

**GLENN HEGAR** TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 13, 2020

Dr. Michelle Cline
Superintendent
Throckmorton Collegiate Independent School District
210 College St
Throckmorton, Texas 76483

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Throckmorton Collegiate
Independent School District and King Creek Wind Farm 1 LLC, Application 1472

Dear Superintendent Cline:

On May 19, 2020, the Comptroller issued written notice that King Creek Wind Farm 1 LLC (applicant) submitted a completed application (Application 1472) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on February 26, 2020, to the Throckmorton Collegiate 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.

¹ 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 1472.

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 19, 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 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 King Creek Wind Farm 1 LLC (project) applying to Throckmorton Collegiate 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 King Creek Wind Farm 1 LLC.

Applicant	King Creek Wind Farm 1 LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Throckmorton Collegiate ISD
2018-2019 Average Daily Attendance	135
County	Throckmorton
Proposed Total Investment in District	\$126,000,000
Proposed Qualified Investment	\$126,000,000
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	\$961
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$961
Minimum annual wage committed to by applicant for qualified jobs	\$49,974
Minimum weekly wage required for non-qualifying jobs	\$602
Minimum annual wage required for non-qualifying jobs	\$31,317
Investment per Qualifying Job	\$63,000,000
Estimated M&O levy without any limit (15 years)	\$11,549,177
Estimated M&O levy with Limitation (15 years)	\$4,538,718
Estimated gross M&O tax benefit (15 years)	\$7,010,459

* 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 King Creek Wind Farm 1 LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2020	10	13	23	\$525,000	\$1,475,000	\$2,000,000
2021	290	359	649	\$15,225,000	\$33,775,000	\$49,000,000
2022	2	32	34	\$99,948	\$5,900,052	\$6,000,000
2023	2	20	22	\$99,948	\$3,900,052	\$4,000,000
2024	2	3	5	\$99,948	\$1,900,052	\$2,000,000
2025	2	(6)	-4	\$99,948	\$900,052	\$1,000,000
2026	2	(9)	-7	\$99,948	\$900,052	\$1,000,000
2027	2	(8)	-6	\$99,948	-\$99,948	\$0
2028	2	(6)	-4	\$99,948	-\$99,948	\$0
2029	2	(3)	-1	\$99,948	-\$99,948	\$0
2030	2	0	2	\$99,948	\$900,052	\$1,000,000
2031	2	3	5	\$99,948	\$900,052	\$1,000,000
2032	2	4	6	\$99,948	\$900,052	\$1,000,000
2033	2	5	7	\$99,948	\$900,052	\$1,000,000
2034	2	6	8	\$99,948	\$900,052	\$1,000,000
2035	2	7	9	\$99,948	\$900,052	\$1,000,000

Source: CPA REMI, King Creek Wind Farm 1 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		Throckmorton CISD I&S Tax Levy	Throckmorton CISD M&O Tax Levy	Throckmorton CISD M&O and I&S Tax Levies	Throckmorton County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0684		1.0326	
2022	\$120,970,000	\$120,970,000		\$0	\$1,292,383	\$1,292,383	\$1,249,110	\$2,541,493
2023	\$111,319,350	\$111,319,350		\$0	\$1,189,280	\$1,189,280	\$1,149,459	\$2,338,739
2024	\$102,440,078	\$102,440,078		\$0	\$1,094,419	\$1,094,419	\$1,057,774	\$2,152,192
2025	\$94,270,491	\$94,270,491		\$0	\$1,007,139	\$1,007,139	\$973,416	\$1,980,555
2026	\$86,753,831	\$86,753,831		\$0	\$926,835	\$926,835	\$895,801	\$1,822,636
2027	\$79,837,879	\$79,837,879		\$0	\$852,948	\$852,948	\$824,388	\$1,677,336
2028	\$73,474,595	\$73,474,595		\$0	\$784,966	\$784,966	\$758,683	\$1,543,648
2029	\$67,619,779	\$67,619,779		\$0	\$722,416	\$722,416	\$698,227	\$1,420,643
2030	\$62,232,770	\$62,232,770		\$0	\$664,864	\$664,864	\$642,602	\$1,307,466
2031	\$57,276,157	\$57,276,157		\$0	\$611,910	\$611,910	\$591,421	\$1,203,331
2032	\$52,715,523	\$52,715,523		\$0	\$563,186	\$563,186	\$544,329	\$1,107,515
2033	\$48,519,203	\$48,519,203		\$0	\$518,355	\$518,355	\$500,999	\$1,019,354
2034	\$44,658,066	\$44,658,066		\$0	\$477,104	\$477,104	\$461,129	\$938,234
2035	\$41,105,311	\$41,105,311		\$0	\$439,149	\$439,149	\$424,444	\$863,593
2036	\$37,836,278	\$37,836,278		\$0	\$404,224	\$404,224	\$390,689	\$794,913
			Total	\$0	\$11,549,177	\$11,549,177	\$11,162,471	\$22,711,647

Source: CPA, King Creek Wind Farm 1 LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Throckmorton 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		Throckmorton CISD I&S Tax Levy	Throckmorton CISD M&O Tax Levy	Throckmorton CISD M&O and I&S Tax Levies	Throckmorton County Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0000	1.0684		1.0326	
2022	\$120,970,000	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2023	\$111,319,350	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2024	\$102,440,078	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2025	\$94,270,491	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2026	\$86,753,831	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2027	\$79,837,879	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2028	\$73,474,595	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2029	\$67,619,779	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2030	\$62,232,770	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2031	\$57,276,157	\$20,000,000		\$0	\$213,670	\$213,670	\$0	\$213,670
2032	\$52,715,523	\$52,715,523		\$0	\$563,186	\$563,186	\$544,329	\$1,107,515
2033	\$48,519,203	\$48,519,203		\$0	\$518,355	\$518,355	\$500,999	\$1,019,354
2034	\$44,658,066	\$44,658,066		\$0	\$477,104	\$477,104	\$461,129	\$938,234
2035	\$41,105,311	\$41,105,311		\$0	\$439,149	\$439,149	\$424,444	\$863,593
2036	\$37,836,278	\$37,836,278		\$0	\$404,224	\$404,224	\$390,689	\$794,913
			Total	\$0	\$4,538,718	\$4,538,718	\$2,321,590	\$6,860,308
			Diff	\$0	\$7,010,459	\$7,010,459	\$8,840,880	\$15,851,339
Assumes School Value Limitation and Tax Abatements with the County.								

Source: CPA, King Creek Wind Farm 1 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 25th Anniversary of Limitation Start

This represents the Comptroller's determination that King Creek Wind Farm 1 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)
Limitation Pre-Years	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2022	\$213,670	\$213,670	\$1,078,713	\$1,078,713
	2023	\$213,670	\$427,340	\$975,610	\$2,054,323
	2024	\$213,670	\$641,010	\$880,749	\$2,935,072
	2025	\$213,670	\$854,680	\$793,469	\$3,728,541
	2026	\$213,670	\$1,068,350	\$713,165	\$4,441,705
	2027	\$213,670	\$1,282,020	\$639,278	\$5,080,983
	2028	\$213,670	\$1,495,690	\$571,296	\$5,652,279
	2029	\$213,670	\$1,709,360	\$508,746	\$6,161,025
	2030	\$213,670	\$1,923,030	\$451,194	\$6,612,219
	2031	\$213,670	\$2,136,700	\$398,240	\$7,010,459
	Maintain Viable Presence (5 Years)	2032	\$563,186	\$2,699,886	\$0
2033		\$518,355	\$3,218,241	\$0	\$7,010,459
2034		\$477,104	\$3,695,346	\$0	\$7,010,459
2035		\$439,149	\$4,134,494	\$0	\$7,010,459
2036		\$404,224	\$4,538,718	\$0	\$7,010,459
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$372,088	\$4,910,806	\$0	\$7,010,459
	2038	\$342,518	\$5,253,324	\$0	\$7,010,459
	2039	\$315,308	\$5,568,632	\$0	\$7,010,459
	2040	\$290,271	\$5,858,903	\$0	\$7,010,459
	2041	\$267,232	\$6,126,135	\$0	\$7,010,459
	2042	\$246,031	\$6,372,167	\$0	\$7,010,459
	2043	\$226,522	\$6,598,689	\$0	\$7,010,459
	2044	\$208,570	\$6,807,259	\$0	\$7,010,459
	2045	\$192,049	\$6,999,308	\$0	\$7,010,459
	2046	\$176,846	\$7,176,154	\$0	\$7,010,459
			is greater than		
		\$7,176,154		\$7,010,459	
Analysis Summary					Yes
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?					

Source: CPA, King Creek Wind Farm 1 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 King Creek Wind Farm 1 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 King Creek Wind Farm 1 LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets in other areas of the country that have statewide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.”
 - B. “The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.”
- Comptroller Research
 - A. The qualified property for King Creek Wind Farm 1 LLC located in Haskell CISD (Application #1473) is placed adjacent to the qualified property of King Creek Wind Farm 2 LLC located in Throckmorton Collegiate ISD (Application #1471) and adjacent to the qualified property of King Creek Wind Farm 1 LLC located in Throckmorton Collegiate ISD (Application #1472). Construction for App #1472 & App #1473 is anticipated to begin in the 4th Quarter of 2020. Construction for App #1471 is anticipated to begin 4th Quarter 2021. (Proximity Map provided)
- Provided by Applicant
 - A. King Creek Wind Farm 1 LLC formally known as King Creek Wind Farm, LLC
 - B. King Creek Wind Farm 1 LLC is also known as Monarch Creek Wind

- C. The project applied for ERCOT and the IGNR number is 21INR0263 assigned on 04/25/2019.
- D. "Because applications 1472 & 1473 are the same project, they will share qualified property in the form of a transmission line. However, each application only describes the qualified property located within that single school district. Application 1473 will not share any qualified property with 1471"
- C. "With origins dating back to 1985, EDF Renewables has a presence worldwide having built 16 GW of operating projects with an additional 1,000MW of renewable energy projects currently under construction. EDF Renewables has developed operating power projects supplying power on the West Coast, Mid-west and Northeast portions of the US. EDF Renewables is a national wind and solar developer currently evaluating a large project pipeline of approximately 24GW of wind and solar project opportunities in Washington, Oregon, California, Nevada, Utah, Arizona, Colorado Wyoming, New Mexico, Texas, Oklahoma, Kansas, Nebraska North Dakota Minnesota, Iowa, Missouri, Arkansas, Louisiana Michigan, Illinois, Indiana, Ohio Kentucky North Carolina Alabama, Georgia, Florida, New York, Maine and new Jersey as well as locations in Canada and Mexico."

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



CUMMINGS WESTLAKE

King Creek Wind Farm 1 LLC

Chapter 313 Application Throckmorton
Collegiate ISD

TAB 5

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

With origins dating back to 1985, EDF Renewables has a presence worldwide having built 16 GW of operating projects with an additional 1,000MW of renewable energy projects currently under construction. EDF Renewables has developed operating power projects supplying power on the West Coast, Mid-west and Northeast portions of the US.

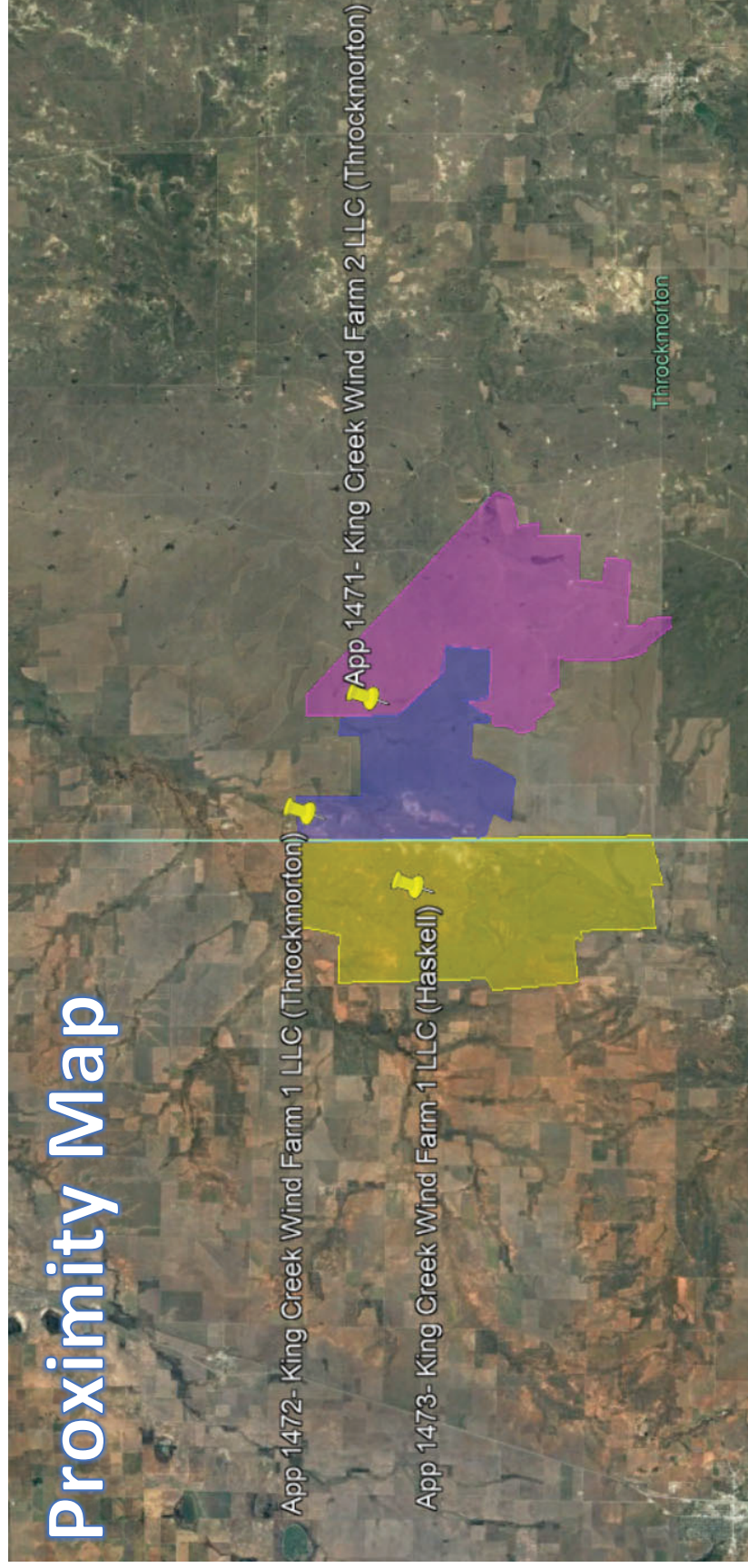
EDF Renewables is a national wind and solar developer currently evaluating a large project pipeline of approximately 24GW of wind and solar project opportunities in Washington, Oregon, California, Nevada, Utah, Arizona, Colorado Wyoming, New Mexico, Texas, Oklahoma, Kansas, Nebraska North Dakota Minnesota, Iowa, Missouri, Arkansas, Louisiana Michigan, Illinois, Indiana, Ohio Kentucky North Carolina Alabama, Georgia, Florida, New York, Maine and new Jersey as well as locations in Canada and Mexico. With both domestic U.S and international opportunities, the company has the ability to locate projects of this type in any of these states and countries where favorable wind and solar conditions exist. The Applicant is actively assessing the financial viability and potential development of this project against other projects in the development pipeline that are competing for limited investment funds. With Texas wholesale electricity prices already below the international average, it is necessary to limit the property tax liabilities for a solar project in order to be able to offer electricity at prices that are marketable to Texas customers at competitive rates. Markets in other areas of the country that have statewide available subsidies for renewable energy projects, and which have higher average contracted power rates, offer an attractive incentive for developers to build projects in those markets over Texas.

The property tax liability of a project without tax incentives in Texas would reduce the return to investors and financiers to an unacceptable level at today's contracted power rates under a power purchase agreement (PPA). Therefore, the applicant would not be able to finance and build the project in Texas even with a signed PPA because of the low price in the PPA. Without the 313 Value Limitation, the applicant would be forced to walk away from this project and spend the potential investment in other states where the rate of return is higher.

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)
– Throckmorton Collegiate ISD– King Creek Wind Farm 1 LLC App. #1472

Comptroller Questions (via email on May 21, 2020):

1. Is King Creek Wind Farm, 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.

Comptroller Questions (via email on May 28, 2020):

1. Because of the Proximity of App 1472 (King Creek Wind Farm, LLC- Throckmorton) to App 1471 (King Creek Wind Farm II, LLC- Throckmorton) and App 1473 (King Creek Wind Farm, LLC- Haskell) will there be any interconnections? i.e. will they share any qualified property

Applicant Response (via email on May 22, 2020):

1. Monarch Creek Wind
2. Monarch Creek Wind
3. 21INR0263 and assigned 04/25/2019

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

1. Because applications 1472 & 1473 are the same project, they will share qualified property in the form of a transmission line. However, each application only describes the qualified property located within that single school district. Application 1472 does not anticipate sharing any qualified property with 1471.