



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

June 9, 2020

Ryan Steele
Superintendent
Cisco Independent School District
PO Box 1645
Cisco, Texas 76437

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Cisco Independent School District and Roadrunner Crossing Wind Farm, LLC, Application 1484

Dear Superintendent Steele:

On May 12, 2020, the Comptroller issued written notice that Roadrunner Crossing Wind Farm, LLC (applicant) submitted a completed application (Application 1484) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on March 19, 2020, to the Cisco 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 1484.

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 within a year from the date of this letter.

Note that any building or improvement existing as of the application review start date of May 12, 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 Roadrunner Crossing Wind Farm, LLC (project) applying to Cisco 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 Roadrunner Crossing Wind Farm, LLC.

Applicant	Roadrunner Crossing Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Cisco ISD
2018-2019 Average Daily Attendance	815
County	Eastland & Callahan
Proposed Total Investment in District	\$158,202,000
Proposed Qualified Investment	\$158,202,000
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2022-2023
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	\$944
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(A)	\$944
Minimum annual wage committed to by applicant for qualified jobs	\$49,064
Minimum weekly wage required for non-qualifying jobs	\$1,004.50
Minimum annual wage required for non-qualifying jobs	\$52,234
Investment per Qualifying Job	\$52,734,000
Estimated M&O levy without any limit (15 years)	\$14,671,045
Estimated M&O levy with Limitation (15 years)	\$6,176,498
Estimated gross M&O tax benefit (15 years)	\$8,494,547

* 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 Roadrunner Crossing Wind Farm, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	300	362	662	\$14,719,200	\$34,280,800	\$49,000,000
2022	3	33	36	\$147,192	\$5,852,808	\$6,000,000
2023	3	23	26	\$147,192	\$4,852,808	\$5,000,000
2024	3	6	9	\$147,192	\$2,852,808	\$3,000,000
2025	3	(2)	1	\$147,192	\$1,852,808	\$2,000,000
2026	3	(5)	-2	\$147,192	\$852,808	\$1,000,000
2027	3	(5)	-2	\$147,192	\$852,808	\$1,000,000
2028	3	(3)	0	\$147,192	\$852,808	\$1,000,000
2029	3	0	3	\$147,192	\$852,808	\$1,000,000
2030	3	3	6	\$147,192	\$852,808	\$1,000,000
2031	3	5	8	\$147,192	\$852,808	\$1,000,000
2032	3	6	9	\$147,192	\$852,808	\$1,000,000
2033	3	7	10	\$147,192	\$1,852,808	\$2,000,000
2034	3	8	11	\$147,192	\$1,852,808	\$2,000,000
2035	3	8	11	\$147,192	\$1,852,808	\$2,000,000
2036	3	8	11	\$147,192	\$1,852,808	\$2,000,000

Source: CPA REMI, Roadrunner Crossing 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*	Cisco ISD I&S Tax Levy	Cisco ISD M&O Tax Levy	Cisco ISD M&O and I&S Tax Levies	Eastland County Tax Levy	Cisco College Tax Levy	Callahan Farm Road Tax Levy	Callahan County Tax Levy	Estimated Total Property Taxes
			0.0000	1.0088			0.4527	0.1887	0.1652	0.4296	
2022	\$158,202,000	\$158,202,000	\$0	\$1,595,942	\$1,595,942	\$701,906	\$292,589	\$5,228	\$13,593	\$2,609,259	
2023	\$146,336,850	\$146,336,850	\$0	\$1,476,246	\$1,476,246	\$649,263	\$270,645	\$4,836	\$12,574	\$2,413,565	
2024	\$135,361,586	\$135,361,586	\$0	\$1,365,528	\$1,365,528	\$600,569	\$250,347	\$4,474	\$11,631	\$2,232,548	
2025	\$125,209,467	\$125,209,467	\$0	\$1,263,113	\$1,263,113	\$555,526	\$231,571	\$4,138	\$10,759	\$2,065,106	
2026	\$115,818,757	\$115,818,757	\$0	\$1,168,380	\$1,168,380	\$513,862	\$214,203	\$3,828	\$9,952	\$1,910,223	
2027	\$107,132,350	\$107,132,350	\$0	\$1,080,751	\$1,080,751	\$475,322	\$198,138	\$3,541	\$9,205	\$1,766,957	
2028	\$99,097,424	\$99,097,424	\$0	\$999,695	\$999,695	\$439,673	\$183,277	\$3,275	\$8,515	\$1,634,435	
2029	\$91,665,117	\$91,665,117	\$0	\$924,718	\$924,718	\$406,697	\$169,531	\$3,029	\$7,876	\$1,511,852	
2030	\$84,790,234	\$84,790,234	\$0	\$855,364	\$855,364	\$376,195	\$156,817	\$2,802	\$7,286	\$1,398,463	
2031	\$78,430,966	\$78,430,966	\$0	\$791,212	\$791,212	\$347,980	\$145,055	\$2,592	\$6,739	\$1,293,579	
2032	\$72,548,644	\$72,548,644	\$0	\$731,871	\$731,871	\$321,882	\$134,176	\$2,398	\$6,234	\$1,196,560	
2033	\$67,107,495	\$67,107,495	\$0	\$676,980	\$676,980	\$297,741	\$124,113	\$2,218	\$5,766	\$1,106,818	
2034	\$62,074,433	\$62,074,433	\$0	\$626,207	\$626,207	\$275,410	\$114,805	\$2,052	\$5,334	\$1,023,807	
2035	\$57,418,851	\$57,418,851	\$0	\$579,241	\$579,241	\$254,754	\$106,194	\$1,898	\$4,934	\$947,021	
2036	\$53,112,437	\$53,112,437	\$0	\$535,798	\$535,798	\$235,648	\$98,230	\$1,755	\$4,564	\$875,995	
			Total	\$0	\$14,671,045	\$14,671,045	\$6,452,429	\$2,689,690	\$48,064	\$124,961	\$23,986,189

Source: CPA, Roadrunner Crossing Wind Farm, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Eastland & Callahan 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 Eastland County and 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	Tax Rate*	Cisco ISD I&S Tax Levy	Cisco ISD M&O Tax Levy	Cisco ISD M&O and I&S Tax Levies	Eastland County Tax Levy	Cisco College Tax Levy	Callahan Farm Road Tax Levy	Callahan County Tax Levy	Estimated Total Property Taxes
2022	\$158,202,000	\$30,000,000		0.0000	1.0088		0.4527	0.1887	0.1652	0.4296	
2022	\$158,202,000	\$30,000,000		\$0	\$302,640	\$302,640	\$280,763	\$117,036	\$5,228	\$13,593	\$719,260
2023	\$146,336,850	\$30,000,000		\$0	\$302,640	\$302,640	\$259,705	\$108,258	\$4,836	\$12,574	\$688,014
2024	\$135,361,586	\$30,000,000		\$0	\$302,640	\$302,640	\$240,227	\$100,139	\$4,474	\$11,631	\$659,111
2025	\$125,209,467	\$30,000,000		\$0	\$302,640	\$302,640	\$222,210	\$92,628	\$4,138	\$10,759	\$632,375
2026	\$115,818,757	\$30,000,000		\$0	\$302,640	\$302,640	\$205,545	\$85,681	\$3,828	\$9,952	\$607,645
2027	\$107,132,350	\$30,000,000		\$0	\$302,640	\$302,640	\$190,129	\$79,255	\$3,541	\$9,205	\$584,770
2028	\$99,097,424	\$30,000,000		\$0	\$302,640	\$302,640	\$175,869	\$73,311	\$3,275	\$8,515	\$563,610
2029	\$91,665,117	\$30,000,000		\$0	\$302,640	\$302,640	\$162,679	\$67,813	\$3,029	\$7,876	\$544,037
2030	\$84,790,234	\$30,000,000		\$0	\$302,640	\$302,640	\$150,478	\$62,727	\$2,802	\$7,286	\$525,933
2031	\$78,430,966	\$30,000,000		\$0	\$302,640	\$302,640	\$139,192	\$58,022	\$2,592	\$6,739	\$509,186
2032	\$72,548,644	\$72,548,644		\$0	\$731,871	\$731,871	\$321,882	\$134,176	\$2,398	\$6,234	\$1,196,560
2033	\$67,107,495	\$67,107,495		\$0	\$676,980	\$676,980	\$297,741	\$124,113	\$2,218	\$5,766	\$1,106,818
2034	\$62,074,433	\$62,074,433		\$0	\$626,207	\$626,207	\$275,410	\$114,805	\$2,052	\$5,334	\$1,023,807
2035	\$57,418,851	\$57,418,851		\$0	\$579,241	\$579,241	\$254,754	\$106,194	\$1,898	\$4,934	\$947,021
2036	\$53,112,437	\$53,112,437		\$0	\$535,798	\$535,798	\$235,648	\$98,230	\$1,755	\$4,564	\$875,995
			Total	\$0	\$6,176,498	\$6,176,498	\$3,412,233	\$1,422,387	\$48,064	\$124,961	\$11,184,142
			Diff	\$0	\$8,494,547	\$8,494,547	\$3,040,196	\$1,267,304	\$0	\$0	\$12,802,047

Assumes School Value Limitation and Tax Abatements with the County & College.

Source: CPA, Roadrunner Crossing 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 25th Anniversary of Limitation Start

This represents the Comptroller’s determination that Roadrunner Crossing 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)
Limitation Pre-Years	2019	\$0	\$0	\$0	\$0
	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2022	\$302,640	\$302,640	\$1,293,302	\$1,293,302
	2023	\$302,640	\$605,280	\$1,173,606	\$2,466,908
	2024	\$302,640	\$907,920	\$1,062,888	\$3,529,796
	2025	\$302,640	\$1,210,560	\$960,473	\$4,490,269
	2026	\$302,640	\$1,513,200	\$865,740	\$5,356,008
	2027	\$302,640	\$1,815,840	\$778,111	\$6,134,119
	2028	\$302,640	\$2,118,480	\$697,055	\$6,831,174
	2029	\$302,640	\$2,421,120	\$622,078	\$7,453,252
	2030	\$302,640	\$2,723,760	\$552,724	\$8,005,976
	2031	\$302,640	\$3,026,400	\$488,572	\$8,494,547
Maintain Viable Presence (5 Years)	2032	\$731,871	\$3,758,271	\$0	\$8,494,547
	2033	\$676,980	\$4,435,251	\$0	\$8,494,547
	2034	\$626,207	\$5,061,458	\$0	\$8,494,547
	2035	\$579,241	\$5,640,699	\$0	\$8,494,547
	2036	\$535,798	\$6,176,498	\$0	\$8,494,547
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$495,613	\$6,672,111	\$0	\$8,494,547
	2038	\$458,442	\$7,130,553	\$0	\$8,494,547
	2039	\$424,059	\$7,554,613	\$0	\$8,494,547
	2040	\$392,255	\$7,946,867	\$0	\$8,494,547
	2041	\$362,836	\$8,309,703	\$0	\$8,494,547
	2042	\$335,623	\$8,645,326	\$0	\$8,494,547
	2043	\$319,188	\$8,964,514	\$0	\$8,494,547
	2044	\$319,188	\$9,283,703	\$0	\$8,494,547
	2045	\$319,188	\$9,602,891	\$0	\$8,494,547
	2046	\$319,188	\$9,922,079	\$0	\$8,494,547
		\$9,922,079	is greater than	\$8,494,547	
Analysis Summary					
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, Roadrunner Crossing 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 Roadrunner Crossing Wind Farm, 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 Roadrunner Crossing Wind Farm, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “The Company is currently considering several other locations in Texas including Stephens County, Jack County, Bee County, Kenedy County, Willacy County, San Patricio County and several others.”
 - B. “The Company has received tax incentives on several of these projects which significantly improve the financial viability of the investment. RWE has not built a project in Texas that did not have a Chapter 313 agreement, as it is crucial to exceeding the company financial hurdle. RWE recently sold a project that was unable to get a Chapter 313 agreement, as it was unable to meet the minimum financial hurdle. Without a Chapter 313 agreement, the Project would probably not be built.”
- Per Comptroller Research
 - A. Per RWE’s website, “RWE Renewables Americas, LLC is one of the world’s largest owners of renewable power projects and is rapidly expanding its wind, solar and energy storage portfolio.”
 - B. The qualified property for Roadrunner Crossing Wind Farm, LLC located in Cisco ISD (Application #1484) is placed adjacent to the qualified property of Roadrunner Crossing Wind Farm, LLC located in Moran ISD (Application #1486). Construction for both App #1484 & App #1486 are planned to begin April 2021. (Vicinity Map provided)
- Provided by Applicant
 - A. “The Project in its entirety is proposed to consist of approximately 71 wind turbine generators, with a capacity of 2.82 megawatts per generator, with an approximate total capacity of 200 MW. Portions of the Project will be located in three different school districts (Baird ISD, Cisco ISD, and Moran ISD) and two different counties (Callahan County and Eastland County).”

- B. "The portion of the Project located in Cisco ISD is the subject of this application. The portion of the Project located in Moran ISD is the subject of a separate application being filed simultaneous (or nearly simultaneous) with this application. At time of the filing of this application, the applicant does not intend to file an application with Baird ISD."
- C. "The ISDs will not share any qualifying property. This is one project and it is split at the school district lines. The only connection between the school districts is the collection line system from one school district to the next. The qualified property value attributed to Cisco ISD only has to do with property located within Cisco ISD. The portion of the project within Moran ISD has to do with the qualifying property value located within that ISD."
- D. "The Project applied for interconnection with Ercot on September 8, 2017, and has been assigned interconnection study ERCOT #19INR0117."

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

Roadrunner Crossing Wind Farm, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 5

Limitation as a Determining Factor

Throughout the United States the production of renewable energy has been increasing as the cost of these systems has decreased and technological advancements have improved efficiency. In 2019 Texas ranked 1st in installed wind capacity. The state's geographic positions and containment of several large population centers has made Texas a favorable location for renewable energy development.

Renewable energy developers face many challenges in the determination of project location--one of these factors being the selection of an area where the greatest return on investment can be achieved. There are several factors that contribute to Texas's favorability for development, one however that does not is the state's notoriously high property tax burden--ranking in the top 10 across the United States.

An appraised value limitation on qualified property allows developers to significantly diminish the property tax liability that composes a substantial ongoing cost of operation that directly impacts the economic rate of return for the project. In the absence of an appraised value limitation, the development of renewable energy facilities becomes financially uncertain as the rate of return often fails to meet the minimum return required to proceed.

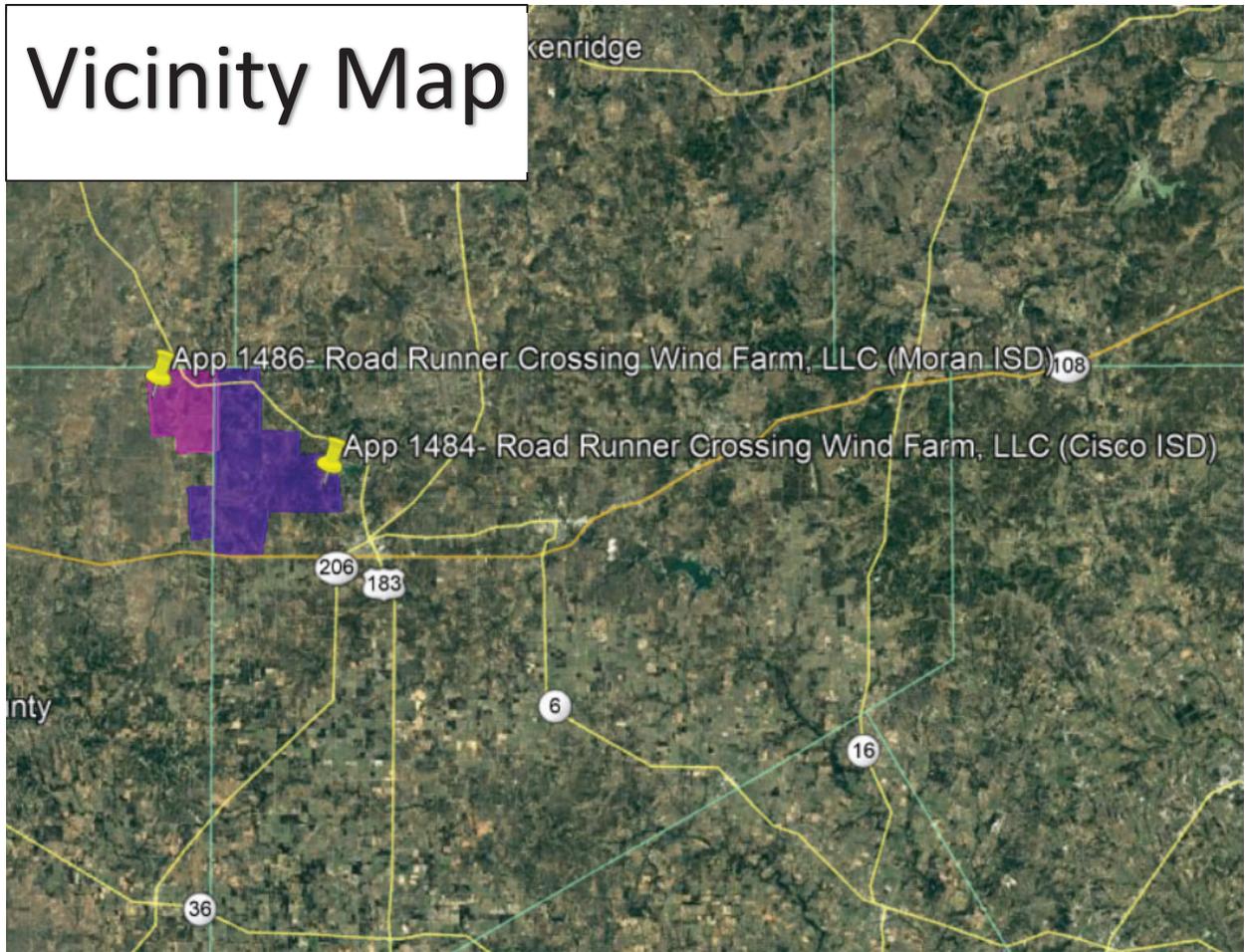
The Company is currently considering several other locations in Texas including Stephens County, Jack County, Bee County, Kenedy County, Willacy County, San Patricio County and several others) sites in Oklahoma (Vici complex, Major)), Kansas (two project sites)), Indiana, Illinois, and Canada for the location of this project. The Company has received tax incentives on several of these projects which significantly improve the financial viability of the investment. RWE has not built a project in Texas that did not have a Chapter 313 agreement, as it is crucial to exceeding the company financial hurdle. RWE recently sold a project that was unable to get a Chapter 313 agreement, as it was unable to meet the minimum financial hurdle. Without a Chapter 313 agreement, this Project would probably not be built.

Applicant has entered into interconnection studies with the Transmission Service Provider who owns the 345kV Transmission line running across the project site. Applicant (or an affiliate of applicant) has also entered into lease and easement agreements with landowners to permit the installation and operation of the Project facilities. None of the agreements entered into by the applicant commits the applicant to construct the Project.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Vicinity Map



COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Cisco ISD– Roadrunner Crossing Wind Farm, LLC App. #1484

Comptroller Questions (via email on May 22, 2020):

1. Will there be any interconnections between App 1484 (Roadrunner Crossing Wind Farm, LLC-Cisco ISD) and App 1486 (Roadrunner Crossing Wind Farm, LLC-Moran ISD). i.e. will they share any qualified property

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

1. The ISDs will not share any qualifying property. This is one project and it is split at the school district lines. The only connection between the school districts is the collection line system from one school district to the next. The qualified property value attributed to Cisco ISD only has to do with property located within Cisco ISD. The portion of the project within Moran ISD has to do with the qualifying property value located within that ISD.

Roadrunner Crossing Wind Farm, LLC
Application for Appraised Value Limitations on Qualified Property
Tab 4

Description of Project

The proposed Project will consist of a facility designed to use wind power to generate electricity, including wind turbines, towers, transformers, transmission lines, and associated ancillary equipment necessary to safely operate, maintain and transmit power to the ERCOT grid, and meteorological equipment to measure and test wind speed and direction. The Project in its entirety is proposed to consist of approximately 71 wind turbine generators, with a capacity of 2.82 megawatts per generator, with an approximate total capacity of 200 MW. Portions of the Project will be located in three different school districts (Baird ISD, Cisco ISD, and Moran ISD) and two different counties (Callahan County and Eastland County).¹ Tab 6 of this application details how the Project facilities are divided among the school districts and the counties. The portion of the Project located in Cisco ISD is the subject of this application. The portion of the Project located in Moran ISD is the subject of a separate application being filed simultaneous (or nearly simultaneous) with this application. At time of the filing of this application, the applicant does not intend to file an application with Baird ISD.

The Project layout is not finalized at this time, but the base case scenario assumes that approximately 71% of the total project will be located in Cisco ISD (based on the location of the wind turbines). When you consider only the portions of the Project located in Moran ISD and Cisco ISD, then approximately 77% of the portions of the project that will be subject to value limitation applications will be located in Cisco ISD. The base case assumes the General Electric GE-127, 2.82 MW model as the turbine for the Project. Cisco ISD is proposed to have approximately 51 turbines (for a total capacity of 143.82 MWs) within its boundary. All of the property for which the applicant is seeking a limitation on appraised value will be owned by the applicant. All qualified property will be located inside the project boundaries.

The Project is in the process of signing the Full Interconnection Agreement with ERCOT. The Project applied for interconnection with Ercot on September 8, 2017, and has been assigned interconnection study ERCOT #19INR0117. The project has not been known by any other names in public statements or in other public applications.

¹ The portions of the Project located in Baird ISD and Moran ISD are entirely within Callahan County. The portion of the Project located in Cisco ISD is located partially in Callahan County and partially in Eastland County.

Current land use for the private property consists of farming, ranching, hunting, and oil and gas production (note that these uses can continue as the Project is designed to be compatible with such activities).

RWE Renewables Americas LLC is one of the world's largest owners of renewable power projects and is rapidly expanding its wind, solar and energy storage portfolio. The company develops, owns, and operates some of the most efficient, highest performing renewable energy projects in the United States. Already active in onshore wind and photovoltaic renewable generation, E.ON Climate and Renewables as RWE Renewables' predecessor has added energy storage to its portfolio and has developed and constructed more than 3,600 megawatts of renewable capacity in the United States since 2007. As part of RWE Renewables, our goal is to deliver renewable energy from technologies that address the growing concern about energy security, energy affordability, and climate change.

Renewable energy is a clean, homegrown and affordable form of energy that pumps billions of dollars into our

Benefits of Renewables



Expansion of renewable, non-combustion energy resources helps protect people from air pollutants and contributes to significant savings in public health costs.

The outlook for prospective renewable energy jobs is excellent, offering higher than average wages and providing many career and educational opportunities. The Bureau of Labor projects that solar PV installers and wind turbine service technicians will be the two fastest-growing jobs in the United States until 2026, growing much faster than the average for all occupations.

The growth in clean energy is the result of a constant search to reduce costs, an increased demand by consumers for clean energy and constantly evolving, efficient technologies, as well as up-to-date policies and opportunities for investment.

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E.ON announces start of construction on South Texas windfarm



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E.ON breaks ground on major solar project in Texas



Our renewable energy business

