

May 6, 2020

Via Hand Delivery and Electronic Mail
Local Government Assistance & Economic Analysis
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 E. 17th Street
Austin, Texas 78774

Re: Application for Appraised Value Limitation on Qualified Property from Azure Sky Wind Project, LLC to Throckmorton Collegiate Independent School District, Application #1487

First Year of Qualifying Time Period: January 1, 2021
First Year of Limitation Period: January 1, 2022
Application Form 50-296-A: Version 02-20/4

Dear Local Government Assistance and Economic Analysis Division:

Pursuant to your request for additional information in your April 30, 2020 email correspondence, please find attached Amendment #001 to Application #1487. The following changes were made to the amended application pages:

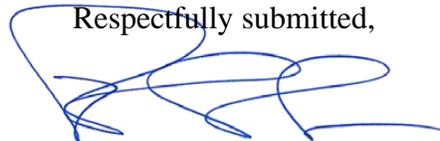
1. Tab 4: Detailed Description of the Project
 - a. The project will cover approximately 33,108 acres. This information has been included in the revised Tab 4.
2. Tab 5: Limitation is a Determining Factor
 - a. The relationship between Enel Green Power (EGP) and Tradewind Energy, Inc. has been detailed and explained in the revised Tab 5. Enel North America, Inc. is the parent company of Enel Green Power North America, Inc., which is the parent company of Enel Kansas, LLC, which is the parent company of Tradewind Energy, Inc., which is the parent company of Azure Sky Wind Project, LLC.
 - b. Other locations for the proposed project have been listed in the revised Tab 5. EGP is currently evaluating a large project pipeline of opportunities in Colorado, Illinois, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, Texas, Utah, and Wyoming, as well as locations in Argentina, Brazil, Canada, Chile, France, Germany, Italy, Peru, Russia, and Spain.
3. Tab 7: Qualified Investment
 - a. Eligible ancillary and necessary equipment has been defined in the revised Tab 7, which includes turbines, towers, foundations, transformers, pad mounts, an O&M building, underground collection systems, electric substation, transmission lines,

electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

4. Tab 8: Qualified Property
 - a. Eligible ancillary and necessary equipment has been defined in the revised Tab 8, which includes turbines, towers, foundations, transformers, pad mounts, an O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.
5. Tab 11: Maps
 - a. "Project Area" in the map legend has been changed to "Project Boundary" in both the Vicinity Map and Improvement Map.
 - b. A satellite image of the Improvement Map is included in the revised Tab 11.
6. Tab 13: Wage Calculations
 - a. The calculation for the average weekly wage for all jobs in the county for non-qualifying jobs has been updated based the Q4 2018 wage of \$570.
 - b. The updated wage is reflected in Application Section 14, Item 4(a).
7. Authorized Signatures and Applicant Certification
 - a. A new signature page is included.

Thank you so much for your kind consideration to the foregoing. Please do not hesitate to contact me should you have any questions.

Respectfully submitted,



Rick L. Lambert

RLL;sl

cc: *Via Electronic Mail:* dsmith@throcmortoncad.org
Ms. Dede Smith, Chief Appraiser, Throckmorton County Appraisal District

Via Electronic Mail: cline@throcmorton.org
Dr. Michelle Cline, Superintendent of Schools, Throckmorton Collegiate ISD

Via Electronic Mail: Conor.Branch@enel.com
Mr. Benjamin Branch, Authorized Representative, Enel Green Power North America

Via Electronic Mail: cbixler@tradewindenergy.com
Mr. Clark Bixler, Development Manager, Tradewind Energy

Via Electronic Mail: wjackson@cwlp.net

Mr. Wes Jackson, Partner, Cummings Westlake LLC

SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? 6
2. What is the number of new non-qualifying jobs you are estimating you will create? (See TAC 9.1051(14)) 0
3. Do you intend to request that the governing body waive the minimum new qualifying job creation requirement, as provided under Tax Code §313.025(f-1) and TAC 9.1051(b)(1)? Yes No
 - 3a. If yes, attach evidence of industry standard in **Tab 12** documenting that the new qualifying job creation requirement above exceeds the number of employees necessary for the operation, according to industry standards.
4. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC website. The final actual statutory minimum annual wage requirement for the applicant for each qualifying job — which may differ slightly from this estimate — will be based on information from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22). **Note:** If a more recent quarter of information becomes available before the application is deemed complete, updated wage information will be required.
 - a. Non-qualified job wages
- average weekly wage for all jobs (all industries) in the county is 579.00
 - b. Qualifying job wage minimum option §313.021(5)(A)
- 110% of the average weekly wage for manufacturing jobs in the county is N/A
 - c. Qualifying job wage minimum option §313.021(5)(B)
- 110% of the average weekly wage for manufacturing jobs in the region is 961.04
5. Which Tax Code section are you using to estimate the qualifying job wage standard required for this project? §313.021(5)(A) or §313.021(5)(B)
6. What is the minimum required annual wage for each qualifying job based on the qualified property? 49,974.00
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 49,974.00
8. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? Yes No
9. Do you intend to satisfy the minimum qualifying job requirement through a determination of cumulative economic benefits to the state as provided by §313.021(3)(F)? Yes No
 - 9a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
10. Do you intend to rely on the project being part of a single unified project, as allowed in §313.024(d-2), in meeting the qualifying job requirements? Yes No
 - 10a. If yes, attach in **Tab 6** supporting documentation including a list of qualifying jobs in the other school district(s).

SECTION 15: Economic Impact

1. Complete and attach Schedules A1, A2, B, and C in **Tab 14**. **Note:** Excel spreadsheet versions of schedules are available for download and printing at URL listed below.
2. Attach an Economic Impact Analysis, if supplied by other than the Comptroller's Office, in **Tab 15**. (not required)
3. If there are any other payments made in the state or economic information that you believe should be included in the economic analysis, attach a separate schedule showing the amount for each year affected, including an explanation, in **Tab 15**.



TAB 4

Detailed Description of the Project

Provide 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.

Azure Sky Wind Project, LLC (Azure Sky Wind) is requesting an appraised value limitation from Throckmorton Collegiate Independent School District (TCISD) for the Azure Sky Wind Project (the "Project"), a proposed wind powered electric generating facility in Throckmorton County. The proposed Throckmorton Collegiate ISD Project (this application) will be constructed within a Reinvestment Zone to be created by Throckmorton County. This project will cover approximately 33,108 acres. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 348 MW located in Throckmorton Collegiate ISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 65 of the 4.8 MW Nordex Wind turbines and 15 of the 2.415 MW Siemens/Gamesa with all turbines located in Throckmorton Collegiate ISD. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including; wind turbines, towers, foundations, roadways, an O&M building, electric substation, meteorological towers, collection system, communication system, electric switchyard, electric transformers, transmission line and associated towers, interconnection facilities and all eligible ancillary and necessary equipment.

Full construction of the Project is anticipated to begin in the 1st Quarter of 2021 with completion by December 31, 2021.

*NOTE: The map in TAB 11 shows the potential locations of 80 of the wind turbines, an O&M building within Throckmorton Collegiate ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.



TAB 5

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

Enel Green Power (EGP) is present in 29 countries in 5 continents with a managed capacity of over 43 GW and over 1,200 plants. Our production mix includes the main renewable sources: wind, solar, hydroelectric and geothermal. Worldwide, EGP are one of the main renewable operators with an annual production of about 82 TWh, produced mainly from water, sun, wind and heat from the earth. Enel North America Inc. is the parent company of Enel Green Power North America, Inc. who is the parent company of Enel Kansas LLC who is the parent company of Tradewind Energy Inc. who is the parent company of Azure Sky Wind Project, LLC

In North America, Enel Green Power operates more than 100 power plants with a total managed capacity of over 5.11 GW powered by renewable hydropower, wind, geothermal and solar energy. EGP is currently evaluating a large project pipeline of opportunities in Colorado, Illinois, Iowa, Kansas, Kentucky, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, Texas, Utah, Wyoming, as well as locations in Argentina, Brazil, Canada, Chile, France, Germany, Italy, Peru, Russia and Spain. 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. Azure Sky Wind Project, LLC is in direct competition with these other locations.

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 wind 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.



TAB 7

Description of Qualified Investment

Azure Sky Wind Project, LLC plans to construct a 348 MW wind farm in Throckmorton County.

This application covers all qualified property within Throckmorton Collegiate ISD necessary for the commercial operations of the proposed wind farm described in Tab 4. Three hundred and forty-eight megawatts (348 MW) will be located in Throckmorton Collegiate ISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 65 of the 4.8 MW Nordex turbines and 15 of the 2.415 MW turbines manufactured by Siemens/Gamesa.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes turbines, towers, foundations, transformers, pad mounts, an O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

*NOTE: The map in TAB 11 shows the potential locations of 80 of the wind turbines, an O&M building and a collector substation within Throckmorton Collegiate ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.



TAB 8

Description of Qualified Property

Azure Sky Wind Project, LLC plans to construct a 348 MW wind farm in Throckmorton County.

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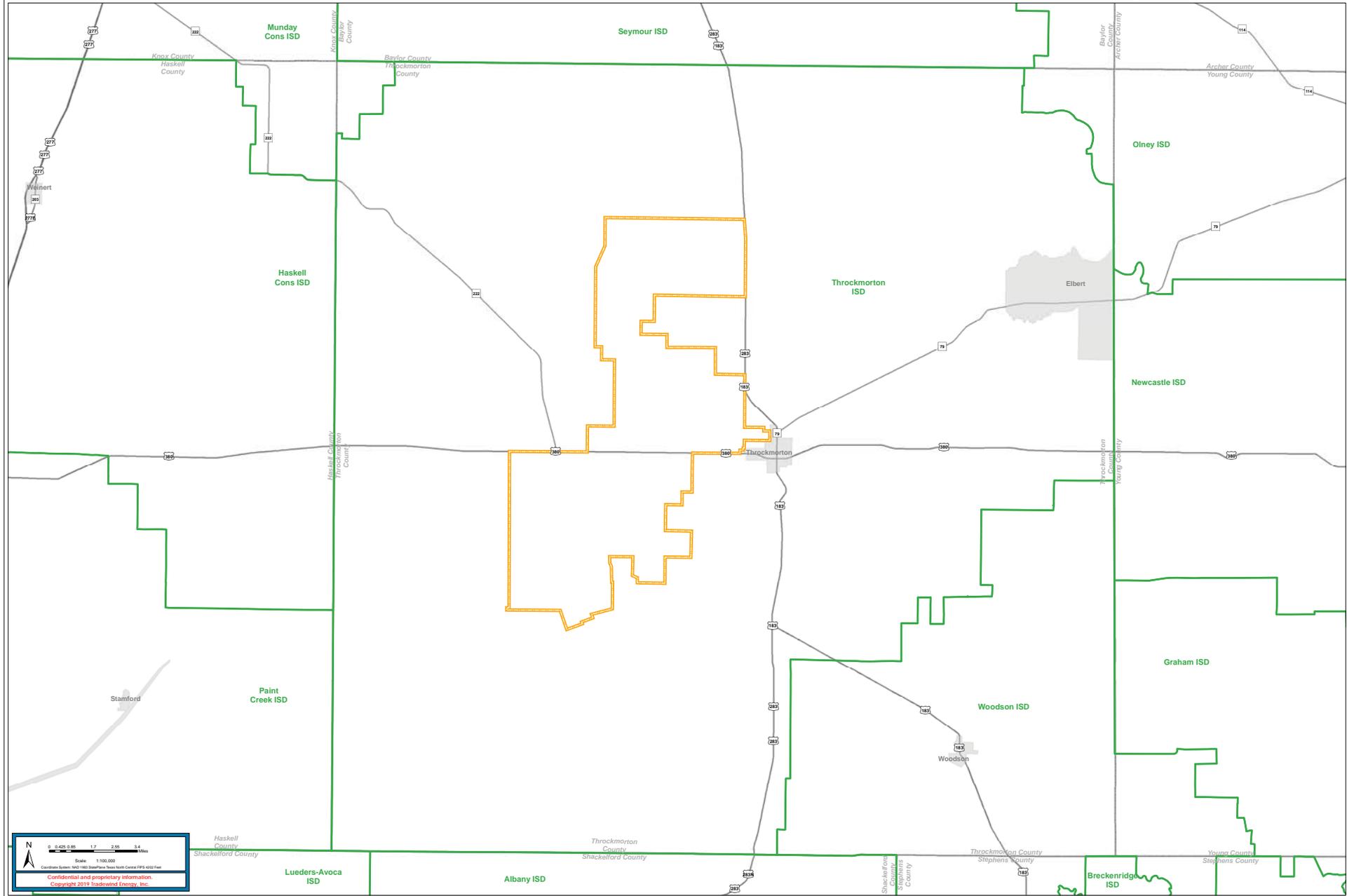
*NOTE: The map in TAB 11 shows the potential locations of 80 of the wind turbines, an O&M building and a collector substation within Throckmorton Collegiate ISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Azure Sky Wind Project - Vicinity Map



Legend

- Azure Sky Project Boundary and Reinvestment Zone
- School District Boundary
- County



Scale: 1:100,000
0 0.425 0.85 1.7 2.55 3.4 Miles
Confidential and proprietary information.
Copyright 2019 Tradewind Energy, Inc.

The following companies and organizations provided data that contributed to the production of this map:
U.S. Geological Survey (USGS)
Environmental Systems Research Institute (ESRI)
U.S. Department of Population (Census)
U.S. Federal Aviation Administration (FAA)
Whitaker Corporation
County
County

**AZURE SKY WIND PROJECT, LLC
TAB 13 TO CHAPTER 313 APPLICATION**

**THROCKMORTON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES**

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2019	\$ 570	\$ 29,640
SECOND	2019	\$ 574	\$ 29,848
THIRD	2019	\$ 595	\$ 30,940
FOURTH	2018	\$ 577	\$ 30,004
AVERAGE		\$ 579.00	\$ 30,108

**THROCKMORTON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS**

No Information Available

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
West Central	2018	\$ 874	\$ 45,431
	X	110%	110%
		\$ 961.04	\$ 49,974

* SEE ATTACHED TWC DOCUMENTATION

Drag a column header and drop it here to group by that column

Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage
2018	01	Throckm...	Total All	10	Total, All Industries	567
2018	02	Throckm.	Total All	10	Total, All Industries	542
2018	03	Throckm...	Total All	10	Total, All Industries	520
2018	04	Throckm...	Total All	10	Total, All Industries	577
2019	01	Throckm...	Total All	10	Total, All Industries	570
2019	02	Throckm..	Total All	10	Total, All Industries	574
2019	03	Throckm.	Total All	10	Total, All Industries	595

Showing 7 items

Follow the Texas Workforce Commission

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**2018 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	COG Number	Wages	
		Hourly	Annual
Texas		\$27.04	\$56,240
Alamo Area Council of Governments	18	\$22.80	\$47,428
Ark-Tex Council of Governments	5	\$18.73	\$38,962
Brazos Valley Council of Governments	13	\$18.16	\$37,783
Capital Area Council of Governments	12	\$32.36	\$67,318
Central Texas Council of Governments	23	\$19.60	\$40,771
Coastal Bend Council of Governments	20	\$28.52	\$59,318
Concho Valley Council of Governments	10	\$21.09	\$43,874
Deep East Texas Council of Governments	14	\$18.28	\$38,021
East Texas Council of Governments	6	\$21.45	\$44,616
Golden Crescent Regional Planning Commission	17	\$28.56	\$59,412
Heart of Texas Council of Governments	11	\$22.71	\$47,245
Houston-Galveston Area Council	16	\$29.76	\$61,909
Lower Rio Grande Valley Development Council	21	\$17.21	\$35,804
Middle Rio Grande Development Council	24	\$20.48	\$42,604
NORTEX Regional Planning Commission	3	\$25.14	\$52,284
North Central Texas Council of Governments	4	\$27.93	\$58,094
Panhandle Regional Planning Commission	1	\$24.19	\$50,314
Permian Basin Regional Planning Commission	9	\$25.90	\$53,882
Rio Grande Council of Governments	8	\$18.51	\$38,493
South East Texas Regional Planning Commission	15	\$36.26	\$75,430
South Plains Association of Governments	2	\$20.04	\$41,691
South Texas Development Council	19	\$17.83	\$37,088
Texoma Council of Governments	22	\$21.73	\$45,198
West Central Texas Council of Governments	7	\$21.84	\$45,431

Calculated by the Texas Workforce Commission Labor Market and Career Information Department.

Data published: July 2019

Data published annually, next update will be July 31, 2020

Annual wage figure assumes a 40-hour work week.

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas Occupational Employment Statistics (OES) data, and is not to be compared to BLS estimates.

Data intended only for use in implementing Chapter 313, Tax Code.

Texas Comptroller of Public Accounts

Data Analysis and Transparency Form 56-200-A

SECTION 16: Authorized Signatures and Applicant Certification

After the application and schedules are complete, an authorized representative from the school district and the business should review the application documents and complete this authorization page. Attach the completed authorization page in Tab 17.

NOTE: If you amend your application, you will need to obtain new signatures and resubmit this page, Section 16, with the amendment request.

1. Authorized School District Representative Signature

I am the authorized representative for the school district to which this application is being submitted. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code.

print here Dr. Michelle Cline
Print Name (Authorized School District Representative)

Superintendent
Title

sign here [Signature]
Signature (Authorized School District Representative)

5/5/2020
Date

2. Authorized Company Representative (Applicant) Signature and Notarization

I am the authorized representative for the business entity for the purpose of filing this application. I understand that this application is a government record as defined in Chapter 37 of the Texas Penal Code. The information contained in this application and schedules is true and correct to the best of my knowledge and belief.

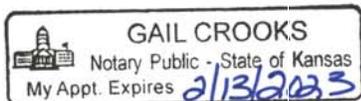
I hereby certify and affirm that the business entity I represent is in good standing under the laws of the state in which the business entity was organized and that no delinquent taxes are owed to the State of Texas.

print here Benjamin Branch
Print Name (Authorized Company Representative (Applicant))

Authorized Representative
Title

sign here [Signature]
Signature (Authorized Company Representative (Applicant))

4/29/2020
Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

29th day of April, 2020

Notary Public in and for the State of Texas Kansas

My Commission expires: 2/13/2023
County of Johnson

If you make a false statement on this application, you could be found guilty of a Class A misdemeanor or a state jail felony under Texas Penal Code Section 37.10.

Certificate Of Completion

Envelope Id: 586A7D68F6D8421F86F5672B8A629508	Status: Completed
Subject: 1487-throckmorton-azureskywindproject-amendment001-04302020.pdf	
Source Envelope:	
Document Pages: 11	Signatures: 1
Certificate Pages: 1	Initials: 0
AutoNav: Enabled	Envelope Originator:
Envelopeld Stamping: Disabled	Michelle Cline
Time Zone: (UTC-08:00) Pacific Time (US & Canada)	cline@throck.org
	IP Address: 10.101.101.11

Record Tracking

Status: Original	Holder: Michelle Cline	Location: DocuSign
5/5/2020 8:30:46 PM	cline@throck.org	

Signer Events

Signature	Timestamp
Michelle Cline cline@throck.org Superintendent Michelle Cline Security Level: Email, Account Authentication (None)	Sent: 5/5/2020 8:30:48 PM Viewed: 5/5/2020 8:30:52 PM Signed: 5/5/2020 8:31:59 PM Freeform Signing
Signature Adoption: Uploaded Signature Image Using IP Address: 98.17.96.131	

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

In Person Signer Events

Signature

Timestamp

Editor Delivery Events

Status

Timestamp

Agent Delivery Events

Status

Timestamp

Intermediary Delivery Events

Status

Timestamp

Certified Delivery Events

Status

Timestamp

Carbon Copy Events

Status

Timestamp

Witness Events

Signature

Timestamp

Notary Events

Signature

Timestamp

Envelope Summary Events

Status

Timestamps

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Certified Delivered	Security Checked	5/5/2020 8:30:52 PM
Signing Complete	Security Checked	5/5/2020 8:31:59 PM
Completed	Security Checked	5/5/2020 8:31:59 PM

Payment Events

Status

Timestamps