

SECTION 6: Eligibility Under Tax Code Chapter 313.024

- 1. Are you an entity subject to the tax under Tax Code, Chapter 171? Yes No
- 2. The property will be used for one of the following activities:
 - (1) manufacturing Yes No
 - (2) research and development Yes No
 - (3) a clean coal project, as defined by Section 5.001, Water Code Yes No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code Yes No
 - (5) renewable energy electric generation Yes No
 - (6) electric power generation using integrated gasification combined cycle technology Yes No
 - (7) nuclear electric power generation Yes No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) Yes No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 Yes No
- 3. Are you requesting that any of the land be classified as qualified investment? Yes No
- 4. Will any of the proposed qualified investment be leased under a capitalized lease? Yes No
- 5. Will any of the proposed qualified investment be leased under an operating lease? Yes No
- 6. Are you including property that is owned by a person other than the applicant? Yes No
- 7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? Yes No

SECTION 7: Project Description

- 1. In **Tab 4**, attach a detailed description of the scope of the proposed project, including, at a minimum, the type and planned use of real and tangible personal property, the nature of the business, a timeline for property construction or installation, and any other relevant information.
- 2. Check the project characteristics that apply to the proposed project:
 - Land has no existing improvements Land has existing improvements (*complete Section 13*)
 - Expansion of existing operation on the land (*complete Section 13*) Relocation within Texas

SECTION 8: Limitation as Determining Factor

- 1. Does the applicant currently own the land on which the proposed project will occur? Yes No
- 2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? Yes No
- 3. Does the applicant have current business activities at the location where the proposed project will occur? Yes No
- 4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? Yes No
- 5. Has the applicant received any local or state permits for activities on the proposed project site? Yes No
- 6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? Yes No
- 7. Is the applicant evaluating other locations not in Texas for the proposed project? Yes No
- 8. Has the applicant provided capital investment or return on investment information for the proposed project in comparison with other alternative investment opportunities? Yes No
- 9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? Yes No
- 10. Are you submitting information to assist in the determination as to whether the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in Texas? Yes No

Chapter 313.026(e) states "the applicant may submit information to the Comptroller that would provide a basis for an affirmative determination under Subsection (c)(2)." If you answered "yes" to any of the questions in Section 8, attach supporting information in Tab 5.



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

**RE: Application #1456 Hubbard 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 Hubbard 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", is placed below the typed name.

A NextEra Energy Resources, LLC Company