

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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.

Wildcat Creek Wind Farm LLC
Chapter 313 Application to Muenster ISD

TAB #5

Documentation to assist in determining if limitation is a determining factor

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

The Applicant has executed all contracts as part of the development process and the Applicant has not executed any contracts that would require the Project to be constructed in Muenster ISD or the State of Texas.

Section 8, #4: Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location?

As part of the commercial development for this Project, Applicant issued the attached fact sheet for promotional purposes—as a marketing flyer intended to help build local support for the proposed Project. This fact sheet highlights benefits of the Project that would be enjoyed by the local community if the Project does in-fact move forward.

This Project is still in the development stage, and Applicant’s parent company, EDP Renewables North America (“EDPR”), has not yet made a final investment decision. Feasibility discussions are ongoing. Applicant has not yet: (i) received property tax incentives; (ii) signed all leases and easements necessary for the project; (iii) finalized the interconnection process; and (iv) received necessary permits. Applicant would not formally announce a project until each of these steps is completed, as any one of these steps could preclude viability.

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

The parent company, EDP Renewables North America (“EDPR”) can locate the Project anywhere in the U.S. with sufficient prevailing wind conditions conducive to power generation and transmission capacity to interconnect the Project to the grid. EDPR has several gigawatts of renewable energy development assets in 20 states that it is marketing to different off-takers for construction and power purchase throughout the U.S. EDPR is considering investment in many of these potential projects, instead of this Project. For this Project to be competitive with the other projects being developed by EDPR, as well as the other projects within Texas that have secured abatement agreements, Applicant’s Project must secure a Chapter 313 Appraised Value Limitation with Muenster ISD, as well as other Chapter 313 and 312 agreements with respective entities for this Project. The Chapter 313 Appraised Value Limitation with Muenster ISD has a significant impact on the rate of return for this Project and allows it to be competitive not only with other projects in EDPR’s portfolio, but also with other projects being developed by competing companies in Texas. EDPR has limited capital to expend and will only select approximately one (1) to five (5) projects (up to approximately 1,000 MWs) to construct each year.

By way of comparison, EDPR is actively developing and marketing multiple projects in the state of Kansas, which provides significant tax incentives at a state level. Kansas provides a property tax exemption for a period of 10 years on renewable facilities, via Kansas Statute 79-201. Typically, during the 10-year exemption period, EDPR would pay the county a community gift payment, but this is significantly less than the property taxes paid by a project in Texas. In Indiana, there is an economic incentive available for utility distributable facilities that provides a property tax exemption for a period of 10 years. The property tax exemption can exempt property up to 100% during the term. The incentive is negotiated with the local Economic Development Authority. The negotiated economic payments during the 10-year term coupled with valuation methodology from the state provide a substantial reduction in property tax. By way of further example, for this Project to compete with projects in Kansas and Indiana, as well as other projects throughout the U.S., EDPR's Project must secure the available tax incentives in Texas. This includes obtaining a Chapter 313 Appraised Value Limitation with Muenster ISD to reduce the property tax liability to the school district for the portion of the Project that lies within the district.

Section 8, #8: Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities?

The parent company, EDP Renewables North America ("EDPR") can locate the Project anywhere in the U.S. with sufficient prevailing wind conditions conducive to power generation and transmission capacity to interconnect the Project to the grid. EDPR has several gigawatts of renewable energy development assets in 20 states that it is marketing to different off-takers for construction and power purchase throughout the U.S. EDPR is considering investment in many of these potential projects, instead of this Project. For this Project to be competitive with the other projects being developed by EDPR, as well as the other projects within Texas that have secured abatement agreements, EDPR's Project must secure a Chapter 313 Appraised Value Limitation with Muenster ISD, as well as other Chapter 313 and 312 agreements with respective entities for this Project. The Chapter 313 Appraised Value Limitation with Muenster ISD has significant impact on the rate of return for this Project and allows it to be competitive not only with other projects in EDP's portfolio, but also with other projects being developed by competing companies in Texas. EDP has limited capital to expend and will only select approximately one (1) to five (5) projects (up to approximately 1,000 MWs) to construct each year.

EDP has an existing two-phase wind farm in operation near Abilene, Texas and obtained a Chapter 313 Appraised Value Limitation which provided the needed economics to allow for EDP to invest capital, construct the project, and sell the power. More recently in 2016, EDP built a single-phase wind farm in McCook, Texas on the border of Starr and Hidalgo counties that also had a Chapter 313 Appraised Value Limitation with both the Edinburg and Rio Grande City Independent School Districts, respectively. As the price of natural gas has declined over the last decade, the market for long term power purchase agreements has become more competitive. The Department of Energy Wind Technologies Market Report determined that the national average levelized price of wind power contracts signed in 2014 had dropped to less than \$25 per Mega-Watt hour compared

to the peak pricing of \$70 per Mega-Watt hour in 2009. The Chapter 313 Appraised Value Limitation has a significant impact on project economics to make it both competitive in the power purchase agreement market and also make it economically viable for investment.

Section 8, #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?

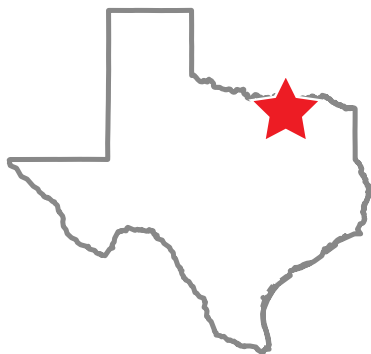
As noted above, the availability of tax incentives for this proposed Project are critical to the decision of whether to proceed with the Project. EDPR can locate the Project anywhere in the U.S. with sufficient prevailing wind conditions conducive to power generation and transmission capacity to interconnect the Project to the grid, has limited capital to expend, and will only select approximately one (1) to five (5) projects (up to approximately 1,000 MWs) to construct each year.

EDPR has submitted information regarding the amount of its capital investment in the Project, which will constitute approximately \$48.1 million in Muenster ISD, of which the total project is \$229.8 million in Cooke County, with an estimated operating capacity of 180 megawatts of power, and nine (9) miles of 345 kV transmission line planned to be located in Cooke County. EDPR has also provided information that the Project will be constructed and become operational by the end of the year 2020. EDPR has located the Project in the ERCOT power market and has submitted an interconnection request to ERCOT. The interconnection request is in queue and the study is currently in the Full Interconnection Study stage. The ERCOT power market limits the potential off-taker of the power produced by the Project, since power cannot be exported from ERCOT to other markets.



renewables

TEXAS: Wildcat Creek



Wildcat Creek Wind Farm will be located approximately 50 miles north of Dallas-Fort Worth in southwest Cooke County, between the towns of Era and Muenster. The project is sited on land primarily used for ranching and agriculture. Wildcat Creek has strong support from local landowners and will have minimal impact on current land use.

180 MW

COMMERCIAL OPERATION DATE

2020



Wildcat Creek Wind Farm will produce enough clean electricity to power more than **41,000** Texas homes.¹



Economic Benefits



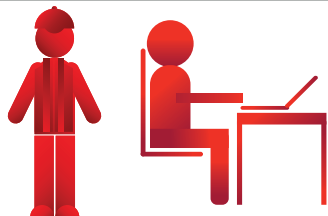
Wildcat Creek represents a capital investment of approximately **\$250 million**.²



More than **\$44 million** in local tax revenues through the project's life, including **\$27 million** to Era ISD and **\$9 million** to Muenster ISD.



Approximately **\$72 million** will be paid to local landowners through the life of the project.



Creation of up to **250** full-time equivalent jobs during construction and **10-12** permanent jobs during the life of the project.³



Millions of dollars will be spent within 50 miles of the wind farm through the life of the project.⁴



9,100 acres currently leased with **44** participating landowners. **5,700** more acres committed.

Turbine Technology

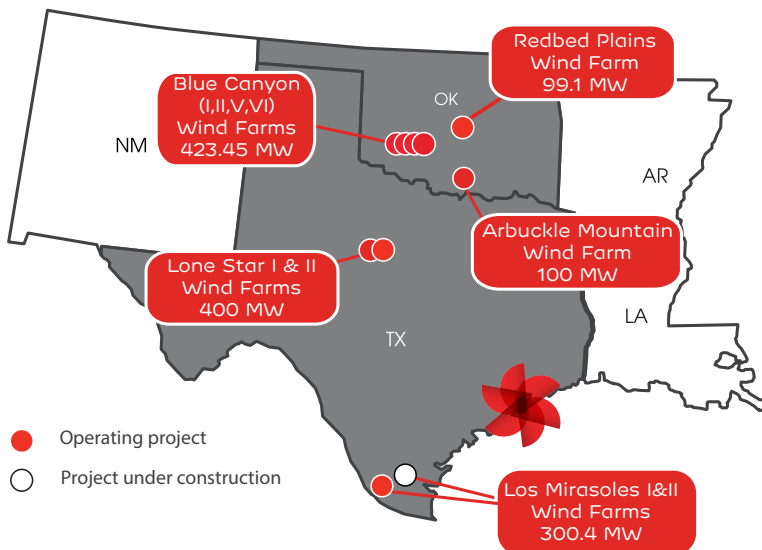


Wildcat Creek Wind Farm will consist of **52** wind turbines spanning a project area of nearly **15,000** acres. The largest turbines will have a hub height of approximately **354** feet and **238**-foot blades.

About Us

EDP Renewables North America LLC ("EDPR NA") and its subsidiaries develop, construct, own, and operate wind farms and solar parks throughout North America. Headquartered in Houston, Texas, with 48 wind farms, five solar parks, and 13 regional and development offices across North America, EDPR NA has developed more than 6,700 megawatts (MW) and operates more than 6,100 MW of renewable energy projects. With approximately 650 employees, EDPR NA's highly qualified team has a proven capacity to execute projects across the continent.

EDPR NA has **16 years** of operational experience in the region, with more than **1.3 GW** in Texas and Oklahoma.



For more information, visit

www.edprnorthamerica.com or www.wildcatcreekwindfarm.com

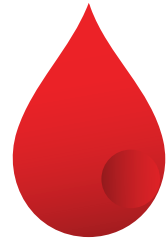
¹Power generation calculated using a 35% capacity factor. Household consumption based on 2017 EIA Household Data monthly average consumption by state.

²Assumes the average cost of an installed wind farm is \$1.6 million/MW for projects built after 2017, based on U.S. DOE 2017 Wind Technologies Market Report https://emp.lbl.gov/sites/default/files/2017_wind_technologies_market_report.pdf.

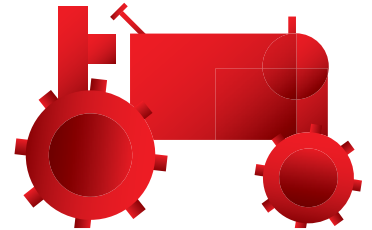
³Full-time equivalent jobs calculated by dividing number of contractor hours worked during construction by 2080.

⁴Includes vendor spending, property taxes, landowner payments, and wages from site jobs. Actual payments may vary.

⁵Assumes 0.58 gallons of water consumed per kWh of conventional electricity from "Water Consumption Factors for Electricity Generation in the United States" Lee, Han, & Elgowainy, 2016. <https://greet.es.anl.gov/publication-wcf-2016>.



Wildcat Creek Wind Farm will save more than **320 million** gallons of water each year.⁵



Wildcat Creek Wind Farm is compatible with existing land uses, occupying less than **2 percent** of land.



More than 500 U.S. manufacturing facilities specialize in wind energy components such as blades, towers, and generators.



Wildcat Creek Wind Farm will provide energy security and help diversify supply.



renewables

EDP Renewables Corporate Headquarters

808 Travis Street, Suite 700 • Houston, TX 77002

P: 713-265-0350 • F: 713-265-0365