

**O'HANLON, DEMERATH & CASTILLO**

ATTORNEYS AND COUNSELORS AT LAW

808 WEST AVENUE  
AUSTIN, TEXAS 78701  
TELEPHONE: (512) 494-9949  
FACSIMILE: (512) 494-9919

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Local Government Assistance & Economic Analysis  
Texas Comptroller of Public Accounts  
P.O. Box 13528  
Austin, Texas 78711-3528

RE: Supplement002 to the Application between Webb Consolidated Independent School District and Siete Wind, LLC

To the Local Government Assistance & Economic Analysis Division:

Enclosed. Please find Supplement002 to the Application between Webb Consolidated Independent School District and Siete Wind, LLC. The following changes have been made:

1. Section 8, Page 5, Question 4 changed to Yes
2. Attachment 5 – Explained the change to Section 8, Question 4 of the application.

A copy of the supplement will be submitted to the Webb County Appraisal District.

Sincerely,



Kevin O'Hanlon  
School District Consultant

Cc: Webb CAD  
Siete Wind, LLC

SECTION 8: Limitation as Determining Factor

- 1. Does the applicant currently own the land on which the proposed project will occur? ... [ ] Yes [x] No
2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project? ... [x] Yes [ ] No
3. Does the applicant have current business activities at the location where the proposed project will occur? ... [ ] Yes [x] No
4. Has the applicant made public statements in SEC filings or other documents regarding its intentions regarding the proposed project location? ... [x] Yes [ ] No
5. Has the applicant received any local or state permits for activities on the proposed project site? ... [ ] Yes [x] No
6. Has the applicant received commitments for state or local incentives for activities at the proposed project site? ... [ ] Yes [x] No
7. Is the applicant evaluating other locations not in Texas for the proposed project? ... [x] 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 [x] No
9. Has the applicant provided information related to the applicant's inputs, transportation and markets for the proposed project? ... [ ] Yes [x] 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? ... [x] 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.

SECTION 9: Projected Timeline

NOTE: Only construction beginning after the application review start date (the date the Texas Comptroller of Public Accounts deems the application complete) can be considered qualified property and/or qualified investment.

- 1. Estimated school board ratification of final agreement ... QTR 1 2021
2. Estimated commencement of construction ... QTR 1 2022
3. Beginning of qualifying time period (MM/DD/YYYY) ... 01/01/2022
4. First year of limitation (MM/DD/YYYY) ... 01/01/2024
4a. For the beginning of the limitation period, notate which one of the following will apply according to provision of 313.027(a-1)(2):
[ ] A. January 1 following the application date [ ] B. January 1 following the end of QTP
[x] C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations ... QTR 1 2023

SECTION 10: The Property

- 1. Identify county or counties in which the proposed project will be located Webb County, Texas
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Webb CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? ... [ ] Yes [x] No
4. List all taxing entities that have jurisdiction for the property, the portion of project within each entity and tax rates for each entity:
M&O (ISD): Webb CISD, 0.97, 100% (Name, tax rate and percent of project)
I&S (ISD): Webb CISD, 0.14, 100% (Name, tax rate and percent of project)
County: Webb Co., v0.412, 100% (Name, tax rate and percent of project)
City: NA (Name, tax rate and percent of project)
Hospital District: NA (Name, tax rate and percent of project)
Water District: NA (Name, tax rate and percent of project)
Other (describe): NA (Name, tax rate and percent of project)
Other (describe): NA (Name, tax rate and percent of project)

**Attachment 5**

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

***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.***

**2. Has the applicant entered into any agreements, contracts or letters of intent related to the proposed project?**

Siete Wind, LLC was formed in 2019. In support of its creation, the participating members of Apex, executed documents necessary to form the entity including an Operating Agreement Siete Wind, LLC.

Siete Wind, LLC or Apex on behalf of Siete Wind, LLC has entered into the following representative agreements and contracts for the development of a project within Webb CISD:

- Grants of leases and easements of land,
- Avian Study and contract,
- Bat Acoustic Study and contract,
- Threatened & Endangered Species Studies and contract,
- FIS Submission, and
- Interconnection Application with ERCOT

**4. Has the applicant made public statements in the SEC filings or other documents regarding its intentions regarding the proposed project location?**

Yes, APEX Clean Energy has updated its interactive projects map on the APEX Clean Energy website to show the proposed location of Siete Wind, LLC, and it has listed it's (APEX's) project role as development.

**7. Is the applicant evaluating other locations not in Texas for the proposed project?**

Yes. Apex management team is uniquely qualified to develop and construct wind and other renewable energy projects in the United States. In North America, Apex currently operates over 2,500 MW of renewable energy projects. Based on this experience the management team evaluates all potential projects for feasibility, finance-ability, and the economic returns they represent in comparison to other project opportunities both OUTSIDE the State of Texas as WITHIN the State of Texas. Other locations being evaluated include, but are not limited to:

Oklahoma	Minnesota	New York
Colorado	Iowa	Maine
North Dakota	Kansas	Virginia
South Dakota	Illinois	Tennessee
Idaho	Indiana	
Wyoming	Ohio	

For these reasons, Apex studies and evaluates various competing sites throughout the market areas across the U.S. where wind development is attractive. Without a Value Limitation program, Apex would seek to move to alternative sites outside of the State of Texas.

Siete Wind is currently in a period of assessment to determine whether the identified site within Webb CISD represents the best location or whether redeployment of its development resources and capital to other power markets in the United States is more advisable. As such, the development resources necessary to advance the Project for a planned 375 MW could be redeployed to other renewable energy development projects in other power markets in the United States.

Therefore, a 313 Limitation of Appraised Value Agreement is a vital tax incentive necessary to ensure the Project is economically competitive with other wind projects with similar incentives. Without the requested value limitation, the Siete Wind Project will be unable to generate sufficient operating margins and net income to produce economically competitive energy and associate returns necessary to attract tax and sponsor equity investment. Such third-party investment is mandatory to finance the projected capital costs of approximately \$370M needed to purchase wind turbines and other infrastructure, and to fund the construction of the facility.

**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?**

The information provided in this Attachment and throughout the Application has been assembled to provide the reviewer with the best possible information to make an assessment and determination of the critical nature of the Limitation on Appraised Value to the feasibility of the Project.