	3	8	$275,000	-$275,000	$0	-8000	-46000	$38,000
2038	5	(1)	4	$275,000	-$275,000	$0	0	-46000	$46,000
2039	5	3	8	$275,000	$725,000	$1,000,000	15000	-69000	$84,000
2040	5	(1)	4	$275,000	-$275,000	$0	-15000	-99000	$84,000
2041	5	3	8	$275,000	-$275,000	$0	-15000	-107000	$92,000
2042	5	3	8	$275,000	-$275,000	$0	0	-107000	$107,000
2043	5	(1)	4	$275,000	-$275,000	$0	-15000	-137000	$122,000
2044	5	(5)	0	$275,000	-$275,000	$0	-46000	-122000	$76,000
2045	5	(1)	4	$275,000	-$275,000	$0	-92000	-206000	$114,000
2046	5	(1)	4	$275,000	-$275,000	$0	-15000	-183000	$168,000
						Total	**$3,060,000**	**$207,000**	**$2,853,000**
							$12,378,170	is greater than	**$10,625,736**

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 Lazbuddie 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:

- Per Lazbuddie Wind Energy, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  A. "The only agreements that Lazbuddie Wind Energy LLC has entered into for this project are (i) written lease agreements with landowners that permit the installation of wind energy project facilities on the land, and (ii) consultant agreements for feasibility studies, tax matters, legal advice, etc. The written leases may be terminated by Lazbuddie Wind Energy LLC if it elects not to construct the project. None of the agreements described in this paragraph obligate Lazbuddie Wind Energy LLC to construct the project."
  B. "Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Parmer County becomes unlikely. If Lazbuddie Wind Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns."
  C. "Invenergy is currently considering alternative sites outside the State of Texas for wind farm developments, including locations in the following states: Oklahoma."
- Comptroller Research
  A. Per the Invenergy website, "Invenergy's portfolio of wind, solar, natural gas and battery storage projects provide secure, reliable and cost-competitive sustainable energy in the Lone Star State and beyond. With 16 projects currently operating or in advance stage development, we are proud to be a part of solving energy challenges in Texas. Headquartered right here in America, Invenergy is a leading privately held developer and operator of sustainable energy solutions. We have successfully developed more than 20,000 megawatts across the Americas, Europe and Asia. While our footprint is global, we're dedicated to Texas."

- Provided by Applicant
  A. "Lazbuddie Wind Energy LLC has applied to the Southwest Power Pool (SPP) on March 31, 2017 and has the following Generation Interconnection Number: GEN-2017-026."
  B. Lazbuddie Wind Energy, LLC does not go and is not known by any other name.

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:

- ☐ Land has no existing improvements
- ☑ Land has existing improvements *(complete Section 13)*
- ☐ Expansion of existing operation on the land *(complete Section 13)*
- ☐ 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

Building a better working world

Lazbuddie Wind Energy LLC

Application for Appraised Value Limitation on Qualified Property

To

Lazbuddie ISD

Tab #5

Documentation to assist in determining if limitation is a determining factor

Section 8, Question 2: Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?

The only agreements that Lazbuddie Wind Energy LLC has entered into for this project are (i) written lease agreements with landowners that permit the installation of wind energy project facilities on the land, and (ii) consultant agreements for feasibility studies, tax matters, legal advice, etc. The written leases may be terminated by Lazbuddie Wind Energy LLC if it elects not to construct the project. None of the agreements described in this paragraph obligate Lazbuddie Wind Energy LLC to construct the project.

Section 8, Questions 7 and 10: Is the applicant evaluating other locations not in Texas for the proposed project? 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?

Invenergy, as the parent company of Lazbuddie Wind Energy LLC, is North America's largest privately-held renewable energy provider, with a national portfolio of wind, solar, storage, and natural gas projects. With operations in several regions throughout the contiguous United States, Invenergy considers economic return on investment as they decide where to locate development projects.

Without tax incentives such as the Ch.313 Value Limitation on Qualified Property, the economic return for this project is negatively impacted to the point that locating the project in Parmer County becomes unlikely. If Lazbuddie Wind Energy LLC was not able to obtain a value limitation agreement for this project, the project would most likely be terminated and financial resources would be allocated to projects with more favorable economic returns.

Invenergy is currently considering alternative sites outside the State of Texas for wind farm developments, including locations in the following states: Oklahoma.

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2) – Wellman-Union CISD– Algodon Solar Energy, LLC App. #1373

Comptroller Questions (via email on July 31, 2019):

1. Is Algodon Solar Energy, 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. What is the IGNR number and when was it assigned?

Applicant Response (via email on August 6, 2019):

1. No.
2. None.
3. Algodon Solar Energy LLC has applied to the Southwest Power Pool (SPP) on November 30, 2017 and has the following Generation Interconnection Number: GEN- 2017-187.

EY
Building a better working world

Lazbuddie Wind Energy LLC

Application for Appraised Value Limitation on Qualified Property

To

Lazbuddie ISD

Tab #4

Detailed Description of Project

Lazbuddie Wind Energy LLC proposes constructing a wind power farm with an output of up to 235MW on up to 65,000 acres of privately-owned land in Parmer County.

The proposed qualified investment consists of 40-90 wind turbines.

Other improvements include wind turbines, towers, foundations, roadways, buildings and offices, anemometer towers, computer equipment, furniture, company vehicles, electrical transmission cables and towers and electrical substations. A portion of the transmission lines may extend into other counties.

The capital investment for this project is estimated to be $250 million to $325 million. This project will create 100-175 construction jobs at peak construction, as well as five (5) permanent local jobs once fully operational. Lazbuddie Wind Energy LLC anticipates the commencement of commercial operations for this project by the fourth quarter of 2021. This project is only known as Lazbuddie.

Lazbuddie Wind Energy LLC has applied to the Southwest Power Pool (SPP) on March 31, 2017 and has the following Generation Interconnection Number: GEN-2017-026.

Invenergy Texas

Invenergy

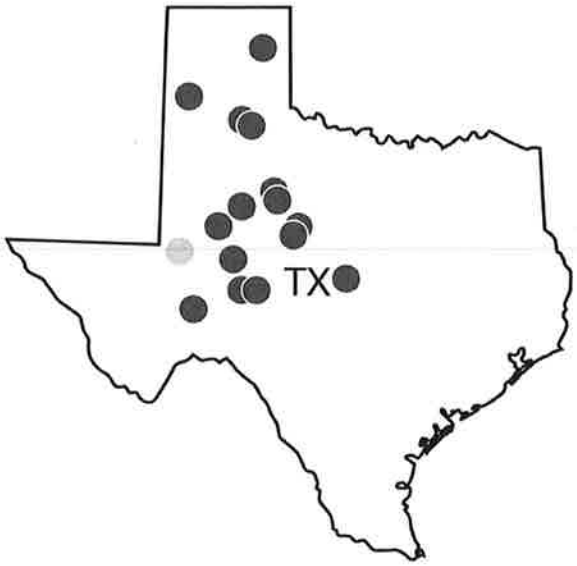
Driving Innovation in Texas Energy

Texas Tradition

Invenergy's portfolio of wind, solar, natural gas and battery storage projects provide secure, reliable and cost-competitive sustainable energy in the Lone Star State and beyond. With 16 projects currently operating or in advanced stage development, we are proud to be a part of solving energy challenges in Texas.

Invenergy Texas | Invenergy

Headquartered right here in America, Invenergy is a leading privately held developer and operator of sustainable energy solutions. We have successfully developed more than 20,000 megawatts across the Americas, Europe and Asia. While our footprint is global, we're dedicated to Texas.



16
projects

3,000
megawatts

1M
homes powered annually

750,00
cars off the road

Invested in Texas Communities

Invenergy Texas

Invenergy

(/)

$30M
invested in Texas communities

140
permanent jobs

$5B
invested in Texas projects

Local Investment + Jobs + Project Investment +

About Invenergy

We are innovators building a sustainable world. Invenergy and its affiliated companies develop, own, and operate large-scale sustainable energy generation and storage facilities in the Americas, Europe and Asia. Invenergy has successfully developed more than 22,600 megawatts of projects that are in operation, construction or contracted, including wind, solar, and natural gas power generation facilities as well as advanced energy storage projects.

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