



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 19, 2020

Eddie Bland  
Superintendent  
Snyder Independent School District  
2901 37<sup>th</sup> Street  
Snyder, Texas ZIP 79549

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Snyder Independent School District and Canyon Wind Farm, LLC, Application 1442

Dear Superintendent Bland:

On April 2, 2020, the Comptroller issued written notice that Canyon Wind Farm, LLC (applicant) submitted a completed application (Application 1442) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on October 10, 2019, to the Snyder 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 1442.

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, 2020.

Note that any building or improvement existing as of the application review start date of April 2, 2020, 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,

DocuSigned by:  
  
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Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Canyon Wind Farm, LLC applying to Snyder 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 Canyon Wind Farm, LLC.

|   |                         |
|---|-------------------------|
| Applicant   | Canyon Wind Farm, LLC   |
| Tax Code, 313.024 Eligibility Category  | Renewable Energy - Wind |
| School District   | Snyder ISD              |
| 2018-2019 Average Daily Attendance  | 2,460                   |
| County  | Scurry                  |
| Proposed Total Investment in District   | \$95,800,000            |
| Proposed Qualified Investment   | \$95,800,000            |
| Limitation Amount   | \$30,000,000            |
| Qualifying Time Period (Full Years)   | 2021-2022               |
| 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                | \$961.53                |
| Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B) | \$961.00                |
| Minimum annual wage committed to by applicant for qualified jobs                | \$50,000                |
| Minimum weekly wage required for non-qualifying jobs                            | \$1,087                 |
| Minimum annual wage required for non-qualifying jobs                            | \$56,525                |
| Investment per Qualifying Job   | \$31,933,333            |
| Estimated M&O levy without any limit (15 years)                                 | \$8,317,508             |
| Estimated M&O levy with Limitation (15 years)                                   | \$4,527,293             |
| Estimated gross M&O tax benefit (15 years)                                      | \$3,790,214             |

\* 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 Canyon Wind Farm, LLC (modeled).

| Year | Employment |                    |       | Personal Income |                    |              |
|------|------------|--------------------|-------|-----------------|--------------------|--------------|
|      | Direct     | Indirect + Induced | Total | Direct          | Indirect + Induced | Total        |
| 2021 | 128        | 875                | 1003  | \$6,396,750     | \$78,603,250       | \$85,000,000 |
| 2022 | 3          | 255                | 258   | \$150,000       | \$24,850,000       | \$25,000,000 |
| 2023 | 3          | 140                | 143   | \$150,000       | \$15,850,000       | \$16,000,000 |
| 2024 | 3          | 51                 | 54    | \$150,000       | \$8,850,000        | \$9,000,000  |
| 2025 | 3          | 1                  | 4     | \$150,000       | \$3,850,000        | \$4,000,000  |
| 2026 | 3          | (24)               | -21   | \$150,000       | \$850,000          | \$1,000,000  |
| 2027 | 3          | (33)               | -30   | \$150,000       | -\$1,150,000       | -\$1,000,000 |
| 2028 | 3          | (32)               | -29   | \$150,000       | -\$1,150,000       | -\$1,000,000 |
| 2029 | 3          | (27)               | -24   | \$150,000       | -\$1,150,000       | -\$1,000,000 |
| 2030 | 3          | (19)               | -16   | \$150,000       | -\$1,150,000       | -\$1,000,000 |
| 2031 | 3          | (11)               | -8    | \$150,000       | -\$150,000         | \$0          |
| 2032 | 3          | (5)                | -2    | \$150,000       | -\$150,000         | \$0          |
| 2033 | 3          | 0                  | 3     | \$150,000       | \$850,000          | \$1,000,000  |
| 2034 | 3          | 4                  | 7     | \$150,000       | \$850,000          | \$1,000,000  |
| 2035 | 3          | 7                  | 10    | \$150,000       | \$1,850,000        | \$2,000,000  |
| 2036 | 3          | 8                  | 11    | \$150,000       | \$1,850,000        | \$2,000,000  |

Source: CPA REMI, Canyon Wind Farm, 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*    | Snyder ISD I&S Tax Levy | Snyder ISD M&O Tax Levy | Snyder ISD M&O and I&S Tax Levies | Scurry County Tax Levy | Scurry County Hospital District Tax Levy | Western TX College Tax Levy | Estimated Total Property Taxes |
|------|---------------------------------|---------------------------------|--------------|-------------------------|-------------------------|-----------------------------------|------------------------|--|-----------------------------|--------------------------------|
|      |                                 |                                 |              | 0.0630                  | 0.9700                  |                                   | 0.4498                 | 0.2935                                   | 0.3112                      |                                |
| 2022 | \$90,511,250                    | \$90,511,250                    |              | \$57,022                | \$877,959               | \$934,981                         | \$407,120              | \$265,651                                | \$281,671                   | \$1,889,422                    |
| 2023 | \$85,747,500                    | \$85,747,500                    |              | \$54,021                | \$831,751               | \$885,772                         | \$385,692              | \$251,669                                | \$266,846                   | \$1,789,979                    |
| 2024 | \$80,983,750                    | \$80,983,750                    |              | \$51,020                | \$785,542               | \$836,562                         | \$364,265              | \$237,687                                | \$252,021                   | \$1,690,536                    |
| 2025 | \$76,220,000                    | \$76,220,000                    |              | \$48,019                | \$739,334               | \$787,353                         | \$342,838              | \$223,706                                | \$237,197                   | \$1,591,093                    |
| 2026 | \$71,456,250                    | \$71,456,250                    |              | \$45,017                | \$693,126               | \$738,143                         | \$321,410              | \$209,724                                | \$222,372                   | \$1,491,649                    |
| 2027 | \$66,692,500                    | \$66,692,500                    |              | \$42,016                | \$646,917               | \$688,934                         | \$299,983              | \$195,742                                | \$207,547                   | \$1,392,206                    |
| 2028 | \$61,928,750                    | \$61,928,750                    |              | \$39,015                | \$600,709               | \$639,724                         | \$278,556              | \$181,761                                | \$192,722                   | \$1,292,763                    |
| 2029 | \$57,165,000                    | \$57,165,000                    |              | \$36,014                | \$554,501               | \$590,514                         | \$257,128              | \$167,779                                | \$177,897                   | \$1,193,319                    |
| 2030 | \$52,401,250                    | \$52,401,250                    |              | \$33,013                | \$508,292               | \$541,305                         | \$235,701              | \$153,798                                | \$163,073                   | \$1,093,876                    |
| 2031 | \$47,637,500                    | \$47,637,500                    |              | \$30,012                | \$462,084               | \$492,095                         | \$214,273              | \$139,816                                | \$148,248                   | \$994,433                      |
| 2032 | \$42,873,750                    | \$42,873,750                    |              | \$27,010                | \$415,875               | \$442,886                         | \$192,846              | \$125,834                                | \$133,423                   | \$894,990                      |
| 2033 | \$38,110,000                    | \$38,110,000                    |              | \$24,009                | \$369,667               | \$393,676                         | \$171,419              | \$111,853                                | \$118,598                   | \$795,546                      |
| 2034 | \$33,346,250                    | \$33,346,250                    |              | \$21,008                | \$323,459               | \$344,467                         | \$149,991              | \$97,871                                 | \$103,774                   | \$696,103                      |
| 2035 | \$28,582,500                    | \$28,582,500                    |              | \$18,007                | \$277,250               | \$295,257                         | \$128,564              | \$83,890                                 | \$88,949                    | \$596,660                      |
| 2036 | \$23,818,750                    | \$23,818,750                    |              | \$15,006                | \$231,042               | \$246,048                         | \$107,137              | \$69,908                                 | \$74,124                    | \$497,216                      |
|      |                                 |                                 | <b>Total</b> | <b>\$540,209</b>        | <b>\$8,317,508</b>      | <b>\$8,857,717</b>                | <b>\$3,856,923</b>     | <b>\$2,516,689</b>                       | <b>\$2,668,462</b>          | <b>\$17,899,791</b>            |

Source: CPA, Canyon Wind Farm, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Scurry 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, Scurry county hospital district and Western Texas College.

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 |              | Snyder ISD I&S Tax Levy | Snyder ISD M&O Tax Levy | Snyder ISD M&O and I&S Tax Levies | Scurry County Tax Levy | Scurry County Hospital District Tax Levy | Western TX College Tax Levy | Estimated Total Property Taxes |
|---|---------------------------------|---------------------------------|--------------|-------------------------|-------------------------|-----------------------------------|------------------------|--|-----------------------------|--------------------------------|
|   |                                 |                                 | Tax Rate*    | 0.0630                  | 0.9700                  |                                   | 0.4498                 | 0.2935                                   | 0.3112                      |                                |
| 2022  | \$90,511,250                    | \$30,000,000                    |              | \$57,022                | \$291,000               | \$348,022                         | \$0                    | \$0                                      | \$0                         | \$348,022                      |
| 2023  | \$85,747,500                    | \$30,000,000                    |              | \$54,021                | \$291,000               | \$345,021                         | \$0                    | \$0                                      | \$0                         | \$345,021                      |
| 2024  | \$80,983,750                    | \$30,000,000                    |              | \$51,020                | \$291,000               | \$342,020                         | \$0                    | \$0                                      | \$0                         | \$342,020                      |
| 2025  | \$76,220,000                    | \$30,000,000                    |              | \$48,019                | \$291,000               | \$339,019                         | \$0                    | \$0                                      | \$0                         | \$339,019                      |
| 2026  | \$71,456,250                    | \$30,000,000                    |              | \$45,017                | \$291,000               | \$336,017                         | \$0                    | \$0                                      | \$0                         | \$336,017                      |
| 2027  | \$66,692,500                    | \$30,000,000                    |              | \$42,016                | \$291,000               | \$333,016                         | \$0                    | \$0                                      | \$0                         | \$333,016                      |
| 2028  | \$61,928,750                    | \$30,000,000                    |              | \$39,015                | \$291,000               | \$330,015                         | \$0                    | \$0                                      | \$0                         | \$330,015                      |
| 2029  | \$57,165,000                    | \$30,000,000                    |              | \$36,014                | \$291,000               | \$327,014                         | \$0                    | \$0                                      | \$0                         | \$327,014                      |
| 2030  | \$52,401,250                    | \$30,000,000                    |              | \$33,013                | \$291,000               | \$324,013                         | \$0                    | \$0                                      | \$0                         | \$324,013                      |
| 2031  | \$47,637,500                    | \$30,000,000                    |              | \$30,012                | \$291,000               | \$321,012                         | \$0                    | \$0                                      | \$0                         | \$321,012                      |
| 2032  | \$42,873,750                    | \$42,873,750                    |              | \$27,010                | \$415,875               | \$442,886                         | \$192,846              | \$125,834                                | \$133,423                   | \$894,990                      |
| 2033  | \$38,110,000                    | \$38,110,000                    |              | \$24,009                | \$369,667               | \$393,676                         | \$171,419              | \$111,853                                | \$118,598                   | \$795,546                      |
| 2034  | \$33,346,250                    | \$33,346,250                    |              | \$21,008                | \$323,459               | \$344,467                         | \$149,991              | \$97,871                                 | \$103,774                   | \$696,103                      |
| 2035  | \$28,582,500                    | \$28,582,500                    |              | \$18,007                | \$277,250               | \$295,257                         | \$128,564              | \$83,890                                 | \$88,949                    | \$596,660                      |
| 2036  | \$23,818,750                    | \$23,818,750                    |              | \$15,006                | \$231,042               | \$246,048                         | \$107,137              | \$69,908                                 | \$74,124                    | \$497,216                      |
|   |                                 |                                 |              |                         |                         |                                   |                        |  |                             |                                |
|   |                                 |                                 | <b>Total</b> | <b>\$540,209</b>        | <b>\$4,527,293</b>      | <b>\$5,067,502</b>                | <b>\$749,957</b>       | <b>\$489,356</b>                         | <b>\$518,868</b>            | <b>\$6,825,683</b>             |
|   |                                 |                                 | <b>Diff</b>  | <b>\$0</b>              | <b>\$3,790,214</b>      | <b>\$3,790,214</b>                | <b>\$3,106,965</b>     | <b>\$2,027,333</b>                       | <b>\$2,149,595</b>          | <b>\$11,074,107</b>            |
| Assumes School Value Limitation and Tax Abatements with the County. |                                 |                                 |              |                         |                         |                                   |                        |  |                             |                                |

Source: CPA, Canyon Wind Farm, 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 Canyon Wind Farm, 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>                                     | 2019     | \$0   | \$0   | \$0   | \$0   |
|   | 2020     | \$101,850                                     | \$101,850   | \$0   | \$0   |
|   | 2021     | \$924,168                                     | \$1,026,018                                       | \$0   | \$0   |
| <b>Limitation Period (10 Years)</b>                             | 2022     | \$291,000                                     | \$1,317,018                                       | \$586,959   | \$586,959   |
|   | 2023     | \$291,000                                     | \$1,608,018                                       | \$540,751   | \$1,127,710   |
|   | 2024     | \$291,000                                     | \$1,899,018                                       | \$494,542   | \$1,622,252   |
|   | 2025     | \$291,000                                     | \$2,190,018                                       | \$448,334   | \$2,070,586   |
|   | 2026     | \$291,000                                     | \$2,481,018                                       | \$402,126   | \$2,472,712   |
|   | 2027     | \$291,000                                     | \$2,772,018                                       | \$355,917   | \$2,828,629   |
|   | 2028     | \$291,000                                     | \$3,063,018                                       | \$309,709   | \$3,138,338   |
|   | 2029     | \$291,000                                     | \$3,354,018                                       | \$263,501   | \$3,401,839   |
|   | 2030     | \$291,000                                     | \$3,645,018                                       | \$217,292   | \$3,619,131   |
|   | 2031     | \$291,000                                     | \$3,936,018                                       | \$171,084   | \$3,790,214   |
| <b>Maintain Viable Presence (5 Years)</b>                       | 2032     | \$415,875                                     | \$4,351,893                                       | \$0   | \$3,790,214   |
|   | 2033     | \$369,667                                     | \$4,721,560                                       | \$0   | \$3,790,214   |
|   | 2034     | \$323,459                                     | \$5,045,019                                       | \$0   | \$3,790,214   |
|   | 2035     | \$277,250                                     | \$5,322,269                                       | \$0   | \$3,790,214   |
|   | 2036     | \$231,042                                     | \$5,553,311                                       | \$0   | \$3,790,214   |
| <b>Additional Years as Required by 313.026(c)(1) (10 Years)</b> | 2037     | \$184,834                                     | \$5,738,144                                       | \$0   | \$3,790,214   |
|   | 2038     | \$184,834                                     | \$5,922,978                                       | \$0   | \$3,790,214   |
|   | 2039     | \$184,834                                     | \$6,107,811                                       | \$0   | \$3,790,214   |
|   | 2040     | \$184,834                                     | \$6,292,645                                       | \$0   | \$3,790,214   |
|   | 2041     | \$184,834                                     | \$6,477,478                                       | \$0   | \$3,790,214   |
|   | 2042     | \$184,834                                     | \$6,662,312                                       | \$0   | \$3,790,214   |
|   | 2043     | \$184,834                                     | \$6,847,145                                       | \$0   | \$3,790,214   |
|   | 2044     | \$184,834                                     | \$7,031,979                                       | \$0   | \$3,790,214   |
|   | 2045     | \$184,834                                     | \$7,216,812                                       | \$0   | \$3,790,214   |
|   | 2046     | \$184,834                                     | \$7,401,646                                       | \$0   | \$3,790,214   |

|                    |                 |                    |
|--------------------|-----------------|--------------------|
| <b>\$7,401,646</b> | is greater than | <b>\$3,790,214</b> |
|--------------------|-----------------|--------------------|

|   |     |
|---|-----|
| <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 levy directly related to this project.

Source: CPA, Canyon Wind Farm, 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 Canyon Wind Farm, LLC’s (parent company Silverpeak Renewables) 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 Canyon Wind Farm, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “Canyon Wind Farm, LLC” was formed in 2019 by Silverpeak Renewables as a special-purpose entity to hold all of the assets of the wind farm development.”
  - B. “Canyon Wind Farm, LLC and its associates have entered into the following representative agreements and contracts for the development of a project phase within Snyder ISD and have assigned these assets to Canyon Wind Farm, LLC: Grants of leases and easements covering approximately 38,000 acres with 150 landowners; D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC; Full Wind study with UL AWS Truepower; Full wind analysis and data monitoring contract with Arcvera Renewables; Environmental study contract with SWCA; Interconnection studies/contracts with ONCOR and ERCOT; Transformer agreement with SMIT Transformatoren; and Master monitoring agreement with Flash Technology.”
  - C. “The business activities and these agreements and contracts listed in B above will help to determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in Snyder.”
  - D. Canyon Wind Farm, LLC has determined that a value limitation agreement with Snyder ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.”
  - E. Canyon Wind Farm, LLC has determined that the identified site in Snyder ISD represents a location for deployment of its development resources and capital. A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support.”

- F. "Without the requested limitation the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment.
- G. "The applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be developed for the Applicant's project (dependent upon approval of the Appraised Value Limitation) has been considered for us in projects located in numerous states, which included Colorado, Illinois, Indiana, Kansas, Minnesota, Nebraska, New Mexico, and Virginia.

**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

**Attachment 5**

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

***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.***

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

Canyon Wind Farm, LLC was formed in 2019 by Silverpeak Renewables as a special-purpose entity to hold all of the assets of the wind farm development that began back in 2010.

Canyon Wind Project, LLC and its associate parties have entered into the following representative agreements and contracts for the development of a project within Snyder ISD and have assigned these assets to Canyon Wind Farm, LLC:

- Grants of leases and easements covering approximately 38,000 acres with 150 landowners.
- D&O Insurance Policy & Public Liability insurance contract with MHBT Marsh & McLennan Agency LLC
- Full wind study and contract with UL AWS Truepower
- Full wind analysis and data monitoring contract with Arcvera Renewables
- Environmental study contract with SWCA
- Interconnection studies/contracts with ONCOR and ERCOT
- Transformer agreement with SMIT Transformatoren
- Master monitoring agreement with Flash Technology

**Does the applicant have current business activities at the location where the proposed project will occur?**

The business activities and these agreements and contracts listed above will help to determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in Snyder ISD. Canyon Wind Farm, LLC has determined that a value limitation agreement with Snyder ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

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

Canyon Wind Farm, LLC has determined that the identified site in Snyder ISD represents a location for deployment of its development resources and capital. A 313 Limitation of Appraised Value Agreement is a key tax incentive agreement necessary to ensure the Project is on a level playing field with other wind projects with similar incentives and with alternative forms of generation that receive their own forms of economic support. Without the requested limitation the Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associated returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$95M needed to purchase wind turbines and other infrastructure and to fund the construction and closing costs of the facility.

**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 data on which to make an assessment and determination of the critical nature of the limitation on appraised value to the feasibility of the Canyon Wind Farm, LLC. The applicant continually evaluates locations outside of Texas for its project development activities. The project capital that is planned to be deployed for the Applicant's project (dependent upon approval of the Appraised Value Limitation) has been considered for use in projects located in numerous states, which include Colorado, Illinois, Indiana, Kansas, Minnesota, Nebraska, New Mexico, and Virginia.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

# Tri Global Energy Sells 360 MW Texas Wind Project to Silverpeak



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NEWS PROVIDED BY

**Tri Global Energy →**

Oct 01, 2019, 14:15 ET

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DALLAS, Oct. 1, 2019 /PRNewswire/ -- Tri Global Energy, the leading wind developer in Texas and dominant in the U.S., has reached an agreement to sell the 360 MW Canyon Wind project to Silverpeak, an alternative investment firm focused on real estate, energy and credit.



The 360 MW Canyon Wind project covers 38,000 acres in Scurry County, Texas.

Originated by Tri Global Energy through its proprietary community sponsorship business model, the Wind Force Plan, the Canyon Wind project occupies over 38,000 acres of flat farm and ranch land with nearly 150 participating landowners. Tri Global will maintain its role as lead developer through project financing and construction.

"Among West Texas' greatest assets are world-class wind and the many benefits wind energy brings to the region. We are excited about reaching this new milestone for our Canyon Wind energy project," said John Billingsley, Chairman and CEO of Tri Global Energy. "We look forward

to an active partnership with Silverpeak. Texas continues to be a great place to do business for the development of the growing clean energy pipeline."

"It is a pleasure to partner with Tri Global, an experienced renewable energy developer that has already brought value to the project," said Santosh Raikar, Silverpeak Managing Partner and Head of Silverpeak's Renewables group. "We are particularly excited about this development being situated on the 'right' – or eastern – side of ERCOT West, which is devoid of transmission congestion that could affect the pricing and return for producing reliable, economical, and eco-friendly electric power."

### **About Tri Global Energy**

Tri Global Energy is the leading wind developer in Texas and dominant in the U.S. The company is headquartered in Dallas with a regional office in Lubbock, Texas. Founded in 2009, Tri Global's mission is to develop clean energy at an affordable cost through the development of wind projects. The company currently develops and owns utility-scale wind projects in Texas, Nebraska, Illinois and other U.S. locations. For more information, visit [www.triglobalenergy.com](http://www.triglobalenergy.com).

### **About Silverpeak**

Silverpeak is an alternative investment management firm focused on creating long-term value in three specific sectors: real estate, energy, and credit. The firm's sector-focused platform includes more than 100 employees who have invested in over \$18 billion in gross asset value since the firm's founding in 2010. Further information is available at <https://www.silverpeak.com/>.

SOURCE Tri Global Energy

### **Related Links**

<http://www.Triglobalenergy.com>

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
Snyder ISD–Canyon Wind Farm, LLC App. #1442

Comptroller Questions (via email on May 11, 2020):

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

Applicant Response (via email on May XX, 2020):

1. *Canyon Wind Farm was previously known as Canyon Wind Project, LLC. The project entity was changed due to the sale of the project. All project documents and agreements moving forward will be under the name of Canyon Wind Farm, LLC.*
2. *The project INR number is 18INR0030, assigned the INR number after our screening study with ERCOT was initiated in 2018.*
3. *Canyon Wind Project is the only other name this project would be known by.*