



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

September 16, 2020

Dr. Chad Jones
Superintendent
Sinton Independent School District
322 South Archer Ave
Sinton, Texas 78387

Re: Certificate for Limitation on Appraised Value of Property for School District Maintenance and Operations taxes by and between Sinton Independent School District and El Algodon Alto Wind Farm, LLC, Application 1495

Dear Superintendent Jones:

On July 13, 2020, the Comptroller issued written notice that El Algodon Alto Wind Farm, LLC (applicant) submitted a completed application (Application 1495) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on May 13, 2020, to the Sinton 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 1495.

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 July 13, 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 El Algodon Alto Wind Farm, LLC (project) applying to Sinton 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 El Algodon Alto Wind Farm, LLC.

Applicant	El Algodon Alto Wind Farm, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Sinton ISD
2018-2019 Average Daily Attendance	1,939
County	San Patricio County
Proposed Total Investment in District	\$58,310,440
Proposed Qualified Investment	\$58,310,440
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2022-2023
Number of new qualifying jobs committed to by applicant	1*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$1,255
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5) (B)	\$1,255
Minimum annual wage committed to by applicant for qualified jobs	\$65,250
Minimum weekly wage required for non-qualifying jobs	\$939.25
Minimum annual wage required for non-qualifying jobs	\$48,841
Investment per Qualifying Job	\$58,310,440
Estimated M&O levy without any limit (15 years)	\$5,726,475
Estimated M&O levy with Limitation (15 years)	\$3,900,290
Estimated gross M&O tax benefit (15 years)	\$1,826,185

* 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 El Algodon Alto Wind Farm, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	150	201	351	\$9,787,470	\$18,212,530	\$28,000,000
2022	1	18	19	\$65,250	\$3,234,750	\$3,300,000
2023	1	10	11	\$65,250	\$2,234,750	\$2,300,000
2024	1	0	1	\$65,250	\$1,134,750	\$1,200,000
2025	1	(5)	-4	\$65,250	\$434,750	\$500,000
2026	1	(6)	-5	\$65,250	\$34,750	\$100,000
2027	1	(6)	-5	\$65,250	-\$65,250	\$0
2028	1	(5)	-4	\$65,250	-\$65,250	\$0
2029	1	(3)	-2	\$65,250	\$34,750	\$100,000
2030	1	(1)	0	\$65,250	\$134,750	\$200,000
2031	1	0	1	\$65,250	\$234,750	\$300,000
2032	1	2	3	\$65,250	\$434,750	\$500,000
2033	1	2	3	\$65,250	\$534,750	\$600,000
2034	1	3	4	\$65,250	\$534,750	\$600,000
2035	1	3	4	\$65,250	\$634,750	\$700,000
2036	1	3	4	\$65,250	\$634,750	\$700,000
2037	1	3	4	\$65,250	\$634,750	\$700,000

Source: CPA REMI, El Algodon Alto 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*	Sinton ISD I&S Tax Levy	Sinton ISD M&O Tax Levy	Sinton ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	San Patricio County Road Tax Levy	Estimated Total Property Taxes
				0.3800	1.0683		0.4269	0.0655	0.0787	
2022	\$58,310,440	\$58,310,440		\$221,580	\$622,930	\$844,510	\$248,941	\$38,164	\$45,876	\$1,177,492
2023	\$53,937,157	\$53,937,157		\$204,961	\$576,211	\$781,172	\$230,271	\$35,302	\$42,436	\$1,089,180
2024	\$49,890,412	\$49,890,412		\$189,584	\$532,979	\$722,563	\$212,994	\$32,653	\$39,252	\$1,007,462
2025	\$46,152,713	\$46,152,713		\$175,380	\$493,049	\$668,430	\$197,037	\$30,207	\$36,311	\$931,985
2026	\$42,689,073	\$42,689,073		\$162,218	\$456,047	\$618,266	\$182,250	\$27,940	\$33,586	\$862,042
2027	\$39,487,830	\$39,487,830		\$150,054	\$421,848	\$571,902	\$168,583	\$25,845	\$31,067	\$797,397
2028	\$36,525,659	\$36,525,659		\$138,798	\$390,204	\$529,001	\$155,937	\$23,906	\$28,737	\$737,581
2029	\$33,785,069	\$33,785,069		\$128,383	\$360,926	\$489,309	\$144,237	\$22,112	\$26,581	\$682,239
2030	\$31,254,396	\$31,254,396		\$118,767	\$333,891	\$452,657	\$133,433	\$20,456	\$24,590	\$631,136
2031	\$28,910,316	\$28,910,316		\$109,859	\$308,849	\$418,708	\$123,425	\$18,922	\$22,745	\$583,800
2032	\$26,741,168	\$26,741,168		\$101,616	\$285,676	\$387,292	\$114,164	\$17,502	\$21,039	\$539,998
2033	\$24,735,288	\$24,735,288		\$93,994	\$264,247	\$358,241	\$105,601	\$16,189	\$19,461	\$499,492
2034	\$22,881,016	\$22,881,016		\$86,948	\$244,438	\$331,386	\$97,685	\$14,976	\$18,002	\$462,048
2035	\$21,160,859	\$21,160,859		\$80,411	\$226,061	\$306,473	\$90,341	\$13,850	\$16,649	\$427,312
2036	\$19,574,815	\$19,574,815		\$74,384	\$209,118	\$283,502	\$83,570	\$12,812	\$15,401	\$395,284
			Total	\$2,036,938	\$5,726,475	\$7,763,412	\$2,288,467	\$350,836	\$421,732	\$10,824,447

Source: CPA, El Algodon Alto Wind Farm, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and San Patricio 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		Sinton ISD I&S Tax Levy	Sinton ISD M&O Tax Levy	Sinton ISD M&O and I&S Tax Levies	San Patricio County Tax Levy	San Patricio County Drainage District Tax Levy	San Patricio County Road Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3800	1.0683		0.4269	0.0655	0.0787	
2022	\$58,310,440	\$25,000,000		\$221,580	\$267,075	\$488,655	\$49,788	\$38,164	\$45,876	\$622,483
2023	\$53,937,157	\$25,000,000		\$204,961	\$267,075	\$472,036	\$46,054	\$35,302	\$42,436	\$595,828
2024	\$49,890,412	\$25,000,000		\$189,584	\$267,075	\$456,659	\$42,599	\$32,653	\$39,252	\$571,162
2025	\$46,152,713	\$25,000,000		\$175,380	\$267,075	\$442,455	\$39,407	\$30,207	\$36,311	\$548,381
2026	\$42,689,073	\$25,000,000		\$162,218	\$267,075	\$429,293	\$36,450	\$27,940	\$33,586	\$527,270
2027	\$39,487,830	\$25,000,000		\$150,054	\$267,075	\$417,129	\$33,717	\$25,845	\$31,067	\$507,758
2028	\$36,525,659	\$25,000,000		\$138,798	\$267,075	\$405,873	\$31,187	\$23,906	\$28,737	\$489,703
2029	\$33,785,069	\$25,000,000		\$128,383	\$267,075	\$395,458	\$28,847	\$22,112	\$26,581	\$472,999
2030	\$31,254,396	\$25,000,000		\$118,767	\$267,075	\$385,842	\$26,687	\$20,456	\$24,590	\$457,574
2031	\$28,910,316	\$25,000,000		\$109,859	\$267,075	\$376,934	\$24,685	\$18,922	\$22,745	\$443,286
2032	\$26,741,168	\$26,741,168		\$101,616	\$285,676	\$387,292	\$114,164	\$17,502	\$21,039	\$539,998
2033	\$24,735,288	\$24,735,288		\$93,994	\$264,247	\$358,241	\$105,601	\$16,189	\$19,461	\$499,492
2034	\$22,881,016	\$22,881,016		\$86,948	\$244,438	\$331,386	\$97,685	\$14,976	\$18,002	\$462,048
2035	\$21,160,859	\$21,160,859		\$80,411	\$226,061	\$306,473	\$90,341	\$13,850	\$16,649	\$427,312
2036	\$19,574,815	\$19,574,815		\$74,384	\$209,118	\$283,502	\$83,570	\$12,812	\$15,401	\$395,284
			Total	\$2,036,938	\$3,900,290	\$5,937,228	\$850,782	\$350,836	\$421,732	\$7,560,577
			Diff	\$0	\$1,826,185	\$1,826,185	\$1,437,686	\$0	\$0	\$3,263,870

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, El Algodon Alto 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 El Algodon Alto 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	\$267,088	\$267,088	\$355,872	\$355,872
	2023	\$267,088	\$534,175	\$309,150	\$665,022
	2024	\$267,088	\$801,263	\$265,917	\$930,939
	2025	\$267,088	\$1,068,350	\$225,985	\$1,156,924
	2026	\$267,088	\$1,335,438	\$188,981	\$1,345,905
	2027	\$267,088	\$1,602,525	\$154,781	\$1,500,686
	2028	\$267,088	\$1,869,613	\$123,134	\$1,623,820
	2029	\$267,088	\$2,136,700	\$93,855	\$1,717,676
	2030	\$267,088	\$2,403,788	\$66,819	\$1,784,494
	2031	\$267,088	\$2,670,875	\$41,776	\$1,826,270
Maintain Viable Presence (5 Years)	2032	\$285,689	\$2,956,564	\$0	\$1,826,270
	2033	\$264,259	\$3,220,824	\$0	\$1,826,270
	2034	\$244,449	\$3,465,273	\$0	\$1,826,270
	2035	\$226,072	\$3,691,345	\$0	\$1,826,270
	2036	\$209,128	\$3,900,473	\$0	\$1,826,270
Additional Years as Required by 313.026(c)(1) (10 Years)	2037	\$193,429	\$4,093,902	\$0	\$1,826,270
	2038	\$178,976	\$4,272,878	\$0	\$1,826,270
	2039	\$165,520	\$4,438,398	\$0	\$1,826,270
	2040	\$153,123	\$4,591,522	\$0	\$1,826,270
	2041	\$141,599	\$4,733,120	\$0	\$1,826,270
	2042	\$131,008	\$4,864,129	\$0	\$1,826,270
	2043	\$124,592	\$4,988,721	\$0	\$1,826,270
	2044	\$124,592	\$5,113,313	\$0	\$1,826,270
	2045	\$124,592	\$5,237,905	\$0	\$1,826,270
	2046	\$124,592	\$5,362,496	\$0	\$1,826,270
		\$5,362,496	is greater than	\$1,826,270	
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, El Algodon Alto 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 El Algodon Alto 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 El Algodon Alto Wind Farm LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “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 position and containment of several large population centers has made Texas a favorable location for renewable energy development.”
 - B. “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 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.”
 - C. “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. In the event an appraised value limitation agreement is not received by El Algodon Alto Wind Farm, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where both RWE is active, and the property tax burden is lower or economic incentives can be secured, namely other counties in Texas (Stephens County, Jack County, Bee County, Kenedy County, and Willacy County) Oklahoma (Vici complex, Major), Kansas (two project sites), Indiana, Illinois, or Canada. Thus, an appraised value limitation agreement between El Algodon Alto Wind Farm, LLC and Sinton Independent School District is the determining factor in the decision to locate this facility within the state of Texas.”

- Comptroller Research:
 - A. The qualified property for El Algodon Alto Wind Farm LLC located in Sinton ISD (Application #1495) is placed adjacent to the qualified property of El Algodon Alto Wind Farm LLC located in Mathis ISD (Application #1492) and adjacent to the qualified property of El Algodon Alto Wind Farm LLC located in Odem-Edroy ISD (Application #1506). Construction for App #1492, 1495, and 1506 is anticipated to begin the 2nd Quarter of 2021. (Proximity Map provided)
- Provided by the Applicant
 - A. This project is not known by any other names. In some reports this project may be referred to as “EAA” abbreviation for El Algodon Alto.
 - B. This project applied to ERCOT on February 4, 2013 and was assigned IGNR #15INR0034.

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 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.

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 October 1, 2020
2. Estimated commencement of construction April 1, 2021
3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2022
4. First year of limitation (MM/DD/YYYY) January 1, 2022
 - 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
 - C. January 1 following the commencement of commercial operations
5. Commencement of commercial operations December 31, 2021

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located San Patricio County
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property San Patricio County CAD
3. Will this CAD be acting on behalf of another CAD to appraise this property? Yes 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): <u>Sinton ISD M & O; 1.0683, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Sinton ISD I & S; .38, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>San Patricio County; .426924, 100%</u> <small>(Name, tax rate and percent of project)</small>	City: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>
Hospital District: <u>N/A</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>San Patricio Co. Drainage District; .06545, 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>San Patricio Co. Road; .078676, 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>San Patricio Co. Road; .078676, 100%</u> <small>(Name, tax rate and percent of project)</small>

Supporting Information

Attachments provided in Tab 5
of the Application for a
Limitation on Appraised Value



Tab 5: Documentation to Assist in Determining if Limitation is 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.¹ The state's geographic position 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 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. In the event an appraised value limitation agreement is not received by El Algodon Alto Wind Farm, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where both RWE is active, and the property tax burden is lower or economic incentives can be secured, namely other counties in Texas (Stephens County, Jack County, Bee County, Kenedy County, and Willacy County) Oklahoma (Vici complex, Major), Kansas (two project sites), Indiana, Illinois, or Canada. Thus, an appraised value limitation agreement between El Algodon Alto Wind Farm, LLC and Sinton Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

¹ U.S. Energy Information Administration

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

1492-Mathis ISD

The map displays three overlapping school district boundaries on an aerial view of a rural area. The 1492-Mathis ISD is outlined in blue and filled with a light blue color. The 1506-Odem-Edroy ISD is outlined in green and filled with a light green color. The 1495-Sinton ISD is outlined in red and filled with a light red color. A yellow pushpin is placed on the Mathis ISD boundary, a red pushpin is on the Odem-Edroy ISD boundary, and another yellow pushpin is on the Sinton ISD boundary. The background shows a patchwork of agricultural fields in various shades of brown, tan, and green.

1506-Odem-Edroy ISD

1495-Sinton ISD

Proximity Map

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Sinton ISD–El Algodon Alto Wind Farm, LLC App. #1495

Comptroller Questions (via email on August 25, 2020):

1. *Is this project known by any specific names not otherwise mentioned in this application??*
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.*

Applicant Response (via email on August 25, 2020):

1. *NO.*
2. *There are no other names associated with this project. In some reports this project may be referred to as “EAA” abbreviation for El Algodon Alto.*
3. *Yes, this project applied to ERCOT on February 4, 2013 and was assigned IGNR #15INR0034 .*