



November 8, 2019
Carlos M. Gonzalez, Jr.
Zapata County Independent School District
1302 Glenn St.
Zapata, Texas 78076

Re: 313 Application – Zapata County ISD – Barranca Wind Energy, LLC

Dear Mr. Gonzalez:

Attached please find the amended application pages for the Chapter 313 Application submitted by Barranca Wind Energy, LLC to Zapata County ISD. This Amendment, dated November 7, 2019, is the third amendment to the Application. The revised application pages are as follows:

- Application Page 5, Section 9 – Updated projected timeline of project.
- Application Page 5, Section 10, Question 4 – Removed references to Jim Hogg County taxing jurisdictions.
- Application Page 7, Section 14, Question 2 – Changed last full quarter to Q3 2019.
- Application Page 7, Section 14, Questions 7a-c, 9 and 10 – Revised errors in wage references.
- Tab 5 – Updated per Comptroller’s request to add additional information about projects outside of Texas competing for investment.
- Tab 6 – Updated per Comptroller’s request to add map demonstrating the overall wind farm boundary.
- Tab 12 – Clarified that approximately 1 job will be created per 20 wind turbines.
- Signature and Certification Page – Updated with new signatures and notarization.

We appreciate your consideration for our amendment to the Zapata County ISD 313 application. Should you have any questions, comments, or concerns, please do not hesitate to contact me at 512.626.3417.

Best,

A handwritten signature in cursive script that reads "Jennifer Goodwillie".

Jennifer Goodwillie
Director of Development

SECTION 9: Projected Timeline

- 1. Application approval by school board Q1 2020
- 2. Commencement of construction Q4 2020
- 3. Beginning of qualifying time period May 2020
- 4. First year of limitation 2022
- 5. Begin hiring new employees Q4 2021
- 6. Commencement of commercial operations Q4 2021
- 7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? Yes No
Note: Improvements made before that time may not be considered qualified property.
- 8. When do you anticipate the new buildings or improvements will be placed in service? Q4 2021

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Zapata County
- 2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Zapata County Appraisal District
- 3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes No
- 4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
 County: Zapata, .694026, 41% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: N/A Water District: Zapata County Water, .36, 41%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (describe): _____ Other (describe): _____
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
- 5. Is the project located entirely within the ISD listed in Section 1? Yes No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
- 6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? Yes No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller’s website at comptroller.texas.gov/economy/local/ch313/.

- 1. At the time of application, what is the estimated minimum qualified investment required for this school district? 20,000,000.00
- 2. What is the amount of appraised value limitation for which you are applying? 25,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
- 3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? Yes No
- 4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing 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, with vicinity map (**Tab 11**).
- 5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? Yes No

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0

2. What is the last complete calendar quarter before application review start date: [] First Quarter [] Second Quarter [x] Third Quarter [] Fourth Quarter of 2019 (year)

3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0

Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).

4. What is the number of new qualifying jobs you are committing to create? 2

5. What is the number of new non-qualifying jobs you are estimating you will create? 0

6. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1)? [x] Yes [] No

6a. If yes, attach evidence in Tab 12 documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.

7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).

a. Average weekly wage for all jobs (all industries) in the county is 997.50

b. 110% of the average weekly wage for manufacturing jobs in the county is 2,285.80

c. 110% of the average weekly wage for manufacturing jobs in the region is 784.55

8. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? [] §313.021(5)(A) or [x] §313.021(5)(B)

9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,796.80

10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,796.80

11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? [x] Yes [] No

12. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? [] Yes [x] No

12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).

13. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? [] Yes [x] No

13a. If yes, attach in Tab 6 supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, C, and D in Tab 14. Note: Excel spreadsheet versions of schedules are available for download and printing at URL listed below.

2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in Tab 15. (not required)

3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in Tab 15.

Tab Item 5

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

Barranca Wind Energy, LLC is a Delaware limited liability company. Barranca Wind Energy, LLC has one member with 100% ownership, Lincoln Clean Energy, LLC (“LCE”). LCE has successfully developed projects involving over \$1 billion in capital investment in some of the largest electricity markets in the United States, including California, New Jersey, and Texas.

The Applicant for this Project has entered into several contracts related to the project, including long-term lease option agreements with area landowners and service agreements and scopes with various consultants (environmental, airspace, etc.) to assess the suitability of the site, and a request for studies leading to an interconnection agreement with the transmission provider. None of these contracts obligate Applicant to construct the Project, and each of these contracts may be terminated by Applicant without incurring any significant liability.

The Project has obtained the following state and local permits:

- Tax Abatement Agreement with Jim Hogg County
- Tax Abatement Agreement with Zapata County

The Project was previously referred to as the Vaquero Wind Project when it was a wholly owned subsidiary of Bordas Renewable Energy. The project is now a wholly owned subsidiary of Lincoln Clean Energy, LLC. The Project has applied to ERCOT and it has been assigned GIR #19INR0165, which was assigned to Barranca Wind Energy, LLC on February 28, 2018.

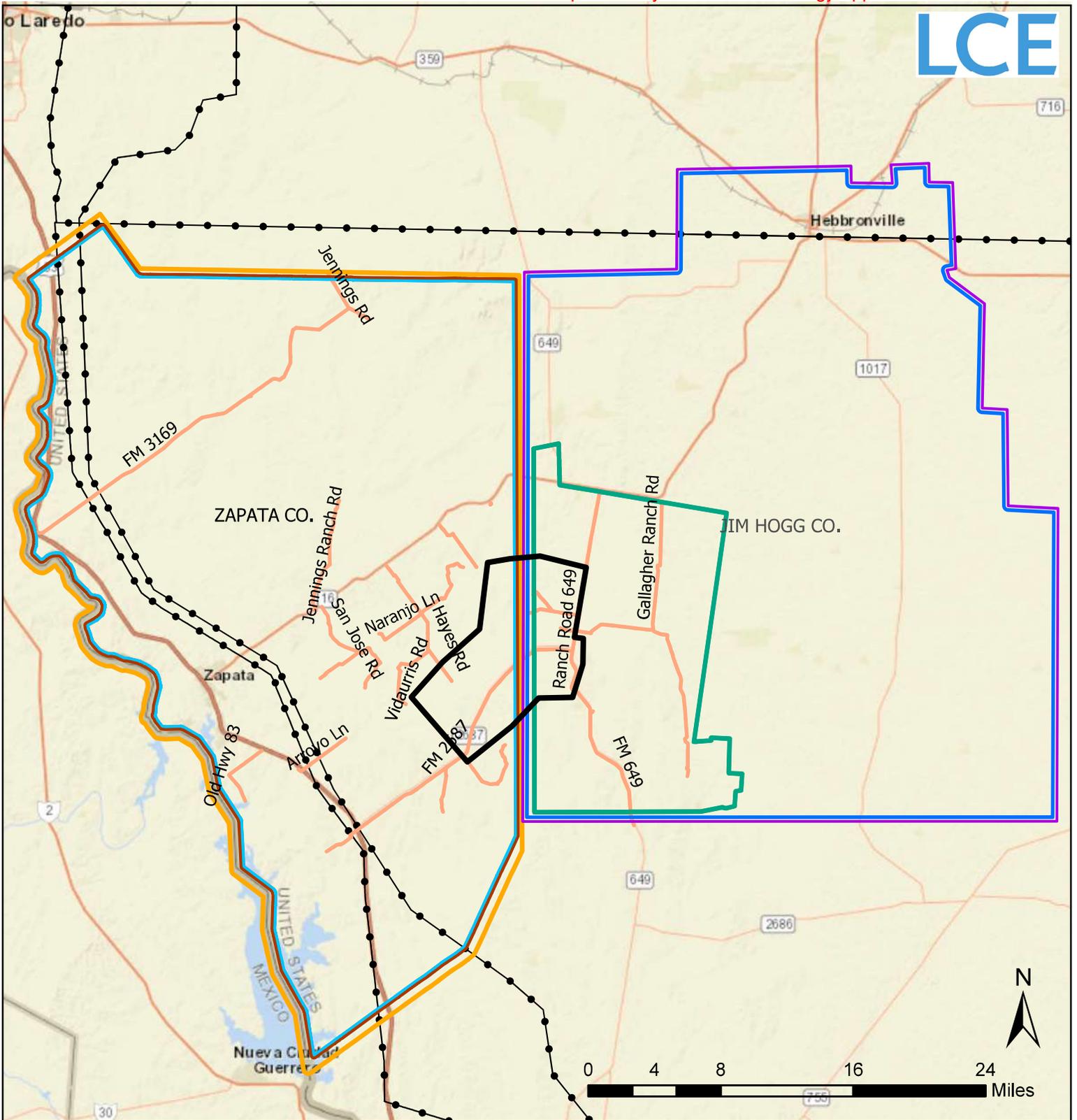
The Applicant is a national wind developer with the ability to locate projects of this type in other states within the United States and other regions within Texas with favorable wind characteristics. The Applicant is actively assessing and developing other projects outside of Texas that are competing for limited investment funds. The applicant’s current projects in development include projects in the following states: Nebraska, South Dakota, New Mexico, Colorado, and Virginia. This appraised value limitation is critical to the ability of the Project to move forward as currently sited.

Without the available tax incentives, the economics of the Project become far less attractive and the likelihood of selling the electricity at a competitive price will significantly decrease. The Applicant for this project is competing against other developers who have been offered or are in the process of applying for Value Limitation Agreements with other school districts. Obtaining the limitation is critical to the economic and competitive viability of this Project. Without the limitation approval, the Applicant would likely terminate the Project, including the aforementioned contracts, leases, and limited improvements, in order to reallocate resources in areas with more favorable economics.

Tab Item 6

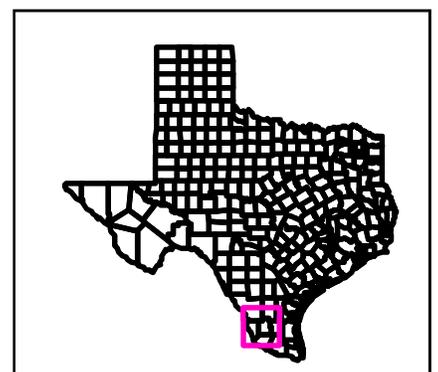
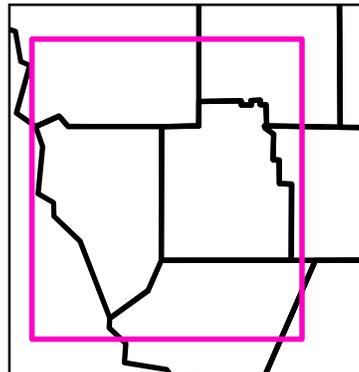
Other School District Information

The project will be located in the Zapata Independent School District and the Jim Hogg Independent School District. 59% of the project will be sited in the Jim Hogg Independent School District, and 41% of the project will be sited in the Zapata Independent School District, as shown in the map on the following page.



**Map of Potential Project
Barranca Wind Project Property**

- ▭ Reinvestment Zone Jim Hogg County
- ▭ Jim Hogg County ISD
- ▭ Jim Hogg County
- ▭ Zapata County ISD
- ▭ Reinvestment Zone Zapata County
- ▭ WindFarmBoundary
- ▭ Zapata County
- 345+ kV Transmission Lines



Tab Item 12
Request For Waiver of Job Creation Requirement

See attached letter. Based on the attached letter, Applicant is committing to create five (5) jobs to support the entire Project. Although no individual employees will be assigned specifically to manage the portions of the Project located in Zapata County ISD or Jim Hogg County ISD, based on the number of turbines located in in each school district, the created jobs will be allocated among the school districts as follows:

Zapata County ISD
2 jobs

Jim Hogg County ISD
3 jobs

October 28, 2019
Superintendent Gonzales
Zapata County ISD
1302 Glenn Street
Zapata, TX 78076

Re: Chapter 313 Job Waiver Request

Dear Superintendent Gonzales,

Please consider this letter to be Barranca Wind Energy, LLC's formal request to waive the minimum new job creation requirement, as provided under Texas Tax Code 313.025(f-1).

The governing body of a school district may waive the new jobs creation requirement in Section 313.021(2)(A)(iv)(b) or 313.051(b) and approve an application if the governing body makes a finding that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property that is described in this application. Wind energy projects create a large number of full-time jobs during the construction phase, but these jobs are temporary by nature. Once the project is in operation, a small crew of full-time employees will maintain and operate the facility. Based upon our experience in the wind industry, we expect that two (2) employees would be needed to operate a 123 MW facility, and we can commit to creating two (2) full-time positions to fill those needs. The number of employees is calculated based on an industry standard of approximately one employee for every twenty (20) wind turbines. All would be qualifying jobs as described in Section 313.021(3) of the Texas Tax Code.

The applicant requests that the Zapata ISD's Board of Trustees make such a finding and waive the job creation requirement. This waiver request is in line with industry standards for the job requirements for a wind energy facility of this size, as evidenced by limitation agreement applications that have been filed by other wind energy developers, and by documentation related to the development and operation of wind generation facilities.

The project stands to provide significant benefits to the community with respect to increased tax base and the ongoing royalty payments it will make to local landowners.

Kind Regards,



Jennifer Goodwillie
Development Director
Barranca Wind Energy, LLC

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 Carlos M. Gonzalez, Jr. Print Name (Authorized School District Representative)

Superintendent Title

sign here [Signature] Signature (Authorized School District Representative)

November 12, 2019 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 PHILIP MOORE Print Name (Authorized Company Representative (Applicant))

SVP Title

sign here [Signature] Signature (Authorized Company Representative (Applicant))

NOVEMBER 5, 2019 Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

5th day of November, 2019 [Signature] Notary Public in and for the State of Texas

My Commission expires: 5/11/2023

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.