

---

SARA LEON  
& ASSOCIATES, LLC

---

July 29, 2019

*Via Hand Delivery and Electronic Mail:* [Ginger.Flowers@cpa.texas.gov](mailto:Ginger.Flowers@cpa.texas.gov)

Ginger Flowers  
Research Analyst  
Economic Development & Local Government  
Data Analysis & Transparency Division  
Texas Comptroller of Public Accounts  
111 E. 17th Street  
Austin, Texas 78774

Re: Application #1378 from El Sauz Ranch Wind, LLC to - Lyford Consolidated  
Independent School District – Amendment #001 Transmittal Letter

Dear Ms. Flowers:

This letter is in response to your email dated July 10, 2019. Per your request, El Sauz Ranch Wind, LLC has made the following changes to Application #1378. Enumerated below are the changes contained in Amendment #001:

1. **Section 1 School District Information:** Revised Authorized School District Representative and Authorized School District Consultant
2. **Tab 4 Detailed description of the project:** Revised
3. **Tab 11 Maps:** Revised Map attached
4. **Tab 17 Signature and Certification Page:** New Signature page attached

Respectfully submitted,



Sara Hardner Leon  
SARA LEON & ASSOCIATES, LLC

Enclosures

cc: *Via Electronic Mail:* [kristin.brown@lyfordcisd.net](mailto:kristin.brown@lyfordcisd.net)  
Dr. Kristin Brown, Superintendent of Schools, Lyford Consolidated Independent School District

*Via Electronic Mail:* [jeff.ferguson@apexcleanenergy.com](mailto:jeff.ferguson@apexcleanenergy.com)  
Mr. Jeff Ferguson, Senior Vice President of Project Development, APEX Clean Energy, Inc.

*Via Electronic Mail:* [robjrpena@texas-kwh.com](mailto:robjrpena@texas-kwh.com)  
Mr. Robert Pena, President, Texas Energy Consultants, LLC

**Attachment 1**

Please see executed application attached.

# Application for Appraised Value Limitation on Qualified Property

(Tax Code, Chapter 313, Subchapter B or C)

**INSTRUCTIONS:** This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
  - the date on which the school district received the application;
  - the date the school district determined that the application was complete;
  - the date the school board decided to consider the application; and
  - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at [comptroller.texas.gov/economy/local/ch313/](http://comptroller.texas.gov/economy/local/ch313/). There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

## SECTION 1: School District Information

### 1. Authorized School District Representative

Date Application Received by District \_\_\_\_\_

First Name \_\_\_\_\_

Last Name \_\_\_\_\_

Title \_\_\_\_\_

School District Name \_\_\_\_\_

Street Address \_\_\_\_\_

Mailing Address \_\_\_\_\_

City \_\_\_\_\_

State \_\_\_\_\_

ZIP \_\_\_\_\_

Phone Number \_\_\_\_\_

Fax Number \_\_\_\_\_

Mobile Number (optional) \_\_\_\_\_

Email Address \_\_\_\_\_

2. Does the district authorize the consultant to provide and obtain information related to this application? .....  Yes  No

**SECTION 1: School District Information (continued)**

**3. Authorized School District Consultant (If Applicable)**

<u>Sara</u> First Name	<u>Leon</u> Last Name
<u>Attorney</u> Title	
<u>Sara Leon &amp; Associates, LLC</u> Firm Name	
<u>512-637-4244</u> Phone Number	<u>512-637-4245</u> Fax Number
	<u>sleon@saraleonlaw.com</u> Email Address
<u>Mobile Number (optional)</u>	
4. On what date did the district determine this application complete? .....	<u>May 23, 2019</u>
5. Has the district determined that the electronic copy and hard copy are identical? .....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**SECTION 2: Applicant Information**

**1. Authorized Company Representative (Applicant)**

<u>Mark</u> First Name	<u>Goodwin</u> Last Name
<u>President</u> Title	<u>APEX Clean Energy, Inc.</u> Organization
<u>310 4th Street, Suite 200</u> Street Address	
<u>Charlottesville</u> City	<u>VA</u> State
<u>434-220-7581</u> Phone Number	<u>22902</u> ZIP
	<u>434-220-3712</u> Fax Number
<u>Mobile Number (optional)</u>	<u>Business Email Address</u>
2. Will a company official other than the authorized company representative be responsible for responding to future information requests? .....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2a. If yes, please fill out contact information for that person.	

<u>Jeff</u> First Name	<u>Ferguson</u> Last Name
<u>Senior Vice President of Project Development</u> Title	<u>APEX Clean Energy, Inc.</u> Organization
<u>310 4th Street, Suite 200</u> Street Address	
<u>Charlottesville</u> City	<u>VA</u> State
<u>281-547-7566</u> Phone Number	<u>22902</u> ZIP
	<u>434-220-3712</u> Fax Number
<u>Mobile Number (optional)</u>	<u>jeff.ferguson@apexcleanenergy.com</u> Business Email Address
3. Does the applicant authorize the consultant to provide and obtain information related to this application? .....	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## Attachment 4

### *Detailed description of the project.*

***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.***

El Sauz Ranch Wind, LLC, (“El Sauz Ranch Wind”) is a special purpose entity formed to facilitate the development and commercialization of a utility-scale wind energy project. APEX Clean Energy, Inc., (“APEX”) the exclusive developer of El Sauz Ranch Wind, is in the business of initiating, developing, producing and owning and operating electricity from renewable energy projects including wind, solar, and geothermal.

APEX currently has many projects in development across the United States and is evaluating other renewable energy project opportunities across the country.

El Sauz Ranch Wind, LLC was recently created for the purpose of interconnecting El Sauz into the ERCOT market and there are no existing 312 or 313 agreements in place for this project. El Sauz Ranch Wind is requesting an appraised value limitation from Lyford CISD for a proposed wind energy project using wind turbines and transmission located in Willacy County. The wind farm and its associated infrastructure will be constructed within the jurisdiction of Lyford CISD and Willacy County, Texas. A map showing the location of the wind farm is included as Attachment 11a.

The wind farm will have an estimated capacity of 300 megawatts (“MW”). To construct the wind farm, El Sauz Ranch Wind expects: 107 wind turbines comprised of 107 wind turbines with a nameplate capacity of 2.82 MW of which:

- 81 wind turbines within the San Perlita ISD boundaries,
- 25 wind turbines within the Lyford CISD boundaries, and
- 1 wind turbine within the Raymondville ISD boundaries.

In addition to the wind turbine generating units, there will be the supporting electrical collection system and roads to be constructed and improved as necessary, as well as a collection substation to permit the interconnection and transmission of electricity generated by the wind turbines, and an operations and maintenance building constructed within the Project’s boundary.

Construction of the wind farm is expected to take approximately 12 months to complete, contingent upon favorable economics for the project.

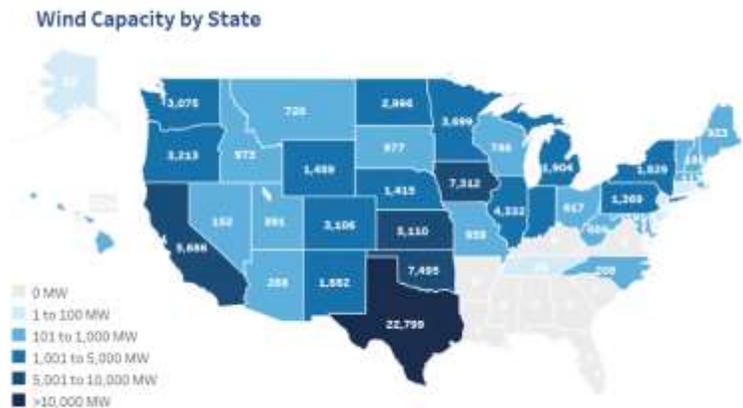
While the wind regime for El Sauz Ranch Wind is very good, there are many favorable locations for wind projects that could be developed across the United States. El Sauz Ranch Wind has

modeled its economics with an expectation that having a Limitation of Appraised Value Agreement with Lyford CISD is a key and invaluable portion of the project.

In today's competitive energy market, project investors and power purchasers require wind energy projects to have secured tax incentives, so that they can compete with wind projects across the U.S. and can locate projects in a wide variety of locations should El Sauz Ranch Wind be unable to develop a competitive project in Texas that is able to generate returns sufficient to attract investment capital.

Wind farms are operating and under development in many states throughout the country. According to the American Wind Energy Association ("AWEA") there are now over 54,000 turbines with a combined capacity of 89,379 MW operating in 41 states within the United States, Guam and Puerto Rico. During 2017, the U.S. wind industry grew 9% adding 7,017 MW of new wind power capacity. During the first quarter of 2018, the U.S. wind industry installed an additional 406 MW of wind power capacity.

A graphic provided by AWEA demonstrates the national geographic diversity of capacity throughout the United States for 2017.



Clearly locations for the development of wind projects are abundant and the Applicant can locate a project in a wide variety of locations across the United States, should it be unable to develop a competitive project in Texas that is able to generate returns sufficient enough to attract investment capital.

APEX, the developer of El Sauz Ranch Wind, LLC, is a national developer of wind projects, and has operations across the US and states within the contiguous United States. As construction is one of the most significant costs in creating wind farm, the physical improvements of El Sauz Ranch Wind, once completed, cannot be feasibly moved to another location. The wind turbines and supporting infrastructure are long-lived assets engineered and designed specifically for this project location. The cost of installing the improvements on the site is substantial and the cost to remove, redesign, and relocate the improvements to a different location would be prohibitive.

El Sauz Ranch Wind, LLC was formed for the express purpose of developing a community sponsored wind farm that would help bring significant economic development to an area that is historically economically distressed. APEX identified Texas, and in particular Willacy County, for its strong wind resource, access to available transmission capacity and the ERCOT market, and

favorable property tax incentives under the Tax Code for Chapter 312 abatement and Chapter 313 Appraised Value Limitation.

APEX prefers to develop and build the proposed El Sauz Ranch Wind Project as described throughout this Application but should it not be granted the limitation, then it is likely that El Sauz Ranch Wind would not be economically viable compared to other projects in development across the U.S.

As of January 2019, El Sauz Ranch Wind has no physical assets on site. El Sauz Ranch Wind has invested additional capital in an Interconnection Study with ERCOT, avian studies, environmental studies, federal aviation studies, and in leasing land for the project.

Should the Appraised Value Limitation be granted, El Sauz Ranch Wind has created a development and investment plan that is capitalized to implement the project. Without such a limitation the Project, competing against other Texas projects that have qualified, would likely be forced to redeploy its assets and capital to other states competing for similar wind projects.

**Attachment 11**

***Maps that clearly show:***

- a. Project vicinity***
- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***
- c. Qualified property including location of new buildings or new improvements***
- d. Existing property***
- e. Land location within vicinity map***
- f. Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size***

**Attachment 11a**

***a. Project vicinity***

Please see attached map below.



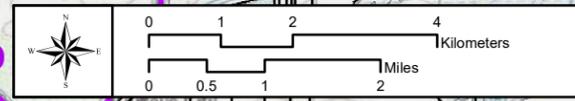
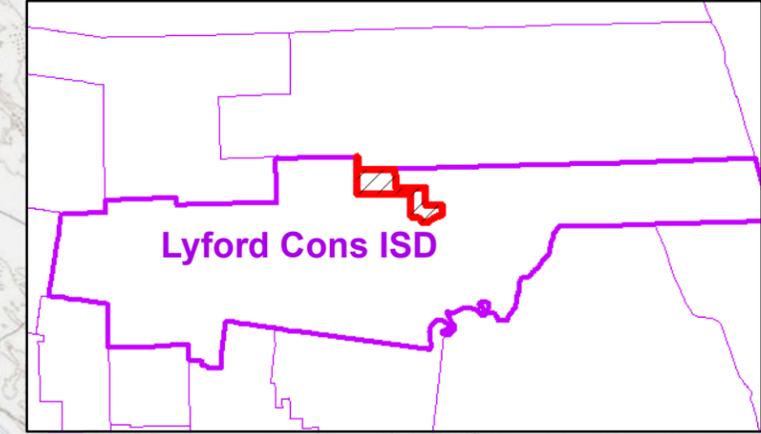
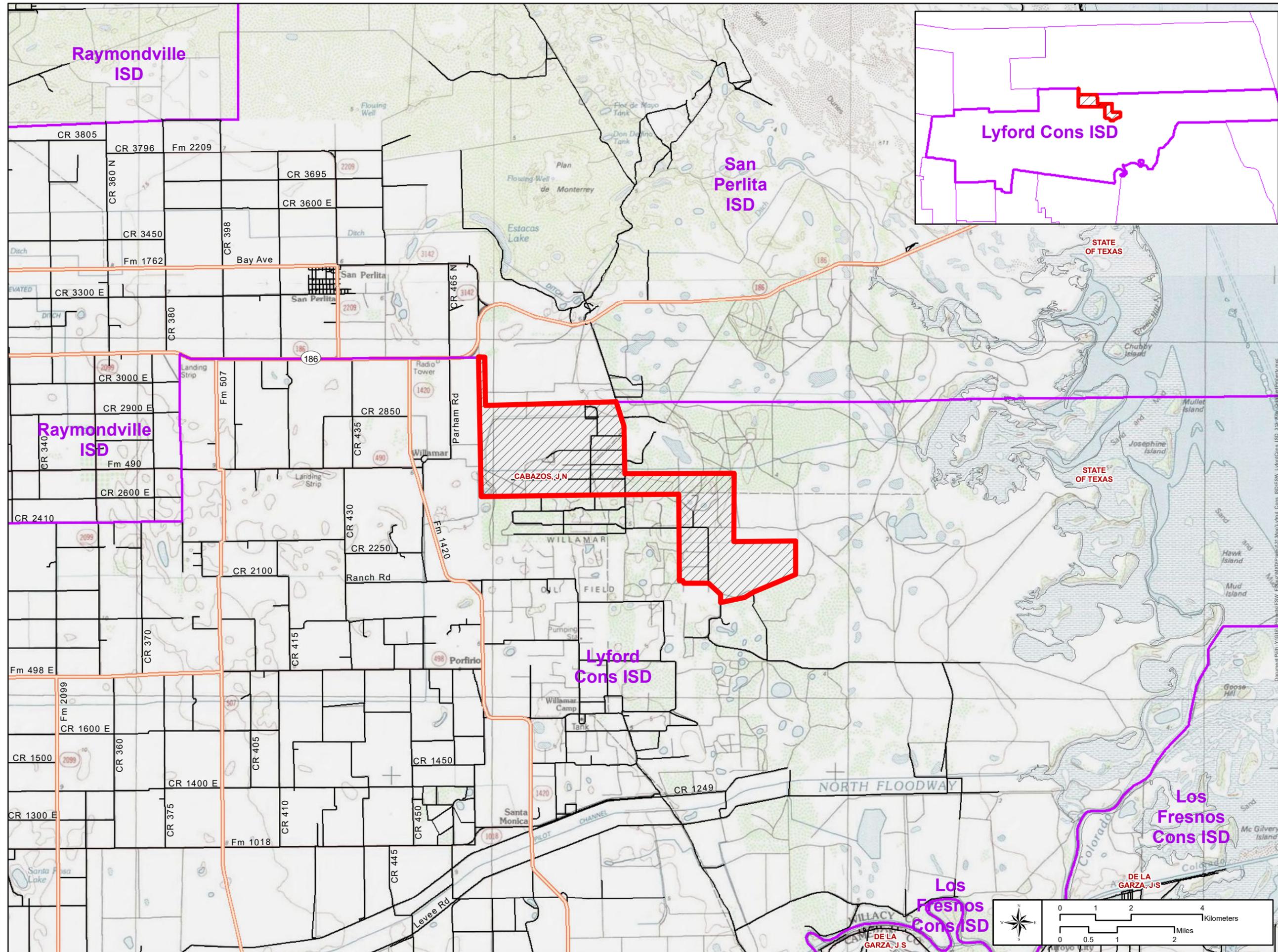
**El Sauz Ranch  
Project Vicinity**  
Willacy County, TX

-  Project Boundary
-  Reinvestment Zone
-  OTLS Section
-  ISD Boundary
-  Major Roads
-  Streets

\*Turbine Locations will change due to final survey/design.

**BUSINESS PROPRIETARY**  
DO NOT RELEASE WITHOUT  
PERMISSION OF  
APEX CLEAN ENERGY  
CHARLOTTESVILLE, VA

Date: 7/12/2019 Author: HVS  
Coordinate System: NAD 1983 2011 StatePlane Texas South FIPS 4205 Ft US  
Projection: Lambert Conformal Conic  
Datum: NAD 1983 2011  
Units: Foot US



Document Path: Y:\GIS\Projects\ESW\_LE\Map\MXD\Project\13490\_Lyford\_Cons\_ISD\ESW\_LyfordCons\_ISD\_313.dwg; Date: 7/12/2019 10:58:11 AM

# El Sauz Ranch Wind, LLC

## Willacy County, Texas

### Re: Confidentiality of Maps Submitted with El Sauz Ranch Wind, LLC Chapter 313 Appraised Value limitation Application with Lyford CISD

To Whom It May Concern:

As an attachment to El Sauz Ranch Wind, LLC Chapter 313 Appraised Value Limitation Application submitted to Lyford CISD on May 13, 2019 ("Application"), we designated certain maps, the Qualified Investment and Qualified Property maps (Attachments 11b & 11c), attached thereto ("Maps") as "Confidential". We submit this letter to comply with the requirements by which both Lyford CISD and the Comptroller's office can withhold confidential or proprietary information from public release while the Application is pending. This letter is submitted to identify the documents for which confidentiality is sought and provide the specific reasons, stating why the material is believed to be confidential.

The Maps reflect the proposed specific site plan and the location of tangible personal property to be located on real property covered by the Application- all of which continue to be refined. In addition, and at this time, disclosure of the Maps could be potentially valuable to our competitors and any disclosure could negatively impact the project. The Maps include commercially valuable geological or geophysical information regarding the exploration or development of natural resources and is protected from disclosure under section 552.113 of the Texas Government Code.

As required, the Maps were submitted as segregated in the application from other information in the application and specifically notated as "Confidential".

It is our intention to complete negotiations relating to both the location of the property and the tangible personal property during the time the Application is pending and understand that the Maps can only remain confidential and withheld from public release unless and until the governing body of the school district acts on the application.

To the extent you have any questions regarding this letter, please contact me for further clarification.

Sincerely,

EL SAUZ RANCH WIND, LLC

By: Apex GCL, LLC  
Its: Sole Member

By: Apex Clean Energy Holdings, LLC  
Its: Sole Member

By: 

Mark Goodwin  
President and CEO

**Attachment 11b**

- b. Qualified investment including location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period***

CONFIDENTIAL- FOR SEPARATE FILING

**Attachment 11c**

***c. Qualified property including location of new buildings or new improvements***

CONFIDENTIAL- FOR SEPARATE FILING

**Attachment 17**

***Signature and Certification Page signed and dated by Authorized School District Representative and Authorized Company Representative (applicant).***

Please see attached.

SECTION 16: Authorized Signatures and Applicant Certification

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

1. Authorized School District Representative Signature

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

print here

Kristin Nicole Brown
Print Name (Authorized School District Representative)

Superintendent
Title

sign here

[Handwritten Signature]
Signature (Authorized School District Representative)

7/26/19
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

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

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

print here

Mark Goodwin
Print Name (Authorized Company Representative (Applicant))

President
Title

sign here

[Handwritten Signature]
Signature (Authorized Company Representative (Applicant))

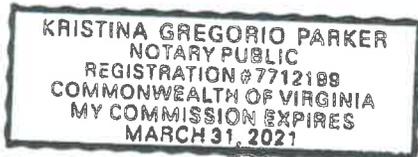
7/16/19
Date

GIVEN under my hand and seal of office this, the

16 day of July 2019

[Handwritten Signature]
Notary Public in and for the State of Texas Virginia

My Commission expires: 03/31/21



(Notary Seal)

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