



**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 28, 2020

Dr. Robert Lowry  
Superintendent  
Coolidge Independent School District  
102 Kirven St  
Coolidge, Texas 76635

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Coolidge Independent School District and Hubbard Wind, LLC, Application 1455

Dear Superintendent Lowry:

On May 27, 2020, the Comptroller issued written notice that Hubbard Wind, LLC (applicant) submitted a completed application (Application 1455) for a limitation on appraised value under the provisions of Tax Code Chapter 313.<sup>1</sup> This application was originally submitted on December 16, 2019, to the Coolidge 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 1455.

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 May 27, 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:  
  
11EA6DEF0EC441E...  
Lisa Craven  
Deputy Comptroller

Enclosure

cc: Will Counihan

## Attachment A - Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Hubbard Wind, LLC (project) applying to Coolidge 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 Hubbard Wind, LLC.

Applicant	Hubbard Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Coolidge ISD
2018-2019 Average Daily Attendance	281
County	Limestone
Proposed Total Investment in District	\$85,665,460
Proposed Qualified Investment	\$85,665,460
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2021-2022
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$999
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$999
Minimum annual wage committed to by applicant for qualified jobs	\$51,970
Minimum weekly wage required for non-qualifying jobs	\$876
Minimum annual wage required for non-qualifying jobs	\$45,539
Investment per Qualifying Job	\$42,832,730
Estimated M&O levy without any limit (15 years)	\$8,923,685
Estimated M&O levy with Limitation (15 years)	\$3,967,300
Estimated gross M&O tax benefit (15 years)	\$4,956,386

\* 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 Hubbard Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	300	369	669	\$15,590,850	\$34,409,150	\$50,000,000
2022	2	31	33	\$103,939	\$5,896,061	\$6,000,000
2023	2	19	21	\$103,939	\$3,896,061	\$4,000,000
2024	2	1	3	\$103,939	\$1,896,061	\$2,000,000
2025	2	(7)	-5	\$103,939	\$896,061	\$1,000,000
2026	2	(10)	-8	\$103,939	-\$103,939	\$0
2027	2	(9)	-7	\$103,939	-\$103,939	\$0
2028	2	(7)	-5	\$103,939	-\$103,939	\$0
2029	2	(4)	-2	\$103,939	-\$103,939	\$0
2030	2	0	2	\$103,939	\$896,061	\$1,000,000
2031	2	2	4	\$103,939	\$896,061	\$1,000,000
2032	2	4	6	\$103,939	\$896,061	\$1,000,000
2033	2	5	7	\$103,939	\$896,061	\$1,000,000
2034	2	6	8	\$103,939	\$896,061	\$1,000,000
2035	2	6	8	\$103,939	\$896,061	\$1,000,000
2036	2	7	9	\$103,939	\$896,061	\$1,000,000

Source: CPA REMI, Hubbard Wind, 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*	Coolidge ISD I&S Tax Levy	Coolidge ISD M&O Tax Levy	Coolidge ISD M&O and I&S Tax Levies	Limestone County Tax Levy	Limestone County R & B Tax Levy	Limestone County Farm & Road Tax Levy	Estimated Total Property Taxes
				0.0900	1.0684		0.7375	0.0266	0.0251	
2022	\$85,665,460	\$85,665,460		\$77,099	\$915,250	\$992,349	\$631,783	\$22,787	\$21,502	\$1,668,420
2023	\$81,382,187	\$81,382,187		\$73,244	\$869,487	\$942,731	\$600,194	\$21,648	\$20,427	\$1,584,999
2024	\$77,098,914	\$77,098,914		\$69,389	\$823,725	\$893,114	\$568,604	\$20,508	\$19,352	\$1,501,578
2025	\$72,815,641	\$72,815,641		\$65,534	\$777,962	\$843,496	\$537,015	\$19,369	\$18,277	\$1,418,157
2026	\$68,532,368	\$68,532,368		\$61,679	\$732,200	\$793,879	\$505,426	\$18,230	\$17,202	\$1,334,736
2027	\$64,249,095	\$64,249,095		\$57,824	\$686,437	\$744,262	\$473,837	\$17,090	\$16,127	\$1,251,315
2028	\$59,965,822	\$59,965,822		\$53,969	\$640,675	\$694,644	\$442,248	\$15,951	\$15,051	\$1,167,894
2029	\$55,682,549	\$55,682,549		\$50,114	\$594,912	\$645,027	\$410,659	\$14,812	\$13,976	\$1,084,473
2030	\$51,399,276	\$51,399,276		\$46,259	\$549,150	\$595,409	\$379,070	\$13,672	\$12,901	\$1,001,052
2031	\$47,116,003	\$47,116,003		\$42,404	\$503,387	\$545,792	\$347,481	\$12,533	\$11,826	\$917,631
2032	\$42,832,730	\$42,832,730		\$38,549	\$457,625	\$496,174	\$315,891	\$11,394	\$10,751	\$834,210
2033	\$38,549,457	\$38,549,457		\$34,695	\$411,862	\$446,557	\$284,302	\$10,254	\$9,676	\$750,789
2034	\$34,266,184	\$34,266,184		\$30,840	\$366,100	\$396,939	\$252,713	\$9,115	\$8,601	\$667,368
2035	\$29,982,911	\$29,982,911		\$26,985	\$320,337	\$347,322	\$221,124	\$7,975	\$7,526	\$583,947
2036	\$25,699,638	\$25,699,638		\$23,130	\$274,575	\$297,705	\$189,535	\$6,836	\$6,451	\$500,526
			<b>Total</b>	<b>\$751,714</b>	<b>\$8,923,685</b>	<b>\$9,675,400</b>	<b>\$6,159,882</b>	<b>\$222,173</b>	<b>\$209,645</b>	<b>\$16,267,100</b>

Source: CPA, Hubbard Wind, LLC

\*Tax Rate per \$100 Valuation

**Table 4** examines the estimated direct impact on ad valorem taxes to the school district and Limestone County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Chapter 313, Tax Code and tax abatement with the county.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Coolidge ISD I&S Tax Levy	Coolidge ISD M&O Tax Levy	Coolidge ISD M&O and I&S Tax Levies	Limestone County Tax Levy	Limestone County R & B Tax Levy	Limestone County Farm & Road Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0900	1.0684		0.7375	0.0266	0.0251	
2022	\$85,665,460	\$20,000,000		\$77,099	\$213,680	\$290,779	\$189,535	\$22,787	\$21,502	\$524,603
2023	\$81,382,187	\$20,000,000		\$73,244	\$213,680	\$286,924	\$180,058	\$21,648	\$20,427	\$509,057
2024	\$77,098,914	\$20,000,000		\$69,389	\$213,680	\$283,069	\$170,581	\$20,508	\$19,352	\$493,511
2025	\$72,815,641	\$20,000,000		\$65,534	\$213,680	\$279,214	\$161,105	\$19,369	\$18,277	\$477,964
2026	\$68,532,368	\$20,000,000		\$61,679	\$213,680	\$275,359	\$151,628	\$18,230	\$17,202	\$462,418
2027	\$64,249,095	\$20,000,000		\$57,824	\$213,680	\$271,504	\$142,151	\$17,090	\$16,127	\$446,872
2028	\$59,965,822	\$20,000,000		\$53,969	\$213,680	\$267,649	\$132,674	\$15,951	\$15,051	\$431,326
2029	\$55,682,549	\$20,000,000		\$50,114	\$213,680	\$263,794	\$123,198	\$14,812	\$13,976	\$415,780
2030	\$51,399,276	\$20,000,000		\$46,259	\$213,680	\$259,939	\$113,721	\$13,672	\$12,901	\$400,234
2031	\$47,116,003	\$20,000,000		\$42,404	\$213,680	\$256,084	\$104,244	\$12,533	\$11,826	\$384,688
2032	\$42,832,730	\$42,832,730		\$38,549	\$457,625	\$496,174	\$315,891	\$11,394	\$10,751	\$834,210
2033	\$38,549,457	\$38,549,457		\$34,695	\$411,862	\$446,557	\$284,302	\$10,254	\$9,676	\$750,789
2034	\$34,266,184	\$34,266,184		\$30,840	\$366,100	\$396,939	\$252,713	\$9,115	\$8,601	\$667,368
2035	\$29,982,911	\$29,982,911		\$26,985	\$320,337	\$347,322	\$221,124	\$7,975	\$7,526	\$583,947
2036	\$25,699,638	\$25,699,638		\$23,130	\$274,575	\$297,705	\$189,535	\$6,836	\$6,451	\$500,526
			<b>Total</b>	<b>\$751,714</b>	<b>\$3,967,300</b>	<b>\$4,719,014</b>	<b>\$2,732,460</b>	<b>\$222,173</b>	<b>\$209,645</b>	<b>\$7,883,293</b>
			<b>Diff</b>	<b>\$0</b>	<b>\$4,956,386</b>	<b>\$4,956,386</b>	<b>\$3,427,422</b>	<b>\$0</b>	<b>\$0</b>	<b>\$8,383,807</b>

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Hubbard Wind, 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 Hubbard Wind, 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	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
<b>Limitation Period (10 Years)</b>	2022	\$213,680	\$213,680	\$701,570	\$701,570
	2023	\$213,680	\$427,360	\$655,807	\$1,357,377
	2024	\$213,680	\$641,040	\$610,045	\$1,967,422
	2025	\$213,680	\$854,720	\$564,282	\$2,531,704
	2026	\$213,680	\$1,068,400	\$518,520	\$3,050,224
	2027	\$213,680	\$1,282,080	\$472,757	\$3,522,981
	2028	\$213,680	\$1,495,760	\$426,995	\$3,949,976
	2029	\$213,680	\$1,709,440	\$381,232	\$4,331,209
	2030	\$213,680	\$1,923,120	\$335,470	\$4,666,678
	2031	\$213,680	\$2,136,800	\$289,707	\$4,956,386
<b>Maintain Viable Presence (5 Years)</b>	2032	\$457,625	\$2,594,425	\$0	\$4,956,386
	2033	\$411,862	\$3,006,287	\$0	\$4,956,386
	2034	\$366,100	\$3,372,387	\$0	\$4,956,386
	2035	\$320,337	\$3,692,725	\$0	\$4,956,386
	2036	\$274,575	\$3,967,300	\$0	\$4,956,386
<b>Additional Years as Required by 313.026(c)(1) (10 Years)</b>	2037	\$228,812	\$4,196,112	\$0	\$4,956,386
	2038	\$183,050	\$4,379,162	\$0	\$4,956,386
	2039	\$183,050	\$4,562,212	\$0	\$4,956,386
	2040	\$183,050	\$4,745,262	\$0	\$4,956,386
	2041	\$183,050	\$4,928,312	\$0	\$4,956,386
	2042	\$183,050	\$5,111,362	\$0	\$4,956,386
	2043	\$183,050	\$5,294,412	\$0	\$4,956,386
	2044	\$183,050	\$5,477,462	\$0	\$4,956,386
	2045	\$183,050	\$5,660,512	\$0	\$4,956,386
	2046	\$183,050	\$5,843,562	\$0	\$4,956,386
		<b>\$5,843,562</b>	is greater than	<b>\$4,956,386</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

Source: CPA, Hubbard Wind, 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 Hubbard Wind, LLC’s decision to invest capital and construct the project in this state. This is based on information available, including information provided by the applicant. Specifically, the comptroller notes the following:

- Per Hubbard Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
  - A. “The decision to allocate investment in Texas for Hubbard Wind, LLC is solely based on a 313 value limitation agreement. In the event a 313 value limitation agreement is not granted, the capital for this project would likely be reallocated for the development of a facility within another state where economic incentives could be secured.”
  - B. “The state of Texas has a particularly high property tax burden—ranking in the top 10 across the United States. This factor is problematic for energy developers as property tax liability composes a substantial ongoing cost of operation that directly impacts the economic rate of return on the investment. Without a Chapter 313 agreement, the economic viability of developing an energy facility within Texas becomes uncertain as the rate of return often fails to exceed the minimum required to proceed with the investment. Thus, in the event a Chapter 313 is not granted for Hubbard Wind, LLC it is unlikely the facility will be developed and the investment for this project will be redirected to development in states where there is a lower property tax burden and economic incentives can be secured. Thus, the securance of a Chapter 313 Value Limitation Agreement is the determining factor in the development of Hubbard Wind, LLC.”
- Comptroller Research
  - A. Per the NextEra Energy public Website for the Hubbard Wind Project, the Project is proposed to be located in Limestone and Hill County. It will have the capacity of approximately 300 megawatts of renewable energy.
  - B. Lonestar reported that “the proposed 345 kV transmission line will cross portions of Hill County from Lone Star’s Sam Switch Station located off of Hill County Road 3165 to Hubbard Wind’s collection station that will be located just west of Mount Calm off of State Highway 31.”
  - C. The qualified property for Hubbard Wind, LLC located in Axtell ISD (Application #1454) is placed adjacent to the qualified property of Hubbard Wind, LLC located in Coolidge ISD (Application

#1455) and adjacent to the qualified property of Hubbard Wind, LLC located in Hubbard ISD (Application #1456) and adjacent to the qualified property of Hubbard Wind, LLC located in Mount Calm ISD (Application #1457). Construction for App #1454, App #1455, App #1456 & App #1457 is anticipated to begin in 2021. (Proximity Map provided)

- Provided by Applicant
  - A. Hubbard Wind, LLC is also known as Aquilla Lake Wind.
  - B. The project applied for ERCOT the IGNR numbers are 19INR0145 & 20INR0256, both assigned on 7/18/2018.
  - C. “The proposed site selected for Hubbard Wind, LLC that is featured on NextEra Energy's website is to provide interested parties, namely potential investors, with information regarding projects currently in the development phase under NextEra Energy. The availability of this information is not a commitment that Hubbard Wind, LLC will be developed in Coolidge ISD, but rather a statement that NextEra Energy has secured a site for future development, under the circumstances that the conditions and agreements necessary for the physical development of the project are obtained.”
  - D. The only interconnections between App 1454 (Axtell ISD), App 1455 (Coolidge ISD), App 1456 (Hubbard ISD), and App 1457 (Mount Calm ISD) is the transmission line which originates in Mt. Calm and heads north through Penelope ISD, where we have not applied for a limitation agreement.

### **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 checked="" type="checkbox"/> Land has no existing improvements	<input 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**

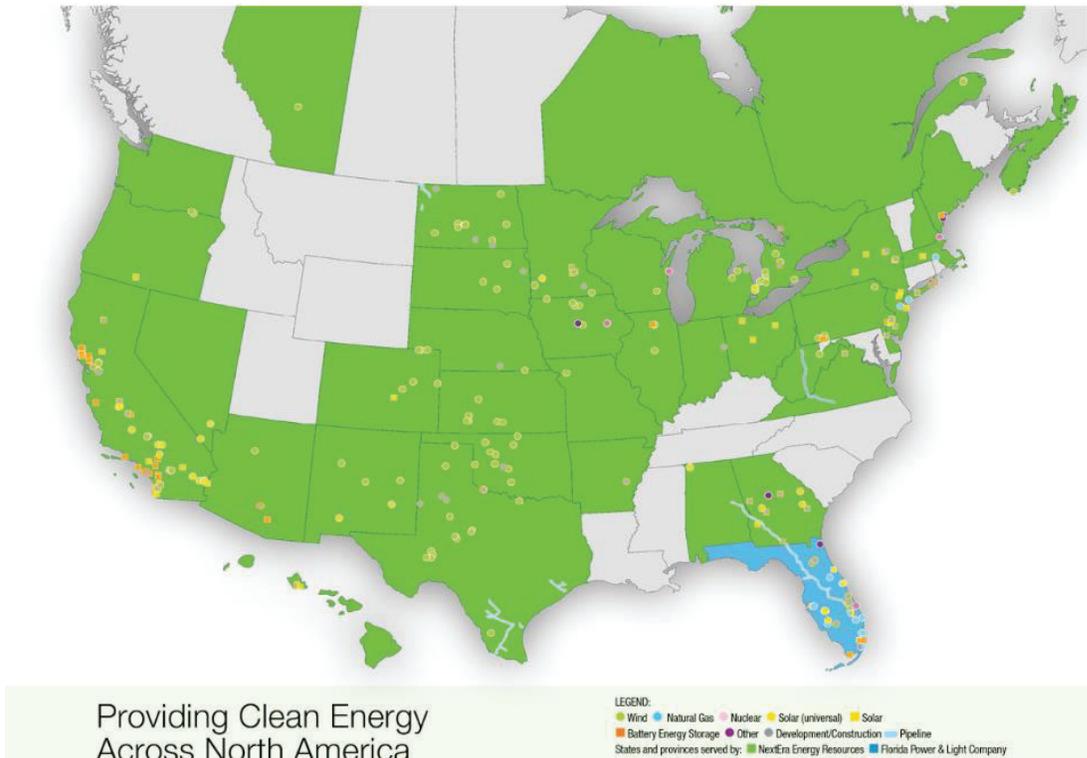
Attachments provided in Tab 5  
of the Application for a  
Limitation on Appraised Value



## Tab 5

### *Limitation as a Determining Factor*

As the world's largest generator of renewable wind energy, NextEra Energy Resources, LLC has a vast footprint. Their current portfolio consists of 119 wind projects, spanning across the United States and Canada. NextEra Energy Resources, LLC has the capability to locate investment for wind energy facilities across several different states including Oklahoma, Colorado, Iowa, North Dakota, South Dakota, California, and others.



The decision to allocate investment in Texas for Hubbard Wind, LLC is solely based on a 313 value limitation agreement. In the event a 313 value limitation agreement is not granted, the capital for this project would likely be reallocated for the development of a facility within another state where economic incentives could be secured.

NextEra Energy Resources, LLC is constantly evaluating various locations for development and substantial long-term investment based on anticipated economic rate of return. The benefits provided by a Chapter 313 agreement are one of the most important components in their analysis to locate development within Texas.

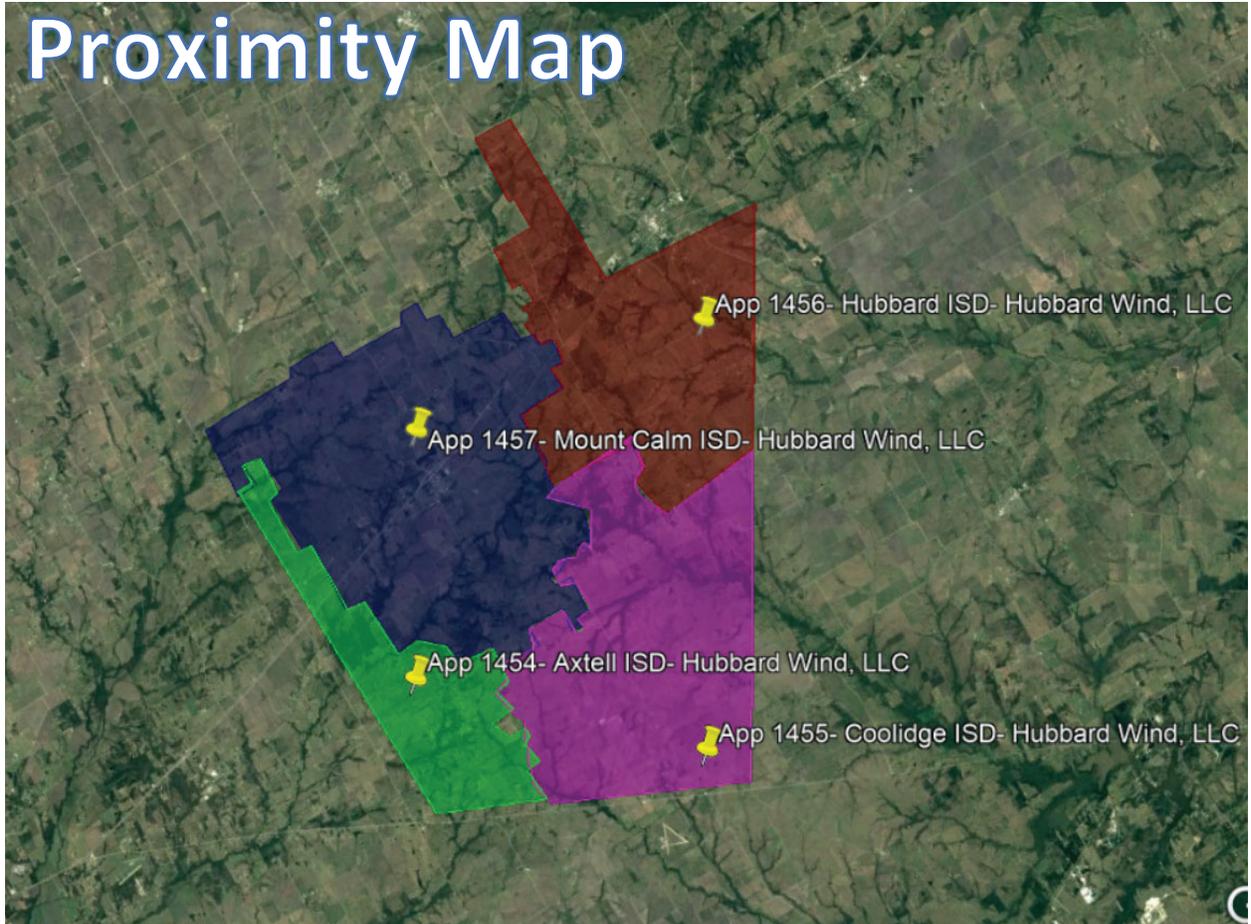


The state of Texas has a particularly high property tax burden—ranking in the top 10 across the United States. This factor is problematic for energy developers as property tax liability composes a substantial ongoing cost of operation that directly impacts the economic rate of return on the investment. Without a Chapter 313 agreement, the economic viability of developing an energy facility within Texas becomes uncertain as the rate of return often fails to exceed the minimum required to proceed with the investment. Thus, in the event a Chapter 313 is not granted for Hubbard Wind, LLC it is unlikely the facility will be developed and the investment for this project will be redirected to development in states where there is a lower property tax burden and economic incentives can be secured. Thus, the securance of a Chapter 313 Value Limitation Agreement is the determining factor in the development of Hubbard Wind, LLC.

# **Supporting Information**

Additional information  
provided by the Applicant or  
located by the Comptroller

# Proximity Map



COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)  
– Coolidge ISD– Hubbard Wind, LLC App. #1455

Comptroller Questions (via email on June 29, 2020):

1. Is Hubbard Wind, LLC currently known by any other project names?
2. Please also list any other names by which this project may have been known in the past--in media reports, investor presentations, or any listings with any federal or state agency.
3. Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.
4. Will there be any interconnections between App 1454 (Axtell ISD), App 1455 (Coolidge ISD), App 1456 (Hubbard ISD), and App 1457 (Mount Calm ISD)? i.e. will they share any qualified property like transmission lines

Comptroller Questions (via email on July 9, 2020):

1. Please address the Project's website (<https://www.nexteraenergyresources.com/hubbard-wind.html>)? i.e. what was the purpose for the creation of the website

Applicant Response (via email on June 29, 2020):

1. Yes, Aquilla Lake Wind under the ERCOT interconnection procedures.
2. No.
3. Yes; 19INR0145 (7/18/2018), 20INR0256 (7/18/2018)
4. The transmission line for the project originates in Mt. Calm and heads north through Penelope ISD, where we have not applied for a limitation agreement.

Applicant Response (via email on July 10, 2020):

1. Letter dated July 10<sup>th</sup> provided by Nextera Energy addresses the Project's website.



July 10, 2020  
Texas Comptroller of Public Accounts  
ATT: Ms. Tabita Collazo  
111 East 17th Street, Room 427  
Austin, Texas 78774

**RE: Application #1455 Coolidge ISD Hubbard Wind, LLC Information Request Regarding Public Statements on Hubbard Wind, LLC**

Ms. Collazo:

The proposed site selected for Hubbard Wind, LLC that is featured on NextEra Energy's website is to provide interested parties, namely potential investors, with information regarding projects currently in the development phase under NextEra Energy. The availability of this information is not a commitment that Hubbard Wind, LLC will be developed in Coolidge ISD, but rather a statement that NextEra Energy has secured a site for future development, under the circumstances that the conditions and agreements necessary for the physical development of the project are obtained.

The development of renewable energy facilities is a multi-step process that occurs over several years, requiring a series of actions before any physical development begins. One of the first steps in the development phase is site selection. It is not until after a site is selected, that developers can proceed with other fundamental actions such as permitting, environmental studies, site design, and financial contracts i.e. power purchase agreements. Without the selection of a site, it is impossible to proceed with the other necessary actions that transition a renewable energy project into an operational facility. During the development phase, many of these steps simultaneously occur, such as permitting and power purchase agreements. For example, if the necessary permits cannot be obtained or a power purchase agreement cannot be executed, the development of a project at a certain site will cease.

In the case of economic incentives, such as the Chapter 313 Value Limitation Agreement, securing these agreements is one of the last fundamental steps in the development phase. Whereas, like any other action that must take place in this phase, if a value limitation agreement cannot be secured for a given project, the developer would likely not be able to secure the financing to build and operate the project. Therefore, it would be necessary for the developer to start the process over at another potential site where they could obtain the permits, access to power markets, and all the economic incentives needed for a project to be financially viable.

If you have any further questions, please contact me.

Sincerely,  
Reid Schupp

A handwritten signature in blue ink, appearing to read "RS" or "Reid Schupp".

A NextEra Energy Resources, LLC Company

Local investment. Jobs. Clean energy.

# Hubbard Wind Project

[GET INVOLVED \(/HUBBARD-WIND/GET-INVOLVED.HTML\)](/HUBBARD-WIND/GET-INVOLVED.HTML)



HUBBARD WIND



About the Project

Hubbard Wind is an innovative wind project proposed for Limestone and Hill County in Texas that will have a capacity of approximately 300 megawatts of clean, renewable energy. The Hubbard Wind project is more than wind turbines - it represents a significant capital investment in Texas. Once operational, it will create good-paying jobs and provide millions in additional revenue for landowners and the local community.

It is a subsidiary of NextEra Energy Resources (<https://www.nexteraenergyresources.com/>), LLC, the world's largest generator of renewable energy from the wind and the sun.

[LEARN MORE \(HTTP://WWW.NEXTERAENERGYRESOURCES.COM/H](https://www.nexteraenergyresources.com/)

#### ECONOMIC BENEFITS

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\$55 million

Landowners Payments\*

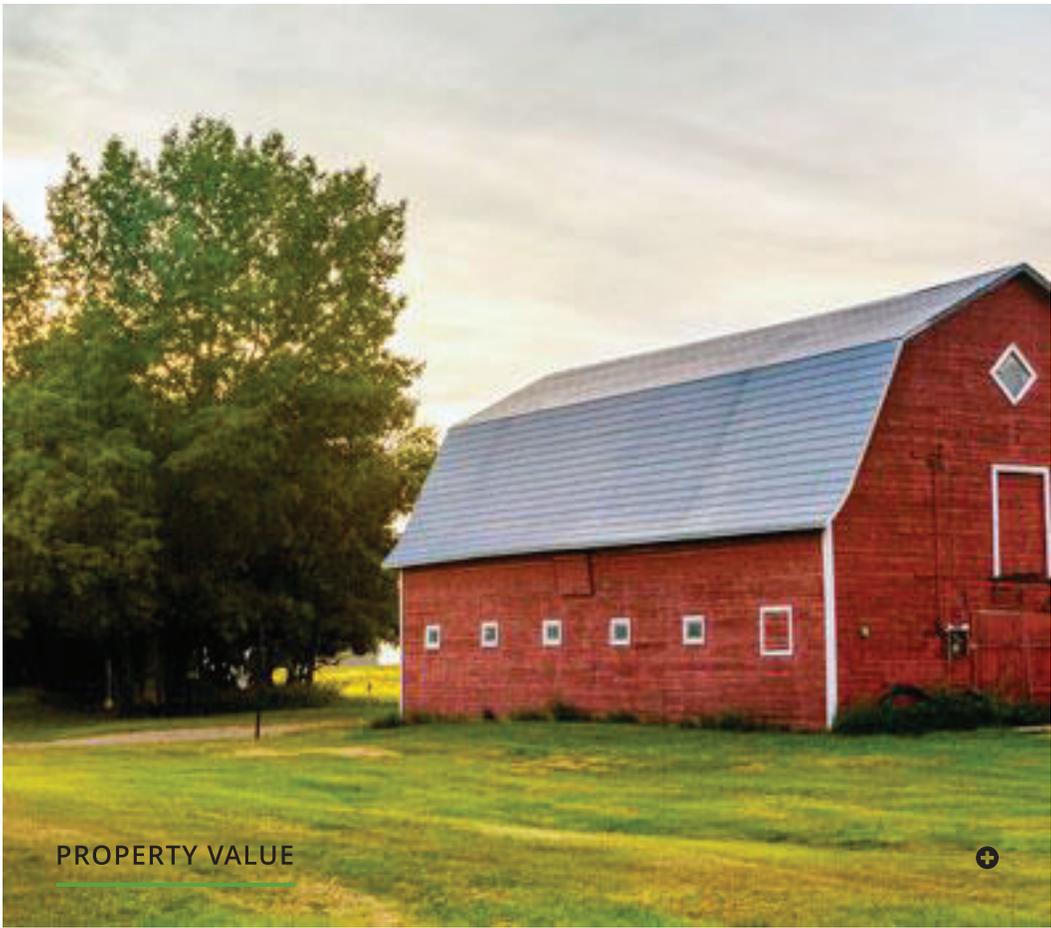


#### GET INFORMED

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We believe in building strong partnerships and supporting the communities our projects call home. Get the facts and learn how the Hubbard Wind Project can enhance Limestone and Hill County.





PROPERTY VALUE



DECOMMISSIONING



\*Estimated over first 30 years of the project. All figures are estimated and subject to change.



# Get Involved

Learn about upcoming events and how to participate in the Sam Switch to Hubbard Wind Transmission Line Project.



## WE WANT YOUR INPUT

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Lone Star hosted an online public meeting on June 11<sup>th</sup> at 7 p.m. Information presented at the meeting and detailed maps of the proposed route can be found here:

View Public Meeting Presentation > ([/pdf/SamSwitch-HubbardWindTransmissionLineProject\\_Public%20Meeting\\_Secured.pdf](/pdf/SamSwitch-HubbardWindTransmissionLineProject_Public%20Meeting_Secured.pdf))

View Presentation maps > ([/pdf/SamSwitch-HubbardWindTransmissionLineProject\\_Public%20Meeting-Maps\\_Secured.pdf](/pdf/SamSwitch-HubbardWindTransmissionLineProject_Public%20Meeting-Maps_Secured.pdf))

Public meetings are a means for Lone Star to provide the public with information about the transmission line project and to gather feedback from affected landowners, area residents, and businesses.

Lone Star encourages landowners crossed by the transmission line and other stakeholders to contact us before or after the public meeting to discuss how the proposed project may affect them. If you are unable to attend the public meeting, feel free to contact us directly to learn more about the project.

Contact Us > (</sam-switch-to-hubbard-wind/contact.html>)

The proposed 345 kV transmission line will cross portions of Hill County from Lone Star's Sam Switch Station located off of Hill County Road 3165 to Hubbard Wind's collection station that will be located just west of Mount Calm off of State Highway 31. The route identified for this project was developed in coordination with landowners that will be crossed by the transmission line. Additionally, the proposed transmission line route considered routing criteria established by the Public Utility Commission of Texas (PUCT).

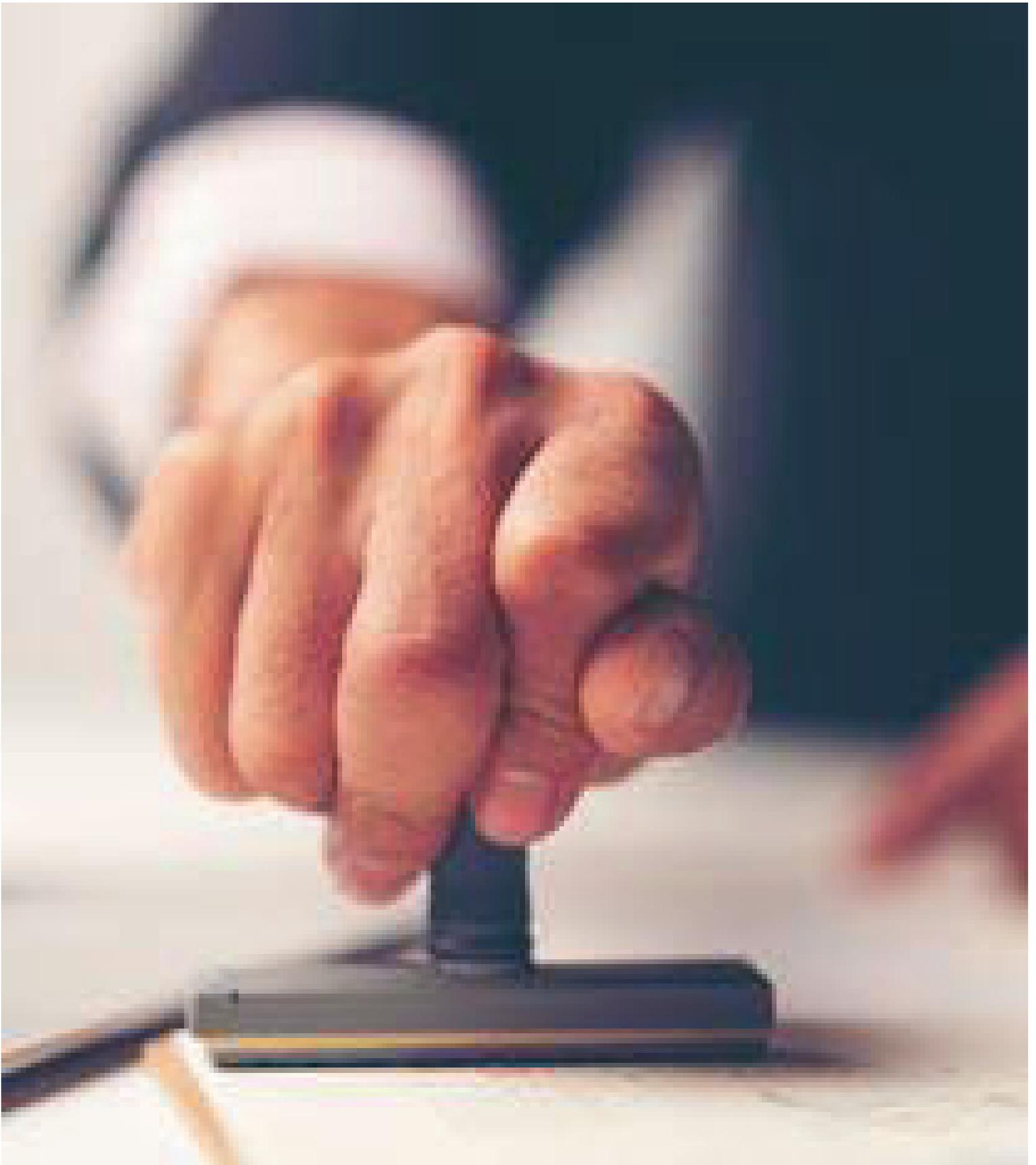
View Route > (<http://www.lonestartransmission.com/sam-switch-to-hubbard-wind/project-overview.html>)

## Public Meeting Information

June 11th at 7 p.m.

JOIN WEBCAST

(<HTTPS://THEMEDIAFRAME.COM/LINKS/SAM-TO-HUBBARD.HTML>)



Certificate of Convenience and Necessity

Sam Switch to Hubbard Wind Project requires approval by the PUCT.

[LEARN MORE](#) 



## How to Participate

Lone Star encourages stakeholders to attend the online public meeting to learn more about the project and to give input on the proposed transmission line route. We ask that you complete a written questionnaire to help us document input from stakeholders. Download the questionnaire (</pdf/Sam%20to%20Hubbard%20Wind%20QuestionnairePDF.pdf>) and email it to [LoneStar-Transmission-Questions@lonestar-transmission.com](mailto:LoneStar-Transmission-Questions@lonestar-transmission.com) (<mailto:LoneStar-Transmission-Questions@lonestar-transmission.com>) or mail it via U.S. mail service to:

Lone Star Transmission  
Sam Switch to Hubbard Wind Project  
Attn: Kelly Wells  
5920 W. William Cannon Blvd, Bldg 2  
Austin, TX 78749

For more contact information, please visit our contact (</sam-switch-to-hubbard-wind/contact.html>) page.

For more information about the regulatory process, please visit the PUCT's website (<https://www.puc.texas.gov/agency/rulesnlaws/Participate.aspx>).

## Talk to Us

Lone Star is available to answer questions and take input on the project and proposed route for 1 week following the public meeting.

**CONTACT US (</SAM-SWITCH-TO-HUBBARD-WIND/CONTACT.HTML>)**

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COUNTY ROAD 3160

Sam Switch Station

LONE STAR TRANSMISSION LLC  
388569

COUNTY ROAD 3165

KALLUS DAVID W  
109341

KALLUS DAVID W  
109344

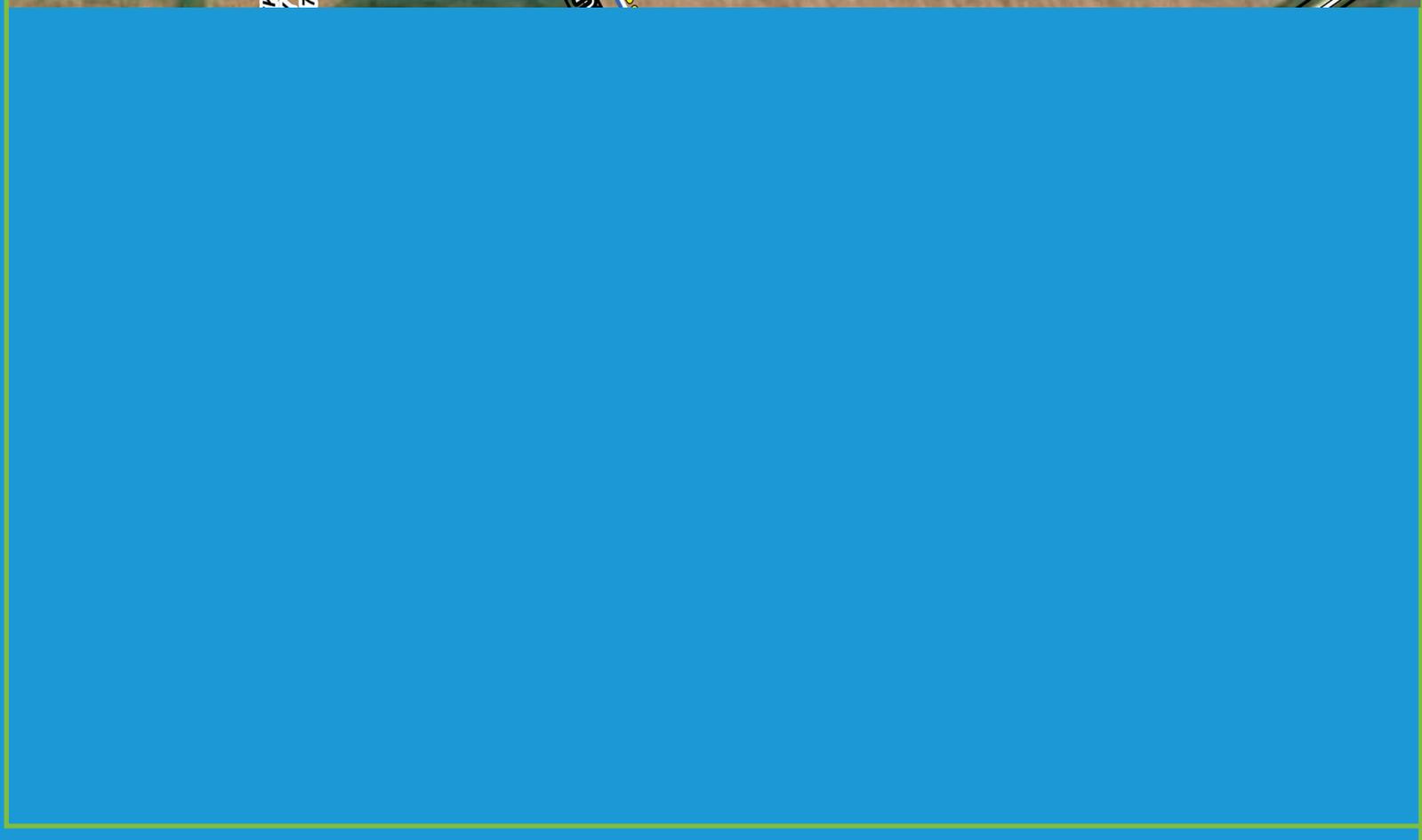
GE FR 1

MATULA  
NICHOLAS J  
384643

COCEK  
MARY ANN  
109265

ENTER ROAD 3165

K  
TT  
7



Brushy Creek

ADAIR  
DONALD R  
109242

BLANCHARD  
SHIRLEY  
109267

BLANCHARD  
SHIRLEY  
139531

Page 4 Match Line

VYBIRALAN  
124815

ENDERS  
GARY WAYNE  
109240

BLANCHARD  
SHIRLEY  
139531

COUNTY ROAD 3210

MILLER  
PERRY B  
200954



Page 4 Match Line

MILLER  
PERRY  
109244

MILLER  
PERRY, B  
200954

COUNTRY ROAD 3710

Page 6 Match Line

MACH JOE F  
109598



Page 5 Match Line

GIRARD  
CHARLES  
108633

Page 7 Match Line

RIBILALBERT  
108679



Page 6 Match Line  
BESEDA  
JOSEPH D  
108632

Kieran,  
Simeon  
100813

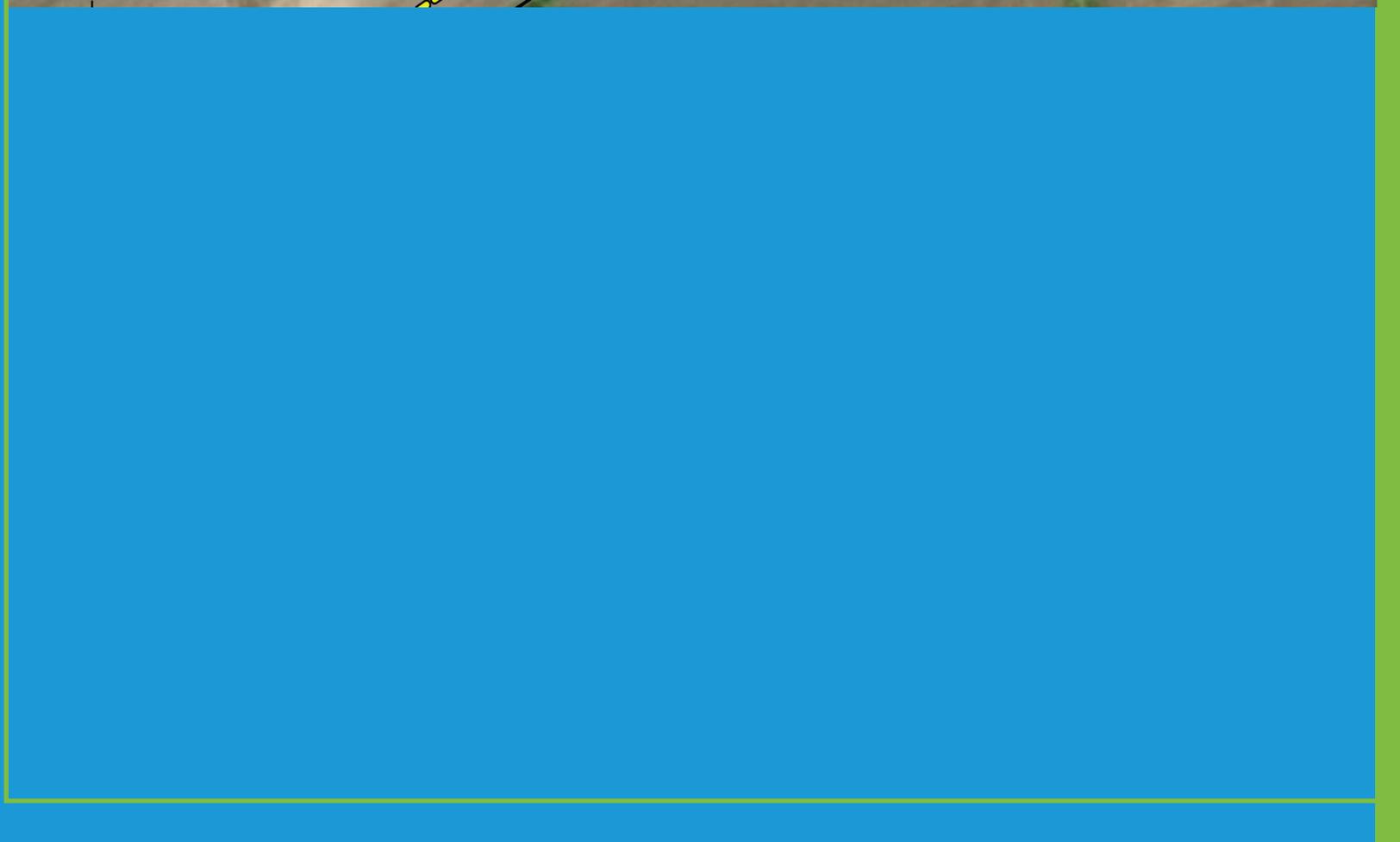
CASADY  
RONALD D  
109607

OVIEDO  
MACHELL  
109606

CASADY RO  
109607



AYERS  
JEANETTE  
108630



**KNAPEK BE**  
**390144**

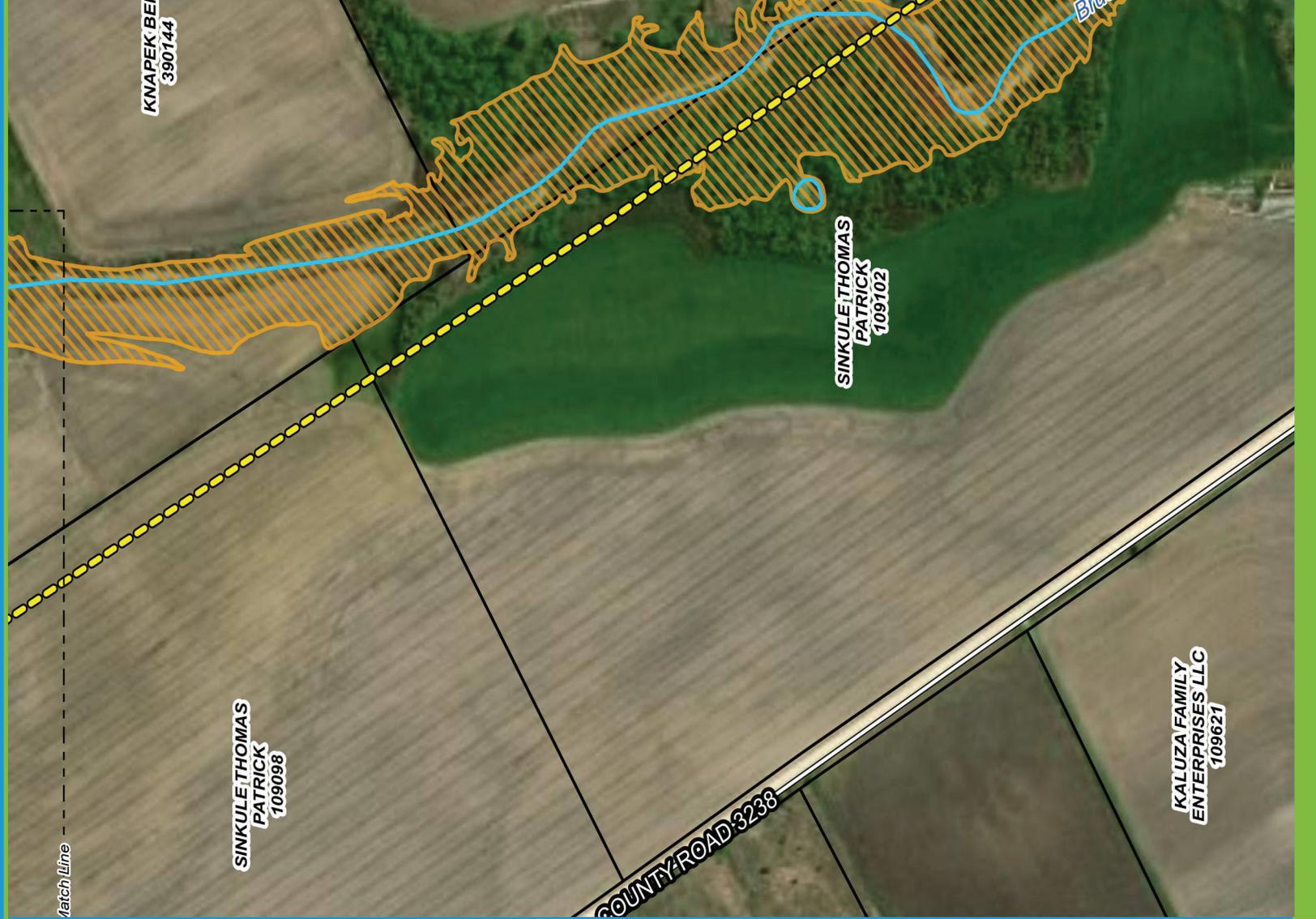
**SINKULE THOMAS**  
**PATRICK**  
**109102**

**SINKULE THOMAS**  
**PATRICK**  
**109098**

**KALUZA FAMILY**  
**ENTERPRISES LLC**  
**109621**

**COUNTY ROAD 3238**

*Match Line*



RICO  
SERAFIN  
124563

MCDOWELL  
SHAWN  
155757

KASBERG  
GERARD/A  
155698

SINKULE  
VINCENT  
392718

FM 339

ON V  
165



Habitat Structure 2

VARDAMAN  
LARRY DAVID  
860008

RICO  
SERAFIN  
124563

Habitat Structure 3

TRUSSELL  
MARVIN J  
124501

FM 339

FM 308

BIROME  
GIN CO INC  
141757

ERZ  
HAEL  
4466

Brome Lakes

Page 12 Match Line

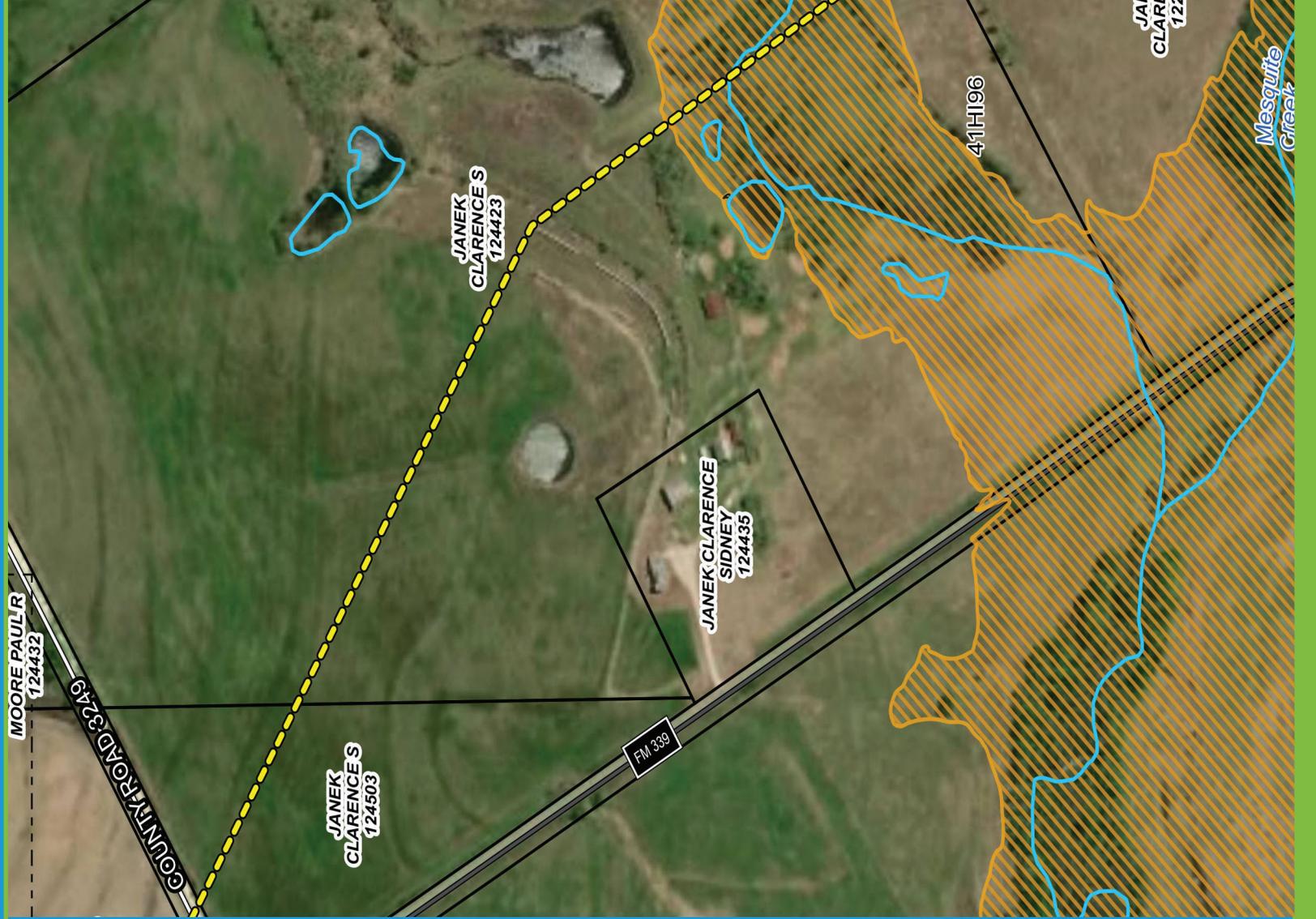


FM 339

Tehuacana Creek

Page 17 Match Line

BERGER  
JULIUS L  
125020



MOORE PAUL R  
124432

COUNTRY ROAD 3249

JANEK CLARENCE S  
124423

JANEK CLARENCE S  
124503

JANEK CLARENCE  
SIDNEY  
124435

FM 339

41HI96

JA  
CLAR  
12

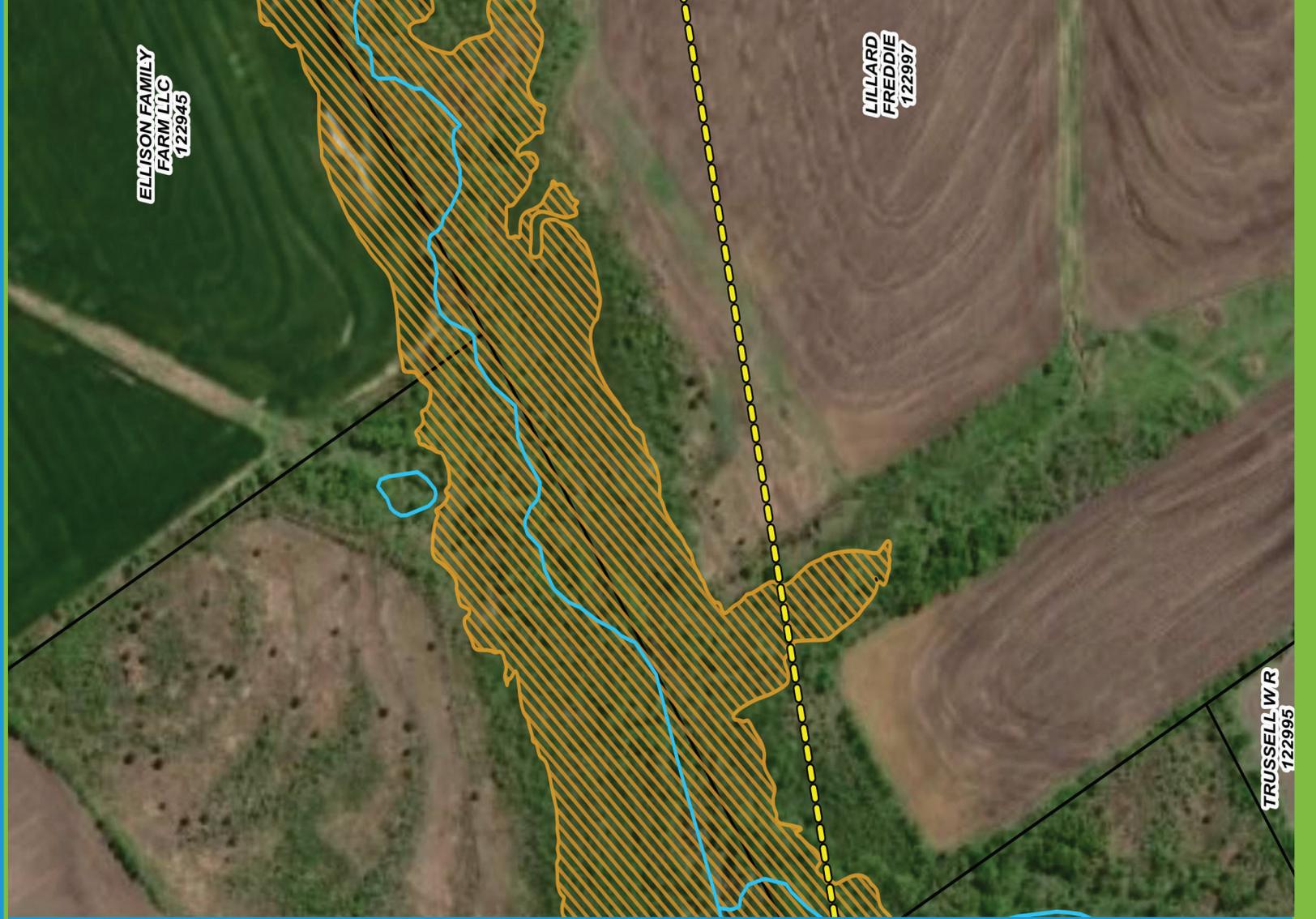
Mesquite  
Creek

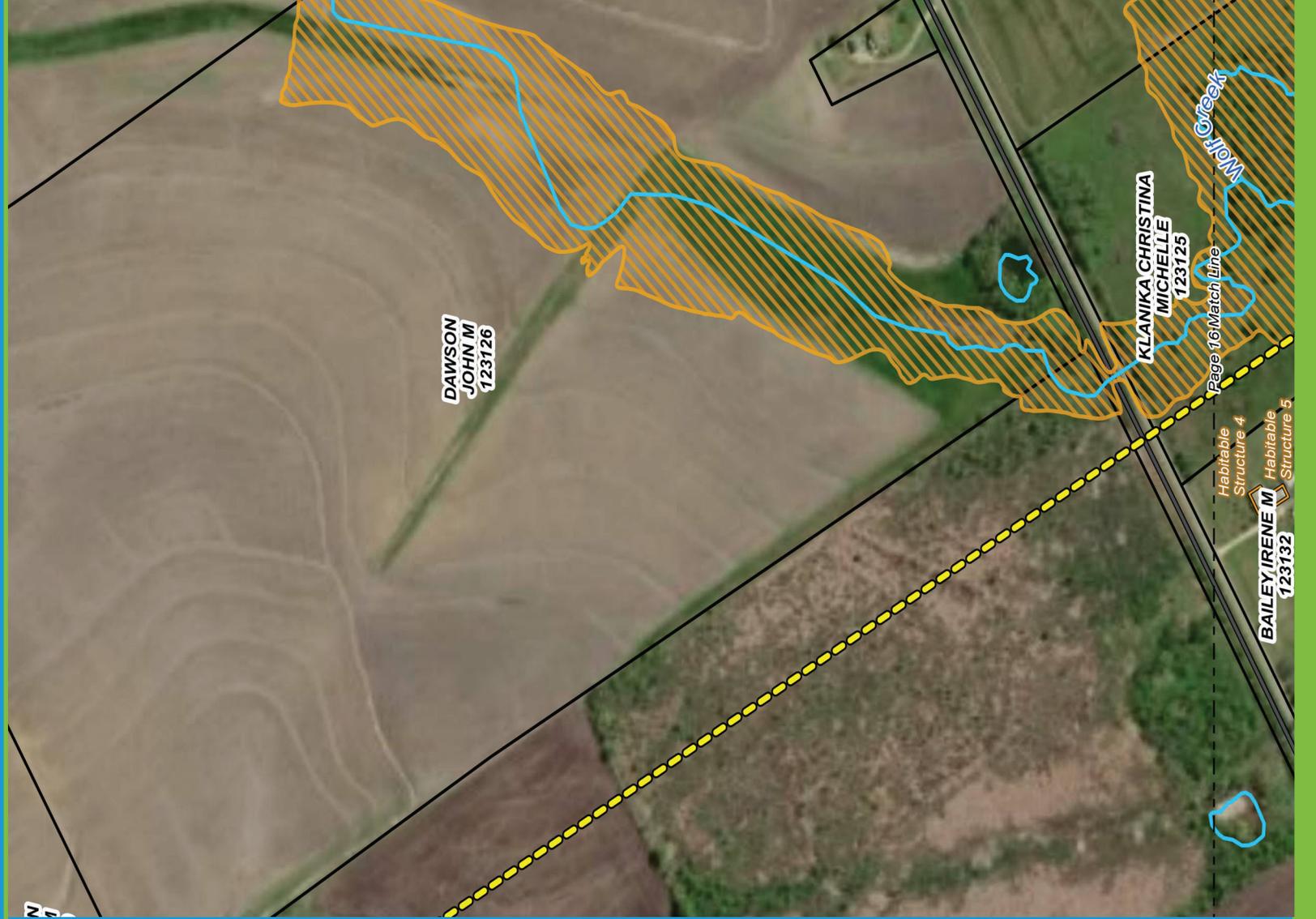


ELLISON FAMILY  
FARM LLC  
122945

LILLARD  
FREDDIE  
122997

TRUSSELL WR  
122995





DAWSON  
JOHN M  
123126

KLANIKA CHRISTINA  
MICHELLE  
123125

BAILEY IRENE M  
123132

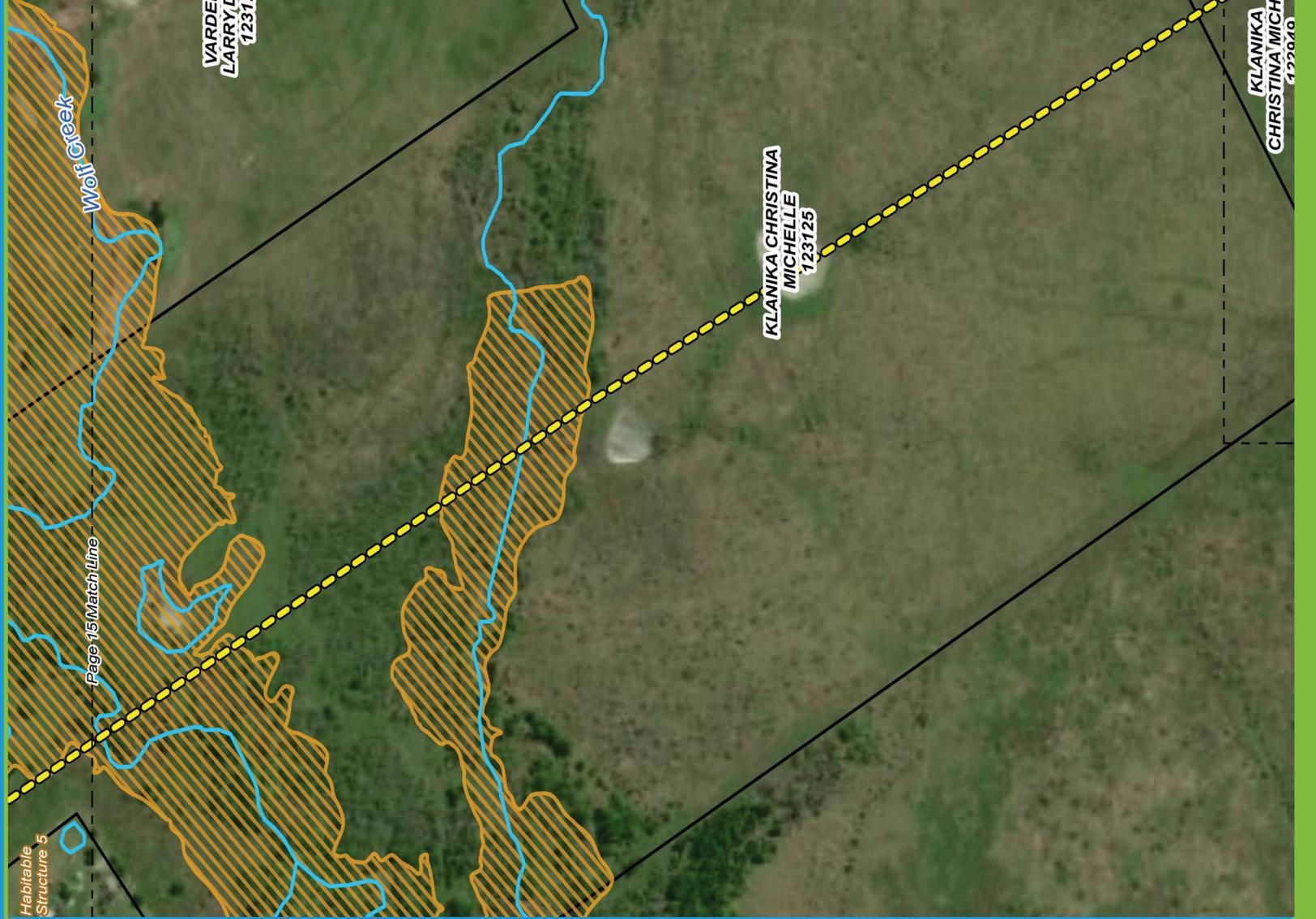
Habitable  
Structure 4

Habitable  
Structure 5

Page 16 Match Line

Wolf Creek





VARDE  
LARRY L  
1231

KLANIKA  
CHRISTINA MICH  
122870

KLANIKA CHRISTINA  
MICHELLE  
123125

Wolf Creek

Page 15 Match Line

Habitat  
Structure 5



KLANIKA CHRISTINA  
MICHELLE  
123125

HAWTHORNE  
DOYLE R  
219443

HAWTHORNE  
GENE M  
219442

SNIDER  
FAMILY TRUST  
122950





ROBERTS  
TOMMY J  
123033

CORNELIUS  
L M  
300736

CORNELIUS  
L M  
123077

GARCIA  
JESUS C  
123078

COUNTY ROAD 3258

EMMAU



SNIDE CHARL 123322

KRIS ROBERT L 123328

BENITEZ SOTERO 123081

DOITY JESSE L 106155

31

31

31

31

31

31

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31

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31

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31

31

31

31

31

31

ALONSO ALEJO M 123305

WILEY HUGH A 123299

Hubbard Wind Collector Station

WILEY HUGH A 122980

MCDANIEL GLORIA 141587

Habitable Structure 7

Bottoms JS 100426

N MORENO AVE W

N MORGAN

MOORE

31

31

31

31

31

31

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31

31

31

31

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31