Chapter 313 Annual Eligibility Report Form

Form 50-772
(May 2010)

Tax year covered in this report..... 2011
School district name..... Forsan ISD
I&S Tax Rate..... 0.000568
M&O Tax Rate..... 0.0104
Project Name..... Elbow Creek Wind Project LLC
Company Name..... Elbow Creek Wind Project LLC
Company Address..... Attn: Property Tax Department // 211 Carnegie Center // Princeton, NJ 08504
Company Contact Information..... Stephen Cinoski

NOTE: This form must be completed by an authorized representative of each approved applicant and each entity with property subject to the limitation agreement. It must be submitted to the school district by May 15th of every year using information from the previous tax (calendar) year. For limitation agreements where there are multiple company entities that receive a part of the limitation provided by the agreement: 1) each business entity not having a full interest in the agreement should complete a separate form for their proportionate share of required employment and investment information; and, 2) separately, the school district is required to complete an Annual Eligibility Report that provides for each question in this form a sum of the individual answers from reports submitted by each entity so that there is a cumulative Annual Eligibility Report reflecting the entire agreement.

Texas Taxpayer ID of Applicant	32025177489
Texas Taxpayer ID Reporting Entity (if appropriate)	N/A
Date of Agreement Approval	12/17/2007
Original Applicant Name	Elbow Creek Wind Project LLC
First complete tax year of the qualifying time period	2008
Last tax year of the qualifying time period	2009
First tax year of the limitation	Year 3 (2010)
Amount of the limitation at the time of application approval	$10,000,000
Market Value	$127,004,852
I&S Taxable Value	$127,004,852
M&O Taxable Value	$10,000,000
Is the business entity in good standing with respect to Tax Code, Chapter 171? (Attach printout from Comptroller Web site:	Yes, printout included
Is the business entity current on all taxes due to the State of Texas?	Yes
Is the business activity of the project an eligible business activity under Section 313.024(b)?.	Yes
Please identify business activity:	Renewable energy generation
What was the application review start date for your application (the date your application was determined to be complete)? (This question must only be answered for projects with	N/A
How many new jobs were based on the qualified property in the year covered by this report? (See note on page 3.)	9
What is the number of new jobs required for a project in this school district according to 313.021(2)(A)(iv)(b), 313.051(b), as appropriate?.	10
If the applicant requested a waiver of minimum jobs requirement, how many new jobs must the approved applicant create under	4
80 percent of New Jobs (0.80 x number of new jobs based on the qualified property in the year covered by this report.)	7.2
What is the minimum required annual wage for each qualifying job in the year covered by the report?	49,400
For agreements executed prior to June 19, 2009, please identify which of the two Tax Code sections is used to determine the wage	313.051(b)

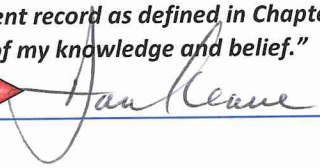
Attach calculations and cite (or attach) exact Texas Workforce Commission data sources.	See printout
How many qualifying jobs (employees of this entity and employees of a contractor with this entity) were based on the qualified	9
Of the qualifying job-holders last year, how many were employees of the approved applicant?	0
Of the qualifying job-holders last year, how many were employees of an entity contracting with the approved applicant?	9
If any qualifying job-holders were employees of an entity contracting with the applicant, does the approved applicant	0
How many qualifying jobs did the approved applicant commit to create in the year covered by the report?	8
At what annual wage?	$49,400
How many qualifying jobs were created at the specified wage?	9
What is the qualified investment expended by this entity from the beginning of the qualifying time period through the	$270,763,907
Was any of the land classified as qualified investment?	No
Was any of the qualified Investment leased under a capitalized lease?	No
Was any of the qualified Investment leased under an operating lease?	No
Was any property not owned by the applicant part of the qualified investment?	No
What was your limitation amount (or portion of original limitation amount) during the year covered by this report?	$10,000,000
Please describe your interest in the agreement and identify all the documents creating that interest.	100%

NOTE: For job definitions see TAC §9.1051(14) and Tax Code, §313.021(3). If the agreement includes a definition of "new job" other than TAC §9.1051(14)(C), then please provide the definition "new job" as used in the agreement.

Notwithstanding any waiver by the district of the requirement for the creation of a minimum number of new jobs, or any other job commitment in the agreement, Tax Code 313.024(d) requires that 80 percent of all new jobs be qualifying jobs.

APPROVAL

"I am the authorized representative for the Company submitting this Annual Eligibility Report. I understand that this Report is a government record as defined in Chapter 37 of the Texas Penal Code. The information I am providing on this Report is true and correct to the best of my knowledge and belief."

Sign Here 

Signature

DAN KEANE, VP - TAXATION
Printed name of authorized company representative

DAN KEANE, VP - TAXATION
Title

5/10/2012
Date

CONTACT INFORMATION FOR AUTHORIZED REPRESENTATIVE

Attn: Property Tax Department // 211 Carnegie Center // Princeton, NJ 08504
Address

609.524.4500
Phone

E-mail

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

SUSAN COMBS • COMPTROLLER • AUSTIN, TEXAS 78774

June 6, 2012

CERTIFICATE OF ACCOUNT STATUS

THE STATE OF TEXAS
COUNTY OF TRAVIS

I, Susan Combs, Comptroller of Public Accounts of the State of Texas, DO HEREBY CERTIFY that according to the records of this office

ELBOW CREEK WIND PROJECT LLC

is, as of this date, in good standing with this office having no franchise tax reports or payments due at this time. This certificate is valid through the date that the next franchise tax report will be due August 15, 2012.

This certificate does not make a representation as to the status of the entity's registration, if any, with the Texas Secretary of State.

This certificate is valid for the purpose of conversion when the converted entity is subject to franchise tax as required by law. This certificate is not valid for any other filing with the Texas Secretary of State.

GIVEN UNDER MY HAND AND
SEAL OF OFFICE in the City of
Austin, this 6th day of
June 2012 A.D.

Susan Combs
Texas Comptroller

Taxpayer number: 32025177489
File number: 0800761503

Form 05-304 (Rev. 12-07/17)

compared to Texas' significant population growth rate of 11.5 percent over this same period.

Per capita income levels have been increasing each year but at a slower rate than the State of Texas. Howard County's per capita personal income ($23,858) is now 73.5 percent of the Texas average ($32,460), falling from a high of 87.1 percent of the state average in 1990.

Wages paid to area workers are behind state levels as well. Over the last 15 years, Howard County's workers earned about 20-25 percent less than the state average. In 2005, an employee earned $30,170 compared to the Texas average of $39,637.

Table 1: Howard County Employment Trends (NAICS)

Description	Employment 2002 Q1	Employment 2006 Q1	Employment 2007 Q1	Change 06-07	% Change 06-07
Natural Resources & Mining	502	702	825	123	17.5%
Construction	975	666	638	0	-4.2%
Manufacturing	1,143	749	863	114	15.2%
Trade, Transport & Utilities	2,124	1,859	2,072	213	11.5%
Information	101	77	66	0	-14.3%
Financial Activities	407	427	393	0	-8.0%
Professional & Bus. Services	622	435	447	0	2.8%
Education & Health Services	1,793	2,011	1,621	-390	-19.4%
Leisure & Hospitality	863	950	970	20	2.1%
Other Services	332	335	307	-28	-8.4%
Nonclassifiable	0	723	767	44	6.1%
Federal Government	861	820	844	24	2.9%
State Government	884	0	0	0	0.0%
Local Government	2,026	2,080	2,045	-35	-1.7%
Total Employment	12,633	11,834	11,858	24	0.2%

Source: Texas Workforce Commission

Board Finding Number 3.

The average salary level of qualifying jobs is expected to be at least $49,400 per year. The review of the application by the State Comptroller's Office indicated that this amount—based on Texas Workforce Commission data—complies with the requirement that qualifying jobs must pay 110 percent of

the county average manufacturing wage. The Roadrunner Wind, LP, indicates that total employment will be approximately 8 new qualifying jobs.

For this analysis, TXP has focused on calculating the economic impact of Elbow Creek Wind's energy investment in Howard County. In part, the process entails combining Elbow Creek Wind's total employment and payroll estimates with standard industry output ratios.

Table 2: Elbow Creek Total Investment

Year	Employment	Payroll	Average Salary per Job	Total Appraised Investment Value	Investment per Job
2008	0	$0	$0	$0	$0
2009	8	$395,200	$49,400	$158,960,000	$19,870,000
2010	8	$408,478	$51,060	$147,830,000	$18,478,750
2011	8	$422,202	$52,775	$137,480,000	$17,185,000
2012	8	$436,387	$54,548	$127,860,000	$15,982,500
2013	8	$451,049	$56,381	$118,910,000	$14,863,750
2014	8	$466,203	$58,275	$110,585,000	$13,823,125
2015	8	$481,866	$60,233	$102,845,000	$12,855,625
2016	8	$498,056	$62,257	$95,645,000	$11,955,625
2017	8	$514,790	$64,349	$88,950,000	$11,118,750
Average	**8**	**$459,879**	**$57,485**	**$108,906,500**	**$15,125,903**

Source: TXP, Elbow Creek Wind Project, LLC
* TXP has applied an inflation factor to the payroll data based on growth in the county's average annual wage over the past ten years.

Board Finding Number 4.

The level of the applicant's average total investment per qualifying job over the term of the Agreement is estimated to be approximately $15 million on the basis of the goal of eight new qualifying positions.

The benefits of Elbow Creek Wind to Howard County economy consist of the day-to-day operation of the wind energy project, normal operating expenditures, purchases from local vendors, and spending of people employed by these businesses. The economic benefits of this economic activity materialize primarily in the form of increased Howard County employment and income.

As stated above, TXP has calculated the total economic impact of business activity of Elbow Creek Wind based on annual investment and employment