

## CI III Kontiki Wind Energy LLC

June 24, 2022

Re: Amendment 1 to Application No. 1874 – Reagan County ISD & CI III Kontiki Wind Energy, LLC

Michelle:

Please see the Amendment No. 1 to application #1874 between Reagan County ISD and CI III Kontiki Wind Energy, LLC. The following amendments were made:

1. Application Changes
  - a. Section 9, Q5 – COD date change to December 31, 2022
  - b. Section 14, Q4 (a) and (c) – Incorporated Q4 2021 data
  - c. Section 14, Q6-7 – Updated wage data to Concho Valley
2. Attachments
  - a. Attachment 4 – Changed COD to December 31, 2026
  - b. Attachment 5 – Added language to explain relationship between CIP, Terna HoldCo, CI III Kontiki Wind Energy, LLC, and Tri Global Energy, LLC
  - c. Attachment 13(a) – Added Q4 2021 data
  - d. Attachment 13(c) – Changed to Concho Valley region and updated calculation
  - e. Attachment 14, Schedule C – Updated Average Annual Wage and Annual Wage of New Qualifying Jobs with new calculation
3. Schedules
  - a. Updated Average Annual Wage and Annual Wage of New Qualifying Jobs with new calculation

Please contact the abatement consultant, Taylor Snow, at 214-533-1958 with any questions.

Sincerely,

CI III Kontiki Wind Energy, LLC

## Texas Comptroller of Public Accounts

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## 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 ..... November 2022
2. Estimated commencement of construction ..... Q4 2024
3. Beginning of qualifying time period (MM/DD/YYYY) ..... 01/02/2024
4. First year of limitation (YYYY) ..... 2027

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, 2026

## SECTION 10: The Property

1. County or counties in which the proposed project will be located ..... Reagan
2. Central Appraisal District (CAD) that will be responsible for appraising the property ..... Reagan 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>Reagan County, 1.0387, 100%</u> <small>(Name, tax rate and percent of project)</small>	I&S (ISD): <u>Reagan County, 0.0700, 100%</u> <small>(Name, tax rate and percent of project)</small>
County: <u>Reagan, 0.209146, 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>Reagan, 0.155964, 100%</u> <small>(Name, tax rate and percent of project)</small>	Water District: <u>Reagan Water Supply, 0.015215, 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>	Other (describe): <u>N/A</u> <small>(Name, tax rate and percent of project)</small>

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## SECTION 14: Wage and Employment Information

1. What is the number of new qualifying jobs you are committing to create? ..... 3
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)? ..... ☒ 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 Texas Workforce Commission 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 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 ..... \$ 1,308.75
- b. Qualifying job wage minimum option §313.021(5)(A)  
-110% of the average weekly wage for manufacturing jobs in the county is ..... Data Not Available
- c. Qualifying job wage minimum option §313.021(5)(B)  
-110% of the average weekly wage for manufacturing jobs in the region is ..... \$ 1,200.25
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? ..... \$ 62,412.90
7. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? ..... \$ 62,413.00
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 13** 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 an entity 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**.

#### Attachment 4

##### ***Detailed description of the project.***

***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.***

CI III Kontiki Wind Energy, LLC ("Kontiki") is a special purpose entity formed by Copenhagen Infrastructure Partners Inc. ("CIP"). CIP is in the business of initiating, developing, and constructing plants generating electricity from renewable energy sources.

CI III Kontiki Wind Energy, LLC is requesting an appraised value limitation from Reagan County ISD for a proposed wind energy project using wind turbines, operational structures, and a transmission line located in Reagan County. The wind farm and its associated infrastructure will be constructed within a Reinvestment Zone established by Reagan County, Texas. A map showing the location of the wind farm is included as Attachment 11a. The proposed wind farm located in Reagan County ISD will have an estimated capacity of approximately 255 megawatts ("MW") when fully built. To construct the wind farm, Kontiki will install approximately 74 wind turbines that will have a rated capacity of 3.45 MW, all of which will be located within Reagan County ISD. In addition to the wind turbines, roads will be constructed and improved as necessary along with transmission lines and underground collection lines. A collection substation will be installed to permit the interconnection and transmission of electricity generated by the wind turbines and an operations and maintenance building will be erected.

Construction of the wind farm is proposed to begin Q4 2024 is expected to take approximately 12 months to complete, with the latest estimated commercial operations date being December 31, 2026, depending upon favorable market and economics for the project.

While the wind regime for CI III Kontiki Wind Energy, LLC and Texas in general is very good, there are currently many favorable locations for wind projects that could be developed across the US. CI III Kontiki Wind Energy, LLC has modeled its economics with an expectation that it will have a Limitation of Appraised Value Agreement with Reagan County ISD. Investors are looking for wind projects across the US and can locate projects in a wide variety of locations. Should CI III Kontiki Wind Energy, LLC be unable to develop a competitive project in Texas that is able to generate sufficient returns, these investors may deploy their investments elsewhere.

Wind farms are operating and under development in many states throughout the country. According to the American Clean Power ("ACP") there are now 180,216 MW of installed clean power capacity in the United States. At the end of the second quarter of 2021, the industry had commissioned 5,620 MW of new clean power capacity in the second quarter of 2021, the highest second quarter on record and a 13% increase over 2020's second quarter volume. (See below graphics)

**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.***

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

CI III Kontiki Wind Energy, LLC was formed in 2018 by Copenhagen Infrastructure Partners Inc as a special-purpose entity to hold all the assets of the wind farm development. Sponsor Terna HoldCo LLC is a separate holding company with the same structure as CI III Kontiki Wind Energy, LLC, but is used to house many of CIP’s other projects. CIP is the owner of both entities, but said entities have no direct relation to each other. CIP has consulted with Tri Global Energy, LLC to prepare this tax abatement application.

CI III Kontiki Wind Energy, LLC has entered into the following representative agreements and contracts for the development of a project within Reagan County ISD:

- Grants of leases and easements covering approximately 13,200 acres with 21 landowners.
- Land acquisition contract with Caliber Oil & Gas, LLC
- Development Agreement with Tri Global Energy, LLC
- Environmental study contract with Westwood
- Interconnection studies/contracts with Wind Energy Transmission Texas (“WETT”) and ERCOT

**Does the applicant have current business activities at the location where the proposed project will occur?**

The business activities and these agreements and contracts listed above will help to determine with greater certainty and granularity the feasibility of completing development of an economic renewable energy project in Reagan County ISD. CI III Kontiki Wind Energy, LLC has determined that a value limitation agreement with Reagan County ISD is an essential economic driver to allow for the return on investment necessary to finance and construct the wind energy project.

**Attachment 13**

***a. Average weekly wage for all jobs (all industries) in the county***

Year	Period	Area	Ownership	Ind. Code	Industry	Avg. Weekly Wages
2021	1 <sup>st</sup> Qtr	Reagan County	Total, All	10	Total, All Industries	\$1,238
2021	2 <sup>nd</sup> Qtr	Reagan County	Total, All	10	Total, All Industries	\$1,269
2021	3 <sup>rd</sup> Qtr	Reagan County	Total, All	10	Total, All Industries	\$1,361
2021	4 <sup>th</sup> Qtr	Reagan County	Total, All	10	Total, All Industries	\$1,367
<b>Average</b>						<b>\$1,308.75</b>

Source Data: Texas LMI | Quarterly Census of Employment and Wages (QCEW) Report

Quarterly Census of Employment and Wages (QCEW) Report

[Customize the report/Help with Accessibility](#)

Drag a column header and drop it here to group by that column							
Year	Period	Area	Ownership	Industry Code	Industry	Average Weekly Wage	
2021	01	Reagan	Total All	10	Total, All Industries	1,238	
2021	02	Reagan	Total All	10	Total, All Industries	1,269	
2021	03	Reagan	Total All	10	Total, All Industries	1,361	
2021	04	Reagan	Total All	10	Total, All Industries	1,367	

c. 110% of the average weekly wage for manufacturing jobs in the Concho Valley region

2020 Manufacturing Average Wages by Council of Government Region Wages for All Occupations			
COG	COG Number	Wages	
		Hourly	Annual
<a href="#">Panhhandle Regional Planning Commission</a>	1	\$23.32	\$48,501
<a href="#">South Plains Association of Governments</a>	2	\$20.42	\$42,473
<a href="#">NORTEX Regional Planning Commission</a>	3	\$20.64	\$42,928
<a href="#">North Central Texas Council of Governments</a>	4	\$32.34	\$67,261
<a href="#">Ark-Tex Council of Governments</a>	5	\$21.30	\$44,299
<a href="#">East Texas Council of Governments</a>	6	\$29.28	\$60,904
<a href="#">West Central Texas Council of Governments</a>	7	\$21.54	\$44,797
<a href="#">Rio Grande Council of Governments</a>	8	\$19.02	\$39,552
<a href="#">Permian Basin Regional Planning Commission</a>	9	\$22.57	\$46,945
<a href="#">Concho Valley Council of Governments</a>	10	\$27.28	\$56,739
<a href="#">Heart of Texas Council of Governments</a>	11	\$23.41	\$48,696
<a href="#">Capital Area Council of Governments</a>	12	\$29.96	\$62,326
<a href="#">Brazos Valley Council of Governments</a>	13	\$18.41	\$38,286
<a href="#">Deep East Texas Council of Governments</a>	14	\$21.07	\$43,829
<a href="#">South East Texas Regional Planning Commission</a>	15	\$27.38	\$56,957
<a href="#">Houston-Galveston Area Council</a>	16	\$29.83	\$62,050
<a href="#">Golden Crescent Regional Planning Commission</a>	17	\$22.09	\$45,945
<a href="#">Alamo Area Council of Governments</a>	18	\$27.45	\$57,101
<a href="#">South Texas Development Council</a>	19	\$19.20	\$39,945
<a href="#">Coastal Bend Council of Governments</a>	20	\$35.39	\$73,603
<a href="#">Lower Rio Grande Valley Development Council</a>	21	\$20.70	\$43,056
<a href="#">Texoma Council of Governments</a>	22	\$19.18	\$39,897
<a href="#">Central Texas Council of Governments</a>	23	\$21.34	\$44,390
<a href="#">Middle Rio Grande Development Council</a>	24	\$22.98	\$47,809
<b>Texas</b>		\$28.00	\$58,233

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

Data published: August 2021.

Data published annually, next update will likely be July 31, 2022

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 and Wage Statistics (OEWS) data, and is not to be compared to BLS estimates.

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

Minimum Annual Wage for Qualifying Jobs: **\$56,739**

110% Average Weekly Wage Calculated:  $((\$56,739 \times 1.1)/52 \text{ weeks}) = \underline{\underline{\$1,200.25}}$

**Application #1874-Reagan County ISD-CI III Kontiki Wind Energy, LLC-Amendment 001-  
June 24, 2022**

**Schedule C: Employment Information**

Date 24-Jun-22  
Applicant Name CI III Kontiki Wind Energy, LLC  
ISD Name Reagan County

Form 50-296A

Revised October 2020

				Construction		Non-Qualifying Jobs	Qualifying Jobs	
				Column A	Column B	Column C	Column D	Column E
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY	Number of Construction FTE's	Average annual wage rates for construction workers	Number of non-qualifying jobs applicant estimates it will create (cumulative)	Number of new qualifying jobs applicant commits to create meeting all criteria of Sec. 313.021(3) (cumulative)	Annual wage of new qualifying jobs
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	-	2023-2024	2023	0	\$ -	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2024-2025	2024	400	\$ 56,739.00	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP1	2025-2026	2025	400	\$ 56,739.00	0	0	\$ -
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	QTP2	2026-2027	2026	400	\$ 56,739.00	0	0	\$ -
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2027-2028	2027	0	\$ -	0	3	\$ 62,413.00
	2	2028-2029	2028	0	\$ -	0	3	\$ 62,413.00
	3	2029-2030	2029	0	\$ -	0	3	\$ 62,413.00
	4	2030-2031	2030	0	\$ -	0	3	\$ 62,413.00
	5	2031-2032	2031	0	\$ -	0	3	\$ 62,413.00
	6	2032-2033	2032	0	\$ -	0	3	\$ 62,413.00
	7	2033-2034	2033	0	\$ -	0	3	\$ 62,413.00
	8	2034-2035	2034	0	\$ -	0	3	\$ 62,413.00
	9	2035-2036	2035	0	\$ -	0	3	\$ 62,413.00
	10	2036-2037	2036	0	\$ -	0	3	\$ 62,413.00
Years Following Value Limitation Period	11 through 25	2037-2052	2037-2052	0	\$ -	0	3	\$ 62,413.00

Notes: See TAC 9.1051 for definition of non-qualifying jobs.  
Only include jobs on the project site in this school district.



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## 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  
hereEric Hallmark  
Print Name (Authorized School District Representative)Superintendent  
Titlesign  
here  
Signature (Authorized School District Representative)7/28/2022  
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  
hereSean Toland  
Print Name (Authorized Company Representative (Applicant))Authorized Signor  
Titlesign  
here  
Signature (Authorized Company Representative (Applicant))7-21-22  
Date

state of New York County NY

GIVEN under my hand and seal of office this, the

21 day of July 2022

Jean Juliette  
Notary Public in and for the State of Texas

My Commission expires: 01/03/2026

Jean Herleau Juliette  
Notary Public, State of New York  
Reg. No. 01JU6427764  
Qualified in Kings County  
Commission Expires January 3, 2026

(Notary Seal)

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.