



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

December 10, 2021

Lonnie Hise
Superintendent
Haskell Consolidated Independent School District
605 N. Avenue East
Haskell, Texas 79521-0937

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Haskell Consolidated
Independent School District and Inertia Wind Project, LLC, Application 1638

Dear Superintendent Hise:

On October 1, 2021, the Comptroller issued written notice that Inertia Wind Project, LLC (applicant) submitted a completed application (Application 1638) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on August 31 2021, to the Haskell Consolidated 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 1638.

Based on the information provided by the applicant, the Comptroller has determined that the property meets the requirements of Section 313.024 for eligibility for a limitation on appraised value under Chapter 313, Subchapter C.

Certificate decision required by 313.025(d)

Determination required by 313.026(c)(1)

The Comptroller has determined that the project proposed by the applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the school district's maintenance and operations *ad valorem tax* revenue lost as a result of the agreement before the 25th anniversary of the beginning of the limitation period, see Attachment B.

Determination required by 313.026(c)(2)

The Comptroller has determined that the limitation on appraised value is a determining factor in the applicant's decision to invest capital and construct the project in this state, see Attachment C.

Based on these determinations, the Comptroller issues a certificate for a limitation on appraised value. This certificate is contingent on the school district's receipt and acceptance of the Texas Education Agency's determination per 313.025(b-1).


The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed with the school district. The school district shall comply with and enforce the stipulations, provisions, terms, and conditions of the agreement, applicable Texas Administrative Code and Chapter 313, per TAC 9.1054(i)(3).

This certificate is no longer valid if the application is modified, the information presented in the application changes, or the limitation agreement does not conform to the application. Additionally, this certificate is contingent on the school district approving and executing the agreement by December 31, 2021.

Note that any building or improvement existing as of the application review start date of October 1, 2021, 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 Inertia Wind Project, LLC (project) applying to Haskell Consolidated 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 Inertia Wind Project, LLC.

Applicant	Inertia Wind Project, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy - Wind
School District	Haskell CISD
2020-2021 Average Daily Attendance	500
County	Haskell
Proposed Total Investment in District	\$218,351,250
Proposed Qualified Investment	\$218,351,250
Limitation Amount	\$30,000,000
Qualifying Time Period (Full Years)	2022-2023
Number of new qualifying jobs committed to by applicant	2*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$961
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$961
Minimum annual wage committed to by applicant for qualified jobs	\$49,947
Minimum weekly wage required for non-qualifying jobs	\$746.75
Minimum annual wage required for non-qualifying jobs	\$38,831
Investment per Qualifying Job	\$109,175,625
Estimated M&O levy without any limit (15 years)	\$17,092,186
Estimated M&O levy with Limitation (15 years)	\$5,958,912
Estimated gross M&O tax benefit (15 years)	\$11,133,274

* 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 Inertia Wind Project, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2021	0	0	0	\$0	\$0	\$0
2022	250	211	460.938	\$11,250,000	\$20,488,000	\$31,738,000
2023	2	21	23	\$99,893	\$4,417,107	\$4,517,000
2024	2	10	12	\$99,893	\$2,952,107	\$3,052,000
2025	2	10	12	\$99,893	\$2,097,107	\$2,197,000
2026	2	4	6	\$99,893	\$1,487,107	\$1,587,000
2027	2	4	6	\$99,893	\$1,365,107	\$1,465,000
2028	2	2	4	\$99,893	\$1,365,107	\$1,465,000
2029	2	2	4	\$99,893	\$1,121,107	\$1,221,000
2030	2	4	6	\$99,893	\$877,107	\$977,000
2031	2	2	4	\$99,893	\$877,107	\$977,000
2032	2	4	6	\$99,893	\$877,107	\$977,000
2033	2	2	4	\$99,893	\$632,107	\$732,000
2034	2	6	8	\$99,893	\$1,121,107	\$1,221,000
2035	2	8	10	\$99,893	\$877,107	\$977,000
2036	2	10	12	\$99,893	\$877,107	\$977,000
2037	2	8	10	\$99,893	\$877,107	\$977,000

Source: CPA REMI, Inertia Wind Project, 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		Haskell CISD I&S Tax Levy	Haskell CISD M&O Tax Levy	Haskell CISD M&O and I&S Tax Levies	Haskell County Tax Levy	Haskell Hospital District Tax Levy	Haskell Water District #1 Tax Levy	Rolling Plains GCD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3315	0.9664		0.4921	0.1936	0.1688	0.0260	
2023	\$218,351,250	\$218,351,250		\$723,834	\$2,110,146	\$2,833,981	\$1,074,485	\$422,676	\$368,651	\$56,771	\$4,756,564
2024	\$203,066,663	\$203,066,663		\$673,166	\$1,962,436	\$2,635,602	\$999,271	\$393,088	\$342,846	\$52,797	\$4,423,604
2025	\$185,598,563	\$185,598,563		\$615,259	\$1,793,625	\$2,408,884	\$913,312	\$359,274	\$313,353	\$48,256	\$4,043,079
2026	\$170,313,975	\$170,313,975		\$564,591	\$1,645,914	\$2,210,505	\$838,098	\$329,687	\$287,548	\$44,282	\$3,710,120
2027	\$152,845,875	\$152,845,875		\$506,684	\$1,477,103	\$1,983,787	\$752,139	\$295,873	\$258,056	\$39,740	\$3,329,595
2028	\$137,561,288	\$137,561,288		\$456,016	\$1,329,392	\$1,785,408	\$676,925	\$266,286	\$232,250	\$35,766	\$2,996,635
2029	\$120,093,188	\$120,093,188		\$398,109	\$1,160,581	\$1,558,689	\$590,967	\$232,472	\$202,758	\$31,224	\$2,616,110
2030	\$104,808,600	\$104,808,600		\$347,441	\$1,012,870	\$1,360,311	\$515,753	\$202,884	\$176,953	\$27,250	\$2,283,151
2031	\$87,340,500	\$87,340,500		\$289,534	\$844,059	\$1,133,592	\$429,794	\$169,070	\$147,460	\$22,709	\$1,902,625
2032	\$72,055,913	\$72,055,913		\$238,865	\$696,348	\$935,214	\$354,580	\$139,483	\$121,655	\$18,735	\$1,569,666
2033	\$54,587,813	\$54,587,813		\$180,959	\$527,537	\$708,495	\$268,621	\$105,669	\$92,163	\$14,193	\$1,189,141
2034	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2035	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2036	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2037	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2038	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2039	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
			Total	\$5,863,059	\$17,092,186	\$22,955,245	\$8,703,326	\$3,423,672	\$2,986,074	\$459,848	\$38,528,165

Source: CPA, Inertia Wind Project, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Haskell 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 and hospital district.

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		Haskell CISD I&S Tax Levy	Haskell CISD M&O Tax Levy	Haskell CISD M&O and I&S Tax Levies	Haskell County Tax Levy	Haskell Hospital District Tax Levy	Haskell Water District #1 Tax Levy	Rolling Plains GCD Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.3315	0.9664		0.4921	0.1936	0.1688	0.0260	
2023	\$218,351,250	\$30,000,000		\$723,834	\$289,920	\$1,013,754	\$322,345	\$126,803	\$368,651	\$56,771	\$1,888,325
2024	\$203,066,663	\$30,000,000		\$673,166	\$289,920	\$963,086	\$299,781	\$117,926	\$342,846	\$52,797	\$1,776,437
2025	\$185,598,563	\$30,000,000		\$615,259	\$289,920	\$905,179	\$273,994	\$107,782	\$313,353	\$48,256	\$1,648,564
2026	\$170,313,975	\$30,000,000		\$564,591	\$289,920	\$854,511	\$251,429	\$98,906	\$287,548	\$44,282	\$1,536,676
2027	\$152,845,875	\$30,000,000		\$506,684	\$289,920	\$796,604	\$225,642	\$88,762	\$258,056	\$39,740	\$1,408,803
2028	\$137,561,288	\$30,000,000		\$456,016	\$289,920	\$745,936	\$203,078	\$79,886	\$232,250	\$35,766	\$1,296,915
2029	\$120,093,188	\$30,000,000		\$398,109	\$289,920	\$688,029	\$177,290	\$69,741	\$202,758	\$31,224	\$1,169,043
2030	\$104,808,600	\$30,000,000		\$347,441	\$289,920	\$637,361	\$154,726	\$60,865	\$176,953	\$27,250	\$1,057,154
2031	\$87,340,500	\$30,000,000		\$289,534	\$289,920	\$579,454	\$128,938	\$50,721	\$147,460	\$22,709	\$929,282
2032	\$72,055,913	\$30,000,000		\$238,865	\$289,920	\$528,785	\$106,374	\$41,845	\$121,655	\$18,735	\$817,394
2033	\$54,587,813	\$54,587,813		\$180,959	\$527,537	\$708,495	\$268,621	\$105,669	\$92,163	\$14,193	\$1,189,141
2034	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2035	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2036	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2037	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2038	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
2039	\$43,670,250	\$43,670,250		\$144,767	\$422,029	\$566,796	\$214,897	\$84,535	\$73,730	\$11,354	\$951,313
			Total	\$5,863,059	\$5,958,912	\$11,821,971	\$3,701,600	\$1,456,117	\$2,986,074	\$459,848	\$20,425,610
			Diff	\$0	\$11,133,274	\$11,133,274	\$5,001,726	\$1,967,555	\$0	\$0	\$18,102,555
Assumes School Value Limitation and Tax Abatements with the County.											

Source: CPA, Inertia Wind Project, 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 Inertia Wind Project, 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 and direct, indirect and induced tax effects from project employment 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	2020	\$0	\$0	\$0	\$0
	2021	\$0	\$0	\$0	\$0
	2022	\$0	\$0	\$0	\$0
Limitation Period (10 Years)	2023	\$289,920	\$289,920	\$1,820,226	\$1,820,226
	2024	\$289,920	\$579,840	\$1,672,516	\$3,492,743
	2025	\$289,920	\$869,760	\$1,503,705	\$4,996,447
	2026	\$289,920	\$1,159,680	\$1,355,994	\$6,352,441
	2027	\$289,920	\$1,449,600	\$1,187,183	\$7,539,624
	2028	\$289,920	\$1,739,520	\$1,039,472	\$8,579,096
	2029	\$289,920	\$2,029,440	\$870,661	\$9,449,757
	2030	\$289,920	\$2,319,360	\$722,950	\$10,172,707
	2031	\$289,920	\$2,609,280	\$554,139	\$10,726,846
	2032	\$289,920	\$2,899,200	\$406,428	\$11,133,274
Maintain Viable Presence (5 Years)	2033	\$527,537	\$3,426,737	\$0	\$11,133,274
	2034	\$422,029	\$3,848,766	\$0	\$11,133,274
	2035	\$422,029	\$4,270,795	\$0	\$11,133,274
	2036	\$422,029	\$4,692,825	\$0	\$11,133,274
	2037	\$422,029	\$5,114,854	\$0	\$11,133,274
Additional Years as Required by 313.026(c)(1) (10 Years)	2038	\$422,029	\$5,536,883	\$0	\$11,133,274
	2039	\$422,029	\$5,958,912	\$0	\$11,133,274
	2040	\$422,029	\$6,380,942	\$0	\$11,133,274
	2041	\$422,029	\$6,802,971	\$0	\$11,133,274
	2042	\$422,029	\$7,225,000	\$0	\$11,133,274
	2043	\$422,029	\$7,647,030	\$0	\$11,133,274
	2044	\$422,029	\$8,069,059	\$0	\$11,133,274
	2045	\$422,029	\$8,491,088	\$0	\$11,133,274
	2046	\$422,029	\$8,913,117	\$0	\$11,133,274
	2047	\$422,029	\$9,335,147	\$0	\$11,133,274
		\$9,335,147	is less than	\$11,133,274	
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?					No

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2021	0	0	0	\$0	\$0	\$0	0	0	\$0
2022	250	211	460.938	\$11,250,000	\$20,488,000	\$31,738,000	1525880	-862120	\$2,388,000
2023	2	21	23	\$99,893	\$4,417,107	\$4,517,000	213620	328060	-\$114,440
2024	2	10	12	\$99,893	\$2,952,107	\$3,052,000	251770	343320	-\$91,550
2025	2	10	12	\$99,893	\$2,097,107	\$2,197,000	213620	358580	-\$144,960
2026	2	4	6	\$99,893	\$1,487,107	\$1,587,000	213620	343320	-\$129,700
2027	2	4	6	\$99,893	\$1,365,107	\$1,465,000	190730	312810	-\$122,080
2028	2	2	4	\$99,893	\$1,365,107	\$1,465,000	190730	312810	-\$122,080
2029	2	2	4	\$99,893	\$1,121,107	\$1,221,000	190730	320430	-\$129,700
2030	2	4	6	\$99,893	\$877,107	\$977,000	190730	320430	-\$129,700
2031	2	2	4	\$99,893	\$877,107	\$977,000	152590	289920	-\$137,330
2032	2	4	6	\$99,893	\$877,107	\$977,000	167850	297550	-\$129,700
2033	2	2	4	\$99,893	\$632,107	\$732,000	144960	251770	-\$106,810
2034	2	6	8	\$99,893	\$1,121,107	\$1,221,000	175480	228880	-\$53,400
2035	2	8	10	\$99,893	\$877,107	\$977,000	137330	213620	-\$76,290
2036	2	10	12	\$99,893	\$877,107	\$977,000	122070	183110	-\$61,040
2037	2	8	10	\$99,893	\$877,107	\$977,000	122070	167850	-\$45,780
2038	2	4	6	\$99,893	\$1,365,107	\$1,465,000	152590	167850	-\$15,260
2039	2	8	10	\$99,893	\$1,609,107	\$1,709,000	198360	152590	\$45,770
2040	2	10	12	\$99,893	\$1,609,107	\$1,709,000	167850	106810	\$61,040
2041	2	14	16	\$99,893	\$2,341,107	\$2,441,000	244140	114440	\$129,700
2042	2	14	16	\$99,893	\$2,586,107	\$2,686,000	244140	106810	\$137,330
2043	2	14	16	\$99,893	\$2,830,107	\$2,930,000	289920	129700	\$160,220
2044	2	12	14	\$99,893	\$3,318,107	\$3,418,000	305180	167850	\$137,330
2045	2	12	14	\$99,893	\$3,318,107	\$3,418,000	274660	144960	\$129,700
2046	2	10	12	\$99,893	\$3,318,107	\$3,418,000	320430	175480	\$144,950
2047	2	14	16	\$99,893	\$4,295,107	\$4,395,000	366210	190730	\$175,480
2048	2	12	14	\$99,893	\$3,806,107	\$3,906,000	335690	190730	\$144,960
						Total	\$7,102,950	\$5,058,290	\$2,044,660
							\$11,379,807	is greater than	\$11,133,274
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

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 Inertia Wind Project, LLC’s (parent company NextEra Energy) 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 Inertia Wind Project, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. “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 Inertia Wind Project, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured namely locations where NextEra Energy is currently active including Oklahoma, Colorado, California, and 34 other states. Thus, an appraised value limitation agreement between Inertia Wind Project, LLC and Haskell Consolidated Independent School District is the determining factor in the decision to locate this facility within the state of Texas.”
- Per Inertia Wind Project, LLC in Tab 4 of their Application for Limitation on Appraised Value:
 - A. “Inertia Wind Project, LLC is being developed by NextEra Energy. NextEra Energy is the world’s largest producer of wind and solar energy. As a leader in the renewable energy industry, NextEra Energy is committed to investing in clean energy through its expensive portfolio of wind and solar facilities, as well as battery storage capacity. They are dedicated to shaping the future of American energy through their commitment to investing in technologies that provide clean energy and economic growth in communities across the country.”
 - B. “The qualified property for Inertia Wind Project, LLC located in Throckmorton Collegiate ISD (Application 1634) is placed adjacent to the qualified property of Inertia Wind Project, LLC located in Haskell CISD (Application 1638.); Application # not assigned yet; Throckmorton ISD-2023.”

- “Per correspondence from the Applicant, Inertia Wind Project, LLC is the same project as listed on Enel Green Power website. NextEra Energy purchased the project and the development rights from Enel Green Power.”

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**

Texas Comptroller of Public Accounts

Data Analysis and
Transparency
Form 50-296-A

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 December 1, 2021
 2. Estimated commencement of construction January 1, 2022
 3. Beginning of qualifying time period (MM/DD/YYYY) January 1, 2022
 4. First year of limitation (YYYY) January 1, 2023
- 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, 2022

SECTION 10: The Property

1. County or counties in which the proposed project will be located Haskell County
2. Central Appraisal District (CAD) that will be responsible for appraising the property Haskell 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>Haskell CISD, .9664; 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Haskell CISD, .3315; 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Haskell County, .49209; 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>Haskell Hospital Dist., .193576; 100</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Rolling Plains GCD, .026; 100%</u> <small>(Name, tax rate and percent of project)</small>
Other (describe): <u>Haskell Water Dist. #1, .168834; 100%</u> <small>(Name, tax rate and percent of project)</small>	Other (describe): <u>N/A</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 2020, Texas ranked 1st in net generation from wind energy.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 Inertia Wind Project, LLC it is rather certain that the capital allotted for the development of this project will be reallocated for use in another state where either the property tax burden is lower or economic incentives can be secured namely locations where NextEra Energy is currently active including Oklahoma, Colorado, California, and 34 other states. Thus, an appraised value limitation agreement between Inertia Wind Project, LLC and Haskell Consolidated Independent School District is the determining factor in the decision to locate this facility within the state of Texas.

Please note: The IGNR# for this project is 22INR0236.

¹ U.S. Energy Information Administration



Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
Haskell Consolidated ISD–Inertia Wind Project, LLC App. #1638

Comptroller Questions (via email on September 22, 2021 questions 1-3; November 2, 2021 question 4 and November 19, 2021 for question 5):

1. *Is Inertia Wind Project, LLC the currently known by any other project names?*
2. *Has this project applied to ERCOT at this time? If so, please provide the project's IGNR number and when was it assigned.*
3. *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.*
4. *Please verify that 1634 Throckmorton Collegiate ISD – Inertia Wind Project, LL and 1638- Haskell CISD will not be sharing qualified property or investments.*
5. *Please advise if the website: The Inertia wind project, USA Enel Green Power projects are the same or related at all?*

Applicant Response (Tab 4 of application and via email September 22, 2021 for questions 1-3; November 2, 2021 for question 4 and November 22, 2021 for question 5):

1. *"Inertia Wind Project, LLC is not known by any other project names."*
2. *"The project's IGNR number was assigned 5/4/21 22INR0236 and this number was assigned on 5/4/2021."*
3. *"The project has not been known by any other names."*
4. *"Yes, Inertia Wind Project LLC #1634 will not be sharing Qualified property or investments with Inertia Wind Project, LLC #1638."*
5. *"Inertia Wind Project, LLC is the same project as listed on Enel Green Power website. NextEra Energy purchased the project and the development rights from Enel Green Power."*

Proximity Map

