

FINDINGS

of the
Los Fresnos Consolidated Independent
School District
Board of Trustees

under Chapter 313 of the
Texas Tax Code
the Texas Economic Development Act

on the Application for Appraised Value
Limitation on Qualified Property

submitted by

Palmas Wind, LLC

Comptroller Application #1255

December 10, 2018

**FINDINGS OF THE
LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES**

**UNDER THE
TEXAS ECONOMIC DEVELOPMENT ACT**

STATE OF TEXAS §

COUNTY OF CAMERON §

PREAMBLE

On the 10 day of December, 2018, a public meeting of the Board of Trustees ("Board") of the Los Fresnos Consolidated Independent School District ("District") was held. The meeting was duly posted in accordance with the provisions of the Texas Open Meetings Act, Chapter 551, Texas Government Code. At the meeting, the Board took up and considered the Application (as amended, the "Application") of Palmas Wind, LLC ("Applicant") for a limitation on appraised value on qualified property, pursuant to Chapter 313 of the Texas Tax Code. The Board heard presentations from the District's administrative staff to advise the Board in this matter.

The Board considered the presentations made at the meeting, the Comptroller's recommendation and the economic impact evaluation and makes the following findings with respect to the Application in accordance with the Texas Economic Development Act, Texas Tax Code Chapter 313, and the Administrative regulations promulgated by the Texas Comptroller of Public Accounts published at 34 Texas Administrative Code Part 1, Chapter 9, Subchapter F:

1. On April 16, 2018 the District received an application for appraised value limitation on qualified property ("Application") on the form prescribed by the Comptroller from Applicant pursuant to Chapter 313 of the Texas Tax Code. A copy of the Application is attached hereto as Exhibit A.
2. The Board acknowledged receipt of the Application, along with the requisite application fee, as established pursuant to Texas Tax Code Section 313.025(a)(1).
3. The Board elected to consider the Application.
4. The Application was delivered to the Texas Comptroller of Public Accounts ("Comptroller") for review pursuant to Texas Tax Code Section 313.025(b).
5. Pursuant to a request received from the Comptroller, an Application amendment was submitted to the Comptroller on May 22, 2018.
6. The Application (as amended) was reviewed by the Comptroller pursuant to Texas Tax Code Sections 313.025 and 313.026. After review, the Comptroller's Office, by letter dated

August 2, 2018, recommended that the Board approve the Application. A copy of the Comptroller's letter is attached to these findings as Exhibit B.

7. The Texas Comptroller's Office performed an economic impact evaluation pursuant to Texas Tax Code Section 313.025(b). The Board has considered such evaluation. A copy of the economic impact evaluation is attached to these findings as Exhibit C.

8. After receipt of the Application, the District entered into negotiations with Applicant over the specific language to be included in an Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), pursuant to Chapter 313 of the Texas Tax Code, including appropriate revenue protection provisions for the District. The proposed Agreement is attached to these findings as Exhibit D.

9. The Agreement was reviewed by the Comptroller. After review, the Comptroller's office, in a letter dated December 7, 2018, approved the Agreement.

FINDINGS

Findings as to each of the criterion listed in Texas Tax Code Section 313.025 and Texas Administrative Code Title 34, §9.1054. Based in the representation of Applicant set out in the Application attached as Exhibit A, the Comptroller's approval attached as Exhibit B, the Comptroller's Economic Impact Analysis attached as Exhibit C and the Franchise Tax Account Status attached as Exhibit E, the Board of Trustees finds:

1. That the Comptroller recommends approval of the Application.

2. That there is a strong and positive relationship between the Applicant's industry and the types of qualifying jobs to be created by the Applicant and the long-term economic growth plans of the State.

3. That, based on the representations in the Application, the Applicant could locate or relocate the Project to another state or another region of this state.

4. That the Project will result in revenue gains by the school district and that the economic effects on the local and regional tax base are that the tax base will increase as a result of the Project and additional employment.

5. That there exists a small but undetermined possibility that the Project could have an impact on enrollment from families that might temporarily relocate during the construction phase, but that any impact during the operation phase can be absorbed by current facilities.

6. That the projected market value of the qualified property of the Applicant as determined by the Comptroller is \$160,839,000.

7. That the proposed limitation on appraised value for the qualified property of the Applicant is \$20,000,000.

8. That the projected dollar amount of District maintenance and operation taxes that would be imposed on the qualified property, for each year of the Agreement, if the property does not receive a limitation on appraised value is \$16,149,937 as shown on Exhibit C, Attachment A, Table 3.
9. That the projected dollar amount of the taxes that would be imposed on the qualified property, for each tax year of the Agreement, if the property receives a limitation on appraised value is \$5,705,706 as shown on Exhibit C, Attachment A, Table 4.
10. That the total amount of taxes projected to be lost or gained by the District over the life of the Agreement computed by subtracting the projected taxes if the property receives a tax limitation from the projected taxes if the property does not receive a tax limitation is \$10,444,231, as shown on Exhibit C, Attachment A, Table 4.
11. The Applicant is eligible for the limitation on the appraised value of the Applicant's qualified property. Applicant's qualified property is eligible for a limitation on appraised value under Texas Tax Code § 313.024 as a renewable energy electric generation project.
12. The Project proposed by the Applicant is reasonably likely to generate 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 before the 25th anniversary of the beginning of the limitation period.
13. The limitation of appraised value is a determining factor in the Applicant's decision to invest capital and construct the Project in this state.
14. The job creation requirement of ten (10) new jobs exceeds the industry standard for the number of employees reasonably necessary for the operation of the Project described in the Application. Pursuant to Texas Tax Code Section 313.025(f-1), the Board waives the new job creation requirement in Tax Code Section 313.051(b).
15. Applicant will create 4 new qualifying jobs, and Applicant has confirmed that such jobs will meet all of the requirements of Texas Tax Code § 313.021(3).
16. That the Project will be located within an area designated as a reinvestment zone pursuant to Texas Tax Code Chapter 312.
17. The information in the Application submitted by Applicant is true and correct.
18. The proposed Agreement for Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes ("Agreement"), attached hereto as Exhibit D, meets all of the requirements set out in Texas Tax Code § 313.027, including adequate and appropriate revenue protection provisions for the District.
19. The proposed Agreement is in the form of the template Texas Economic Development Act Agreement adopted by the Comptroller as of January 24, 2016, and the Comptroller has verified that the agreement complies with the provisions of Chapter 313 of the Texas Tax Code and 34 Texas Administrative Code Chapter 9, Subchapter F.

20. Considering the purpose and effect of the law and the terms of the Agreement, granting the Application and entering the Agreement are in the best interest of the District and the State.

21. The Applicant, Palmas Wind, LLC (Tex. Taxpayer ID #32064146635) is an entity subject to Chapter 171, Texas Tax Code and is certified to be in good standing with the Texas Comptroller of Public Accounts. A copy of the Comptroller's Franchise Tax Account Status is attached as Exhibit E.

22. There are no conflicts of interest on the Board at the time of its consideration of the Agreement.

23. It is hereby found, determined and declared that sufficient written notice of the date, time, place and subject of the meeting of the Board of Trustees at which these Findings were made was posted at a place convenient and readily accessible at all times to the general public for the time required by law preceding this meeting, as required by chapter 551, Texas Government Code, and that this meeting has been open to the public as required by law at all times during which these Findings were made and the subject matter thereof has been discussed, considered and formally acted upon. The Board of Trustees further ratifies, approves and confirms such written notice and posting thereof.

It is therefore **ORDERED** that:

1. The Findings above, including the recitals set out in the Preamble, are adopted and approved by the Board of Trustees.

2. The Application of Palmas Wind, LLC for a limitation on the appraised value for school district maintenance and operations ad valorem tax purposes of qualified property is approved.

3. The Agreement attached hereto as Exhibit D is approved and the Board President is designated and directed to sign the Agreement on behalf of the District.

4. The new job requirement of Tax Code Section 313.051(b) is waived pursuant to Tax Code Section 313.025(f-1).

5. These findings and the Exhibits referred to herein be attached to the Official Minutes of this meeting, and maintained in the permanent records of the Board of Trustees of the District.

[SIGNATURES FOLLOW ON NEXT PAGE]

Dated the **10th day of December 2018.**

LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: 
Leonel Garza, President

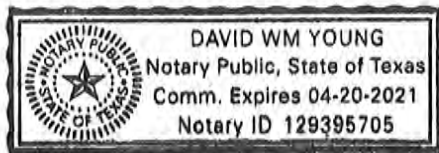
ATTEST:

By: 
Ruben Treviño, Secretary

STATE OF TEXAS
COUNTY OF CAMERON

Before me Leonel Garza on this day personally appeared known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations expressed in the document.

Given under my hand and seal of office this 10th day of December, 2018.

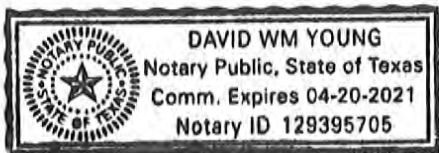



Signature of Notary Public

STATE OF TEXAS
COUNTY OF CAMERON

Before me Ruben R. Treviño on this day personally appeared known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and considerations expressed in the document.

Given under my hand and seal of office this 10th day of December, 2018.




Signature of Notary Public

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and PALMAS WIND, LLC.

EXHIBIT A

Application for Appraised Value Limitation on Qualified Property

April 24, 2018

Mr. John Villarreal
Chapter 313 Manager
Local Government Assistance and
Economic Development Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

***VIA FEDERAL EXPRESS
AND VIA E-MAIL DELIVERY:
John.Villarreal@cpa.texas.gov***

Re: Los Fresnos Consolidated Independent School District ("District") / Tax
Limitation Agreement: Palmas Wind, LLC ("Applicant")

Dear Mr. Villarreal:

Pursuant to Tax Code §313.025(b) and 34 TAC Rules §9.1053(a)(2) and 9.1054(c),
attached are the following:

1. One (1) copy of the Application for Appraised Value Limitation on Qualified Property ("Application") submitted to the Los Fresnos Consolidated Independent District by Palmas Wind Farm, LLC.
2. One (1) electronically digitized copy of the Application.
3. A copy of check no. 009117 dated March 1, 2018 for the application fee in the amount of \$75,000.00 as proof of payment of the application fee (Attachment 2 to Application).

The Application was received on April 16, 2018. The Board of Trustees of the District elected to consider the application on April 16, 2018. The District determined the Application was complete on April 24, 2018.

The District requests that the Comptroller provide an economic impact evaluation.

Mr. John Villarreal
April 24, 2018
Page 2

By copy of this letter, we are notifying the Applicant that the District has submitted the Application to the Comptroller and to the Cameron County Appraisal District.

Please call if you have any questions.

Very truly yours,



EDDY HERNANDEZ PEREZ

EHP/paw
Enclosures

cc: Mr. Gonzalo Salazar, Superintendent of Schools, Los Fresnos Independent School District
(Via Certified Mail No. 7016 0600 0001 0200 8342; Return Receipt Requested; w/o enclosures)

Dan Casey, Moak Casey
(Via Certified Mail No. 7016 0600 0001 0200 8359; Return Receipt Requested; w/o enclosures)

Greg Maxim, Cummings Westlake, LLC
(Via Certified Mail No. 7016 0600 0001 0200 8366; Return Receipt Requested; w/o enclosures)

Cameron County Appraisal District
PO Box 1010
2021 Amistad Drive
San Benito, Texas 78586
(Via U.S. Postal Service Delivery; w/enclosures)

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

TAB 1

Pages 1 through 7 of application.



Application for Appraised Value Limitation on Qualified Property (Tax Code, Chapter 313, Subchapter B or C)

Economic Development
and Analysis
Form 50-296-A

INSTRUCTIONS: This application must be completed and filed with the school district. In order for an application to be processed, the governing body (school board) must elect to consider an application, but — by Comptroller rule — the school board may elect to consider the application only after the school district has received a completed application. Texas Tax Code, Section 313.025 requires that any completed application and any supplemental materials received by the school district must be forwarded within seven days to the Comptroller of Public Accounts.

If the school board elects to consider the application, the school district must:

- notify the Comptroller that the school board has elected to consider the application. This notice must include:
 - the date on which the school district received the application;
 - the date the school district determined that the application was complete;
 - the date the school board decided to consider the application; and
 - a request that the Comptroller prepare an economic impact analysis of the application;
- provide a copy of the notice to the appraisal district;
- must complete the sections of the application reserved for the school district and provide information required in the Comptroller rules located at 34 Texas Administrative Code (TAC) Section 9.1054; and
- forward the original hard copy of the completed application to the Comptroller in a three-ring binder with tabs, as indicated on page 9 of this application, separating each section of the documents, in addition to an electronic copy on CD. See 34 TAC Chapter 9, Subchapter F.

The governing body may, at its discretion, allow the applicant to supplement or amend the application after the filing date, subject to the restrictions in 34 TAC Chapter 9, Subchapter F.

When the Comptroller receives the notice and required information from the school district, the Comptroller will publish all submitted application materials on its website. The Comptroller is authorized to treat some application information as confidential and withhold it from publication on the Internet. To do so, however, the information must be segregated and comply with the other requirements set out in the Comptroller rules. For more information, see guidelines on Comptroller's website.

The Comptroller will independently determine whether the application has been completed according to the Comptroller's rules (34 TAC Chapter 9, Subchapter F). If the Comptroller finds the application is not complete, the Comptroller will request additional materials from the school district. Pursuant to 9.1053(a)(1)(C), requested information shall be provided within 20 days of the date of the request. When the Comptroller determines that the application is complete, it will send the school district a notice indicating so. The Comptroller will determine the eligibility of the project, issue a certificate for a limitation on appraised value to the school board regarding the application and prepare an economic impact evaluation by the 90th day after the Comptroller receives a complete application—as determined by the Comptroller.

The school board must approve or disapprove the application not later than the 150th day after the application review start date (the date the application is finally determined to be complete), unless an extension is granted. The Comptroller and school district are authorized to request additional information from the applicant that is reasonably necessary to issue a certificate, complete the economic impact evaluation or consider the application at any time during the application review period.

Please visit the Comptroller's website to find out more about the program at www.texasahead.org/tax_programs/chapter313/. There are links to the Chapter 313 statute, rules, guidelines and forms. Information about minimum limitation values for particular districts and wage standards may also be found at that site.

SECTION 1: School District Information

1. Authorized School District Representative

April 16, 2018

Date Application Received by District

Gonzalo

Salazar

First Name

Last Name

Superintendent

Title

Los Fresnos CISD

School District Name

600 Mesquite Ln.

Street Address

P.O. Box 309

Mailing Address

Los Fresnos

City

(956) 254-5000

Phone Number

TX

78566

State

ZIP

(956) 233-9761

Fax Number

gsalazar@lfcisd.net

Email Address

Mobile Number (optional)

2. Does the district authorize the consultant to provide and obtain information related to this application?



Yes



No

SECTION 1: School District Information (continued)

3. Authorized School District Consultant (If Applicable)

Dan	Casey
First Name	Last Name
Partner	
Title	
Moak, Casey & Associates	
Firm Name	
512-485-7878	512-485-7888
Phone Number	Fax Number
	dcasey@moakcasey.com
	Email Address

4. On what date did the district determine this application complete? April 24, 2018
5. Has the district determined that the electronic copy and hard copy are identical? ☒ Yes ☐ No

SECTION 2: Applicant Information

1. Authorized Company Representative (Applicant)

Rafael	Esteban Fernandez de Cordoba
First Name	Last Name
CEO	Acciona Energy USA Global LLC
Title	Organization
55 E. Monroe St., Suite 1925	
Street Address	
55 E. Monroe St., Suite 1925	
Mailing Address	
Chicago	IL 60603
City	State ZIP
(312) 321-3008	
Phone Number	
	Fax Number
	r.esteban@acciona.com
	Business Email Address

2. Will a company official other than the authorized company representative be responsible for responding to future information requests? ☒ Yes ☐ No

2a. If yes, please fill out contact information for that person.

Brian	Dunneback
First Name	Last Name
Business Development Project Manager	Acciona Energy USA Global LLC
Title	Organization
55 E. Monroe St., Suite 1925	
Street Address	
55 E. Monroe St., Suite 1925	
Mailing Address	
Chicago	IL 60603
City	State ZIP
(312) 673-3011	
Phone Number	
	Fax Number
	bdunneback@acciona.com
	Business Email Address

3. Does the applicant authorize the consultant to provide and obtain information related to this application? ☒ Yes ☐ No

Application for Appraised Value Limitation on Qualified Property



SECTION 2: Applicant Information (continued)

4. Authorized Company Consultant (If Applicable)

Greg	Maxim
First Name	Last Name
Partner	
Title	
Cummings Westlake, LLC	
Firm Name	
(713) 266-4456	(713) 266-2333
Phone Number	Fax Number
gmaxim@cwlp.net	
Business Email Address	

SECTION 3: Fees and Payments

1. Has an application fee been paid to the school district? ☒ Yes ☐ No

The total fee shall be paid at time of the application is submitted to the school district. Any fees not accompanying the original application shall be considered supplemental payments.

1a. If yes, attach in **Tab 2** proof of application fee paid to the school district.

For the purpose of questions 2 and 3, "payments to the school district" include any and all payments or transfers of things of value made to the school district or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the agreement for limitation on appraised value.

2. Will any "payments to the school district" that you may make in order to receive a property tax value limitation agreement result in payments that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A
3. If "payments to the school district" will only be determined by a formula or methodology without a specific amount being specified, could such method result in "payments to the school district" that are not in compliance with Tax Code §313.027(i)? ☐ Yes ☒ No ☐ N/A

SECTION 4: Business Applicant Information

1. What is the legal name of the applicant under which this application is made? Palmas Wind, LLC
2. List the Texas Taxpayer I.D. number of entity subject to Tax Code, Chapter 171 (11 digits) 32064146635
3. List the NAICS code 221115
4. Is the applicant a party to any other pending or active Chapter 313 agreements? ☐ Yes ☒ No
- 4a. If yes, please list application number, name of school district and year of agreement

SECTION 5: Applicant Business Structure

1. Identify Business Organization of Applicant (corporation, limited liability corporation, etc) Limited Liability Corporation
2. Is applicant a combined group, or comprised of members of a combined group, as defined by Tax Code §171.0001(7)? ☒ Yes ☐ No
- 2a. If yes, attach in **Tab 3** a copy of Texas Comptroller Franchise Tax Form No. 05-165, No. 05-166, or any other documentation from the Franchise Tax Division to demonstrate the applicant's combined group membership and contact information.
3. Is the applicant current on all tax payments due to the State of Texas? ☒ Yes ☐ No
4. Are all applicant members of the combined group current on all tax payments due to the State of Texas? ☒ Yes ☐ No ☐ N/A
5. If the answer to question 3 or 4 is no, please explain and/or disclose any history of default, delinquencies and/or any material litigation, including litigation involving the State of Texas. (If necessary, attach explanation in **Tab 3**)

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. 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.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements

☐ Land has existing improvements (*complete Section 13*)

☐ Expansion of existing operation on the land (*complete Section 13*)

☐ Relocation within Texas

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.

Application for Appraised Value Limitation on Qualified Property



SECTION 9: Projected Timeline

1. Application approval by school board September 2018
2. Commencement of construction Q4 - 2018
3. Beginning of qualifying time period 2018
4. First year of limitation 2020
5. Begin hiring new employees December 2019
6. Commencement of commercial operations December 2019
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (date your application is finally determined to be complete)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? December 2019

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Cameron County (100%)
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Cameron 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:
 County: Cameron, \$0.410803, 100% City: N/A
(Name, tax rate and percent of project)
 Hospital District: EMS #1, \$0.093629, 100% Water District: Port of Harlingen, \$0.03, 100%/Brownsville Nav., \$0.03592, 100%
(Name, tax rate and percent of project)
 Other (describe): Texas Southmost College, \$0.162407, 100% Other (describe): South Texas ISD \$0.0492, 100% / Drainage Dist. #3, \$0.147218, 100%
(Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

SECTION 12: Qualified Property

1. Attach a detailed description of the qualified property. [See §313.021(2)] (If qualified investment describes qualified property exactly, you may skip items a, b and c below.) The description must include:
 - 1a. a specific and detailed description of the qualified property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (Tab 8);
 - 1b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your qualified property (Tab 8); and
 - 1c. a map of the qualified property showing location of new buildings or new improvements with vicinity map (Tab 11).
2. Is the land upon which the new buildings or new improvements will be built part of the qualified property described by §313.021(2)(A)? ☐ Yes ☒ No
 - 2a. If yes, attach complete documentation including:
 - a. legal description of the land (Tab 9);
 - b. each existing appraisal parcel number of the land on which the new improvements will be constructed, regardless of whether or not all of the land described in the current parcel will become qualified property (Tab 9);
 - c. owner (Tab 9);
 - d. the current taxable value of the land. Attach estimate if land is part of larger parcel (Tab 9); and
 - e. a detailed map showing the location of the land with vicinity map (Tab 11).
3. Is the land on which you propose new construction or new improvements currently located in an area designated as a reinvestment zone under Tax Code Chapter 311 or 312 or as an enterprise zone under Government Code Chapter 2303? ☒ Yes ☐ No
 - 3a. If yes, attach the applicable supporting documentation:
 - a. evidence that the area qualifies as a enterprise zone as defined by the Governor's Office (Tab 16);
 - b. legal description of reinvestment zone (Tab 16);
 - c. order, resolution or ordinance establishing the reinvestment zone (Tab 16);
 - d. guidelines and criteria for creating the zone (Tab 16); and
 - e. a map of the reinvestment zone or enterprise zone boundaries with vicinity map (Tab 11)
 - 3b. If no, submit detailed description of proposed reinvestment zone or enterprise zone with a map indicating the boundaries of the zone on which you propose new construction or new improvements to the Comptroller's office within 30 days of the application date. What is the anticipated date on which you will submit final proof of a reinvestment zone or enterprise zone? _____

SECTION 13: Information on Property Not Eligible to Become Qualified Property

1. In Tab 10, attach a specific and detailed description of all **existing property**. This includes buildings and improvements existing as of the application review start date (the date the application is determined to be complete by the Comptroller). The description must provide sufficient detail to locate all existing property on the land that will be subject to the agreement and distinguish existing property from future proposed property.
2. In Tab 10, attach a specific and detailed description of all **proposed new property that will not become new improvements** as defined by TAC 9.1051. This includes proposed property that: functionally replaces existing or demolished/removed property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property; or is otherwise ineligible to become qualified property. The description must provide sufficient detail to distinguish existing property (question 1) and all proposed new property that cannot become qualified property from proposed qualified property that will be subject to the agreement (as described in Section 12 of this application).
3. For the property not eligible to become qualified property listed in response to questions 1 and 2 of this section, provide the following supporting information in Tab 10:
 - a. maps and/or detailed site plan;
 - b. surveys;
 - c. appraisal district values and parcel numbers;
 - d. inventory lists;
 - e. existing and proposed property lists;
 - f. model and serial numbers of existing property; or
 - g. other information of sufficient detail and description.
4. Total estimated market value of existing property (that property described in response to question 1): \$ 0.00
5. In Tab 10, include an appraisal value by the CAD of all the buildings and improvements existing as of a date within 15 days of the date the application is received by the school district.
6. Total estimated market value of proposed property not eligible to become qualified property (that property described in response to question 2): \$ 0.00

Note: Investment for the property listed in question 2 may count towards qualified investment in Column C of Schedules A-1 and A-2, if it meets the requirements of §313.021(1). Such property cannot become qualified property on Schedule B.

Application for Appraised Value Limitation on Qualified Property



SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:
☒ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 4
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. 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
 6a. If yes, attach evidence 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.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC 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 from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 619.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 936.25
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 772.18
8. 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)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,153.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,160.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. 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
 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. 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
 13a. 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, C, and D 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 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**.

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

TAB 2

Proof of Payment of Application Fee

Please find on the attached page, a copy of the check for the \$75,000 application fee paid to Los Fresnos CISD.

Proof of payment of filing fee received by the
Comptroller of Public Accounts per TAC Rule
§9.1054 (b)(5)

*(Page Inserted by Office of Texas Comptroller of Public
Accounts)*

TAB 3

*Documentation of Combined Group membership under Texas Tax Code 171.0001(7),
history of tax default, delinquencies and/or material litigation (if applicable)*

Palmas Wind, LLC is a newly acquired entity and will be reported on the 2018 report for Acciona Energy North America Corporation and Subs as it was created after the 2017 report was filed. Attached is page 1 of the 2017 report.

**Documentation of combined
group received by the
Texas Comptroller
of Public Accounts**

TAB 4

Detailed Description of the Project

Provide 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.

Palmas Wind, LLC (Palmas Wind) is requesting an appraised value limitation from Los Fresnos Consolidated Independent School District (ISD) for the Palmas Wind Project (the "Project"), a proposed wind powered electric generating facility in Cameron County. The proposed Los Fresnos CISD Project (this application) will be constructed within an existing Enterprise Zone as Cameron County is considered a Distressed County. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 144.9 MW located in Los Fresnos CISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 46 of the 3.15 MW Acciona turbines with all turbines located in Los Fresnos CISD. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, O&M building, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 4th Quarter of 2018 with completion by December 31, 2019.

**NOTE:* The map in TAB 11 shows the potential locations of 46 of the wind turbines, an O&M building and a collector substation within Los Fresnos CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 5

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

The applicant is a wholly owned subsidiary of Acciona Energy USA Global LLC ("AEUG"). AEUG is part of the ACCIONA Group's energy division and is responsible for development, construction and operations of renewable energy projects in the United States and Canada.

The ACCIONA Group is a leader in the development and management of infrastructure, water, services and renewable energy. Listed on the Spanish blue-chip IBEX35 index (ANA.MC), it is a public company with over 33,550 employees in more than 30 countries in five continents.

In the United States, the ACCIONA Group develops, owns and operates renewable energy and infrastructure projects. The energy division owns and operates a nearly 900 MW of wind and solar projects across the U.S. and Canada and is an independent power producer focused solely on renewable energy. ACCIONA Group's U.S. team is involved in all aspects renewable energy, including, financing, construction, project development operations and power marketing.

The ACCIONA Group is keen to develop and build the proposed Palmas Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind or other renewable energy projects. The ACCIONA Group is active throughout the United States and globally where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. The ACCIONA Group has numerous wind and solar sites in development, both globally and throughout the US, and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, the ACCIONA Group currently has ongoing project developments in many states, including but not limited to, Kansas, Oklahoma, Illinois, Colorado, and Wyoming, among others.

Due to the extremely competitive power market in ERCOT most if not all energy offtake economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates. For example, a signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA may have an

escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA, or other offtake solution becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

TAB 6

Description of how project is located in more than one district, including list of percentage in each district and, if determined to be a single unified project, documentation from the Office of the Governor (if applicable)

1) Cameron County	- 100%
2) Los Fresnos CISD	- 100%
3) EMS District #1	- 100%
4) Port of Harlingen	- 100%
5) Texas Southmost College	- 100%
6) South Texas ISD	- 100%
7) Brownsville Nav. District	- 100%
8) Drainage District #3	- 100%

TAB 7

Description of Qualified Investment

Palmas Wind, LLC plans to construct a 144.9 MW wind farm in Cameron County.

This application covers all qualified property within Los Fresnos CISD necessary for the commercial operations of the proposed wind farm described in Tab 4. One hundred forty-four and nine-tenths megawatts (144.9 MW) will be located in Los Fresnos CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 46 of the 3.15 MW turbines manufactured by Acciona.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 46 of the wind turbines, an O&M building and a collector substation within Los Fresnos CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

TAB 8

Description of Qualified Property

Palmas Wind, LLC plans to construct a 144.9 MW wind farm in Cameron County.

This application covers all qualified property within Los Fresnos CISD necessary for the commercial operations of the proposed wind farm described in Tab 4. One hundred forty-four and nine-tenths megawatts (144.9 MW) will be located in Los Fresnos CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 46 of the 3.15 MW turbines manufactured by Acciona.

This application covers all qualified investment and qualified property necessary for the commercial operations of the wind farm.

Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control systems necessary for commercial generation of electricity.

**NOTE:* The map in TAB 11 shows the potential locations of 46 of the wind turbines, an O&M building and a collector substation within Los Fresnos CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

TAB 9

Description of Land

Not Applicable

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

TAB 10

Description of all property not eligible to become qualified property (if applicable)

Not Applicable

TAB 11

Maps that clearly show:

- a) Project vicinity
- b) Qualified investment including location of new building or new improvements
- c) Qualified property including location of new building or new improvements
- d) Existing property
- e) Land location within vicinity map
- f) Reinvestment or Enterprise Zone within vicinity map, showing the actual or proposed boundaries and size

Vicinity Map

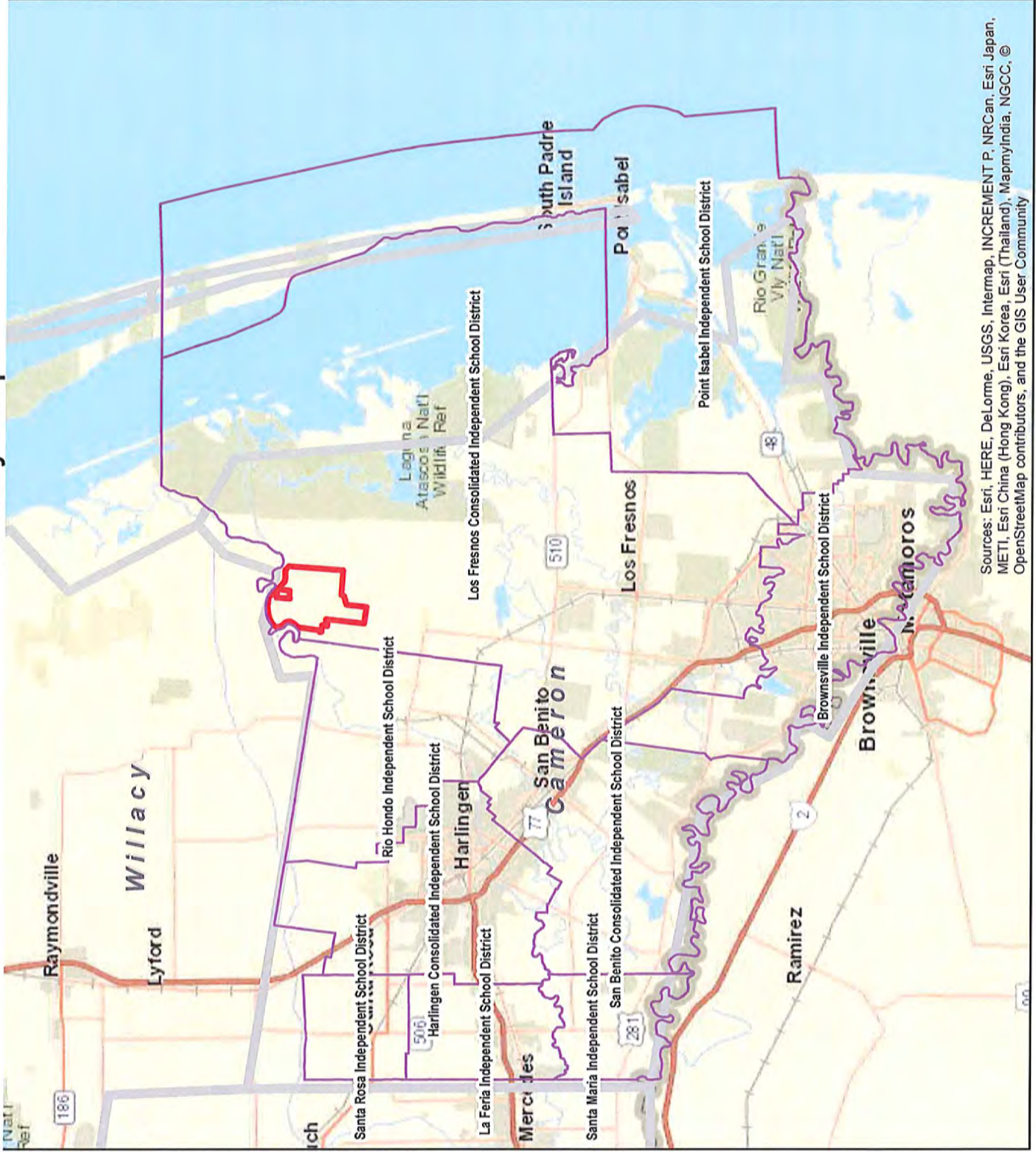
Palmas Altas Wind Project

Project Area Proximity Map

-  Cameron County ISDs
-  Project Area /RZ
-  County Boundaries
-  World Street Map

Map Notes

Author - AEUG
Date - Jan 3, 2018



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

Qualified Investment and Qualified Property Map

Palmas Altas Wind Project

Qualified Investment and Property Map

- Palmas Altas Layout - 144.9 MW
- Palmas Altas - Project Boundary
- Cameron County ISDs
- County Boundaries
- World Street Map

Map Notes

Author - AEUG

Date - Jan 3, 2018



0.36.7 1.4 2.1 2.8
Miles



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

TAB 12

Request for Waiver of Job Creation Requirement and supporting information (if applicable)

See Attached

CUMMINGS WESTLAKE LLC

12837 Louetta Road, Suite 201 Cypress, Texas 77429-5611 713-266-4456 Fax: 713-266-2333

April 10, 2018

Mr. Gonzalo Salazar
Los Fresnos Consolidated Independent School District
600 Mesquite Lane
Los Fresnos, TX 78566

Re: Chapter 313 Job Waiver Request

Dear Mr. Salazar,

Palmas Wind, LLC (Palmas Wind) requests that the Los Fresnos Consolidated Independent School District's Board of Trustees waive the job requirement provision as allowed by Section 313.025(f-1) of the tax code. This waiver would be based on the school district's board findings that the jobs creation requirement exceeds the industry standard for the number of employees reasonably necessary for the operation of the facility of the property owner that is described in the application.

Palmas Wind requests that the Los Fresnos Consolidated Independent School District makes such a finding and waive the job creation requirement for 10 permanent jobs. In line with industry standards for job requirements, Palmas Wind has committed to create 4 total jobs for the project, all of which will be in Los Fresnos CISD.

Wind projects create a large number of full and part-time, but temporary jobs during the construction phase of the project and require a relatively small number of highly skilled technicians to operate and maintain the project after commercial operation commences.

The number of jobs specified in this application is in line with the industry standards for a wind farm of this scope and size. The industry standard for employment is typically one full-time employee for approximately every 15 turbines. This number may vary depending on the operations and maintenance requirements of the turbines selected as well as the support and technical assistance offered by the turbine manufacturer. This is evidenced by previously filed limitation agreement applications by wind developers who also requested a waiver of the job requirements.

Sincerely,



Brandon Westlake
Senior Tax Consultant

TAB 13

Calculation of three possible wage requirements with TWC documentation

- Cameron County average weekly wage for all jobs (all industries)
- Cameron County average weekly wage for all jobs (manufacturing)
- See attached Council of Governments Regional Wage Calculation and Documentation

PALMAS WIND, LLC
TAB 13 TO CHAPTER 313 APPLICATION

CAMERON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 614	\$ 31,928
SECOND	2017	\$ 614	\$ 31,928
THIRD	2017	\$ 612	\$ 31,824
FOURTH	2016	\$ 639	\$ 33,228
AVERAGE		\$ 619.75	\$ 32,227

CAMERON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 915	\$ 47,580
SECOND	2017	\$ 911	\$ 47,372
THIRD	2017	\$ 916	\$ 47,632
FOURTH	2016	\$ 1,003	\$ 52,156
AVERAGE		\$ 936.25	\$ 48,685

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Lower RGVDC	2016	\$ 702	\$ 36,503
	X	110%	110%
		\$ 772.18	\$ 40,153

* SEE ATTACHED TWC DOCUMENTATION

Quarterly Employment and Wages (QCEW)

[Back](#)

Page 1 of 1 (40 results/page)

Year	Period	Area	Ownership	Division	Level	Ind Code	Industry	Avg Weekly Wages
2017	1st Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$614
2017	2nd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$614
2017	3rd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$612
2016	4th Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$639

Quarterly Employment and Wages (QCEW)[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$915
2017	2nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$911
2017	3rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$916
2016	4th Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$1,003

**2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
1. Panhandle Regional Planning Commission	\$22.52	\$46,834
2. South Plains Association of Governments	\$18.27	\$38,009
3. NORTEX Regional Planning Commission	\$24.14	\$50,203
4. North Central Texas Council of Governments	\$26.06	\$54,215
5. Ark-Tex Council of Governments	\$19.07	\$39,663
6. East Texas Council of Governments	\$20.52	\$42,677
7. West Central Texas Council of Governments	\$20.31	\$42,242
8. Rio Grande Council of Governments	\$19.32	\$40,188
9. Permian Basin Regional Planning Commission	\$26.00	\$54,079
10. Concho Valley Council of Governments	\$18.78	\$39,066
11. Heart of Texas Council of Governments	\$21.14	\$43,962
12. Capital Area Council of Governments	\$30.06	\$62,522
13. Brazos Valley Council of Governments	\$17.66	\$36,729
14. Deep East Texas Council of Governments	\$18.06	\$37,566
15. South East Texas Regional Planning Commission	\$33.42	\$69,508
16. Houston-Galveston Area Council	\$27.52	\$57,246
17. Golden Crescent Regional Planning Commission	\$26.38	\$54,879
18. Alamo Area Council of Governments	\$21.67	\$45,072
19. South Texas Development Council	\$15.02	\$31,235
20. Coastal Bend Council of Governments	\$27.85	\$57,921
21. Lower Rio Grande Valley Development Council	\$17.55	\$36,503
22. Texoma Council of Governments	\$20.98	\$43,648
23. Central Texas Council of Governments	\$18.65	\$38,783
24. Middle Rio Grande Development Council	\$23.05	\$47,950

110% X \$36,503 = \$40,153

Source: Texas Occupational Employment and Wages

Data published: July 2017

Data published annually, next update will be July 31, 2018

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

TAB 14

Schedules A1, A2, B, C and D completed and signed Economic Impact (if applicable)

See attached Schedules A1, A2, B, C and D

Schedule A1: Total Investment for Economic Impact (through the Qualifying Time Period)

Form 50-366A

Revised May 2014

Date 4/9/2018
 Applicant Name Palmas Wind, LLC
 ISD Name Los Fresnos CISD

PROPERTY INVESTMENT AMOUNTS						
(Estimated Investment in each year. Do not put cumulative totals.)						
Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonmovable components of buildings that will become Qualified Property	Column C Other new investment made during this year that will become Qualified Property [SEE NOTE]	Column D Other new investment made during this year that may become Qualified Property [SEE NOTE]
Investment made before filing complete application with district						
Investment made after filing complete application with district but before final board approval of application						
Investment made after final board approval of application and before Jan. 1 of first complete tax year of qualifying time period						
Complete tax years of qualifying time period						
Total Investment through Qualifying Time Period [ENTER this row in Schedule A2]			159,839,000	1,000,000	0	0
Total Qualified Investment (sum of green cells)			160,839,000			

For All Columns: List amount invested each year, not cumulative totals.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Only tangible personal property that is specifically described in the application can become qualified property.

Column B: The total dollar amount of planned investment each year in buildings or nonmovable components of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that will not become qualified property include investment meeting the definition of 312.021(1) but not creating a new improvement as defined by TAC 9.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is added to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Total Investment: Add together each cell in a column and enter the sum in the blue total investment row. Enter the data from this row into the first row in Schedule A2.

Qualified Investment: For the green qualified investment cell, enter the sum of all the green-shaded cells.

Date 4/9/2018
Applicant Name Palmas Wind, LLC
ISD Name Los Fresnos CISD

Schedule A2: Total Investment for Economic Impact (including Qualified Property and other investments)

Form 50-295A
Revised April 2014

PROPERTY INVESTMENT AMOUNTS (Estimated investment in each year. Do not put cumulative totals.)									
	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year below) YYYY	Column A New investment (original cost) in tangible personal property placed in service during this year that will become Qualified Property	Column B New investment made during this year in buildings or permanent nonremovable components of buildings that will become Qualified Property	Column C Other investment made during this year that will become Qualified Property (SEE NOTE)	Column D Other investment made during this year that will become Qualified Property (SEE NOTE)	Column E Total Investment (A+B+C+D)	
Total Investment from Schedule A1*	-	TOTALS FROM SCHEDULE A1			Enter amounts from TOTAL row in Schedule A1 in the row below				
				159,839,000	1,000,000	0	0	160,839,000	
	Each year prior to start of value limitation period** Insert as many rows as necessary	0	2018-2019	2018	0	0	0	0	0
		0	2019-2020	2019	0	0	0	0	0
		1	2020-2021	2020	0	0	0	0	0
		2	2021-2022	2021	0	0	0	0	0
		3	2022-2023	2022	0	0	0	0	0
		4	2023-2024	2023	0	0	0	0	0
		5	2024-2025	2024	0	0	0	0	0
		6	2025-2026	2025	0	0	0	0	0
7		2026-2027	2026	0	0	0	0	0	
Value limitation period***	8	2027-2028	2027	0	0	0	0	0	
	9	2028-2029	2028	0	0	0	0	0	
	10	2029-2030	2029	0	0	0	0	0	
	Total Investment made through limitation				159,839,000	1,000,000	0	0	160,839,000
	Continue to maintain viable presence	11	2030-2031	2030					
		12	2031-2032	2031					
		13	2032-2033	2032					
		14	2033-2034	2033					
		15	2034-2035	2034					
		16	2035-2036	2035					
17		2036-2037	2036						
18		2037-2038	2037						
19		2038-2039	2038						
Additional years for 25 year economic impact as required by 313.026(c)(1)		20	2039-2040	2039					
	21	2040-2041	2040						
	22	2041-2042	2041						
	23	2042-2043	2042						
	24	2043-2044	2043						
	25	2044-2045	2044						

* All investments made through the qualifying time period are captured and included on Schedule A1 (blue box) and incorporated into this schedule in the first row.

** Only investment made during deferrals of the start of the limitation (after the end of qualifying time period but before the start of the Value Limitation Period) should be included in the "year prior to start of value limitation period" row(s). If the limitation starts at the end of the qualifying time period or the qualifying time period overlaps the limitation, no investment should be included on this line.

*** If your qualifying time period will overlap your value limitation period, do not also include investment made during the qualifying time period in years 1 and/or 2 of the value limitation period, depending on the overlap. Only include investments/years that were not captured on Schedule A1.

For All Columns: List amount invested each year, not cumulative totals. Only include investments in the remaining rows of Schedule A2 that were not captured on Schedule A1.

Column A: This represents the total dollar amount of planned investment in tangible personal property. Only include estimates of investment for "replacement" property if the property is specifically described in the application.

Column B: The total dollar amount of planned investment each year in buildings or nonremovable component of buildings.

Column C: Dollar value of other investment that may affect economic impact and total value. Examples of other investment include investment meeting the definition of 313.021(1) but not creating a new improvement as defined by TAC 8.1051. This is proposed property that functionally replaces existing property; is used to maintain, refurbish, renovate, modify or upgrade existing property; or is affixed to existing property—described in SECTION 13, question #5 of the application.

Column D: Dollar value of other investment that may affect economic impact and total value. Examples of other investment that may result in qualified property are land or professional services.

Schedule B: Estimated Market And Taxable Value (of Qualified Property Only)

Date **4/9/2018** Form 50-296A Revised May 2014

Applicant Name **Palmas Wind, LLC**

ISD Name **Los Fresnos CISD**

	Year	School Year (YYYY-YYYY)	Tax Year (Fill in actual tax year) YYYY	Qualified Property			Estimated Taxable Value		
				Estimated Market Value of Land	Estimated Total Market Value of new buildings or other new improvements	Estimated Total Market Value of tangible personal property in the new buildings or "in or on the new improvements"	Market Value less any exemptions (such as pollution control) and before limitation	Final taxable value for I&S after all reductions	Final taxable value for M&O after all reductions
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018	0	0	0	0	0	0
		2019-2020	2019	0		9,650,340	9,650,340	9,650,340	9,650,340
	1	2020-2021	2020	0	980,000	153,445,440	154,425,440	154,425,440	20,000,000
	2	2021-2022	2021	0	955,500	141,169,805	142,125,305	142,125,305	20,000,000
	3	2022-2023	2022	0	931,613	129,876,220	130,807,833	130,807,833	20,000,000
Value Limitation Period	4	2023-2024	2023	0	908,323	119,486,123	120,394,446	120,394,446	20,000,000
	5	2024-2025	2024	0	885,615	109,927,233	110,812,848	110,812,848	20,000,000
	6	2025-2026	2025	0	863,475	101,133,054	101,996,529	101,996,529	20,000,000
	7	2026-2027	2026	0	841,888	93,042,410	93,884,298	93,884,298	20,000,000
	8	2027-2028	2027	0	820,841	85,599,017	86,419,858	86,419,858	20,000,000
Continue to maintain viable presence	9	2028-2029	2028	0	800,320	78,751,096	79,551,416	79,551,416	20,000,000
	10	2029-2030	2029	0	780,312	72,451,008	73,231,320	73,231,320	20,000,000
	11	2030-2031	2030	0	760,804	66,654,927	67,415,731	67,415,731	67,415,731
	12	2031-2032	2031	0	741,784	61,322,533	62,064,317	62,064,317	62,064,317
	13	2032-2033	2032	0	723,239	56,416,731	57,139,970	57,139,970	57,139,970
Additional years for 25 year economic impact as required by 313.026(c)(1)	14	2033-2034	2033	0	705,158	51,903,392	52,608,550	52,608,550	52,608,550
	15	2034-2035	2034	0	687,529	47,751,121	48,438,650	48,438,650	48,438,650
	16	2035-2036	2035	0	670,341	43,931,031	44,601,372	44,601,372	44,601,372
	17	2036-2037	2036	0	653,582	40,416,549	41,070,131	41,070,131	41,070,131
	18	2037-2038	2037	0	637,242	37,183,225	37,820,467	37,820,467	37,820,467
	19	2038-2039	2038	0	621,311	34,208,567	34,829,878	34,829,878	34,829,878
	20	2039-2040	2039	0	605,778	31,471,881	32,077,659	32,077,659	32,077,659
	21	2040-2041	2040	0	590,634	28,954,131	29,544,765	29,544,765	29,544,765
	22	2041-2042	2041	0	575,868	26,637,800	27,213,668	27,213,668	27,213,668
	23	2042-2043	2042	0	561,471	24,506,776	25,068,247	25,068,247	25,068,247
	24	2043-2044	2043	0	547,434	22,546,234	23,093,668	23,093,668	23,093,668
	25	2044-2045	2044	0	533,748	20,742,536	21,276,284	21,276,284	21,276,284

Notes: Market value in future years is good faith estimate of future taxable value for the purposes of property taxation.
Only include market value for eligible property on this schedule.

Schedule C: Employment Information

Form 50-296A
Revised May 2014

Date 4/9/2018
Applicant Name Palmas Wind, LLC
ISD Name Los Fresnos CISD

					Construction		Non-Qualifying Jobs		Qualifying Jobs	
					Column A	Column B	Column C	Column D	Column E	
					Number of Construction FTE's or man-hours (specify)	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)	Average annual wage of new qualifying jobs	
	Year	School Year (YYYY-YYYY)	Tax Year (Actual tax year) YYYY							
Each year prior to start of Value Limitation Period <i>Insert as many rows as necessary</i>	0	2018-2019	2018		50 FTE	52,500	0	0	0	
		2019-2020	2019		250 FTE	52,500				
Value Limitation Period <i>The qualifying time period could overlap the value limitation period.</i>	1	2020-2021	2020		N/A	N/A	0	4	40,160	
	2	2021-2022	2021		N/A	N/A	0	4	40,160	
	3	2022-2023	2022		N/A	N/A	0	4	40,160	
	4	2023-2024	2023		N/A	N/A	0	4	40,160	
	5	2024-2025	2024		N/A	N/A	0	4	40,160	
	6	2025-2026	2025		N/A	N/A	0	4	40,160	
	7	2026-2027	2026		N/A	N/A	0	4	40,160	
	8	2027-2028	2027		N/A	N/A	0	4	40,160	
	9	2028-2029	2028		N/A	N/A	0	4	40,160	
	10	2029-2030	2029		N/A	N/A	0	4	40,160	
Years Following Value Limitation Period	11 through 25	2030-2045	2030-2044		N/A	N/A	0			

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

- C1. Are the cumulative number of qualifying jobs listed in Column D less than the number of qualifying jobs required by statute? (25)
- If yes, answer the following two questions:
- C1a. Will the applicant request a job waiver, as provided under 313.025(f-1)?
- C1b. Will the applicant avail itself of the provision in 313.021(3)(F)?

Schedule D: Other Incentives (Estimated)

Date: 4/9/2018
 Applicant Name: Palmas Wind, LLC
 ISD Name: Los Fresnos CISD

Form 50-296A
 Revised May 2014

State and Local Incentives for which the Applicant intends to apply (Estimated)						
Incentive Description	Taxing Entity (as applicable)	Beginning Year of Benefit	Duration of Benefit	Annual Tax Levy without Incentive	Annual Incentive	Annual Net Tax Levy
Tax Code Chapter 311	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Tax Code Chapter 312	County: Cameron County	2020	10 Years	Avg. \$422,000	Avg. 76%	Avg. \$190,000
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Local Government Code Chapters 380/381	County:	N/A	N/A	N/A	N/A	N/A
	City:	N/A	N/A	N/A	N/A	N/A
	Other:	N/A	N/A	N/A	N/A	N/A
Freeport Exemptions	N/A	N/A	N/A	N/A	N/A	N/A
Non-Annexation Agreements	N/A	N/A	N/A	N/A	N/A	N/A
Enterprise Zone/Project	N/A	N/A	N/A	N/A	N/A	N/A
Economic Development Corporation	N/A	N/A	N/A	N/A	N/A	N/A
Texas Enterprise Fund	N/A	N/A	N/A	N/A	N/A	N/A
Employee Recruitment	N/A	N/A	N/A	N/A	N/A	N/A
Skills Development Fund	N/A	N/A	N/A	N/A	N/A	N/A
Training Facility Space and Equipment	N/A	N/A	N/A	N/A	N/A	N/A
Infrastructure Incentives	N/A	N/A	N/A	N/A	N/A	N/A
Permitting Assistance	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
Other:	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL				Avg. \$422,000		Avg. \$190,000

Additional information on incentives for this project:

TAB 15

Economic Impact Analysis, other payments made in the state or other economic information (if applicable)

None

TAB 16

Description of Reinvestment Zone or Enterprise Zone, including:

- a) Evidence that the area qualifies as a enterprise zone as defined by the Governor's office*
- b) Legal description of reinvestment zone**
- c) Order, resolution, or ordinance established the reinvestment zone**
- d) Guidelines and criteria for creating the zone**

16a) See Attached

County	2017		2010 Decennial				2010 Decennial		2010 Decennial		2016 Unemployment		2015 Unemployment	
	Distressed	County	Population	Poverty	School Diploma or	Equivalent	Rate	Rate	Rate	Rate	Rate	Rate		
Anderson	no		58,458	16.50%		25.20%				4.30%		3.90%		
Andrews	no		14,756	17.10%		27.30%				4.80%		3.50%		
Angelina	no		86,771	17.80%		22.00%				6.00%		5.60%		
Aransas	no		23,158	17.40%		14.80%				5.70%		5.10%		
Archer	no		9,054	10.00%		16.00%				4.40%		4.40%		
Armstrong	no		1,901	10.70%		8.50%				2.80%		2.70%		
Atascosa	no		44,911	18.80%		26.20%				5.30%		4.80%		
Austin	no		28,417	8.80%		18.80%				5.30%		4.60%		
Bailey	no		7,165	17.30%		26.60%				4.40%		4.30%		
Bandera	no		20,485	18.40%		11.00%				4.10%		4.00%		
Bastrop	no		74,171	14.10%		19.40%				3.70%		3.90%		
Baylor	no		3,726	17.30%		15.30%				3.60%		3.50%		
Bee	yes		31,861	19.00%		30.50%				7.70%		6.20%		
Bell	no		310,235	14.10%		11.40%				4.40%		4.70%		
Bexar	no		1,714,773	16.90%		18.60%				3.70%		3.80%		
Blanco	no		10,497	11.70%		11.70%				3.10%		3.10%		
Borden	no		641	4.30%		14.90%				3.60%		2.90%		
Bosque	no		18,212	16.20%		19.90%				4.30%		4.50%		
Bowie	no		92,565	16.80%		16.50%				4.70%		4.80%		
Brazoria	no		313,166	10.60%		15.70%				5.20%		4.60%		
Brazos	no		194,851	29.70%		15.50%				3.40%		3.30%		
Brewster	no		9,232	16.50%		19.80%				3.80%		4.00%		
Briscoe	no		1,637	19.90%		19.00%				4.40%		3.90%		
Brooks	yes		7,223	34.00%		46.30%				11.90%		9.90%		
Brown	no		38,106	16.20%		18.30%				4.40%		4.30%		
Burleson	no		17,187	13.50%		23.20%				4.70%		4.40%		
Burnet	no		42,750	13.70%		16.50%				3.50%		3.60%		
Caldwell	no		38,066	19.60%		24.40%				4.30%		4.30%		
Calhoun	no		21,381	16.30%		21.80%				5.60%		4.00%		
Callahan	no		13,544	13.90%		13.70%				4.30%		4.30%		
Cameron	yes		406,220	34.70%		37.70%				7.20%		7.10%		
Camp	no		12,401	20.40%		25.30%				6.80%		6.10%		
Carson	no		6,182	5.70%		12.10%				3.40%		3.20%		
Cass	no		30,464	19.30%		17.70%				7.30%		6.80%		
Castro	no		8,062	23.30%		31.90%				3.10%		3.40%		
Chambers	no		35,096	10.50%		15.20%				6.10%		5.30%		

TAB 17

Signature and Certification page, signed and dated by Authorized School District Representative and Authorized Company Representative (applicant)

See Attached

Application for Appraised Value Limitation on Qualified Property

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
here

Gonzalo Salazar

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

Signature (Authorized School District Representative)

Date

4/16/18

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
here

Rafael Esteban Fernandez de Cordoba

Print Name (Authorized Company Representative (Applicant))

CEO

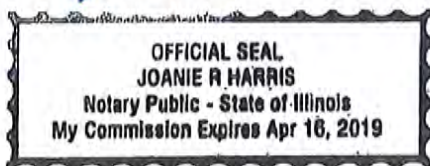
Title

sign
here

Signature (Authorized Company Representative (Applicant))

Date

4/12/2018



(Notary Seal)

GIVEN under my hand and seal of office this, the

12th day of April, 2018

Joanie R. Harris
Notary Public in and for the State of Texas Illinois J.R.H.

My Commission expires: April 16, 2019

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.

May 22, 2018

Michelle Luera, CTCM
Senior Research Analyst
Data Analysis and Transparency Division
Texas Comptroller of Public Accounts
111 E. 17th Street
Austin, Texas 78774

VIA FEDERAL EXPRESS

Re: Los Fresnos Consolidated Independent School District ("District") / Tax
Limitation Agreement: Palmas Wind, LLC ("Applicant")
Application No. 1255
Amended Application (Revised May 22, 2018)

Dear Mr. Villarreal:

Pursuant to your email dated May 1, 2018, attached are the following:

1. Amended Pages:
 - Revised Page 5;
 - Revised Page 7;
 - Revised Tab 4;
 - Revised Tab 13;
 - Map of Enterprise Zone;
 - Revised Qualified Investment and Property Map showing longitude and latitude coordinates; and
 - New original signature page.
 - Please note that the 2018 report requested under Tab 3 will not be available until May 15, 2019. Once obtained, Applicant will provide the requested information accordingly.
2. One (1) electronically digitized copy of the amended Application pages.

The Application was received on April 16, 2018. The Board of Trustees of the District elected to consider the application on April 16, 2018. The District determined the Application was complete on April 24, 2018. The amended Application pages were received on May 22, 2018.

The District requests that the Comptroller provide an economic impact evaluation.

Ms. Michelle Luera
May 22, 2018
Page 2

By copy of this letter, we are notifying the Applicant that the District has submitted the amended Application pages to the Comptroller.

Please call if you have any questions.

Sincerely,



EDDY HERNANDEZ PEREZ

EHP/paw
Enclosures

cc: John Villarreal (*Via E-mail Delivery; w/o enclosures*)

Gregory Maxim
(*Certified Mail No. 7016 0600 0001 0200 8380; Return Receipt Requested; w/enclosures*)

Gonzalo Salazar, Superintendent of Schools (*Via U.S. Postal Service; w/enclosures*)

Application for Appraised Value Limitation on Qualified Property

SECTION 9: Projected Timeline

1. Application approval by school board September 2018
2. Commencement of construction Q4 - 2018
3. Beginning of qualifying time period January 1, 2019
4. First year of limitation 2020
5. Begin hiring new employees December 2019
6. Commencement of commercial operations December 2019
7. Do you propose to construct a new building or to erect or affix a new improvement after your application review start date (*date your application is finally determined to be complete*)? ☒ Yes ☐ No
Note: Improvements made before that time may not be considered qualified property.
8. When do you anticipate the new buildings or improvements will be placed in service? December 2019

SECTION 10: The Property

1. Identify county or counties in which the proposed project will be located Cameron County (100%)
2. Identify Central Appraisal District (CAD) that will be responsible for appraising the property Cameron 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:
 County: Cameron, \$0.410803, 100% City: N/A
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Hospital District: EMS #1, \$0.093629, 100% Water District: Port of Harlingen, \$0.03, 100%/Brownsville Nav., \$0.03592, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
 Other (*describe*): Texas Southmost College, \$0.162407, 100% Other (*describe*): South Texas ISD \$0.0492, 100% / Drainage Dist. #3, \$0.147218, 100%
(Name, tax rate and percent of project) (Name, tax rate and percent of project)
5. Is the project located entirely within the ISD listed in Section 1? ☒ Yes ☐ No
 5a. If no, attach in **Tab 6** additional information on the project scope and size to assist in the economic analysis.
6. Did you receive a determination from the Texas Economic Development and Tourism Office that this proposed project and at least one other project seeking a limitation agreement constitute a single unified project (SUP), as allowed in §313.024(d-2)? ☐ Yes ☒ No
 6a. If yes, attach in **Tab 6** supporting documentation from the Office of the Governor.

SECTION 11: Investment

NOTE: The minimum amount of qualified investment required to qualify for an appraised value limitation and the minimum amount of appraised value limitation vary depending on whether the school district is classified as Subchapter B or Subchapter C, and the taxable value of the property within the school district. For assistance in determining estimates of these minimums, access the Comptroller's website at www.texasahead.org/tax_programs/chapter313/.

1. At the time of application, what is the estimated minimum qualified investment required for this school district? 10,000,000.00
2. What is the amount of appraised value limitation for which you are applying? 20,000,000.00
Note: The property value limitation amount is based on property values available at the time of application and may change prior to the execution of any final agreement.
3. Does the qualified investment meet the requirements of Tax Code §313.021(1)? ☒ Yes ☐ No
4. Attach a description of the qualified investment [See §313.021(1).] The description must include:
 - a. a specific and detailed description of the qualified investment you propose to make on the property for which you are requesting an appraised value limitation as defined by Tax Code §313.021 (**Tab 7**);
 - b. a description of any new buildings, proposed new improvements or personal property which you intend to include as part of your minimum qualified investment (**Tab 7**); and
 - c. a detailed map of the qualified investment showing location of tangible personal property to be placed in service during the qualifying time period and buildings to be constructed during the qualifying time period, with vicinity map (**Tab 11**).
5. Do you intend to make at least the minimum qualified investment required by Tax Code §313.023 (or §313.053 for Subchapter C school districts) for the relevant school district category during the qualifying time period? ☒ Yes ☐ No

Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:

☒ First Quarter
 ☐ Second Quarter
 ☐ Third Quarter
 ☐ Fourth Quarter of 2018
(year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0
 Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 4
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. 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
 - 6a. If yes, attach evidence 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.
7. Attach in **Tab 13** the four most recent quarters of data for each wage calculation below, including documentation from the TWC 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 from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 619.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1029.88
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 772.18
8. 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)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,153.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,160.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. 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
 - 12a. If yes, attach in **Tab 12** supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. 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
 - 13a. 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, C, and D 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 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**.

Application for Appraised Value Limitation on Qualified Property

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
here

Gonzalo Salazar

Print Name (Authorized School District Representative)

Superintendent

Title

sign
here

[Signature]

Signature (Authorized School District Representative)

May 21, 2018

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
here

Rafael Esteban Fernández de Córdoba

Print Name (Authorized Company Representative (Applicant))

CEO

Title

sign
here

[Signature]

Signature (Authorized Company Representative (Applicant))

May 17, 2018

Date



(Notary Seal)

GIVEN under my hand and seal of office this, the

17th day of May, 2018

[Signature]
Notary Public in and for the State of Illinois

My Commission expires: April 16, 2019

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.

TAB 4

Detailed Description of the Project

Provide 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.

Palmas Wind, LLC (Palmas Wind) is requesting an appraised value limitation from Los Fresnos Consolidated Independent School District (ISD) for the Palmas Wind Project (the "Project"), a proposed wind powered electric generating facility in Cameron County. The proposed Los Fresnos CISD Project (this application) will be constructed within an existing Enterprise Zone as Cameron County is considered a Distressed County. A map showing the location of the project is included in TAB 11.

The Project is approximately 6,300 acres. The proposed Project is anticipated to have a capacity of approximately 144.9 MW located in Los Fresnos CISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 46 of the 3.15 MW Acciona turbines with all turbines located in Los Fresnos CISD. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, O&M building, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 4th Quarter of 2018 with completion by December 31, 2019.

**NOTE:* The map in TAB 11 shows the potential locations of 46 of the wind turbines, an O&M building and a collector substation within Los Fresnos CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.

PALMAS WIND, LLC
TAB 13 TO CHAPTER 313 APPLICATION

CAMERON COUNTY
CHAPTER 313 WAGE CALCULATION - ALL JOBS - ALL INDUSTRIES

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 614	\$ 31,928
SECOND	2017	\$ 614	\$ 31,928
THIRD	2017	\$ 612	\$ 31,824
FOURTH	2016	\$ 639	\$ 33,228
AVERAGE		\$ 619.75	\$ 32,227

CAMERON COUNTY
CHAPTER 313 WAGE CALCULATION - MANUFACTURING JOBS

QUARTER	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
FIRST	2017	\$ 915	\$ 47,580
SECOND	2017	\$ 911	\$ 47,372
THIRD	2017	\$ 916	\$ 47,632
FOURTH	2016	\$ 1,003	\$ 52,156
AVERAGE		\$ 936.25	\$ 48,685
X		110%	110%
		\$ 1,029.88	\$ 53,553.50

CHAPTER 313 WAGE CALCULATION - REGIONAL WAGE RATE

	YEAR	AVG WEEKLY WAGES*	ANNUALIZED
Lower RGVDC	2016	\$ 702	\$ 36,503
X		110%	110%
		\$ 772.18	\$ 40,153

* SEE ATTACHED TWC DOCUMENTATION

Amendment #1, Submitted: 05/22/2018

Quarterly Employment and Wages (QCEW)[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$614
2017	2nd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$614
2017	3rd Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$612
2016	4th Qtr	Cameron County	Total All	00	0	10	Total, all industries	\$639

Quarterly Employment and Wages (QCEW)[Back](#)

Page 1 of 1 (40 results/page)

 Year	 Period	 Area	 Ownership	 Division	 Level	 Ind Code	 Industry	 Avg Weekly Wages
2017	1st Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$915
2017	2nd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$911
2017	3rd Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$916
2016	4th Qtr	Cameron County	Private	31	2	31-33	Manufacturing	\$1,003

**2016 Manufacturing Average Wages by Council of Government Region
Wages for All Occupations**

COG	Wages	
	Hourly	Annual
Texas	\$25.41	\$52,850
1. Panhandle Regional Planning Commission	\$22.52	\$46,834
2. South Plains Association of Governments	\$18.27	\$38,009
3. NORTEX Regional Planning Commission	\$24.14	\$50,203
4. North Central Texas Council of Governments	\$26.06	\$54,215
5. Ark-Tex Council of Governments	\$19.07	\$39,663
6. East Texas Council of Governments	\$20.52	\$42,677
7. West Central Texas Council of Governments	\$20.31	\$42,242
8. Rio Grande Council of Governments	\$19.32	\$40,188
9. Permian Basin Regional Planning Commission	\$26.00	\$54,079
10. Concho Valley Council of Governments	\$18.78	\$39,066
11. Heart of Texas Council of Governments	\$21.14	\$43,962
12. Capital Area Council of Governments	\$30.06	\$62,522
13. Brazos Valley Council of Governments	\$17.66	\$36,729
14. Deep East Texas Council of Governments	\$18.06	\$37,566
15. South East Texas Regional Planning Commission	\$33.42	\$69,508
16. Houston-Galveston Area Council	\$27.52	\$57,246
17. Golden Crescent Regional Planning Commission	\$26.38	\$54,879
18. Alamo Area Council of Governments	\$21.67	\$45,072
19. South Texas Development Council	\$15.02	\$31,235
20. Coastal Bend Council of Governments	\$27.85	\$57,921
21. Lower Rio Grande Valley Development Council	\$17.55	\$36,503
22. Texoma Council of Governments	\$20.98	\$43,648
23. Central Texas Council of Governments	\$18.65	\$38,783
24. Middle Rio Grande Development Council	\$23.05	\$47,950

110% X \$36,503 = \$40,153

Source: Texas Occupational Employment and Wages

Data published: July 2017

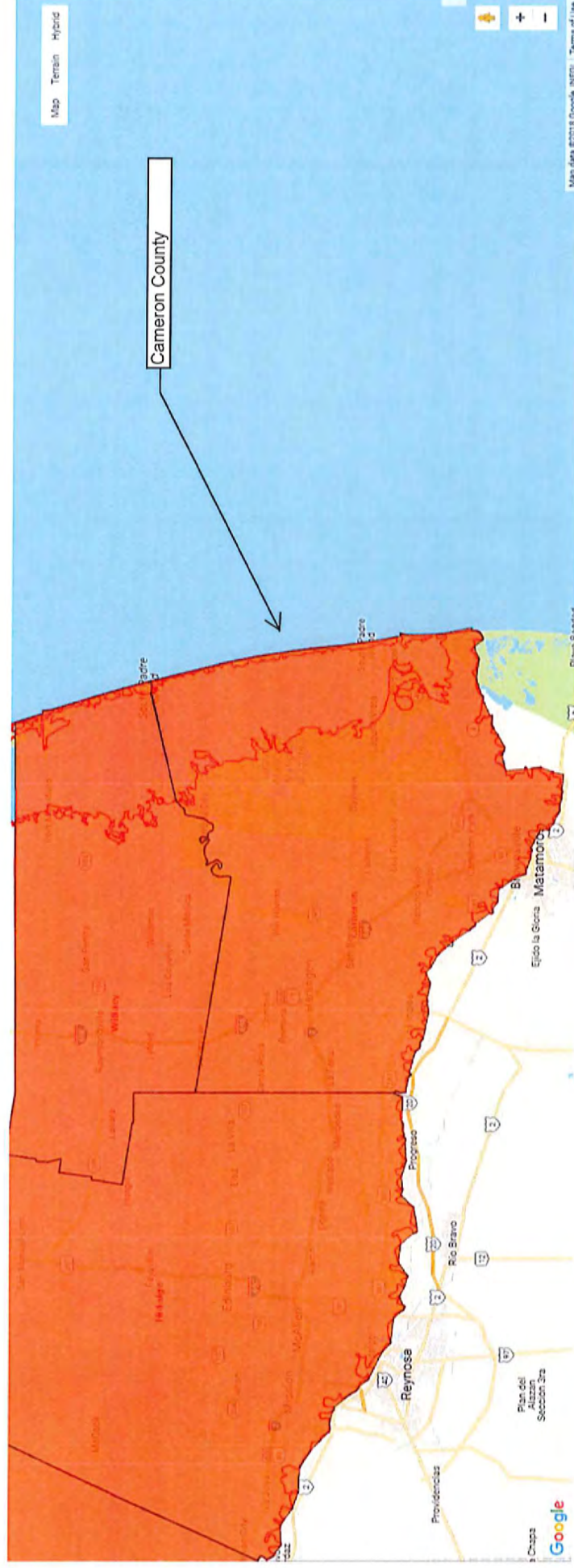
Data published annually, next update will be July 31, 2018

Note: Data is not supported by the Bureau of Labor Statistics (BLS).

Wage data is produced from Texas OES data, and is not to be compared to BLS estimates.

Data intended for TAC 313 purposes only.

GOBIG IN TEXAS



Palmas Altas Wind Project

Qualified Investment and Property Map

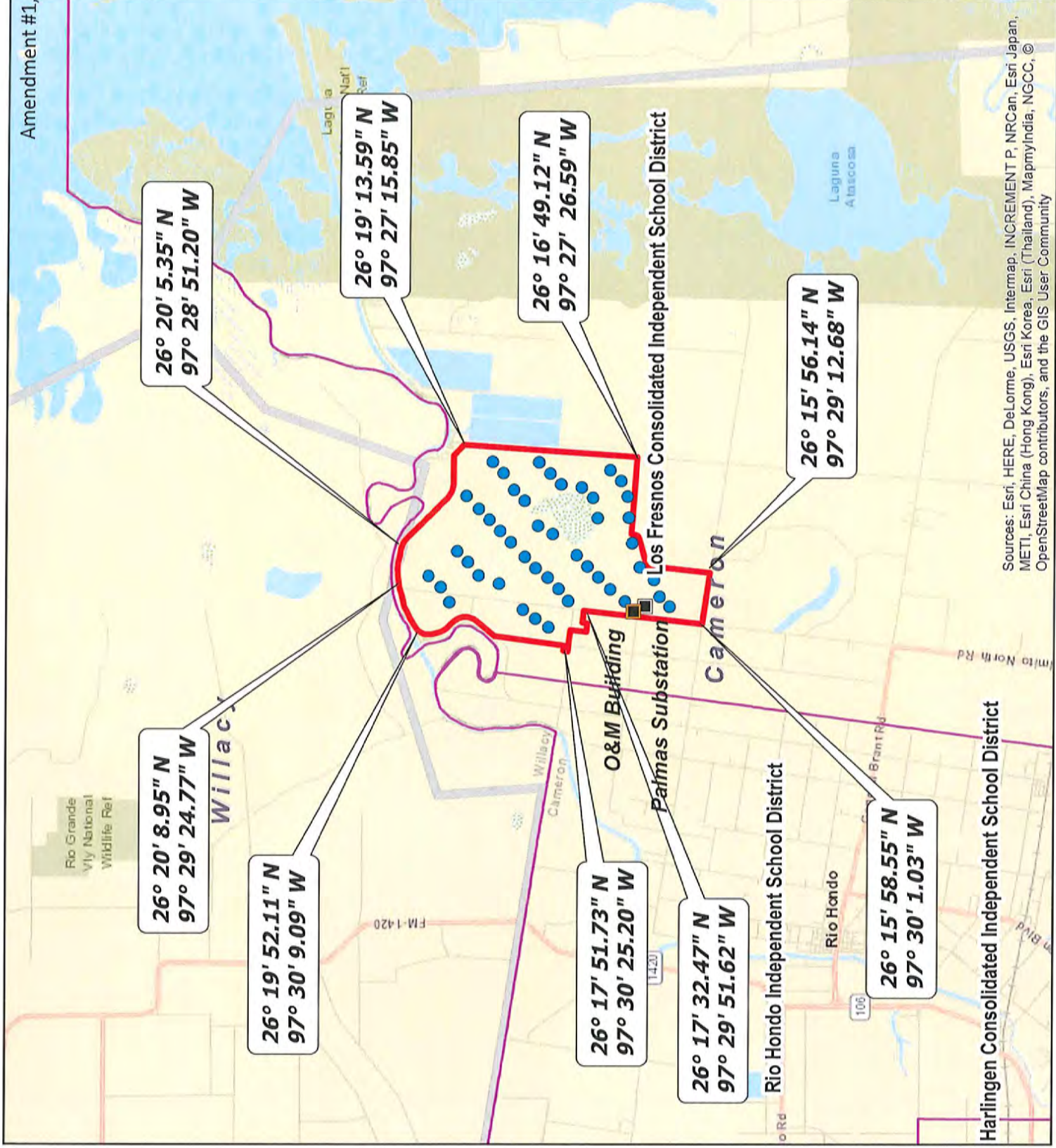
- Palmas Altas Layout - 144.9 MW
- Palmas Altas - Project Boundary
- Cameron County ISDs
- County Boundaries
- World Street Map

Map Notes

Author - AEUG
Date - May 21, 2018



0.255 1 1.5 2 Miles



Sources: Esri, HERE, DeLorme, USGS, Intermap, INCREMENT P, NRCan, Esri Japan, METI, Esri China (Hong Kong), Esri Korea, Esri (Thailand), MapmyIndia, NGCC, © OpenStreetMap contributors, and the GIS User Community

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and PALMAS WIND, LLC.

EXHIBIT B

Comptroller's Letter



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

August 2, 2018

Gonzalo Salazar
Superintendent
Los Fresnos Consolidated Independent School District
P.O. Box 309
Los Fresnos, Texas 78566

Re: Certificate for Limitation on Appraised Value of Property for School District
Maintenance and Operations taxes by and between Los Fresnos Consolidated
Independent School District and Palmas Wind, LLC, Application 1255

Dear Superintendent Salazar:

On June 18, 2018, the Comptroller issued written notice that Palmas Wind, LLC (applicant) submitted a completed application (Application 1255) for a limitation on appraised value under the provisions of Tax Code Chapter 313.¹ This application was originally submitted on April 16, 2018, to the Los Fresnos 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 1255.

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, 2018.

Note that any building or improvement existing as of the application review start date of June 18, 2018, 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,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Will Counihan

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller's economic impact analysis of Palmas Wind, LLC (project) applying to Los Fresnos 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 Palmas Wind, LLC.

Applicant	Palmas Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Los Fresnos CISD
Estimated 2016-2017 Average Daily Attendance	10,002
County	Cameron County
Proposed Total Investment in District	\$160,839,000
Proposed Qualified Investment	\$160,839,000
Limitation Amount	\$20,000,000
Qualifying Time Period (Full Years)	2019-2020
Number of new qualifying jobs committed to by applicant	4*
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$772
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$772
Minimum annual wage committed to by applicant for qualified jobs	\$40,160
Minimum weekly wage required for non-qualifying jobs	\$620
Minimum annual wage required for non-qualifying jobs	\$32,228
Investment per Qualifying Job	\$40,209,750
Estimated M&O levy without any limit (15 years)	\$16,149,937
Estimated M&O levy with Limitation (15 years)	\$5,705,706
Estimated gross M&O tax benefit (15 years)	\$10,444,231

* 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 Palmas Wind, LLC (modeled).

	Employment			Personal Income		
Year	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2018	50	46	96	\$2,625,000	\$3,478,516	\$6,103,516
2019	250	234	484.38	\$13,125,000	\$19,711,914	\$32,836,914
2020	4	16	20	\$160,640	\$4,111,821	\$4,272,461
2021	4	6	10	\$160,640	\$2,769,048	\$2,929,688
2022	4	(2)	2	\$160,640	\$1,792,485	\$1,953,125
2023	4	(4)	0	\$160,640	\$937,993	\$1,098,633
2024	4	(4)	0	\$160,640	\$571,782	\$732,422
2025	4	(0)	4	\$160,640	\$327,641	\$488,281
2026	4	(4)	0	\$160,640	\$205,571	\$366,211
2027	4	(0)	4	\$160,640	\$571,782	\$732,422
2028	4	(0)	4	\$160,640	\$327,641	\$488,281
2029	4	(0)	4	\$160,640	\$327,641	\$488,281
2030	4	(0)	4	\$160,640	\$83,501	\$244,141
2031	4	(0)	4	\$160,640	\$83,501	\$244,141
2032	4	(0)	4	\$160,640	-\$404,781	-\$244,141
2033	4	(0)	4	\$160,640	-\$160,640	\$0
2034	4	(2)	2	\$160,640	-\$160,640	\$0

Source: CPA REMI, Palmas Wind, 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		Los Fresnos CISD I&S Tax Levy	Los Fresnos CISD M&O Tax Levy	Los Fresnos CISD M&O and I&S Tax Levies	Cameron County Tax Levy	Port of Harlingen Tax Levy	Texas Southmost College Tax Levy	Brownsville Navigation District Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Drainage District #3 Tax Levy	Estimated Total Property Taxes
			Tax Rate*	0.0200	1.1700		0.4108	0.0300	0.1624	0.0359	0.0492	0.0936	0.1472	
2020	\$153,445,440	\$153,445,440		\$30,689	\$1,795,312	\$1,826,001	\$630,358	\$46,034	\$249,206	\$55,118	\$75,495	\$143,669	\$225,899	\$2,882,212
2021	\$142,125,305	\$142,125,305		\$28,475	\$1,662,866	\$1,691,291	\$531,855	\$42,638	\$230,821	\$51,051	\$69,926	\$133,071	\$209,234	\$2,669,582
2022	\$130,807,833	\$130,807,833		\$26,162	\$1,530,452	\$1,556,613	\$537,353	\$39,242	\$212,441	\$46,986	\$64,357	\$122,474	\$192,573	\$2,457,003
2023	\$120,394,446	\$120,394,446		\$24,079	\$1,408,615	\$1,432,694	\$494,584	\$36,118	\$195,529	\$43,246	\$59,234	\$112,724	\$177,242	\$2,261,405
2024	\$110,812,848	\$110,812,848		\$22,163	\$1,296,510	\$1,318,673	\$455,223	\$33,244	\$179,968	\$39,804	\$54,520	\$103,753	\$163,136	\$2,081,431
2025	\$101,996,529	\$101,996,529		\$20,399	\$1,193,359	\$1,213,759	\$419,005	\$30,599	\$165,650	\$36,637	\$50,182	\$95,498	\$150,157	\$1,915,831
2026	\$93,804,298	\$93,804,298		\$18,777	\$1,090,446	\$1,117,223	\$385,680	\$28,165	\$152,475	\$33,723	\$46,191	\$87,903	\$138,215	\$1,763,457
2027	\$86,419,858	\$86,419,858		\$17,284	\$1,011,112	\$1,028,396	\$355,015	\$25,926	\$140,352	\$31,042	\$42,519	\$80,914	\$127,226	\$1,623,250
2028	\$79,551,416	\$79,551,416		\$15,910	\$930,732	\$946,662	\$326,800	\$23,865	\$129,107	\$28,575	\$39,139	\$74,483	\$112,114	\$1,494,238
2029	\$73,231,320	\$73,231,320		\$14,646	\$856,886	\$871,453	\$300,836	\$21,969	\$118,933	\$26,305	\$36,030	\$68,566	\$107,810	\$1,375,526
2030	\$67,415,731	\$67,415,731		\$13,483	\$788,764	\$802,247	\$276,946	\$20,225	\$109,488	\$24,216	\$33,169	\$63,121	\$99,248	\$1,266,290
2031	\$62,064,317	\$62,064,317		\$12,413	\$726,153	\$738,565	\$254,952	\$18,619	\$100,797	\$22,294	\$30,536	\$58,110	\$91,370	\$1,165,773
2032	\$57,139,970	\$57,139,970		\$11,420	\$668,530	\$679,966	\$234,733	\$17,142	\$92,779	\$20,525	\$28,113	\$53,500	\$84,120	\$1,073,277
2033	\$52,608,550	\$52,608,550		\$10,522	\$615,520	\$626,042	\$216,118	\$15,783	\$85,440	\$18,897	\$25,883	\$49,257	\$77,449	\$988,162
2034	\$48,438,650	\$48,438,650		\$9,688	\$566,732	\$576,420	\$198,987	\$14,532	\$78,668	\$17,399	\$23,832	\$45,353	\$71,310	\$909,838
			Total	\$276,067	\$16,149,937	\$16,426,004	\$5,670,464	\$414,101	\$2,241,763	\$495,817	\$679,126	\$1,292,395	\$2,032,104	\$25,927,275

Source: CPA, Palmas Wind, LLC

*Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district, Cameron County, Port of Harlingen, South Texas ISD, Texas Southmost College, Brownsville Navigation District, Emergency Services District #1 and Drainage District #3, with all property tax incentives sought 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	Tax Rate	Los Fresnos CISD I&S Tax Levy	Los Fresnos CISD M&O Tax Levy	Los Fresnos CISD M&O and I&S Tax Levies	Cameron County Tax Levy	Port of Harlingen Tax Levy	Texas Southmost College Tax Levy	Brownsville Navigation District Tax Levy	South Texas ISD Tax Levy	Emergency Services District #1 Tax Levy	Drainage District #3 Tax Levy	Estimated Total Property Taxes
				0.0200	1.1700		0.4108	0.0300	0.1624	0.0359	0.0492	0.0936	0.1472	
2020	\$153,445,440	\$20,000,000		\$30,689	\$234,000	\$264,689	\$151,286	\$46,034	\$249,206	\$55,118	\$75,495	\$143,669	\$225,899	\$462,009
2021	\$142,125,305	\$20,000,000		\$28,425	\$234,000	\$262,425	\$140,125	\$42,638	\$230,821	\$51,051	\$69,926	\$133,071	\$209,234	\$445,188
2022	\$130,807,832	\$20,000,000		\$26,162	\$234,000	\$260,162	\$128,967	\$39,242	\$212,441	\$46,986	\$64,357	\$122,474	\$192,573	\$428,371
2023	\$120,394,446	\$20,000,000		\$24,079	\$234,000	\$258,079	\$118,700	\$36,118	\$195,529	\$43,246	\$59,234	\$112,724	\$177,242	\$412,897
2024	\$110,812,848	\$20,000,000		\$22,163	\$234,000	\$256,163	\$109,253	\$33,244	\$179,960	\$39,804	\$54,520	\$103,753	\$163,136	\$398,660
2025	\$101,996,529	\$20,000,000		\$20,399	\$234,000	\$254,399	\$100,561	\$30,599	\$165,650	\$36,637	\$50,192	\$95,498	\$150,157	\$385,559
2026	\$93,896,298	\$20,000,000		\$18,777	\$234,000	\$252,777	\$92,563	\$28,165	\$152,475	\$33,723	\$46,191	\$87,903	\$138,215	\$373,505
2027	\$86,419,858	\$20,000,000		\$17,284	\$234,000	\$251,284	\$85,204	\$25,926	\$140,352	\$31,042	\$42,519	\$80,914	\$127,226	\$362,414
2028	\$79,551,416	\$20,000,000		\$15,910	\$234,000	\$249,910	\$78,432	\$23,865	\$129,197	\$28,575	\$39,139	\$74,483	\$117,114	\$352,208
2029	\$73,231,320	\$20,000,000		\$14,646	\$234,000	\$248,646	\$72,201	\$21,969	\$118,933	\$26,305	\$36,030	\$68,566	\$107,810	\$342,816
2030	\$67,415,731	\$20,000,000		\$13,483	\$234,000	\$247,483	\$66,247	\$20,225	\$109,488	\$24,216	\$33,169	\$63,121	\$99,248	\$318,918
2031	\$62,064,317	\$20,000,000		\$12,413	\$234,000	\$246,413	\$60,565	\$18,619	\$100,797	\$22,294	\$30,536	\$58,110	\$91,370	\$302,147
2032	\$57,139,970	\$20,000,000		\$11,428	\$234,000	\$245,428	\$55,233	\$17,142	\$92,799	\$20,525	\$28,113	\$53,500	\$84,120	\$291,840
2033	\$52,608,550	\$20,000,000		\$10,522	\$234,000	\$244,522	\$50,242	\$15,783	\$85,440	\$18,897	\$25,883	\$49,257	\$77,449	\$272,942
2034	\$48,438,650	\$20,000,000		\$9,688	\$234,000	\$243,688	\$45,987	\$14,532	\$78,668	\$17,399	\$23,832	\$45,353	\$71,310	\$259,939
			Total	\$276,067	\$5,705,706	\$5,981,774	\$2,259,038	\$414,101	\$2,241,763	\$495,817	\$679,126	\$1,292,395	\$2,032,104	\$8,654,913
			DIF	\$0	\$10,444,231	\$10,444,231	\$3,411,426	\$0	\$0	\$0	\$0	\$0	\$0	\$17,272,362

Assumes School Value Limitation and Tax Abatements with the County.

Source: CPA, Palmas Wind, 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 Palmas Wind, 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	2017	\$0	\$0	\$0	\$0
	2018	\$0	\$0	\$0	\$0
	2019	\$112,909	\$112,909	\$0	\$0
Limitation Period (10 Years)	2020	\$234,000	\$346,909	\$1,561,312	\$1,561,312
	2021	\$234,000	\$580,909	\$1,428,866	\$2,990,178
	2022	\$234,000	\$814,909	\$1,296,452	\$4,286,629
	2023	\$234,000	\$1,048,909	\$1,174,615	\$5,461,244
	2024	\$234,000	\$1,282,909	\$1,062,510	\$6,523,755
	2025	\$234,000	\$1,516,909	\$959,359	\$7,483,114
	2026	\$234,000	\$1,750,909	\$864,446	\$8,347,560
	2027	\$234,000	\$1,984,909	\$777,112	\$9,124,673
	2028	\$234,000	\$2,218,909	\$696,752	\$9,821,424
	2029	\$234,000	\$2,452,909	\$622,806	\$10,444,231
Maintain Viable Presence (5 Years)	2030	\$788,764	\$3,241,673	\$0	\$10,444,231
	2031	\$726,153	\$3,967,826	\$0	\$10,444,231
	2032	\$668,538	\$4,636,363	\$0	\$10,444,231
	2033	\$615,520	\$5,251,883	\$0	\$10,444,231
	2034	\$566,732	\$5,818,615	\$0	\$10,444,231
Additional Years as Required by 313.026(c)(1) (10 Years)	2035	\$521,836	\$6,340,451	\$0	\$10,444,231
	2036	\$480,521	\$6,820,972	\$0	\$10,444,231
	2037	\$442,499	\$7,263,471	\$0	\$10,444,231
	2038	\$407,510	\$7,670,981	\$0	\$10,444,231
	2039	\$375,309	\$8,046,290	\$0	\$10,444,231
	2040	\$345,674	\$8,391,963	\$0	\$10,444,231
	2041	\$318,400	\$8,710,363	\$0	\$10,444,231
	2042	\$293,298	\$9,003,662	\$0	\$10,444,231
	2043	\$270,196	\$9,273,858	\$0	\$10,444,231
	2044	\$248,933	\$9,522,790	\$0	\$10,444,231

\$9,522,790

is less than

\$10,444,231

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

NOTE: The analysis above only takes into account this project's estimated impact on the M&O portion of the school district property tax levy directly related to this project.

Source: CPA, Palmas Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2018	50	46	96	\$2,625,000	\$3,478,516	\$6,103,516	305175.8	-183105.5	\$488,281
2019	250	234	484.38	\$13,125,000	\$19,711,914	\$32,836,914	1640319.8	-816345.2	\$2,456,665
2020	4	16	20	\$160,640	\$4,111,821	\$4,272,461	160217.3	411987.3	-\$251,770
2021	4	6	10	\$160,640	\$2,769,048	\$2,929,688	122070.3	373840.3	-\$251,770
2022	4	(2)	2	\$160,640	\$1,792,485	\$1,953,125	76293.9	328064	-\$251,770
2023	4	(4)	0	\$160,640	\$937,993	\$1,098,633	61035.2	274658.2	-\$213,623
2024	4	(4)	0	\$160,640	\$571,782	\$732,422	91552.7	236511.2	-\$144,959
2025	4	(0)	4	\$160,640	\$327,641	\$488,281	30517.6	175476.1	-\$144,959
2026	4	(4)	0	\$160,640	\$205,571	\$366,211	45776.4	160217.3	-\$114,441
2027	4	(0)	4	\$160,640	\$571,782	\$732,422	45776.4	91552.7	-\$45,776
2028	4	(0)	4	\$160,640	\$327,641	\$488,281	45776.4	45776.4	\$0
2029	4	(0)	4	\$160,640	\$327,641	\$488,281	38147	30517.6	\$7,629
2030	4	(0)	4	\$160,640	\$83,501	\$244,141	7629.4	-15258.8	\$22,888
2031	4	(0)	4	\$160,640	\$83,501	\$244,141	-22888.2	-61035.2	\$38,147
2032	4	(0)	4	\$160,640	-\$404,781	-\$244,141	-7629.4	-61035.2	\$53,406
2033	4	(0)	4	\$160,640	-\$160,640	\$0	-38147	-160217.3	\$122,070
2034	4	(2)	2	\$160,640	-\$160,640	\$0	-45776.4	-160217.3	\$114,441
2035	4	(4)	0	\$160,640	-\$648,921	-\$488,281	-114440.9	-198364.3	\$83,923
2036	4	(8)	-4	\$160,640	-\$893,062	-\$732,422	-175476.1	-289917	\$114,441
2037	4	(8)	-4	\$160,640	-\$1,137,203	-\$976,563	-175476.1	-312805.2	\$137,329
2038	4	(10)	-6	\$160,640	-\$1,625,484	-\$1,464,844	-183105.5	-366210.9	\$183,105
2039	4	(8)	-4	\$160,640	-\$1,869,624	-\$1,708,984	-167846.7	-411987.3	\$244,141
2040	4	(8)	-4	\$160,640	-\$2,357,906	-\$2,197,266	-198364.3	-488281.3	\$289,917
2041	4	(6)	-2	\$160,640	-\$1,625,484	-\$1,464,844	-213623	-511169.4	\$297,546
2042	4	(8)	-4	\$160,640	-\$2,357,906	-\$2,197,266	-244140.6	-541687	\$297,546
2043	4	(18)	-14	\$160,640	-\$2,113,765	-\$1,953,125	-228881.8	-564575.2	\$335,693
2044	4	(18)	-14	\$160,640	-\$3,090,328	-\$2,929,688	-244140.6	-564575.2	\$320,435
2045	4	(16)	-12	\$160,640	-\$4,066,890	-\$3,906,250	-305175.8	-656127.9	\$350,952
Total							\$305,176	-\$4,234,314	\$4,539,490
							\$14,062,280	is greater than	\$10,444,231
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 Palmas Wind, 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 Palmas Wind, LLC in Tab 5 of their Application for a Limitation on Appraised Value:
 - A. "The ACCIONA Group is keen to develop and build the proposed Palmas Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind or other renewable energy projects. The ACCIONA Group is active throughout the United States and globally where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. The ACCIONA Group has numerous wind and solar sites in development, both globally and throughout the US, and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, the ACCIONA Group currently has ongoing project developments in many states, including but not limited to, Kansas, Oklahoma, Illinois, Colorado, and Wyoming, among others."
 - B. "Due to the extremely competitive power market in ERCOT most if not all energy offtake economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates. For example, a signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA may have an escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA, or other offtake solution becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited."

- C. "The applicant [Palmas Wind, LLC] is a wholly owned subsidiary of Acciona Energy USA Global LLC ("AEUG"). AEUG is part of the ACCIONA Group's energy division and is responsible for development, construction and operations of renewable energy projects in the United States and Canada."
- Per Palmas Wind, LLC in Tab 4 of their Application for a Limitation on Appraised Value:
 - A. "The proposed Los Fresnos CISD Project ... will be constructed within an existing Enterprise Zone as Cameron County is considered a Distressed County."
- According to the ACCIONA news release dated April 10, 2018:
 - A. "ACCIONA Energía will build its second wind farm in Texas —the company's ninth in the U.S. — which will increase ACCIONA's U.S. wind power capacity to 866 megawatts (MW). An investment of around \$200 million ... Palmas Altas will have a capacity of 144.9 MW and be equipped with 46 wind turbines of Nordex technology. Grid connection is planned for November 2019."
 - B. "'We are proud to undertake a new wind power project that consolidates the reactivation of our investment activity in the United States and confirms our commitment to grow in a controlled and profitable manner in a market that continues to offer very interesting opportunities for the renewables sector,' said Rafael Esteban, CEO of ACCIONA Energy USA Global LLC."
 - C. "The Palmas Altas project will employ approximately 170 people at the peak of construction and will be staffed by a 10-person operations team. Over its 25-year lifespan, Palmas Altas is expected to generate \$40 million in local tax revenue, as well as more than \$44 million in lease payments to local landowners." Per Tab 1, Section 14 of Palmas Wind, LLC's application, the applicant is committed to creating four new qualifying jobs at this time.
- An April 18, 2018 *Valley Morning Star* (Harlingen, TX) article also covered the ACCIONA announcement.
 - A. "Spanish-based Acciona Energia has announced its second Cameron County wind farm will be constructed near its San Roman generating facility."
 - B. "The new \$200 million wind farm, called Palmas Altas, will consist of 46 wind turbines and have a generating capacity of 145 megawatts of electricity."
 - C. "The investment by Acciona will mean 170 jobs for the construction phase and 10 permanent positions."
 - D. "The facility should begin generating power by November 2019, the company said."
 - E. "Over its 25-year lifespan, Palmas Altas is expected to create \$40 million in local tax revenue, as well as more than \$44 million in lease payments to local landowners, the company said."
- An April 12, 2017 *San Antonio Business Journal* article reported:
 - A. "Spanish renewables company Acciona SA plans to build a \$200 million wind farm in the Rio Grande Valley. The Palmas Altas Wind Farm is slated for a rural area near Los Fresnos in Cameron County. The farm will have 46 wind turbines with a capacity of 145 megawatts, which will generate 524 gigawatt-hours of clean energy per year — enough electricity to power 43,000 homes. The electricity produced will be sold on the South Texas wholesale market operated by the Electric Reliability Council of Texas, Acciona said."
- A review of the minutes from the Los Fresnos CISD Board of Trustees meeting the indicated the following:
 - A. At a November 13, 2017 meeting, the Acciona Energy Project Director gave a brief overview of the proposed wind project – Palmas Altas Wind Farm. According to the minutes, "he intends to return in the near future with a formal request for a Chapter 313 Tax Value Limitation Agreement if the company decides to go through with it."
 - B. At an April 16, 2018 meeting, the Board voted to accept the Palmas Wind, LLC's application.
- The U.S. Energy Information Administration's *Electric Power Monthly with Data for March 2018*, released May 2018, reported as planned electric generating units additions:
 - A. 1/2020; Acciona Wind Energy USA LLC (Entity Name)/IPP (Plant Producer Type)/Palmas Wind, LLC (Plant Name); PW (Generator ID)/142.6 (Net Summer Capacity (MW)) Onshore Wind Turbine (Technology); (L) Regulatory approvals pending. Not under construction (Status)/144.9 (Nameplate Capacity (MW))

- An April 2018 *Generator Interconnection Status Report* issued by ERCOT, released May 1, 2018, detailed the planned project that had signed generation interconnection agreements as of April 30, 2018.
 - A. 17INR0037 (GINR Reference Number) Palmas Altas Wind (Project Name) Acciona (Interconnecting Entity) 12/2019 (Projected Date) Wind (Fuel)145 (MW for Grid) No (Full Interconnected Study Completion)
- A May 1, 2018 Windpower Monthly article noted in its global forecast for North America:
 - A. "In the United States, we have raised our 2019 incremental capacity forecast for Texas, reflecting the addition to the pipeline of the newly identified 100MW Palmas Altas. Planned for a site in Cameron County, Acciona Energía's development will comprise 46 AW125/3150 turbines."
- Supplemental information provided by the applicant indicated the following:
 - A. Is the Palmas Wind, LLC, project currently known by any other project names? The project was previously known as Palmas Altas Wind Farm. It currently is using only Palmas Wind, LLC as the name.
 - B. Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned. The project has applied to ERCOT, and the GINR is 17INR0037. The first reference I have found to this GINR was from the completed screening study from May 3, 2016.

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**

Application for Appraised Value Limitation on Qualified Property

SECTION 6: Eligibility Under Tax Code Chapter 313.024

1. Are you an entity subject to the tax under Tax Code, Chapter 171? ☒ Yes ☐ No
2. The property will be used for one of the following activities:
 - (1) manufacturing ☐ Yes ☒ No
 - (2) research and development ☐ Yes ☒ No
 - (3) a clean coal project, as defined by Section 5.001, Water Code ☐ Yes ☒ No
 - (4) an advanced clean energy project, as defined by Section 382.003, Health and Safety Code ☐ Yes ☒ No
 - (5) renewable energy electric generation ☒ Yes ☐ No
 - (6) electric power generation using integrated gasification combined cycle technology ☐ Yes ☒ No
 - (7) nuclear electric power generation ☐ Yes ☒ No
 - (8) a computer center that is used as an integral part or as a necessary auxiliary part for the activity conducted by applicant in one or more activities described by Subdivisions (1) through (7) ☐ Yes ☒ No
 - (9) a Texas Priority Project, as defined by 313.024(e)(7) and TAC 9.1051 ☐ Yes ☒ No
3. Are you requesting that any of the land be classified as qualified investment? ☐ Yes ☒ No
4. Will any of the proposed qualified investment be leased under a capitalized lease? ☐ Yes ☒ No
5. Will any of the proposed qualified investment be leased under an operating lease? ☐ Yes ☒ No
6. Are you including property that is owned by a person other than the applicant? ☐ Yes ☒ No
7. Will any property be pooled or proposed to be pooled with property owned by the applicant in determining the amount of your qualified investment? ☐ Yes ☒ No

SECTION 7: Project Description

1. 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.
2. Check the project characteristics that apply to the proposed project:

☒ Land has no existing improvements	☐ Land has existing improvements (<i>complete Section 13</i>)
☐ Expansion of existing operation on the land (<i>complete Section 13</i>)	☐ Relocation within Texas

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.

Supporting Information

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

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

TAB 5

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

The applicant is a wholly owned subsidiary of Acciona Energy USA Global LLC ("AEUG"). AEUG is part of the ACCIONA Group's energy division and is responsible for development, construction and operations of renewable energy projects in the United States and Canada.

The ACCIONA Group is a leader in the development and management of infrastructure, water, services and renewable energy. Listed on the Spanish blue-chip IBEX35 index (ANA.MC), it is a public company with over 33,550 employees in more than 30 countries in five continents.

In the United States, the ACCIONA Group develops, owns and operates renewable energy and infrastructure projects. The energy division owns and operates a nearly 900 MW of wind and solar projects across the U.S. and Canada and is an independent power producer focused solely on renewable energy. ACCIONA Group's U.S. team is involved in all aspects renewable energy, including, financing, construction, project development operations and power marketing.

The ACCIONA Group is keen to develop and build the proposed Palmas Wind Project as per this application, but since this Project is still in the early stages of development, further investment could be, if necessary, redeployed to other counties and states competing for similar wind or other renewable energy projects. The ACCIONA Group is active throughout the United States and globally where each project individually competes for a finite pool of capital investment. State and local tax incentives contribute to the lowering of the cost of power sold to its customers and making its investment more viable and marketable. The ACCIONA Group has numerous wind and solar sites in development, both globally and throughout the US, and is continually comparing investment opportunities, rate of return, and market viability of each project based upon project financial metrics. For example, the ACCIONA Group currently has ongoing project developments in many states, including but not limited to, Kansas, Oklahoma, Illinois, Colorado, and Wyoming, among others.

Due to the extremely competitive power market in ERCOT most if not all energy offtake economic model assumptions are based on the Project securing this Chapter 313 appraised value limitation and other local tax incentives. The property tax liabilities of a project without tax incentives in Texas lowers the return to investors and financiers to an unacceptable level at today's contracted power rates. For example, a signed PPA in the Texas market is at a much lower rate than other states because of competitively low electricity prices. Both parties of the PPA may have an

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

escape clause if the terms of the PPA cannot be met. Without the tax incentives in Texas, a project with a PPA, or other offtake solution becomes non-financeable. Therefore, this appraised value limitation is critical to the ability of the proposed Project to move forward as currently sited.

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller

Palmas Wind, LLC

Chapter 313 Application to Los Fresnos CISD

Cummings Westlake, LLC

TAB 4

Detailed Description of the Project

Provide 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.

Palmas Wind, LLC (Palmas Wind) is requesting an appraised value limitation from Los Fresnos Consolidated Independent School District (ISD) for the Palmas Wind Project (the "Project"), a proposed wind powered electric generating facility in Cameron County. The proposed Los Fresnos CISD Project (this application) will be constructed within an existing Enterprise Zone as Cameron County is considered a Distressed County. A map showing the location of the project is included in TAB 11.

The proposed Project is anticipated to have a capacity of approximately 144.9 MW located in Los Fresnos CISD. The exact number and location of wind turbines and size of each turbine will vary depending upon ongoing wind and siting analysis, turbine manufacturer's availability, prices, and the megawatt generating capacity of the Project when completed. Current estimated plans are to install 46 of the 3.15 MW Acciona turbines with all turbines located in Los Fresnos CISD. The Applicant requests a value limitation for all facilities and equipment installed for the Project, including but not limited to, wind turbines, towers, foundations, roadways, O&M building, meteorological towers, collection system, communication system, electric substation, electric switchyard, electric transformers, transmission line and associated towers, and interconnection facilities.

Full construction of the Project is anticipated to begin in the 4th Quarter of 2018 with completion by December 31, 2019.

**NOTE:* The map in TAB 11 shows the potential locations of 46 of the wind turbines, an O&M building and a collector substation within Los Fresnos CISD boundaries; however, the final number of turbines and the location of each of these facilities is dependent upon ongoing negotiations with power purchasers and other factors.



ACCIONA > Press room > News > 2018 > April > ACCIONA to build its n...

ACCIONA TO BUILD ITS NINTH U.S. WIND FARM IN TEXAS

04/10/2018

- An investment of around \$200 million, Palmas Altas will have a capacity of 145 MW and be equipped with 46 of Nordex's AW3150 wind turbines
- The new facility will be operational in November 2019



ACCIONA Energía will build its second wind farm in Texas —the company's ninth in the U.S. — which will increase ACCIONA's U.S. wind power capacity to 866 megawatts (MW). An investment of around \$200 million (over 160 million euros at the current exchange rate), Palmas Altas will have a capacity of 144.9 MW and be equipped with 46 wind turbines of Nordex technology. Grid connection is planned for November 2019.

Located in Cameron County, near the San Roman wind farm that ACCIONA started up in December 2016, the new facility will produce around 524 gigawatt-hours (GWh) of clean energy per year, equivalent to the consumption of 43,000 U.S. households, and offset the emission of 503,000 metric tons of CO₂ to the atmosphere from coal-fired power stations.

"We are proud to undertake a new wind power project that consolidates the reactivation of our investment activity in the United States and confirms our commitment to grow in a controlled and profitable manner in a market that continues to offer very interesting opportunities for the renewables sector," said Rafael Esteban, CEO of ACCIONA Energy USA Global LLC.

The Palmas Altas project will employ approximately 170 people at the peak of construction and will be staffed by a 10-person operations team. Over its 25-year lifespan, Palmas Altas is expected to generate \$40 million in local tax revenue, as well as more than \$44 million in lease payments to local landowners.

The wind turbines to be installed in Palmas Altas will be Nordex's AW125/3150 model with a rotor diameter of 125 meters, mounted on an 87.5-meter steel tower (hub height).

The energy produced by the wind farm will be sold in the ERCOT-South Texas wholesale market.

ACCIONA Energía currently owns and operates eight wind farms in the United States. In addition to San Roman (93 MW), mentioned above, the company has three others in Oklahoma (329 MW), two in the Dakotas (192 MW), one in Illinois (101 MW), and one in Iowa (6 MW). It also has a 64 MW CSP plant in the Nevada Desert.

In addition to Palmas Altas, ACCIONA Energía has other wind power projects in its pipeline that will increase its operational capacity in the United States.

Photo Caption: San Roman was the first ACCIONA Wind Farm in Texas.

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Application for Appraised Value Limitation on Qualified Property

SECTION 14: Wage and Employment Information

1. What is the estimated number of permanent jobs (more than 1,600 hours a year), with the applicant or a contractor of the applicant, on the proposed qualified property during the last complete quarter before the application review start date (date your application is finally determined to be complete)? 0
2. What is the last complete calendar quarter before application review start date:

☒ First Quarter ☐ Second Quarter ☐ Third Quarter ☐ Fourth Quarter of 2018 (year)
3. What were the number of permanent jobs (more than 1,600 hours a year) this applicant had in Texas during the most recent quarter reported to the Texas Workforce Commission (TWC)? 0

Note: For job definitions see TAC §9.1051 and Tax Code §313.021(3).
4. What is the number of new qualifying jobs you are committing to create? 4
5. What is the number of new non-qualifying jobs you are estimating you will create? 0
6. 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

6a. If yes, attach evidence 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.
7. Attach in Tab 13 the four most recent quarters of data for each wage calculation below, including documentation from the TWC 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 from the four quarterly periods for which data were available at the time of the application review start date (date of a completed application). See TAC §9.1051(21) and (22).
 - a. Average weekly wage for all jobs (all industries) in the county is 619.75
 - b. 110% of the average weekly wage for manufacturing jobs in the county is 1029.88
 - c. 110% of the average weekly wage for manufacturing jobs in the region is 772.18
8. 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)
9. What is the minimum required annual wage for each qualifying job based on the qualified property? 40,153.00
10. What is the annual wage you are committing to pay for each of the new qualifying jobs you create on the qualified property? 40,160.00
11. Will the qualifying jobs meet all minimum requirements set out in Tax Code §313.021(3)? ☒ Yes ☐ No
12. 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

12a. If yes, attach in Tab 12 supporting documentation from the TWC, pursuant to §313.021(3)(F).
13. 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

13a. 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, C, and D 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 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.



Home News Local News

Acciona creating 46 turbines near Bayview

Story Comments

Print Font Size



Rick Kelley

Many environmentalists who support alternative energy sources are conflicted by the giant turbines' impact on birds. To the human eye the majestic turbine blades make a slow circle as they are set in motion by gulf breezes. The reality is the tips of the blades are really moving as fast as 170 mph, and can lead to fatal encounters for migratory birds and bats.

Buy this photo

Palmas Altas wind farm

WHERE — Between Bayview and the Laguna Madre

WHO — Acciona Energia

WHAT — 46 wind turbines

POWER — 145 megawatts

COST — \$200 million

JOBS — 170 construction jobs, 10 permanent jobs

Posted: Wednesday, April 18, 2018 1:00 pm

By RICK KELLEY Staff Writer

HARLINGEN — Spanish-based Acciona Energia has announced its second Cameron County wind farm will be constructed near its San Roman generating facility.

The new \$200 million wind farm, called Palmas Altas, will consist of 46 wind turbines and have a generating capacity of 145 megawatts of electricity.

San Roman has 31 turbines and 93 megawatts of generating capacity.

The investment by Acciona will mean 170 jobs for the construction phase and 10 permanent positions. The additional wind farm — the company's ninth in the United States — will boost total generating capacity to 866 megawatts.

"We are proud to undertake a new wind power project that consolidates the reactivation of our investment activity in the United States and confirms our commitment to grow in a controlled and profitable manner in a market that continues to offer very interesting opportunities for the renewables sector," Rafael Esteban, CEO of ACCIONA Energy USA Global LLC, said in a statement.

The facility should begin generating power by November 2019, the company said.

Over its 25-year lifespan, Palmas Altas is expected to create \$40 million in local tax revenue, as well as more than \$44 million in lease payments to local landowners, the company said.

The energy produced by the facility will be sold in the ERCOT-South Texas wholesale market.

In addition to San Roman, the company has three wind farms in Oklahoma, two in the Dakotas, one in Illinois and one in Iowa (6 MW). It also has a facility in the Nevada

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desert.

Emails and phone calls seeking additional comments from company executives about the new wind farm were not returned.

rkelley@valleystar.com

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Posted in Local News on Wednesday, April 18, 2018 1:00 pm.

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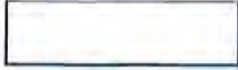
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From the San Antonio Business Journal:

<https://www.bizjournals.com/sanantonio/news/2018/04/12/spanish-company-plans-new-wind-farm-in-south-texas.html>

Spanish company plans new wind farm in South Texas

Apr 12, 2018, 12:44pm CDT

Spanish renewables company Acciona SA plans to build a \$200 million wind farm in the Rio Grande Valley.

The Palmas Altas Wind Farm is slated for a rural area near Los Fresnos in Cameron County. The farm will have 46 wind turbines with a capacity of 145 megawatts, which will generate 524 gigawatt-hours of clean energy per year — enough electricity to power 43,000 homes.

The electricity produced will be sold on the South Texas wholesale market operated by the Electric Reliability Council of Texas, Acciona said.



ACCIONA ENERGIA

Spanish renewables company Acciona SA plans to build the Palmas Altas Wind Farm in deep South Texas.

"We are proud to undertake a new wind power project that consolidates the reactivation of our investment activity in the United States and confirms our commitment to grow in a controlled and profitable manner in a market that continues to offer very interesting opportunities for the renewables sector," Acciona Energy USA Global LLC CEO Rafael Esteban said in a statement.

The Palmas Altas project, which will be next to Acciona's existing San Roman Wind Farm, will employ about 170 people at peak construction and will be staffed by a 10-person crew once complete. Acciona officials estimate that the project will generate \$40 million in local tax revenue and more than \$44 million in lease payments to landowners.

Acciona sold its wind turbine manufacturing subsidiary Acciona Windpower to German-owned Nordex in April 2016. The Palmas Altas project will use Nordex's AW125/3150 model with a rotor diameter of 410 feet and meters, mounted on an 287-foot tall steel tower.

The Palmas Altas project marks Acciona's second wind farm in Texas and its ninth in the U.S. The Spanish company is also the general contractor for a 424-megawatt wind farm in the Mexican border town of Reynosa, a project touted as one of the largest in Mexico.

Sergio Chapa

Reporter

San Antonio Business Journal



LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHOOL BOARD MEETING
November 13, 2017

- I. Board President, Jesus Amaya, called a regularly scheduled school board meeting to order at 6:00 p.m., determined the presence of a quorum, and that the notice of the meeting had been duly posted as required by law.
- II. The Pledges of Allegiance were given by all present, led by the Los Fresnos NJROTC Color Guard.
- III. A moment of silence was observed.
- IV. The following board members were present: Jesus Amaya, Leonel Garza, Sandra Garcia, Darlene Pederson, Rey Farias and Ruben Treviño. Martin Castillo was absent. Also in attendance were Superintendent, Gonzalo Salazar, Counsel, Elizabeth Neally, and a number of parents, administrators and other guests.
- V. **PUBLIC AUDIENCE**
A public hearing was convened to discuss the district's 2017 Financial Integrity Rating System of Texas (FIRST) accountability rating. Chief Financial Officer, David Young, gave a brief presentation marking the 15th consecutive year the District has received the highest possible rating. There were no questions from the audience.
- VI. **ELECTION RESULTS**
 1. Board Vice-President, Leonel Garza, presented a Certificate of Election to Trustees Jesus Amaya and Reynaldo Farias. Both had been previously been declared elected due to no registered opponents. Chief Financial Officer, David Young, administered the Oath of Office individually.
 2. Board President, Jesus Amaya, then opened the floor for nomination of officers. Sandra Garcia moved that the same slate of officers continue serving in their current capacity. The motion was seconded by Ruben Trevino and passed unanimously.
- VII. 1. **RECESS**
A brief recess was called at 6:30 p.m., to invite all present to enjoy light refreshments in honor of the reelected trustees. President Amaya reconvened the meeting at 6:48 p.m.
- VIII. **DISTRICT PRESENTATIONS**
 1. Executive Directors, Jimmy McDonough and Ada Amaro-Sibaja, presented the 2016 – 2017 Performance Bases Monitoring Analysis System (PBMAS) Report.
 2. Acciona Energy Project Director, Brian Dunneback, gave a brief introduction to a newly proposed wind energy project, Palmas Altas Wind Farm, which will be located in the northwestern portion of the District. He intends to return in the near future with a formal request for a Chapter 313 Tax Value Limitation Agreement if the company decides to go through with it.

LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
SCHOOL BOARD MEETING
April 16, 2018

VII DISTRICT REPORTS

1. Financial Reports
 - A. Portfolio Report
 - B. Tax Collection Report
 - C. Summary Revenue and Expenditure Status Report
 - D. Monthly Disbursements
 - E. Budget Adjustments
2. Budget & Tax Calendar 2018 – 2019

VIII. PUBLIC AUDIENCE

No one signed up to address the board in public audience.

IX. CONSENT AGENDA

Upon the recommendation of the superintendent, it was moved by Rey Treviño, seconded by Leonel Garza, to approve the Consent Agenda as follows:

1. minutes for meeting held on March 19, 2018;
2. budget amendment #8 for fiscal year 2018;
3. ad-valorem tax refunds for the month of March, 2018; and
4. the 2018 – 2019 work calendar for 260 day employees.

The motion to approve the consent agenda passed unanimously.

X. ACTION ITEMS

1. Upon the recommendation of the superintendent, it was moved by Ruben Treviño, seconded by Leonel Garza, to discuss and take action to accept the application for appraised value limitation on qualified property submitted pursuant to Texas Tax Code Chapter 313 by Palmas Wind, LLC, for initial review and authorize the Superintendent to engage consultants for review of application.

The motion carried unanimously.

2. Upon the recommendation of the superintendent, it was moved by Ruben Treviño, seconded by Rey Farias, to renew agreements/contracts for CSP #16-17-31, Food Service Management Company, to Southwest Foodservice Excellence, LLP (SFE) for a 1 year cost reimbursable contract, subject to regulatory approval.

The motion carried unanimously.



Independent Statistics & Analysis

U.S. Energy Information
Administration

Electric Power Monthly

with Data for March 2018

May 30, 2018 Revision: The 12-month rolling average was updated in Table 8.3.

May 2018

This report was prepared by the U.S. Energy Information Administration (EIA), the statistical and analytical agency within the U.S. Department of Energy. By law, EIA's data, analyses, and forecasts are independent of approval by any other officer or employee of the United States Government. The views in this report therefore should not be construed as representing those of the Department of Energy or other Federal agencies

This issue of the *Electric Power Monthly* includes a new Chapter 8 with data for the Commonwealth of Puerto Rico. The chapter currently includes data on electricity sales to ultimate consumers. Coverage will eventually be expanded to include power plant characteristics, operations, and generation data. Note that the data for Puerto Rico is not included in the other tables in the EPM, which continue to show data for the 50 states and the District of Columbia.

[illegible]

Generator Interconnection Status Report

April 2018

Date: 5/1/2018 2:16:41 PM

Generation Interconnection Agreements as of April 30, 2018

GINR Reference Number	Project Name*	Interconnecting Entity	County	Projected Date	Fuel	MW For Grid	Changes From Last Report	Planning Guide Section 6.9 Requirements (Other than model data submission)				FIS completion
								Meets Section 6.9 Requirements (1)(b) through (1)(d)	Sufficient Financial Security Received by TSP	Air Permit	Water Rights	
15INR00082	Flat Top Wind I	Alterra Power	Comanche	4/2018	Wind	200		Yes	Yes	N/A	N/A	Complete
15INR00045	RIGGINS	NRG	Pecos	4/2018	Solar	150		Yes	Yes	N/A	N/A	Complete
16INR00091	HICKMAN	Invenergy	Reagan	5/2018	Wind	300	Projected Date	Yes	Yes	N/A	N/A	Complete
16INR00087	RT's Wind Project	Goldwind	McCulloch	5/2018	Wind	160	Projected Date	Yes	Yes	N/A	N/A	Complete
16INR00054	NA	NA-SA	Harris	5/2018	Gas	12		Yes	Yes	N/A	N/A	Complete
13INR00049	FECC	Friendswood Energy Genco	Harris	5/2018	Gas	129	Projected Date	Yes	Yes	N/A	N/A	Complete
12INR00059b	HOVEY (Banita Solar 1B)	First Solar	Pecos	5/2018	Solar	7	Projected Date	Yes	Yes	N/A	N/A	Complete
18INR0013	Denton Energy Center	Denton Municipal Electric	Denton	6/2018	Gas	226	Projected Date	Yes	Yes	N/A	N/A	Complete
17INR00088	Sweetwater 2 repower	Leeward Energy	Nolan	6/2018	Wind	7		No	No	N/A	N/A	Complete
16INR00066	Cactus Flats Wind	Southern Power Company	Concho	6/2018	Wind	148		Yes	Yes	N/A	N/A	Complete
16INR00065	CASL GAP (Castle Gap Solar)	Vistra Energy/Luminant	Upton	6/2018	Solar	180		Yes	Yes	N/A	N/A	Complete
15INR00061	LAISO	Solaire Direct	Brewster	6/2018	Wind	50		Yes	Yes	N/A	N/A	Complete
13INR0010a	Marath Del Este	Marath Acquisition	Parker	9/2018	Wind	152		Yes	Yes	N/A	N/A	Complete
18INR00025	Tahoka Wind	Lincoln Clean	Lynn	10/2018	Wind	300		Yes	Yes	N/A	N/A	Complete
17INR00022	MIRAGE	Net Power	Harris	10/2018	Gas	11		Yes	Yes	N/A	N/A	Complete
18INR00035	CityVirt	Castlemann Power	Victoria	11/2018	Gas	100	SFS	Yes	Yes	N/A	N/A	Complete
17INR00045	VicPort	Castlemann Power	Victoria	11/2018	Gas	100	SFS	No	Yes	N/A	N/A	Incomplete
18INR00068	Loraine Windpark Phase III	Third Planet Wind Power	McCulloch	12/2018	Wind	100	NEW	Yes	Yes	N/A	N/A	Complete
18INR00016	Heart of Texas Wind	RES Americas	McCulloch	12/2018	Wind	150		No	No	N/A	N/A	Complete
16INR00115	Waymark Solar	174 Power Global	Pecos	12/2018	Solar	182		Yes	Yes	N/A	N/A	Complete
16INR00112	Loma Pinta Wind	Enverase	La Salle	12/2018	Wind	200		Yes	Yes	N/A	N/A	Complete
16INR00023b	Lamesa Solar B (Phase II)	OCI Solar Power	Dawson	12/2018	Solar	50	MW For Grid, SFS	Yes	Yes	N/A	N/A	Complete
16INR00019	BlueBell Solar	Nextera	Coke	12/2018	Solar	30		Yes	Yes	N/A	N/A	Complete
15INR00035	Stella 1 Wind	Eon	Kenedy	12/2018	Wind	201		Yes	Yes	N/A	N/A	Complete
14INR00038	BAC	PHR Holdings	Galveston	12/2018	Gas	390		Yes	Yes	N/A	N/A	Complete
14INR00045	Midway Wind	Apex Clean	San Patricio	12/2018	Wind	163		Yes	Yes	N/A	N/A	Complete
14INR00045	Torreillas Wind	Nextera	Webb	12/2018	Wind	300	NEW	Yes	Yes	N/A	N/A	Complete
13INR00010c	Marian Del Sur	Marath Acquisition	Parker	12/2018	Wind	218		Yes	Yes	N/A	N/A	Incomplete
12INR00060	Infinity Live Oak Wind	Infinity Renewables	Schleicher	12/2018	Wind	200	NEW	Yes	Yes	N/A	N/A	Incomplete
16INR00076	Hudson (Ineos/Brazoria)	Ineos	Brazoria	1/2019	Gas	96		Yes	Yes	N/A	N/A	Complete
16INR00037c	Pumpkin Farm Wind	Apex Clean	Floyd	1/2019	Wind	281		Yes	Yes	N/A	N/A	Complete
12INR00055	Little Mountain Wind	Infinity Renewables	Baylor	3/2019	Wind	80		No	No	N/A	N/A	Incomplete
17INR00005	Cabezon Wind	Longroad Energy	Starr	4/2019	Wind	238		Yes	Yes	N/A	N/A	Complete
11INR00062	Patriot Wind	NRG	Nueces	4/2019	Wind	226	MW For Grid	Yes	Yes	N/A	N/A	Complete
13INR0010def	Scandia Wind DEF	Scandia Southwest	Parker	5/2019	Wind	600	NEW	No	No	N/A	N/A	Complete
19INR00092	Prospero Solar	Longroad Energy	Andrews	5/2019	Solar	300		Yes	Yes	N/A	N/A	Incomplete
17INR00027b	Goyote Wind	Lincoln Clean	Scurry	5/2019	Wind	242		Yes	Yes	N/A	N/A	Incomplete
15INR00059	Emerald Grove Solar	Cypress Creek Renewables	Pecos	5/2019	Solar	108		Yes	Yes	N/A	N/A	Incomplete
18INR00067	Gopher Creek Wind	Terra Energy	Scurry	6/2019	Wind	158	Projected Date	Yes	Yes	N/A	N/A	Complete
16INR00003	LEVEE (Freeport LNG)	Freeport LNG	Brazoria	6/2019	Gas	11		Yes	Yes	N/A	N/A	Complete
19INR00163	Sage Draw Wind	Alterra Power	Lynn	6/2019	Wind	300		No	No	N/A	N/A	Incomplete
19INR00019	Foard City Wind	Lincoln Clean	Foard	6/2019	Wind	350		No	No	N/A	N/A	Incomplete
16INR00062b	Lockett Wind	Lincoln Clean	Wilbarger	6/2019	Wind	184		Yes	Yes	N/A	N/A	Incomplete
16INR00044	Halyard Winaton	Halyard Energy	Wharton	6/2019	Gas	419		No	No	N/A	N/A	Incomplete
13INR00026	Canadian Breaks Wind	Macquarie Cap	Oldham	7/2019	Gas	210		No	No	N/A	N/A	Complete
18INR00001	Rockwood G	Lincoln Clean	Colorado	7/2019	Gas	1122		No	No	N/A	N/A	Incomplete
15INR00064b	Harald (BearKat Wind B)	TriGlobal	Glasscock	8/2019	Wind	162	Projected Date	Yes	Yes	N/A	N/A	Complete
14INR00033	Goodnight Wind	FOE Power	Armstrong	8/2019	Wind	497		No	No	N/A	N/A	Complete
18INR00043	Edmondson Ranch Wind	Wind Tex	Glasscock	9/2019	Wind	292		Yes	Yes	N/A	N/A	Complete
13INR00038	Wildrose Wind	S Power	Swisher	10/2019	Wind	212		Yes	Yes	N/A	N/A	Complete
18INR00004	Shawnee G	Lincoln Clean	Hill	10/2019	Gas	826		No	No	Yes	No	Incomplete

GINR Reference Number	Project Name*	Interconnecting Entity	County	Projected Date	Fuel	MW For Grid	Changes From Last Report	Planning Guide Section 6.9 Requirements (Other than model data submission)				FIS completion
								Meets Section 6.9 Requirements (1)(b) through (1)(d)	Sufficient Financial Security Received by TSP	Air Permit	Water Rights	
16INR0049	Nazareth Solar	Lincoln Clean	Castro	10/2019	Solar	201		No	No	N/A	N/A	Incomplete
15INR0079	Pullman Road Wind	SunEdison	Randall	10/2019	Wind	300		No	No	N/A	N/A	Incomplete
15INR0080	Unity Wind	Miller Wind	Deaf Smith	10/2019	Wind	203		No	No	N/A	N/A	Incomplete
14INR0009	WKN Amadeus Wind	WKN	Kent	10/2019	Wind	246		No	No	N/A	N/A	Incomplete
12INR0002a	Silver Canyon Wind A	EDP Renewables	Briscoe	10/2019	Wind	200		No	No	N/A	N/A	Incomplete
15INR0038	High Lonesome W	Swift Current Energy	Crockett	11/2019	Wind	500	NEW	No	No	N/A	N/A	Incomplete
18INR0022	RES Wind Solar	RES Americas	Winkler	12/2019	Solar	150		No	No	N/A	N/A	Complete
15INR0090	Phugerville Solar	RRE Solar	Travis	12/2019	Solar	144		No	No	N/A	N/A	Complete
15INR0074	Karankawa 2 Wind Farm	Avangrid	San Patricio	12/2019	Wind	200		No	No	N/A	N/A	Incomplete
18INR0014	Karankawa Wind Alt A	Avangrid	San Patricio	12/2019	Wind	200		No	No	N/A	N/A	Incomplete
17INR0037	Palmis Atlas Wind	Accordia	Cameron	12/2019	Wind	145		No	No	N/A	N/A	Incomplete
17INR0020c	RE Maplewood 2c Solar	Recurrent Energy	Pecos	12/2019	Solar	100		Yes	Yes	N/A	N/A	Incomplete
17INR0020b	RE Maplewood 2b Solar	Recurrent Energy	Pecos	12/2019	Solar	100		Yes	Yes	N/A	N/A	Incomplete
17INR0020a	RE Maplewood 2a Solar	Recurrent Energy	Pecos	12/2019	Solar	100		Yes	Yes	N/A	N/A	Incomplete
16INR0114	Upton Solar	SunPower	Upton	12/2019	Solar	102	Projected Date	Yes	Yes	N/A	N/A	Incomplete
14INR0044	West of Pecos Solar	Eon	Reeves	12/2019	Solar	100		Yes	Yes	N/A	N/A	Incomplete
13INR0005c	Grandview W 3	Eon	Carson	12/2019	Wind	188		Yes	Yes	N/A	N/A	Incomplete
12INR0029	Comanche Run Wind	Avangrid	Swisher	12/2019	Wind	500		No	No	N/A	N/A	Incomplete
16INR0006	Pinecrest G	Coronado Ventures	Angelina	4/2020	Gas	785		No	No	N/A	N/A	Incomplete
16INR0045	Halyard Henderson	Halyard Energy	Henderson	6/2020	Gas	432		No	No	Yes	Yes	Incomplete
18INR0018	Peyton Creek Wind	Eon	Matagorda	7/2020	Wind	150		No	No	Yes	Yes	Complete
17INR0010	FGE Texas 2 Gas	FGE Power	Mitchell	9/2020	Gas	743		No	No	N/A	N/A	Complete
16INR0010	FGE Texas 1 Gas	FGE Power	Mitchell	10/2020	Gas	743		No	No	Yes	No	Incomplete
15INR0013	Apex Belhel CAES	Apex CAES	Anderson	11/2020	Gas/CE	324	Project Name, Fuel	No	No	Yes	Yes	Incomplete
20INR0058	Longhorn South	EDF Renewable Energy	Briscoe	12/2020	Wind	160		Yes	Yes	N/A	N/A	Incomplete
17INR0020e	RE Maplewood 2e Solar	Recurrent Energy	Pecos	12/2020	Solar	100		Yes	Yes	N/A	N/A	Incomplete
17INR0020d	RE Maplewood 2d Solar	Recurrent Energy	Pecos	12/2020	Solar	100		Yes	Yes	N/A	N/A	Incomplete
16INR0005	Brownsville G	Tenaska	Cameron	12/2020	Gas	871		No	No	N/A	N/A	Incomplete
14INR0030c	Panhandle Wind 3	Paltem Energy	Carson	12/2020	Wind	248		Yes	Yes	N/A	N/A	Incomplete
15INR0023	Indeck Wharton	Indeck	Wharton	9/2021	Gas	654	Projected Date	No	No	Yes	Yes	Complete

* capacities for projects identified as repowering are reported on a net change basis with respect to the original capacity amount, and thus may have zero or negative values

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Windpower Intelligence Global Forecast: May 2018

1 May 2018 ,

Below we present our latest global capacity forecasts to 2024.

[Download the report: Global Forecast May 2018](#)

Project summary

Project activity continued apace in April. In the USA, the Wyoming Public Service Commission backed PacifiCorp's plans for a 1.15GW expansion of wind capacity and a 225km transmission line. Alliant Energy began construction of its 300MW Upland Prairie in Iowa, Enel began construction of its 185MW HillTopper in Illinois and Siemens Gamesa agreed to supply 98 SWT-2.3-108 turbines to a 225MW project in Kansas. Meanwhile, Texas regulators approved Xcel Energy's 478MW Hale and 522MW Sagamore projects. And in South Dakota, Walmart agreed to purchase 150MW from Geronimo Energy's 200-400MW Crocker and 150MW from Engie's Triple H. In Canada, the 147MW Mont Sainte-Marguerite and 100MW North Kent wind farms were brought online, while in Mexico, Siemens Gamesa agreed to supply 29 SG 3.4-132 turbines to a 100MW development in Coahuila.

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In Spain, Forestalia was granted consent for seven projects of 192MW total capacity and Siemens Gamesa agreed to supply 48 SG 3.4-132 turbines, to five Gas Natural Fenosa Renovables projects of 166MW total capacity. Meanwhile, the Goya consortium agreed €170m of finance for its 300MW complex in Aragón.

In the second German offshore wind auction, the Bundesnetzagentur awarded 1.6GW of capacity. Elsewhere in the offshore sector, the 353MW Galloper achieved full power at the end of March. Shortly afterwards, E.ON announced that all 116 V112-3.3 MW turbines at the 400MW Rampion were able to generate electricity. The first substation topside for Ørsted's Hornsea Project One was installed and the first section of export cable for the 1.2GW project was laid. Turbine installation was completed at the 659MW Walney Extension, a conditional order was placed for 23 V164- 9.5 MW turbines for Parkwind's 224MW Northwester 2 and Sif was contracted to supply 77 monopiles to the 731.5MW Borssele III & IV. Installation commenced at the 497MW EnBW Hohe See and 112MW Albatros, the 385MW Arkona's offshore transformer station was installed and via a Luxembourg investment vehicle, wpd invest acquired Van Oord's 10% stake in the 600MW Gemini. Meanwhile, Element Power took over the development of the up to 750MW North Irish Sea Array project from Gaelectric.

In Australia, New South Wales' minister for planning approved a proposal for Epuron's 267-turbine Liverpool Range. The up to 960MW project would become Australia's largest wind farm. A grid connection was agreed for the 321MW Moorabool, Siemens Gamesa agreed to supply and install the 194MW wind farm at Neoen's Bulgana Green Power Hub and PowerChina Resources acquired an 80% stake in the up to 150MW Cattle Hill.

Elsewhere, Siemens Gamesa secured its largest ever turbine order in India. It

2018

Windpower Monthly
Windicator: June 2018

Windpower Monthly
Windicator: May 2018

Turbine Purchase
Agreements 1-30 April
2018

was also the first order for the SG 2.1-122 turbine, 143 of which will be supplied to Sembcorp Green Infra's 300MW project in Gujarat. And the second 2GW Solar Energy Corporation of India auction saw eight bidders awarded tariffs ranging from Rs 2.51/kWh to Rs 2.52/kWh.

Ten largest newly online wind farms

Wind farm	Capacity (MW)	Country
Wulan	400	China
Galloper	353	UK
Mont Sainte-Marguerite	147	Canada
North Kent	100	Canada
Hawa	50	Pakistan
Beesenberg	41.4	Germany
Milow	34.5	Germany
Aventura I	28.2	Brazil
Looft (repowering)	16.5	Germany
Homberg	10.35	Germany

Monthly forecast

We have revised our global incremental capacity forecasts, to take account of newly identified, newly announced and reactivated projects and by the end of 2024, we expect total installed capacity to have reached 848GW.

Europe's forecasts have been revised, reflecting newly identified projects in a number of countries being added to the pipeline. Those for North America have also been revised. In Asia-Pacific, the incremental capacity forecast for India has been revised, following new capacity being awarded in an auction. In

Central & South America, our 2019 and 2021- 24 forecasts have been raised, largely reflecting the addition of newly identified projects in Brazil. And in the Middle East & Africa, our revised forecasts largely reflect the addition of a newly identified project in Jordan and a reassessment of likely online dates of projects elsewhere

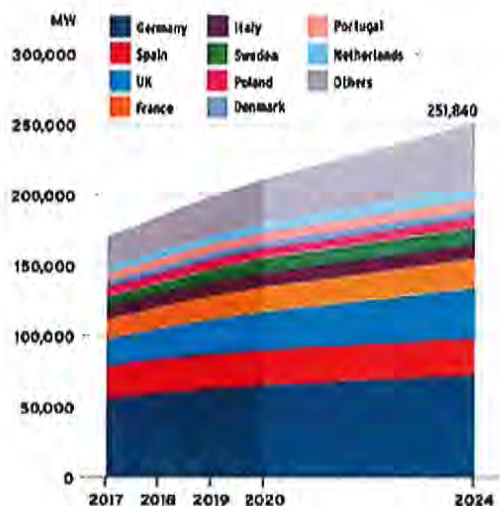
Europe

We have revised our capacity forecasts for Europe and by the end of 2024, we expect the region to have a total of 251.8GW in place.

Our long-term forecast for the UK has been raised, largely as a result of SSE's

133MW Strathy South project being re-added to the pipeline. Planned for a site in northern Scotland, it was subject to a public enquiry in 2015 and only now has the Scottish Government granted the go-ahead. It had previously been considered as being on hold. For the UK as a whole, we expect there to be 35.5GW in place by the end of 2024.

Elsewhere, we have raised Germany's 2018 incremental capacity forecast, largely reflecting the addition of a handful of small, newly identified and newly online wind farms. That for France has also been raised, as have Sweden's 2019 and 2020 incremental capacity forecasts.



North America

We have slightly revised North America's short -, medium - and long - term incremental capacity forecasts and for the region as a whole, total installed capacity is expected to have reached 149.3GW by the end of 2024.

In the United States, we have raised our 2019 incremental capacity forecast for Texas, reflecting the addition to the pipeline of the newly identified 100MW Palmas Altas. Planned for a site in Cameron County, Acciona Energia's development will comprise 46 AW125/3150 turbines. For Oklahoma, we have lowered our 2019 newly installed capacity forecast, but raised that for 2020, as we now expect the 158.6MW Silver Spoke to come online a little later than previously envisaged. It is planned for a site in Osage County. Our forecasts for Iowa have also been revised, while for the US as a whole, we expect total installed capacity to have reached 126.7GW by the end of the forecast period.

For Canada, our forecasts are largely unchanged and by the end of 2024, we expect Canada's total installed capacity to have reached 18.6GW.

COMPTROLLER QUERY RELATED TO TAX CODE CHAPTER 313.026(c)(2)
– Los Fresnos CISD – Palmas Wind, LLC App. #1255 –

Comptroller Questions (via email on June 20, 2018):

- 1) Is the Palmas Wind, LLC project currently known by any other project names?*
- 2) Has this project applied to ERCOT at this time? If so, please provide the project's GINR number and when was it assigned.*

Applicant Response (via email on June 22, 2018):

- 1) The project was previously known as Palmas Altas Wind Farm. It currently is using only Palmas Wind, LLC as the name.*
- 2) The project has applied to ERCOT, and the GINR is 17INR0037. The first reference I have found to this GINR was from the completed screening study from May 3, 2016.*

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and PALMAS WIND, LLC.

EXHIBIT C

Economic Impact Evaluation

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and PALMAS WIND, LLC.

EXHIBIT C

Economic Impact Evaluation

**CHAPTER 313 PROPERTY VALUE LIMITATION
FINANCIAL IMPACT OF THE PROPOSED PALMAS WIND,
LLC PROJECT IN THE LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT
(PROJECT # 1255)**

PREPARED BY



AUGUST 28, 2018

REVISED

Executive Summary

Palmas Wind, LLC (Company) has requested that the Los Fresnos Consolidated Independent School District (LFCISD) consider granting a property value limitation under Chapter 313 of the Tax Code, also known as the Texas Economic Development Act. In an application submitted to LFCISD on April 16, 2018 the Company plans to invest \$154.4 million to construct a renewable wind electric energy generation facility. Moak, Casey & Associates (MCA) has been retained to prepare an analysis of this value limitation and help the district navigate the overall application and agreement process.

The Palmas Wind project is consistent with the state's goal to "encourage large scale capital investments in this state." When enacted as House Bill 1200 in 2001, Chapter 313 of the Tax Code granted eligibility to companies engaged in manufacturing, research and development, and renewable electric energy production to apply to school districts for property value limitations. Subsequent legislative changes expanded eligibility to clean coal projects, nuclear power generation and data centers, among others.

Under the provisions of Chapter 313, LFCISD may offer a minimum value limitation of \$20 million. This value limitation, under the proposed application, will begin in the 2020-21 school year and remain at that level of taxable value for Maintenance and Operations (M&O) tax purposes for ten years. The entire project value will remain taxable for I&S or debt service purposes for the term of the agreement.

MCA's initial school finance analysis is detailed in this report, incorporating the major legislative changes adopted last year. The overall conclusions are as follows, but please read all of the subsequent details in the report below for more information.

Total Revenue Loss Payment owed to LFCISD	\$2.5 million
Total Savings to Company after Revenue Loss Payment. (This does not include any supplemental benefit payments to the district.)	\$8.0 million

Application Process

After the school district has submitted an application to the Comptroller's Office (Comptroller), the Comptroller begins reviewing the application for completeness. The purpose of this review is to ensure all necessary information and attachments are included in the application before moving forward with the formal review process. The Comptroller's Office determined the application complete in a letter issued on June 18, 2018.

The issuance of a Completeness Letter is important because it sets the timeline for the rest of process. From the date of issuance, the Comptroller has up to 90 days to conduct its full review of the project and provide its certificate for a limitation on appraised value. The certificate for the Palmas Wind project was issued on August 2, 2018.

After the Comptroller's certificate is received, Walsh Galllegos will contact the school district to discuss the value limitation agreement and begin negotiations of the supplemental benefit payment with the Company. A final version of the agreement must be submitted to the Comptroller for review 30 days prior to final adoption by the school district's board of trustees.

At the final board meeting, the school board will review the Value Limitation Agreement and Findings of Fact that detail the project's conformance with state law. The school board will also be asked to consider the adoption of a job waiver during this meeting as part of the board's consideration of the Palmas Wind application.

How the 313 Agreement Interacts with Texas School Finance

M&O funding for Texas schools relies on two methods of finance: local school district property taxes and state aid. State aid consists of two components: Tier I (based on ADA, special student populations and M&O taxes at the compressed tax rate) and Tier II (based on weighted ADA for each penny of tax effort above a specified level). (For more detailed information on the school finance funding system, please review the Texas Education Agency's website ([Manuals and Presentations](#)) or ([School Finance-One Page Descriptions](#)).

Because the general school finance formula system calculates state aid entitlements using the Comptroller's certified property value for the preceding year, the first year is often problematic financially. The implementation of the value limitation often results in an M&O revenue loss to the school district in the first year of the limitation that would not be reimbursed by the state, but require some type of compensation from the Company under the revenue protection provisions of the agreement. **If the full value of the project increases significantly during the value limitation period, the revenue losses may be greater than originally estimated.**

A taxpayer receiving a value limitation pays M&O taxes on the reduced value for the project in years 1-10 and receives a tax bill for I&S taxes based on the full project value throughout the qualifying and value limitation period (and thereafter).

Future legislative action on school funding could potentially affect the impact of the value limitation on the school district's finances and result in revenue-loss estimates that differ from the estimates presented in this report.

Underlying School District Data Assumptions

The agreement between the school district and the applicant calls for a calculation of the revenue impact of the value limitation in years 1-10 of the agreement, under whatever school finance and property tax laws are in effect in each of those years. The Basic Allotment remains at \$5,140 and the Tier II Austin yield increases to \$106.28 per WADA for 2018-19, which is maintained for future years.

Projected school district enrollment and property values are used to isolate the effects of the value limitation under the school finance system. Any previously-approved Chapter 313

projects are also factored into the M&O tax bases used. The impact of the Chapter 313 project value returning to the total tax roll for M&O funding purposes is beyond the scope of this revenue report.

ADA: Increases from 9,885 in 2017-18 school year
 Local Tax Base: \$1.97 billion
 M&O Tax Rate: \$1.17 per \$100
 I&S Tax Rate: \$0.02 per \$100
 Wealth per WADA: \$126,046

Table 1 summarizes the enrollment and property value assumptions for the 15 years that are the subject of this analysis.

Table 1 – Base District Information with Palmas Wind Project Value and Limitation Values

Year of Agreement	School Year	ADA	WADA	M&O Tax Rate	I&S Tax Rate	CAD Value with Project	CAD Value with Limitation	CPTD with Project	CPTD With Limitation	CPTD Value with Project per WADA	CPTD Value with Limitation per WADA
QTP0	2018-19	9,851.00	13,803.56	\$1.1700	\$0.0200	\$1,971,152,998	\$1,971,152,998	\$1,739,877,330	\$1,739,877,330	\$126,046	\$126,046
QTP1	2019-20	9,950.00	13,909.02	\$1.1700	\$0.0200	\$1,980,803,338	\$1,980,803,338	\$1,668,785,100	\$1,668,785,100	\$119,979	\$119,979
QTP2/VL1	2020-21	10,049.00	14,013.99	\$1.1700	\$0.0200	\$2,125,578,438	\$1,991,152,998	\$1,678,435,440	\$1,678,435,440	\$119,769	\$119,769
VL2	2021-22	10,150.00	14,121.08	\$1.1700	\$0.0200	\$2,113,278,303	\$1,991,152,998	\$1,823,210,540	\$1,688,785,100	\$129,113	\$119,593
VL3	2022-23	10,251.00	14,228.17	\$1.1700	\$0.0200	\$2,101,960,831	\$1,991,152,998	\$1,810,910,405	\$1,688,785,100	\$127,276	\$118,693
VL4	2023-24	10,353.01	14,336.33	\$1.1700	\$0.0200	\$2,091,547,444	\$1,991,152,998	\$1,799,592,933	\$1,688,785,100	\$125,527	\$117,798
VL5	2024-25	10,456.03	14,445.56	\$1.1700	\$0.0200	\$2,194,148,483	\$2,103,335,635	\$1,789,179,546	\$1,688,785,100	\$123,857	\$116,907
VL6	2025-26	10,560.07	14,555.88	\$1.1700	\$0.0200	\$2,179,223,032	\$2,097,226,503	\$1,891,780,585	\$1,800,967,737	\$129,967	\$123,728
VL7	2026-27	10,665.15	14,667.30	\$1.1700	\$0.0200	\$2,165,307,126	\$2,091,422,828	\$1,876,855,134	\$1,794,858,605	\$127,962	\$122,371
VL8	2027-28	10,771.28	14,779.83	\$1.1700	\$0.0200	\$2,205,842,686	\$2,139,422,828	\$1,862,939,228	\$1,789,054,930	\$126,046	\$121,047
VL9	2028-29	10,878.46	14,893.47	\$1.1700	\$0.0200	\$2,194,974,244	\$2,135,422,828	\$1,903,474,788	\$1,837,054,930	\$127,806	\$123,346
VL10	2029-30	10,986.71	15,008.25	\$1.1700	\$0.0200	\$2,184,654,148	\$2,131,422,828	\$1,892,606,346	\$1,833,054,930	\$126,104	\$122,136
VP1	2030-31	11,096.03	15,124.17	\$1.1700	\$0.0200	\$2,174,841,559	\$2,174,841,559	\$1,882,286,250	\$1,829,054,930	\$124,456	\$120,936
VP2	2031-32	11,206.45	15,241.24	\$1.1700	\$0.0200	\$2,165,487,145	\$2,165,487,145	\$1,872,473,661	\$1,872,473,661	\$122,856	\$122,856
VP3	2032-33	11,317.96	15,359.48	\$1.1700	\$0.0200	\$2,156,848,512	\$2,156,848,512	\$1,863,119,247	\$1,863,119,247	\$121,301	\$121,301
VP4	2033-34	11,430.58	15,478.90	\$1.1700	\$0.0200	\$2,148,868,113	\$2,148,868,113	\$1,854,480,614	\$1,854,480,614	\$119,807	\$119,807
VP5	2034-35	11,544.32	15,599.50	\$1.1700	\$0.0200	\$2,141,495,589	\$2,141,495,589	\$1,846,500,215	\$1,846,500,215	\$118,369	\$118,369

*Basic Allotment: \$5,140; AISD Yield: \$106.28; Equalized Wealth: \$514,000 per WADA

QTP=	Qualifying Time Period
VL=	Value Limitation
VP=	Viable Presence

M&O Impact of the Palmas Wind project on LFCISD

A model is established to make a calculation of the "Baseline Revenue Model" (Table 2) by adding the total value of the project to the model, without assuming a value limitation is approved. A separate model is established to make a calculation of the "Value Limitation Revenue Model" (Table 3) by adding the project's limited value of \$20 million to the model. The difference between the two models (Table 4) indicates there will be a total revenue loss of \$2,453,443 over the course of the Agreement, with nearly all the loss reflected in the first limitation year (2020-21). Nearly all reduction in M&O taxes under the limitation agreement is offset through an increase in state aid under current law.

Table 2-- "Baseline Revenue Model" --Project Value Added with No Value Limitation

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$17,050,797	\$59,907,070	\$0	\$2,898,636	\$10,481,804	\$0	\$0	\$367,855	\$90,706,162
QTP1	2019-20	\$17,143,440	\$61,199,153	\$0	\$2,914,384	\$11,213,966	\$0	\$0	\$367,855	\$92,838,798
QTP2/VL1	2020-21	\$18,587,052	\$61,681,415	\$0	\$3,159,799	\$12,184,404	\$0	\$0	\$367,855	\$95,980,525
VL2	2021-22	\$18,464,050	\$60,823,949	\$0	\$3,138,889	\$11,011,241	\$0	\$0	\$367,855	\$93,805,984
VL3	2022-23	\$18,350,875	\$61,537,235	\$0	\$3,119,649	\$11,142,475	\$0	\$0	\$367,855	\$94,518,089
VL4	2023-24	\$18,246,742	\$62,246,535	\$0	\$3,101,946	\$11,270,394	\$0	\$0	\$367,855	\$95,233,472
VL5	2024-25	\$19,227,879	\$62,952,725	\$0	\$3,268,740	\$12,089,040	\$0	\$0	\$367,855	\$97,906,239
VL6	2025-26	\$19,081,068	\$62,534,763	\$0	\$3,243,781	\$11,274,353	\$0	\$0	\$367,855	\$96,501,820
VL7	2026-27	\$18,944,230	\$63,298,116	\$0	\$3,220,519	\$11,427,576	\$0	\$0	\$367,855	\$97,258,296
VL8	2027-28	\$19,330,386	\$64,057,484	\$0	\$3,286,165	\$11,887,838	\$0	\$0	\$367,855	\$98,929,728
VL9	2028-29	\$19,223,302	\$64,278,508	\$0	\$3,267,961	\$11,610,632	\$0	\$0	\$367,855	\$98,748,258
VL10	2029-30	\$19,121,701	\$65,019,807	\$0	\$3,250,689	\$11,743,957	\$0	\$0	\$367,855	\$99,504,009
VP1	2030-31	\$19,006,207	\$65,761,916	\$0	\$3,231,055	\$11,877,483	\$0	\$0	\$367,855	\$100,244,516
VP2	2031-32	\$18,916,405	\$66,505,308	\$0	\$3,215,789	\$12,011,289	\$0	\$0	\$367,855	\$101,016,646
VP3	2032-33	\$18,833,474	\$67,250,539	\$0	\$3,201,690	\$12,162,978	\$0	\$0	\$367,855	\$101,816,536
VP4	2033-34	\$18,756,862	\$67,995,097	\$0	\$3,188,667	\$12,300,382	\$0	\$0	\$367,855	\$102,608,863
VP5	2034-35	\$18,686,086	\$68,739,623	\$0	\$3,176,634	\$12,434,797	\$0	\$0	\$367,855	\$103,404,995

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 3-- "Value Limitation Revenue Model" --Project Value Added with Value Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$17,050,797	\$59,907,070	\$0	\$2,898,636	\$10,481,804	\$0	\$0	\$367,855	\$90,706,162
QTP1	2019-20	\$17,143,440	\$61,199,153	\$0	\$2,914,384	\$11,213,966	\$0	\$0	\$367,855	\$92,838,798
QTP2/VL1	2020-21	\$17,242,797	\$61,681,415	\$0	\$2,931,276	\$11,303,739	\$0	\$0	\$367,855	\$93,527,082
VL2	2021-22	\$17,242,797	\$62,168,203	\$0	\$2,931,276	\$11,334,724	\$0	\$0	\$367,855	\$94,044,855
VL3	2022-23	\$17,242,797	\$62,758,488	\$0	\$2,931,276	\$11,442,919	\$0	\$0	\$367,855	\$94,743,335
VL4	2023-24	\$17,242,797	\$63,354,613	\$0	\$2,931,276	\$11,552,189	\$0	\$0	\$367,855	\$95,448,730
VL5	2024-25	\$18,319,750	\$63,956,669	\$0	\$3,114,358	\$12,386,637	\$0	\$0	\$367,855	\$98,145,269
VL6	2025-26	\$18,261,103	\$63,442,892	\$0	\$3,104,387	\$11,488,112	\$0	\$0	\$367,855	\$96,664,349
VL7	2026-27	\$18,205,387	\$64,118,081	\$0	\$3,094,916	\$11,627,011	\$0	\$0	\$367,855	\$97,413,250
VL8	2027-28	\$18,666,187	\$64,796,327	\$0	\$3,173,252	\$12,080,459	\$0	\$0	\$367,855	\$99,084,080
VL9	2028-29	\$18,627,787	\$64,942,707	\$0	\$3,166,724	\$11,764,344	\$0	\$0	\$367,855	\$98,869,417
VL10	2029-30	\$18,589,387	\$65,615,321	\$0	\$3,160,196	\$11,889,254	\$0	\$0	\$367,855	\$99,622,013
VP1	2030-31	\$19,006,207	\$66,294,230	\$0	\$3,231,055	\$12,307,144	\$0	\$0	\$367,855	\$101,206,491
VP2	2031-32	\$18,916,405	\$66,505,308	\$0	\$3,215,789	\$12,011,289	\$0	\$0	\$367,855	\$101,016,646
VP3	2032-33	\$18,833,474	\$67,250,539	\$0	\$3,201,690	\$12,162,978	\$0	\$0	\$367,855	\$101,816,536
VP4	2033-34	\$18,756,862	\$67,995,097	\$0	\$3,188,667	\$12,300,382	\$0	\$0	\$367,855	\$102,608,863
VP5	2034-35	\$18,686,086	\$68,739,623	\$0	\$3,176,634	\$12,434,797	\$0	\$0	\$367,855	\$103,404,995

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Table 4 – Value Limit less Project Value with No Limit

Year of Agreement	School Year	M&O Taxes @ Compressed Rate	State Aid	Recapture Costs	Additional Local M&O Collections	State Aid from Additional M&O Tax Collections	Recapture from the Additional Local Tax Effort	Homestead Hold Harmless	Other State Aid	Total General Fund
QTP0	2018-19	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
QTP2/VL1	2020-21	-\$1,344,255	\$0	\$0	-\$228,523	-\$880,665	\$0	\$0	\$0	-\$2,453,443
VL2	2021-22	-\$1,221,253	\$1,344,254	\$0	-\$207,613	\$323,483	\$0	\$0	\$0	\$238,871
VL3	2022-23	-\$1,108,078	\$1,221,253	\$0	-\$188,373	\$300,444	\$0	\$0	\$0	\$225,246
VL4	2023-24	-\$1,003,945	\$1,108,078	\$0	-\$170,670	\$281,795	\$0	\$0	\$0	\$215,258
VL5	2024-25	-\$908,129	\$1,003,944	\$0	-\$154,382	\$297,597	\$0	\$0	\$0	\$239,030
VL6	2025-26	-\$819,965	\$908,129	\$0	-\$139,394	\$213,759	\$0	\$0	\$0	\$162,529
VL7	2026-27	-\$738,843	\$819,965	\$0	-\$125,603	\$199,435	\$0	\$0	\$0	\$154,954
VL8	2027-28	-\$664,199	\$738,843	\$0	-\$112,913	\$192,621	\$0	\$0	\$0	\$154,352
VL9	2028-29	-\$595,515	\$664,199	\$0	-\$101,237	\$153,712	\$0	\$0	\$0	\$121,159
VL10	2029-30	-\$532,314	\$595,514	\$0	-\$90,493	\$145,297	\$0	\$0	\$0	\$118,004
VP1	2030-31	\$0	\$532,314	\$0	\$0	\$429,661	\$0	\$0	\$0	\$961,975
VP2	2031-32	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP3	2032-33	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP4	2033-34	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VP5	2034-35	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

M&O Impact on the Taxpayer

Under the assumptions used here, the potential tax savings from the value limitation total \$10.5 million over the life of the agreement. The LFCISD revenue losses are expected to total approximately \$2.5 million. In total, the potential net tax benefits (after hold-harmless payments are made) are estimated to reach \$8.0 million as shown in Table 5, prior to any negotiations with Palmas Wind on supplemental payments.

I&S Funding Impact on School District

The project remains fully taxable for debt services taxes, with LFCISD currently levying a \$0.02 per \$100 I&S rate. The project is not expected to affect school district enrollment and is expected to depreciate over the life of the agreement and beyond. Local taxpayers should benefit from the addition of the Palmas Wind project in the first year that the new value appears on the tax roll, although the state's facilities program will govern if any additional I&S revenue is to be provided after the initial year for the maximum project value. Continued expansion of the project and related development could result in additional employment in the area and an increase in the school-age population, but this project is unlikely to have much impact on a stand-alone basis.

**Table 5 - Estimated Financial Impact of the Palmas Wind Project Property Value Limitation Request
Submitted to LFCISD at \$1.17 per \$100 M&O Tax Rate**

Year of Agreement	School Year	Project Value	Estimated Taxable Value	Value Savings	Assumed M&O Tax Rate	Taxes Before Value Limit	Taxes after Value Limit	Tax Savings @ Projected M&O Rate	School District Revenue Losses	Estimated Net Tax Benefits
QTP0	2018-19	\$0	\$0	\$0	\$1.170	\$0	\$0	\$0	\$0	\$0
QTP1	2019-20	\$9,650,340	\$9,650,340	\$0	\$1.170	\$112,909	\$112,909	\$0	\$0	\$0
QTP2/VL1	2020-21	\$154,425,440	\$20,000,000	\$134,425,440	\$1.170	\$1,806,778	\$234,000	\$1,572,778	-\$2,453,443	-\$880,665
VL2	2021-22	\$142,125,305	\$20,000,000	\$122,125,305	\$1.170	\$1,662,866	\$234,000	\$1,428,866	\$0	\$1,428,866
VL3	2022-23	\$130,807,833	\$20,000,000	\$110,807,833	\$1.170	\$1,530,452	\$234,000	\$1,296,452	\$0	\$1,296,452
VL4	2023-24	\$120,394,446	\$20,000,000	\$100,394,446	\$1.170	\$1,408,615	\$234,000	\$1,174,615	\$0	\$1,174,615
VL5	2024-25	\$110,812,848	\$20,000,000	\$90,812,848	\$1.170	\$1,296,510	\$234,000	\$1,062,510	\$0	\$1,062,510
VL6	2025-26	\$101,996,529	\$20,000,000	\$81,996,529	\$1.170	\$1,193,359	\$234,000	\$959,359	\$0	\$959,359
VL7	2026-27	\$93,884,298	\$20,000,000	\$73,884,298	\$1.170	\$1,098,446	\$234,000	\$864,446	\$0	\$864,446
VL8	2027-28	\$86,419,858	\$20,000,000	\$66,419,858	\$1.170	\$1,011,112	\$234,000	\$777,112	\$0	\$777,112
VL9	2028-29	\$79,551,416	\$20,000,000	\$59,551,416	\$1.170	\$930,752	\$234,000	\$696,752	\$0	\$696,752
VL10	2029-30	\$73,231,320	\$20,000,000	\$53,231,320	\$1.170	\$856,806	\$234,000	\$622,806	\$0	\$622,806
VP1	2030-31	\$67,418,731	\$67,418,731	\$0	\$1.170	\$788,799	\$788,799	\$0	\$0	\$0
VP2	2031-32	\$62,064,317	\$62,064,317	\$0	\$1.170	\$726,153	\$726,153	\$0	\$0	\$0
VP3	2032-33	\$57,139,970	\$57,139,970	\$0	\$1.170	\$668,538	\$668,538	\$0	\$0	\$0
VP4	2033-34	\$52,608,550	\$52,608,550	\$0	\$1.170	\$615,520	\$615,520	\$0	\$0	\$0
VP5	2034-35	\$48,438,650	\$48,438,650	\$0	\$1.170	\$566,732	\$566,732	\$0	\$0	\$0
						\$16,274,347	\$5,818,651	\$10,455,697	-\$2,453,443	\$8,002,254

QTP= Qualifying Time Period
VL= Value Limitation
VP= Viable Presence

Note: School district revenue-loss estimates are subject to change based on numerous factors, including:

- Legislative and Texas Education Agency administrative changes to the underlying school finance formulas used in these calculations.
- Legislative changes addressing property value appraisals and exemptions.
- Year-to-year appraisals of project values and district taxable values.
- Changes in school district tax rates and student enrollment.

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and PALMAS WIND, LLC.

EXHIBIT D

Tax Limitation Agreement

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE
OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE
AND OPERATIONS TAXES**

by and between

**LOS FRESNOS CONSOLIDATED INDEPENDENT
SCHOOL DISTRICT**

and

PALMAS WIND, LLC

(Texas Taxpayer ID # 32064146635)

Comptroller Application # 1255

Dated
December 10, 2018

**AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR
SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES**

STATE OF TEXAS

§

COUNTY OF CAMERON §

THIS AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT MAINTENANCE AND OPERATIONS TAXES, hereinafter referred to as this "Agreement," is executed and delivered by and between the **LOS FRESNOS CONSOLIDATED INDEPENDENT SCHOOL DISTRICT**, hereinafter referred to as the "District," a lawfully created independent school district within the State of Texas operating under and subject to the TEXAS EDUCATION CODE, and **PALMAS WIND, LLC**, Texas Taxpayer Identification Number **32064146635** hereinafter referred to as the "Applicant." The Applicant and the District are hereinafter sometimes referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, on April 16, 2018, the Superintendent of Schools of the LOS FRESNOS CONSOLIDATED INDEPENDENT School District, acting as agent of the Board of Trustees of the District, received from the Applicant an Application for Appraised Value Limitation on Qualified Property, pursuant to Chapter 313 of the TEXAS TAX CODE;

WHEREAS, on April 16, 2018, the Board of Trustees has acknowledged receipt of the Application, and along with the requisite application fee as established pursuant to Section 313.025(a) of the TEXAS TAX CODE and Local District Policy CCG (Local), and agreed to consider the Application;

WHEREAS, the Application was delivered to the Texas Comptroller's Office for review pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, the District and the Texas Comptroller's Office have determined that the Application is complete and June 18, 2018 is the Application Review Start Date as that term is defined by 34 TEXAS ADMIN. CODE Section 9.1051;

WHEREAS, pursuant to 34 TEXAS ADMIN. CODE Section 9.1054, the Application was delivered to the Cameron County Appraisal District established in Cameron County, Texas (the "Cameron County Appraisal District"), pursuant to Section 6.01 of the TEXAS TAX CODE;

WHEREAS, the Texas Comptroller's Office reviewed the Application pursuant to Section 313.025 of the TEXAS TAX CODE, conducted an economic impact evaluation pursuant to Section 313.026 of the TEXAS TAX CODE, and on August 2, 2018, issued a certificate for limitation on appraised value of the property described in the Application and provided the certificate to the District;

WHEREAS, the Board of Trustees has reviewed and carefully considered the economic impact evaluation and certificate for limitation on appraised value submitted by the Texas Comptroller's Office pursuant to Section 313.025 of the TEXAS TAX CODE;

WHEREAS, on December 10, 2018, the Board of Trustees conducted a public hearing on the Application at which it solicited input into its deliberations on the Application from all interested parties within the District;

WHEREAS, on December 10, 2018, the Board of Trustees made factual findings pursuant to Section 313.025(f) of the TEXAS TAX CODE, including, but not limited to findings that: (i) the information in the Application is true and correct; (ii) the Applicant is eligible for the limitation on appraised value of the Applicant's Qualified Property; (iii) the project proposed by the Applicant is reasonably likely to generate tax revenue in an amount sufficient to offset the 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; (iv) the limitation on appraised value is a determining factor in the Applicant's decision to invest capital and construct the project in this State; and (v) this Agreement is in the best interest of the District and the State of Texas;

WHEREAS, on December 10, 2018, pursuant to the provisions of 313.025(f-1) of the TEXAS TAX CODE, the Board of Trustees waived the job creation requirement set forth in *Section 313.051(b)* of the TEXAS TAX CODE;

WHEREAS, on December 7, 2018, the Texas Comptroller's Office approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes;

WHEREAS, on December 10, 2018, the Board of Trustees approved the form of this Agreement for a Limitation on Appraised Value of Property for School District Maintenance and Operations Taxes, and authorized the Board President and Secretary or, in the event the Board President or Secretary are unavailable or have disclosed a conflict of interest, the Board of Trustees has authorized the Board Vice President to execute and deliver such Agreement to the Applicant; and

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the Parties agree as follows:

ARTICLE I **DEFINITIONS**

Section 1.1 DEFINITIONS. Wherever used in this Agreement, the following terms shall have the following meanings, unless the context in which used clearly indicates another meaning. Words or terms defined in 34 TEXAS ADMIN. CODE Section 9.1051 and not defined in this Agreement shall have the meanings provided by 34 TEXAS ADMIN. CODE Section 9.1051.

“Act” means the Texas Economic Development Act set forth in Chapter 313 of the TEXAS TAX CODE, as amended.

“Agreement” means this Agreement, as the same may be modified, amended, restated, amended and restated, or supplemented as approved pursuant to Sections 10.2 and 10.3.

“Applicant” means PALMAS WIND, LLC, (*Texas Taxpayer ID # 32064146635*), the entity listed in the Preamble of this Agreement and that is listed as the Applicant on the Application as of the Application Approval Date. The term “Applicant” shall also include the Applicant’s assigns and successors-in-interest as approved according to Sections 10.2 and 10.3 of this Agreement.

“Applicant’s Qualified Investment” means the Qualified Investment of the Applicant during the Qualifying Time Period and as more fully described in **EXHIBIT 3** of this Agreement.

“Applicant’s Qualified Property” means the Qualified Property of the Applicant to which the value limitation identified in the Agreement will apply and as more fully described in **EXHIBIT 3** of this Agreement.

“Application” means the Application for Appraised Value Limitation on Qualified Property (Chapter 313, Subchapter B or C of the TEXAS TAX CODE) filed with the District by the Applicant on April 16, 2018. The term includes all forms required by the Comptroller, the schedules attached thereto, and all other documentation submitted by the Applicant for the purpose of obtaining an Agreement with the District. The term also includes all amendments and supplements thereto submitted by the Applicant.

"Application Approval Date" means the date that the Application is approved by the Board of Trustees of the District and as further identified in Section 2.3.B of this Agreement.

"Application Review Start Date" means the later date of either the date on which the District issues its written notice that the Applicant has submitted a completed Application or the date on which the Comptroller issues its written notice that the Applicant has submitted a completed Application and as further identified in Section 2.3.A of this Agreement.

"Appraised Value" shall have the meaning assigned to such term in Section 1.04(8) of the TEXAS TAX CODE.

"Appraisal District" means the Cameron County Appraisal District.

"Board of Trustees" means the Board of Trustees of the LOS FRESNOS CONSOLIDATED INDEPENDENT School District.

"Commercial Operation" means the generation of electricity (other than test energy) in commercial quantities by Applicant from wind turbines included in the Qualified Property for which electricity the Applicant is entitled to receive compensation from a third party power purchaser, offtaker, merchant, buyer, spot market buyer, or other third party purchaser.

"Comptroller" means the Texas Comptroller of Public Accounts, or the designated representative of the Texas Comptroller of Public Accounts acting on behalf of the Comptroller.

"Comptroller's Rules" means the applicable rules and regulations of the Comptroller set forth in Chapter 34 TEXAS ADMIN. CODE Chapter 9, Subchapter F, together with any court or administrative decisions interpreting same.

"County" means Cameron County, Texas.

"District" or "School District" means the Los Fresnos Consolidated Independent School District, being a duly authorized and operating school district in the State, having the power to levy, assess, and collect ad valorem taxes within its boundaries and to which Subchapter C of the Act applies. The term also includes any successor independent school district or other successor governmental authority having the power to levy and collect ad valorem taxes for school purposes on the Applicant's Qualified Property or the Applicant's Qualified Investment.

"Final Termination Date" means the last date of the final year in which the Applicant is required to Maintain Viable Presence and as further identified in Section 2.3.E of this Agreement.

“Force Majeure” means those causes generally recognized under Texas law as constituting impossible conditions. Each Party must inform the other in writing with proof of receipt within sixty (60) business days of the existence of such Force Majeure or otherwise waive this right as a defense.

“Land” means the real property described on **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes.

“Maintain Viable Presence” means (i) the operation during the term of this Agreement of the facility or facilities for which the tax limitation is granted; and (ii) the Applicant’s maintenance of jobs and wages as required by the Act and as set forth in its Application.

“Market Value” shall have the meaning assigned to such term in Section 1.04(7) of the TEXAS TAX CODE.

“New Qualifying Jobs” means the total number of jobs to be created by the Applicant after the Application Approval Date in connection with the project that is the subject of its Application that meet the criteria of Qualifying Job as defined in Section 313.021(3) of the TEXAS TAX CODE and the Comptroller’s Rules.

“New Non-Qualifying Jobs” means the number of Non-Qualifying Jobs, as defined in 34 TEXAS ADMIN. CODE Section 9.1051(14), to be created by the Applicant after the Application Approval Date in connection with the project which is the subject of its Application.

“Qualified Investment” has the meaning set forth in Section 313.021(1) of the TEXAS TAX CODE, as interpreted by the Comptroller’s Rules.

“Qualified Property” has the meaning set forth in Section 313.021(2) of the TEXAS TAX CODE and as interpreted by the Comptroller’s Rules and the Texas Attorney General, as these provisions existed on the Application Review Start Date.

“Qualifying Time Period” means the period defined in Section 2.3.C, during which the Applicant shall make investment on the Land where the Qualified Property is located in the amount required by the Act, the Comptroller’s Rules, and this Agreement.

“State” means the State of Texas.

“Supplemental Payment” means any payments or transfers of things of value made to the District or to any person or persons in any form if such payment or transfer of thing of value being provided is in recognition of, anticipation of, or consideration for the Agreement and that is not authorized pursuant to Sections 313.027(f)(1) or (2) of the TEXAS TAX CODE, and specifically includes any payments required pursuant to Article VI of this Agreement.

“Tax Limitation Amount” means the maximum amount which may be placed as the Appraised Value on the Applicant’s Qualified Property for maintenance and operations tax assessment in each Tax Year of the Tax Limitation Period of this Agreement pursuant to Section 313.054 of the TEXAS TAX CODE.

“Tax Limitation Period” means the Tax Years for which the Applicant’s Qualified Property is subject to the Tax Limitation Amount and as further identified in Section 2.3.D of this Agreement.

“Tax Year” shall have the meaning assigned to such term in Section 1.04(13) of the TEXAS TAX CODE (*i.e.*, the calendar year).

“Taxable Value” shall have the meaning assigned to such term in Section 1.04(10) of the TEXAS TAX CODE.

ARTICLE II

AUTHORITY, PURPOSE AND LIMITATION AMOUNTS

Section 2.1. AUTHORITY. This Agreement is executed by the District as its written agreement with the Applicant pursuant to the provisions and authority granted to the District in Section 313.027 of the TEXAS TAX CODE.

Section 2.2. PURPOSE. In consideration of the execution and subsequent performance of the terms and obligations by the Applicant pursuant to this Agreement, identified in Sections 2.5 and 2.6 and as more fully specified in this Agreement, the value of the Applicant’s Qualified Property listed and assessed by the County Appraiser for the District’s maintenance and operation ad valorem property tax shall be the Tax Limitation Amount as set forth in Section 2.4 of this Agreement during the Tax Limitation Period.

Section 2.3. TERM OF THE AGREEMENT.

- A. The Application Review Start Date for this Agreement is June 18, 2018, which will be used to determine the eligibility of the Applicant’s Qualified Property and all applicable wage standards.
- B. The Application Approval Date for this Agreement is December 10, 2018.
- C. The Qualifying Time Period for this Agreement:
 - i. Starts on January 1, 2019; and
 - ii. End on December 31, 2020, the last day of the second complete Tax Year following the Qualifying Time Period start date:
- D. The Tax Limitation Period for this Agreement:
 - i. Starts on January 1, 2020, the first complete Tax Year that begins after the date of commencement of Commercial Operation; and
 - ii. Ends on December 31, 2029, which is the year the Tax Limitation Period starts as identified in Section 2.3.D.i plus 9 years.
- E. The Final Termination Date for this Agreement is December 31, 2034 which is the last year of the Tax Limitation Period as defined in Section 2.3.D.ii. plus 5 years.

F. This Agreement, and the obligations and responsibilities created by this Agreement, shall be and become effective on the Application Approval Date identified in Section 2.3.B. This Agreement, and the obligations and responsibilities created by this Agreement, terminate on the Final Termination Date identified in Section 2.3.E, unless extended by the express terms of this Agreement.

Section 2.4. TAX LIMITATION. So long as the Applicant makes the Qualified Investment as required by Section 2.5, during the Qualifying Time Period, and unless this Agreement has been terminated as provided herein before such Tax Year, on January 1 of each Tax Year of the Tax Limitation Period, the Appraised Value of the Applicant's Qualified Property for the District's maintenance and operations ad valorem tax purposes shall not exceed the lesser of:

- A. the Market Value of the Applicant's Qualified Property; or
- B. TWENTY MILLION DOLLARS (\$20,000,000).

This Tax Limitation Amount is based on the limitation amount for the category that applies to the District on the Application Approval Date, as set out by *Section 313.052* of the TEXAS TAX CODE.

Section 2.5. TAX LIMITATION ELIGIBILITY. In order to be eligible and entitled to receive the value limitation identified in Section 2.4 for the Qualified Property identified in Article III, the Applicant shall:

- A. have completed the Applicant's Qualified Investment in the amount of TEN MILLION DOLLARS (\$10,000,000) during the Qualifying Time Period;
- B. have created and maintained, subject to the provisions of Section 313.0276 of the TEXAS TAX CODE, New Qualifying Jobs as required by the Act; and
- C. pay an average weekly wage of at least SIX HUNDRED NINETEEN AND 75/100 DOLLARS (\$619.75) for all New Non-Qualifying Jobs created by the Applicant.

Section 2.6. TAX LIMITATION OBLIGATIONS. In order to receive and maintain the limitation authorized by Section 2.4, Applicant shall:

- A. provide payments to District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV;
- B. provide payments to the District that protect the District from the payment of extraordinary education- related expenses related to the project, as more fully specified in Article V;
- C. provide such Supplemental Payments as more fully specified in Article VI;
- D. create and Maintain Viable Presence on or with the Qualified Property and perform additional obligations as more fully specified in Article VIII of this Agreement; and

E. No additional conditions are identified in the certificate for a limitation on appraised value by the Comptroller for this project.

ARTICLE III QUALIFIED PROPERTY

Section 3.1. LOCATION WITHIN ENTERPRISE OR REINVESTMENT ZONE. At the time of the Application Approval Date, the Land is within an area designated either as an enterprise zone, pursuant to Chapter 2303 of the TEXAS GOVERNMENT CODE, or a reinvestment zone, pursuant to Chapter 311 or 312 of the TEXAS TAX CODE. The legal description, and information concerning the designation, of such zone is attached to this Agreement as **EXHIBIT 1** and is incorporated herein by reference for all purposes.

Section 3.2. LOCATION OF QUALIFIED PROPERTY AND INVESTMENT. The Land on which the Qualified Property shall be located and on which the Qualified Investment shall be made is described in **EXHIBIT 2**, which is attached hereto and incorporated herein by reference for all purposes. The Parties expressly agree that the boundaries of the Land may not be materially changed from its configuration described in **EXHIBIT 2** unless amended pursuant to the provisions of Section 10.2 of this Agreement.

Section 3.3. DESCRIPTION OF QUALIFIED PROPERTY. The Qualified Property that is subject to the Tax Limitation Amount is described in **EXHIBIT 4**, which is attached hereto and incorporated herein by reference for all purposes. Property which is not specifically described in **EXHIBIT 4** shall not be considered by the District or the Appraisal District to be part of the Applicant's Qualified Property for purposes of this Agreement, unless by official action the Board of Trustees provides that such other property is a part of the Applicant's Qualified Property for purposes of this Agreement in compliance with Section 313.027(e) of the TEXAS TAX CODE, the Comptroller's Rules, and Section 10.2 of this Agreement.

Section 3.4. CURRENT INVENTORY OF QUALIFIED PROPERTY. In addition to the requirements of Section 10.2 of this Agreement, if there is a material change in the Qualified Property described in **EXHIBIT 4**, then within 60 days from the date commercial operation begins, the Applicant shall provide to the District, the Comptroller, the Appraisal District or the State Auditor's Office a specific and detailed description of the tangible personal property, buildings, and/or permanent, nonremovable building components (including any affixed to or incorporated into real property) on the Land to which the value limitation applies including maps or surveys of sufficient detail and description to locate all such described property on the Land.

Section 3.5. QUALIFYING USE. The Applicant's Qualified Property described in Section 3.3 qualifies for a tax limitation agreement under Section 313.024(b)(5) of the TEXAS TAX CODE as a renewable energy generation facility.

ARTICLE IV
PROTECTION AGAINST LOSS OF FUTURE DISTRICT REVENUES

Section 4.1. INTENT OF THE PARTIES. Subject to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the District shall, in accordance with the provisions of TEXAS TAX CODE § 313.027(f)(1), be compensated by the Applicant for any loss that the District incurs in its Maintenance and Operations Revenue as a result of, or on account of, the Parties' entering into this Agreement. Such compensation shall be independent of, and in addition to, all such other payments as are set forth in Article V and Article VI. Subject only to the limitations contained in this Agreement (including Section 7.1), it is the intent of the Parties that the risk of any negative financial consequence to the District as a result of Applicant's location of Applicant's Qualified Investment and Applicant's Qualified Property in the District and the Parties' entering into this Agreement will be borne by the Applicant and not by the District and be paid by the Applicant to the District in addition to any and all payments due under Article V and Article VI.

Section 4.2. CALCULATING THE AMOUNT OF LOSS OF MAINTENANCE AND OPERATIONS REVENUES BY THE DISTRICT. Subject to the provisions of Sections 7.1 and 7.2, the amount to be paid by the Applicant to compensate the District for loss of Maintenance and Operations Revenue resulting from, or on account of, this Agreement for each year during the term of this Agreement (the "Revenue Protection Amount") shall be determined in compliance with the Applicable School Finance Law in effect for such year and according to the following formula:

A. The Revenue Protection Amount owed by the Applicant to the District means the Original M&O Revenue minus the New M&O Revenue;

Where:

- (i) "Original M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District would have received for the school year under the Applicable School Finance Law had this Agreement not been entered into by the Parties and the Applicant's Qualified Property and/or the Applicant's Qualified Investment been subject to the District's adopted ad valorem Maintenance and Operations tax rate actually levied for the applicable year.
- (ii) "New M&O Revenue" means the total State and local Maintenance & Operations Revenue that the District actually received for such school year, after all adjustments have been made to such Maintenance and Operations Revenue because of any portion of this Agreement.

B. In making the calculations required by this Section 4.2:

- (i) The Taxable Value of property for each school year will be determined under the Applicable School Finance Law.
- (ii) For purposes of this calculation, the tax collection rate on the Applicant's Qualified Property and/or the Applicant's Qualified Investment will be presumed to be one hundred percent (100%).
- (iii) If, for any year of this Agreement, the difference between the Original M&O Revenue and the New M&O Revenue as calculated under this Section 4.2 results in a negative number, the negative number will be considered to be zero.

(iv) All calculations made under this Section 4.2 of this Agreement will reflect the Limitation on Appraised Value for such year.

(v) All calculations made under this Section 4.2 shall be made by a methodology which isolates the full M&O Revenue impact caused by this Agreement. The Applicant shall not be responsible to reimburse the District for other revenue losses created by other agreements, or any other factors not contained in this Agreement.

(vi) For purposes of Article IV, "Applicable School Finance Law" means Chapters 41 and 42 of the TEXAS EDUCATION CODE, the Texas Economic Development Act (Chapter 313 of the TEXAS TAX CODE), Chapter 403, Subchapter M, of the TEXAS GOVERNMENT CODE applicable to District, and the Constitution and general laws of the State applicable to the school districts of the State, including specifically, the applicable rules and regulations of the agencies of the State having jurisdiction over any matters relating to the public school systems and school districts of the State, and judicial decisions construing or interpreting any of the above. The term also includes any amendments or successor statutes that may be adopted in the future that could impact or alter the calculation of Applicant's ad valorem tax obligation to District, either with or without the limitation of property values made pursuant to this Agreement.

(vii) For purposes of Article IV, "Maintenance & Operations Revenue" (or "M&O Revenue") means (a) those revenues which District receives from the levy of its annual ad valorem maintenance and operations tax pursuant to Section 45.002 of the TEXAS EDUCATION CODE and Article VII § 3 of the TEXAS CONSTITUTION, plus (b) all State revenues to which the District is or may be entitled under Chapter 42 of the TEXAS EDUCATION CODE or any other statutory provision as well as any amendment or successor statute to these provisions, plus (c) any indemnity payments received by the District under other agreements similar to this Agreement to the extent that such payments are designed to replace District M&O Revenue lost as a result of such similar agreements, less (d) any amounts necessary to reimburse the State of Texas or another school district for the education of additional students pursuant to Chapter 41 of the TEXAS EDUCATION CODE.

Section 4.3. COMPENSATION FOR LOSS OF OTHER REVENUES. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for the following:

A. All non-reimbursed costs incurred by the District for extraordinary education-related expenses, as set forth in Section 5.1 below;

B. Any other loss of District revenues which are directly and solely attributable to the payment by the Applicant to or on behalf of any other third party beneficiary; and

C. Any other cost to the District, including costs under Section 8.6(C) below (but subject to the limitation set forth in Section 4.4 below), which are directly and solely attributable to compliance with State-imposed requirements relating to this Agreement.

Section 4.4. CALCULATIONS TO BE MADE BY THIRD PARTY. All calculations under this Article 4 shall be made annually by an independent third party (the "Consultant") selected each year by the District, and reasonably acceptable to the Applicant. Applicant shall be solely responsible for payment of the Consultant's fees up to EIGHT THOUSAND DOLLARS (\$8,000.00) for the first year of this Agreement. This fee may be increased each year of this Agreement by not more than FIVE PERCENT (5%).

Section 4.5. DATA USED FOR CALCULATIONS. The calculations for payments under this Agreement shall be initially based upon the valuations placed upon the Applicant's Qualified Investment and/or the Applicant's Qualified Property by the Appraisal District in its annual certified tax rolls submitted to the District pursuant to TEXAS TAX CODE § 26.01 on or about July 25 of each year of this Agreement. Immediately upon receipt of the valuation information by the District, the District shall submit the valuation information to the Consultant selected under Section 4.4. The certified tax roll data shall form the basis of the calculation of any and all amounts due under this Agreement. All other data utilized by the Consultant to make the calculations contemplated by this Agreement shall be based upon the best available current estimates. The data utilized by the Consultant shall be adjusted from time to time by the Consultant to reflect actual amounts, subsequent adjustments by the Appraisal District to the District's certified tax rolls or any other changes in student counts, tax collections, or other data.

Section 4.6. DELIVERY OF CALCULATIONS. On or before December 1 of each year for which this Agreement is effective, the Consultant appointed pursuant to Section 4.4 of this Agreement shall forward to the Parties a certification containing the calculations required under Section 4.2, Section 4.3 and Article V of this Agreement in sufficient detail to allow the Parties to understand the manner in which the calculations were made. The Consultant shall simultaneously submit his, her or its invoice for fees for services rendered to the Parties, if any fees are being claimed. Upon reasonable prior notice, the employees and agents of the Applicant shall have access, at all reasonable times, to the Consultant's offices, personnel, books, records, and correspondence pertaining to the calculation and fee for the purpose of verification. The Consultant shall maintain supporting data consistent with generally accepted accounting practices, and the employees and agents of the Applicant shall have the right to reproduce and retain for purpose of audit, any of these documents. The Consultant shall preserve all documents pertaining to the calculation and fee for a period of three (3) years after payment. The Applicant shall not be liable for any of Third Party's costs resulting from a review or audit of the Third Party's books, records, correspondence, or work papers pertaining to the calculations contemplated by this Agreement or the fee paid by the Applicant to the Third Party pursuant to Section 4.7, if such fee is timely paid.

Section 4.7. PAYMENT BY APPLICANT. The Applicant shall pay any amount determined to be due and owing to the District under this Agreement on or before the January 31 next following the tax levy for each year for which this Agreement is effective. By such date, the Applicant shall also pay any amount billed by the Consultant for all calculations under this Agreement under Section 4.6, above, plus any reasonable and necessary legal expenses paid by the District to its attorneys, auditors, or financial consultants (subject to the limitation set forth in Section 4.4 above) for the preparation and filing of any financial reports, disclosures, or Tax Credit or other reimbursement applications

filed with or sent to the State of Texas which are, or may be required under the terms or because of the execution of this Agreement.

Section 4.8. RESOLUTION OF DISPUTES. Should the Applicant disagree with the certification prepared pursuant to Sections 4.2, 4.3, or Article V, the Applicant may appeal the findings, in writing, to the Consultant within thirty (30) days of receipt of the certification. Within thirty (30) days of receipt of the Applicant's appeal, the Consultant will issue, in writing, a final determination of the certification containing the calculations. Thereafter, the Applicant may appeal the final determination of certification containing the calculations to the District's Board of Trustees, in writing, within thirty (30) days of the final determination of certification containing the calculations.

Section 4.9. EFFECT OF PROPERTY VALUE APPEAL OR OTHER ADJUSTMENT. If at the time the Consultant selected under Section 4.4 makes its calculations under this Agreement, the Applicant has appealed any matter relating to the valuations placed by the Appraisal District on the Applicant's Qualified Property, and such appeal remains unresolved, the Consultant shall base its calculations upon the values placed upon the Applicant's Qualified Property by the Appraisal District. The calculations shall be readjusted, if necessary, based on the outcome of the appeal as set forth below.

If as a result of an appraisal appeal or for any other reason, the Taxable Value of the Applicant's Qualified Investment and/or the Applicant's Qualified Property is changed, once the determination of the new Taxable Value becomes final, the Parties shall immediately notify the Consultant who shall immediately issue new calculations for the applicable year or years using the new Taxable Value. In the event the new calculations result in a change in any amount paid or payable by the Applicant under this Agreement, the Party from whom the adjustment is payable shall remit such amounts to the other Party within thirty (30) days of the receipt of the new calculations from the Consultant.

Section 4.10. EFFECT OF STATUTORY CHANGES. Notwithstanding any other provision in this Agreement, but subject to the limitations contained in Section 7.1, in the event that, by virtue of statutory changes to the Applicable School Finance Law, administrative interpretations by the Comptroller, Commissioner of Education, or the Texas Education Agency, or for any other reason attributable to statutory change, the District will receive less Maintenance and Operations Revenue, or, if applicable, will be required to increase its payment of funds to the State, because of its participation in this Agreement, the Applicant shall make payments to the District, up to the Revenue Protection Amount limit set forth in Section 7.1, that are necessary to offset any negative impact on the District as a result of its participation in this Agreement. Such calculation shall take into account any adjustments to the Revenue Protection Amount calculated for the current fiscal year that should be made in order to reflect the actual impact on the District.

ARTICLE V

PAYMENT OF EXTRAORDINARY EDUCATION-RELATED EXPENSES

Section 5.1. In addition to the amounts determined pursuant to Section 4.2 above, the Applicant, on an annual basis, shall also indemnify and reimburse the District for all non-reimbursable costs, certified by the District's external auditor to have been incurred by the District for extraordinary education-related expenses directly and solely related to the project that are not directly funded in

state aid formulas, including expenses for the purchase of portable classrooms and the hiring of additional personnel to accommodate a temporary increase in student enrollment directly and solely attributable to the project. Applicant shall have the right to contest the findings of the District's external auditor pursuant to Section 4.8 herein.

ARTICLE VI

SUPPLEMENTAL PAYMENTS

SECTION 6.1. SUPPLEMENTAL PAYMENTS. In addition to undertaking the responsibility for the payment of all of the amounts set forth under Articles IV and V, and as further consideration for the execution of this Agreement by District, the Applicant shall also be responsible for supplemental payments (the "Supplemental Payments") set forth in this Article VI.

- A. Amounts Exclusive of Indemnity Amounts. It is the express intent of the Parties that the Applicant's obligation to make Supplemental Payments under this Article VI is separate and independent of the obligation of the Applicant to pay the amounts described in Articles IV and V; provided, however, that all payments under Articles IV, V, and VI are subject to the limitations contained in Section 7.1.
- B. Adherence to Statutory Limits on Supplemental Payments. It is the express intent of the Parties that any Supplemental Payments made to or on behalf of District by the Applicant, under this Article VI, shall not exceed the limit imposed by the provisions of Texas Tax Code § 313.027(i) as such limit is allowed or required to be increased by the Legislature in a future year of this Agreement or the amount described in Section 6.3.
- C. Explicit Identification of Payments to District. The Applicant shall not be responsible to District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement made pursuant to Chapter 313, Texas Tax Code, unless it is explicitly set forth in this Agreement.

SECTION 6.2. SUPPLEMENTAL PAYMENT LIMITATION.

Notwithstanding the foregoing:

- A. the total of the Supplemental Payment made pursuant to this Article shall not exceed for any calendar year of this Agreement an amount equal to the greater of One Hundred Dollars (\$100.00) per student per year in average daily attendance, as defined by Section 42.005 of the TEXAS EDUCATION CODE, or Fifty Thousand Dollars (\$50,000.00) per year times the number of years beginning with the first complete or partial year of the Qualifying Time Period identified in Section 2.3.C and ending with the year for which the Supplemental Payment is being calculated minus all Supplemental Payments previously made by the Application;

- B. Supplemental Payments may only be made during the period starting the first year of the Qualifying Time Period and ending December 31 of the third year following the end of the Tax Limitation Period.
- C. The limitation in Section 6.2.A does not apply to amounts described by Section 313.027(f)(1)–(2) of the TEXAS TAX CODE as implemented in Articles IV and V of this Agreement.
- D. For purposes of this Agreement, the calculation of the limit of the annual Supplemental Payment shall be the greater of \$50,000 or \$100 multiplied by the District's Average Daily Attendance as calculated pursuant to Section 42.005 of the Texas Education Code, based upon:
 - i. The District's 2017-2018 Average Daily Attendance of 9,885.24, rounded to the whole number.

SECTION 6.3. STIPULATED SUPPLEMENTAL PAYMENT AMOUNT - SUBJECT TO ANNUAL LIMIT. On or before January 31, 2019 (the payment due date for Tax Year 2018), and continuing thereafter on or before the January 31 of each of the twelve (12) years thereafter (i.e., through January 31, 2031, the payment due date for Tax Year 2030), the Applicant shall make a Supplemental Payment to District in an amount equal to the lesser of the following:

- A. the Annual Limit; or,
- B. to the extent permitted by then current law, the Applicant's "Stipulated Supplemental Payment Amount" as defined in Section 6.4.

SECTION 6.4. ANNUAL CALCULATION OF STIPULATED SUPPLEMENTAL PAYMENT AMOUNT. The Parties agree that for each Tax Year described in Section 6.3, the Applicant's Stipulated Supplemental Payment Amount will be calculated in accordance with the following formula:

The Taxable Value of the Applicant's Qualified Property for such Tax Year had this Agreement not been entered into by the Parties (i.e., the Taxable Value of the Applicant's Qualified Property used for District's interest and sinking fund tax purposes for such Tax Year);

Minus,

The Taxable Value of the Applicant's Qualified Property for such Tax Year after giving effect to this Agreement (i.e., the Taxable Value of the Applicant's Qualified Property used for District's maintenance and operations tax purposes for such Tax Year);

Multiplied by,

The District's maintenance and operations tax rate for such Tax Year;

Minus,

Any amounts previously paid to District under Article IV or Article V;

Multiplied by,

The number 0.45;

Minus,

Any amounts previously paid to District under Sections 6.3 and 6.4 with respect to such Tax Year.

In the event that there are changes in the data upon which the calculations set forth herein are made, the Consultant described in Section 4.4, above, shall adjust the Applicant's Stipulated Supplemental Payment Amount calculation to reflect such changes in the data.

SECTION 6.5. PROCEDURES FOR SUPPLEMENTAL PAYMENT CALCULATIONS.

- A. If the Supplemental Payment is based on the Annual Limit, the District Superintendent of Schools or his or her designee shall make the calculations. If the Supplemental Payment is based on the Stipulated Supplemental Payment Amount the calculations shall be made by the Consultant selected pursuant to Section 4.4.
- B. The calculations shall be made at the same time and on the same schedule as the calculations made pursuant to Section 4.6.
- C. The payment of all amounts due under this Article shall be made at the time set forth in Section 4.7.

ARTICLE VII **ANNUAL LIMITATION OF PAYMENTS BY APPLICANT**

Section 7.1. ANNUAL LIMITATION. Notwithstanding anything contained in this Agreement to the contrary, and with respect to each Tax Year of the Tax Limitation Period beginning after the first Tax Year of the Tax Limitation Period, in no event shall (i) the sum of the maintenance and operations ad valorem taxes paid by the Applicant to the District for such Tax Year, plus the sum of all payments otherwise due from the Applicant to the District under Articles IV, V, and VI of this Agreement with respect to such Tax Year, exceed (ii) the amount of the maintenance and operations ad valorem taxes that the Applicant would have paid to the District for such Tax Year (determined by using the District's actual maintenance and operations tax rate for such Tax Year) if the Parties had not entered into this Agreement. The calculation and comparison of the amounts described in clauses (i) and (ii) of the preceding sentence shall be included in all calculations made pursuant to Article IV of this Agreement, and in the event the sum of the amounts described in said clause (i) exceeds the amount described in said clause (ii), then the payments otherwise due from

the Applicant to the District under Articles IV, V, and VI shall be reduced until such excess is eliminated.

Section 7.2. OPTION TO TERMINATE AGREEMENT. In the event that any payment otherwise due from the Applicant to the District under Article IV, Article V, or Article VI of this Agreement with respect to a Tax Year is subject to reduction in accordance with the provisions of Section 7.1, then the Applicant shall have the option to terminate this Agreement. The Applicant may exercise such option to terminate this Agreement by notifying the District of its election in writing not later than the July 31 of the year following the Tax Year with respect to which a reduction under Section 7.1 is applicable. Any termination of this Agreement under the foregoing provisions of this Section 7.2 shall be effective immediately prior to the second Tax Year next following the Tax Year in which the reduction giving rise to the option occurred.

Section 7.3. EFFECT OF OPTIONAL TERMINATION. Upon the exercise of the option to terminate pursuant to Section 7.2, this Agreement shall terminate and be of no further force or effect; provided, however, that:

A. the Parties respective rights and obligations under this Agreement with respect to the Tax Year or Tax Years (as the case may be) through and including the Tax Year during which such notification is delivered to the District, shall not be impaired or modified as a result of such termination and shall survive such termination unless and until satisfied and discharged; and

B. the provisions of this Agreement regarding payments (including liquidated damages and tax payments), records and dispute resolution shall survive the termination or expiration of this Agreement.

ARTICLE VIII

ADDITIONAL OBLIGATIONS OF APPLICANT

Section 8.1. APPLICANT'S OBLIGATION TO MAINTAIN VIABLE PRESENCE. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall Maintain Viable Presence in the District commencing at the start of the Tax Limitation Period through the Final Termination Date of this Agreement. Notwithstanding anything contained in this Agreement to the contrary, the Applicant shall not be in breach of, and shall not be subject to any liability for failure to Maintain Viable Presence to the extent such failure is caused by Force Majeure, provided the Applicant makes commercially reasonable efforts to remedy the cause of such Force Majeure.

Section 8.2. REPORTS. In order to receive and maintain the limitation authorized by Section 2.4 in addition to the other obligations required by this Agreement, the Applicant shall submit all reports required from time to time by the Comptroller, listed in 34 TEXAS ADMIN. CODE Section 9.1052 and as currently located on the Comptroller's website, including all data elements required by such form to the satisfaction of the Comptroller on the dates indicated on the form or the Comptroller's website and starting on the first such due date after the Application Approval Date.

Section 8.3. COMPTROLLER'S REPORT ON CHAPTER 313 AGREEMENTS. During the term of this Agreement, both Parties shall provide the Comptroller with all information reasonably necessary for the Comptroller to assess performance under this Agreement for the purpose of issuing the Comptroller's report, as required by Section 313.032 of the TEXAS TAX CODE.

Section 8.4. DATA REQUESTS. Upon the written request of the District, the State Auditor's Office, the Appraisal District, or the Comptroller during the term of this Agreement, the Applicant, the District or any other entity on behalf of the District shall provide the requesting party with all information reasonably necessary for the requesting party to determine whether the Applicant is in compliance with its rights, obligations or responsibilities, including, but not limited to, any employment obligations which may arise under this Agreement.

Section 8.5. SITE VISITS AND RECORD REVIEW. The Applicant shall allow authorized employees of the District, the Comptroller, the Appraisal District, and the State Auditor's Office to have reasonable access to the Applicant's Qualified Property and business records from the Application Review Start Date through the Final Termination Date, in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant's Qualified Property.

A. All inspections will be made at a mutually agreeable time after the giving of not less than forty-eight (48) hours prior written notice, and will be conducted in such a manner so as not to unreasonably interfere with either the construction or operation of the Applicant's Qualified Property.

B. All inspections may be accompanied by one or more representatives of the Applicant, and shall be conducted in accordance with the Applicant's safety, security, and operational standards. Notwithstanding the foregoing, nothing contained in this Agreement shall require the Applicant to provide the District, the Comptroller, or the Appraisal District with any technical or business information that is proprietary, a trade secret, or is subject to a confidentiality agreement with any third party.

Section 8.6. RIGHT TO AUDIT; SUPPORTING DOCUMENTS; AUTHORITY OF STATE AUDITOR. By executing this Agreement, implementing the authority of, and accepting the benefits provided by Chapter 313 of the TEXAS TAX CODE, the Parties agree that this Agreement and their performance pursuant to its terms are subject to review and audit by the State Auditor as if they are parties to a State contract and subject to the provisions of Section 2262.154 of the TEXAS GOVERNMENT CODE and Section 313.010(a) of the TEXAS TAX CODE. The Parties further agree to comply with the following requirements:

A. The District and the Applicant shall maintain and retain supporting documents adequate to ensure that claims for the Tax Limitation Amount are in accordance with applicable Comptroller and State of Texas requirements. The Applicant and the District shall maintain all such documents and other records relating to this Agreement and the State's property for a period of four (4) years after the latest occurring date of:

- i. date of submission of the final payment;
- ii. Final Termination Date; or
- iii. date of resolution of all disputes or payment.

B. During the time period defined under Section 8.6.A, the District and the Applicant shall make available at reasonable times and upon reasonable notice, and for reasonable periods, all information related to this Agreement; the Applicant's Application; and the Applicant's Qualified Property, Qualified Investment, New Qualifying Jobs, and wages paid for New Non- Qualifying Jobs such as work papers, reports, books, data, files, software, records, calculations, spreadsheets and other supporting documents pertaining to this Agreement, for purposes of inspecting, monitoring, auditing, or evaluating by the Comptroller, State Auditor's Office, State of Texas or their authorized representatives. The Applicant and the District shall cooperate with auditors and other authorized Comptroller and State of Texas representatives and shall provide them with prompt access to all of such property as requested by the Comptroller or the State of Texas. By example and not as an exclusion to other breaches or failures, the Applicant's or the District's failure to comply with this Section shall constitute a Material Breach of this Agreement.

C. In addition to and without limitation on the other audit provisions of this Agreement, the acceptance of tax benefits or funds by the Applicant or the District or any other entity or person directly under this Agreement acts as acceptance of the authority of the State Auditor, under the direction of the legislative audit committee, to conduct an audit or investigation in connection with those funds. Under the direction of the legislative audit committee, the Applicant or the District or other entity that is the subject of an audit or investigation by the State Auditor must provide the State Auditor with access to any information the State Auditor considers relevant to the investigation or audit. The Parties agree that this Agreement shall for its duration be subject to all rules and procedures of the State Auditor acting under the direction of the legislative audit committee.

D. The Applicant shall include the requirements of this Section 8.6 in its subcontract with any entity whose employees or subcontractors are subject to wage requirements under the Act, the Comptroller's Rules, or this Agreement, or any entity whose employees or subcontractors are included in the Applicant's compliance with job creation or wage standard requirement of the Act, the Comptroller's Rules, or this Agreement.

Section 8.7. FALSE STATEMENTS; BREACH OF REPRESENTATIONS. The Parties acknowledge that this Agreement has been negotiated, and is being executed, in reliance upon the information contained in the Application, and any supplements or amendments thereto, without which the Comptroller would not have approved this Agreement and the District would not have executed this Agreement. By signature to this Agreement, the Applicant:

A. represents and warrants that all information, facts, and representations contained in the Application are true and correct to the best of its knowledge;

B. agrees and acknowledges that the Application and all related attachments and schedules are included by reference in this Agreement as if fully set forth herein; and

C. acknowledges that if the Applicant submitted its Application with a false statement, signs this Agreement with a false statement, or submits a report with a false statement, or it is subsequently determined that the Applicant has violated any of the representations, warranties, guarantees, certifications, or affirmations included in the Application or this Agreement, the Applicant shall have materially breached this Agreement and the Agreement shall be invalid and void except for the enforcement of the provisions required by Section 9.2 of this Agreement.

ARTICLE IX
MATERIAL BREACH OR EARLY TERMINATION

Section 9.1. EVENTS CONSTITUTING MATERIAL BREACH OF AGREEMENT. The Applicant shall be in Material Breach of this Agreement if it commits one or more of the following acts or omissions (each a “Material Breach”):

A. The Application, any Application Supplement, or any Application Amendment on which this Agreement is approved is determined to be inaccurate as to any material representation, information, or fact or is not complete as to any material fact or representation or such application;

B. The Applicant failed to complete Qualified Investment as required by Section 2.5.A. of this Agreement during the Qualifying Time Period;

C. The Applicant failed to create and maintain the number of New Qualifying Jobs required by the Act;

D. The Applicant failed to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application;

E. The Applicant failed to pay at least the average weekly wage of all jobs in the county in which the jobs are located for all New Non-Qualifying Jobs created by the Applicant;

F. The Applicant failed to provide payments to the District sufficient to protect future District revenues through payment of revenue offsets and other mechanisms as more fully described in Article IV of this Agreement;

G. The Applicant failed to provide the payments to the District that protect the District from the payment of extraordinary education-related expenses related to the project to the extent and in the amounts that the Applicant agreed to provide such payments in Article V of this Agreement;

H. The Applicant failed to provide the Supplemental Payments to the extent and in the amounts that the Applicant agreed to provide such Supplemental Payments in Article VI of this Agreement;

I. The Applicant failed to create and Maintain Viable Presence on or with the Qualified Property as more fully specified in Article VIII of this Agreement;

J. The Applicant failed to submit the reports required to be submitted by Section 8.2 to the satisfaction of the Comptroller;

K. The Applicant failed to provide the District or the Comptroller with all information reasonably necessary for the District or the Comptroller to determine whether the Applicant is in compliance with its obligations, including, but not limited to, any employment obligations which may arise under this Agreement;

L. The Applicant failed to allow authorized employees of the District, the Comptroller, the Appraisal District, or the State Auditor’s Office to have access to the Applicant’s Qualified Property or business records in order to inspect the project to determine compliance with the terms hereof or as necessary to properly appraise the Taxable Value of the Applicant’s Qualified Property under Sections 8.5 and 8.6;

M. The Applicant failed to comply with a request by the State Auditor’s office to review and audit the Applicant’s compliance with this Agreement;

N. The Applicant has made any payments to the District or to any other person or persons in any form for the payment or transfer of money or any other thing of value in recognition of, anticipation of, or consideration for this Agreement for limitation on Appraised Value made

pursuant to Chapter 313 of the TEXAS TAX CODE, in excess of the amounts set forth in Articles IV, V and VI of this Agreement;

O. The Applicant failed to comply with the conditions included in the certificate for limitation issued by the Comptroller.

Section 9.2. DETERMINATION OF BREACH AND TERMINATION OF AGREEMENT.

A. Prior to making a determination that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the District shall provide the Applicant with a written notice of the facts which it believes have caused the breach of this Agreement, and if cure is possible, the cure proposed by the District. After receipt of the notice, the Applicant shall be given ninety (90) days to present any facts or arguments to the Board of Trustees showing that it is not in breach of its obligations under this Agreement, or that it has cured or undertaken to cure any such breach.

B. If the Board of Trustees is not satisfied with such response or that such breach has been cured, then the Board of Trustees shall, after reasonable notice to the Applicant, conduct a hearing called and held for the purpose of determining whether such breach has occurred and, if so, whether such breach has been cured. At any such hearing, the Applicant shall have the opportunity, together with their counsel, to be heard before the Board of Trustees. At the hearing, the Board of Trustees shall make findings as to:

- i. whether or not a breach of this Agreement has occurred;
- ii. whether or not such breach is a Material Breach;
- iii. the date such breach occurred, if any;
- iv. whether or not any such breach has been cured; and

C. In the event that the Board of Trustees determines that such a breach has occurred and has not been cured, it shall at that time determine:

- i. the amount of recapture taxes under Section 9.4.C (net of all credits under Section 9.4.C);
- ii. the amount of any penalty or interest under Section 9.4.E that are owed to the District; and
- iii. in the event of a finding of a Material Breach, whether to terminate this Agreement.

D. After making its determination regarding any alleged breach, the Board of Trustees shall cause the Applicant to be notified in writing of its determination (a "Determination of Breach and Notice of Contract Termination") and provide a copy to the Comptroller.

Section 9.3. DISPUTE RESOLUTION.

A. After receipt of notice of the Board of Trustee's Determination of Breach and Notice of Contract Termination under Section 9.2, the Applicant shall have ninety (90) days in which either to tender payment or evidence of its efforts to cure, or to initiate mediation of the dispute by written notice to the District, in which case the District and the Applicant shall be required to make a good faith effort to resolve, without resort to litigation and within ninety (90) days after the Applicant initiates mediation, such dispute through mediation with a mutually agreeable mediator and at a mutually convenient time and place for the mediation. If the Parties are unable to agree on a mediator, a mediator shall be selected by the senior state district court judge then presiding in Cameron County, Texas. The Parties agree to sign a document that provides the mediator and

the mediation will be governed by the provisions of Chapter 154 of the TEXAS CIVIL PRACTICE AND REMEDIES CODE and such other rules as the mediator shall prescribe. With respect to such mediation, (i) the District shall bear one-half of such mediator's fees and expenses and the Applicant shall bear one-half of such mediator's fees and expenses, and (ii) otherwise each Party shall bear all of its costs and expenses (including attorneys' fees) incurred in connection with such mediation.

B. In the event that any mediation is not successful in resolving the dispute or that payment is not received within the time period described for mediation in Section 9.3.A, either the District or the Applicant may seek a judicial declaration of their respective rights and duties under this Agreement or otherwise, in a judicial proceeding in a state district court in Cameron County, assert any rights or defenses, or seek any remedy in law or in equity, against the other Party with respect to any claim relating to any breach, default, or nonperformance of any contract, agreement or undertaking made by a Party pursuant to this Agreement.

C. If payments become due under this Agreement and are not received before the expiration of the ninety (90) days provided for such payment in Section 9.3.A, and if the Applicant has not contested such payment calculations under the procedures set forth herein, including judicial proceedings, the District shall have the remedies for the collection of the amounts determined under Section 9.4 as are set forth in Chapter 33, Subchapters B and C, of the TEXAS TAX CODE for the collection of delinquent taxes. In the event that the District successfully prosecutes legal proceedings under this section, the Applicant shall also be responsible for the payment of attorney's fees to the attorneys representing the District pursuant to Section 6.30 of the TEXAS TAX CODE and a tax lien shall attach to the Applicant's Qualified Property and the Applicant's Qualified Investment pursuant to Section 33.07 of the TEXAS TAX CODE to secure payment of such fees.

Section 9.4. Consequences of Early Termination or Other Breach by Applicant.

A. In the event that the Applicant terminates this Agreement without the consent of the District, except as provided in Section 7.2 of this Agreement, the Applicant shall pay to the District liquidated damages for such failure within thirty (30) days after receipt of the notice of breach.

B. In the event that the District determines that the Applicant has failed to comply in any material respect with the terms of this Agreement or to meet any material obligation under this Agreement, the Applicant shall pay to the District liquidated damages, as calculated by Section 9.4.C, prior to, and the District may terminate the Agreement effective on the later of: (i) the expiration of the ninety (90) days provided for in Section 9.3.A, and (ii) thirty (30) days after any mediation and judicial proceedings initiated pursuant to Sections 9.3.A and 9.3.B are resolved in favor of the District.

C. The sum of liquidated damages due and payable shall be the sum total of the District ad valorem taxes for all of the Tax Years for which a tax limitation was granted pursuant to this Agreement prior to the year in which the default occurs that otherwise would have been due and payable by the Applicant to the District without the benefit of this Agreement, including penalty and interest, as calculated in accordance with Section 9.4.E. For purposes of this liquidated damages calculation, the Applicant shall be entitled to a credit for all payments made to the District pursuant to Articles IV, V, and VI. Upon payment of such liquidated damages, the Applicant's obligations under this Agreement shall be deemed fully satisfied, and such payment shall constitute the District's sole remedy.

D. In the event that the District determines that the Applicant has committed a Material Breach identified in Section 9.1, after the notice and mediation periods provided by Sections 9.2 and 9.3, then the District may, in addition to the payment of liquidated damages required pursuant to Section 9.4.C, terminate this Agreement.

E. In determining the amount of penalty or interest, or both, due in the event of a breach of this Agreement, the District shall first determine the base amount of recaptured taxes less all credits under Section 9.4.C owed for each Tax Year during the Tax Limitation Period. The District shall calculate penalty or interest for each Tax Year during the Tax Limitation Period in accordance with the methodology set forth in Chapter 33 of the TEXAS TAX CODE, as if the base amount calculated for such Tax Year less all credits under Section 9.4.C had become due and payable on February 1 of the calendar year following such Tax Year. Penalties on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(a) of the TEXAS TAX CODE, or its successor statute. Interest on said amounts shall be calculated in accordance with the methodology set forth in Section 33.01(c) of the TEXAS TAX CODE, or its successor statute.

Section 9.5. LIMITATION OF OTHER DAMAGES. Notwithstanding anything contained in this Agreement to the contrary, in the event of default or breach of this Agreement by the Applicant, the District's damages for such a default shall under no circumstances exceed the amounts calculated under Section 9.4. In addition, the District's sole right of equitable relief under this Agreement shall be its right to terminate this Agreement. The Parties further agree that the limitation of damages and remedies set forth in this Section 9.5 shall be the sole and exclusive remedies available to the District, whether at law or under principles of equity.

Section 9.6. STATUTORY PENALTY FOR INADEQUATE QUALIFIED INVESTMENT. Pursuant to Section 313.0275 of the TEXAS TAX CODE, in the event that the Applicant fails to make TEN MILLION DOLLARS (\$10,000,000) of Qualified Investment, in whole or in part, during the Qualifying Time Period, the Applicant is liable to the State for a penalty. The amount of the penalty is the amount determined by: (i) multiplying the maintenance and operations tax rate of the school district for that tax year that the penalty is due by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the Tax Year the penalty is due. This penalty shall be paid on or before February 1 of the year following the expiration of the Qualifying Time Period and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE. The Comptroller may grant a waiver of this penalty in the event of Force Majeure which prevents compliance with this provision.

Section 9.7. REMEDY FOR FAILURE TO CREATE AND MAINTAIN REQUIRED NEW QUALIFYING JOBS Pursuant to Section 313.0276 of the TEXAS TAX CODE, for any full Tax Year that commences after the project has become operational, in the event that it has been determined that the Applicant has failed to meet the job creation or retention requirements defined in Sections 9.1.C, the Applicant shall not be deemed to be in Material Breach of this Agreement until such time as the Comptroller has made a determination to rescind this Agreement under Section 313.0276 of TEXAS TAX CODE, and that determination is final.

Section 9.8. REMEDY FOR FAILURE TO CREATE AND MAINTAIN COMMITTED NEW QUALIFYING JOBS

A. In the event that the Applicant fails to create and maintain the number of New Qualifying Jobs specified in Schedule C of the Application, an event constituting a Material Breach as defined in Section 9.1.D, the Applicant and the District may elect to remedy the Material Breach through a penalty payment.

B. Following the notice and mediation periods provided by Sections 9.2 and 9.3, the District may request the Applicant to make a payment to the State in an amount equal to: (i) multiplying the maintenance and operations tax rate of the school district for that Tax Year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the Tax Limitation Amount identified in Section 2.4.B from (b) the market value of the property identified on the Appraisal District's records for each tax year the Material Breach occurs.

C. In the event that there is no tax limitation in place for the tax year that the Material Breach occurs, the payment to the State shall be in an amount equal to: (i) multiplying the maintenance and operations tax rate of the School District for each tax year that the Material Breach occurs by (ii) the amount obtained after subtracting (a) the tax limitation amount identified in Section 2.4.B from (b) the Market Value of the property identified on the Appraisal District's records for the last Tax Year for which the Applicant received a tax limitation.

D. The penalty shall be paid no later than 30 days after the notice of breach and is subject to the delinquent penalty provisions of Section 33.01 of the TEXAS TAX CODE.

**ARTICLE X.
MISCELLANEOUS PROVISIONS**

Section 10.1. INFORMATION AND NOTICES.

A. Unless otherwise expressly provided in this Agreement, all notices required or permitted hereunder shall be in writing and deemed sufficiently given for all purposes hereof if (i) delivered in person, by courier (e.g., by Federal Express) or by registered or certified United States Mail to the Party to be notified, with receipt obtained, or (ii) sent by facsimile or email transmission, with notice of receipt obtained, in each case to the appropriate address or number as set forth below. Each notice shall be deemed effective on receipt by the addressee as aforesaid; provided that, notice received by facsimile or email transmission after 5:00 p.m. at the location of the addressee of such notice shall be deemed received on the first business day following the date of such electronic receipt.

B. Notices to the District shall be addressed to the District's Authorized Representative as follows:

Los Fresnos Consolidated Independent School District
Attention: Superintendent of Schools
Address: 600 N. Mesquite Lane
P.O. Box 309
Los Fresnos, Texas 78566
Phone: 956-254-5000
E-Mail: gsalazar@lfcisd.net

C. Notices to the Applicant shall be addressed to its Authorized Representative as follows:

Acciona Energy USA Global, LLC
Attention: Brian Dunneback, Business Development Project Manager
Address: 55 E. Monroe St., 1925
Chicago, IL 60603
Phone: 312-673-3011
E-Mail: bdunneback@acciona.com

With a copy to:
Acciona Energy USA Global, LLC
Attention: General Counsel
Address: 55 E. Monroe St., 1925
Chicago, IL 60603
Phone: 312-673-3000
Email: jtaylor@acciona.com

Section 10.2. AMENDMENTS TO APPLICATION AND AGREEMENT; WAIVERS.

A. This Agreement may not be modified or amended except by an instrument or instruments in writing signed by all of the Parties and after completing the requirements of Section 10.2.B. Waiver of any term, condition, or provision of this Agreement by any Party shall only be effective if in writing and shall not be construed as a waiver of any subsequent breach of, or failure to comply with, the same term, condition, or provision, or a waiver of any other term, condition, or provision of this Agreement.

B. By official action of the District's Board of Trustees, the Application and this Agreement may only be amended according to the following:

- i. The Applicant shall submit to the District and the Comptroller:
 - a. a written request to amend the Application and this Agreement, which shall specify the changes the Applicant requests;
 - b. any changes to the information that was provided in the Application that was approved by the District and considered by the Comptroller;
 - c. and any additional information requested by the District or the Comptroller necessary to evaluate the amendment or modification;

- ii. The Comptroller shall review the request and any additional information for compliance with the Act and the Comptroller's Rules and provide a revised Comptroller certificate for a limitation within 90 days of receiving the revised Application and, if the request to amend the Application has not been approved by the Comptroller by the end of the 90-day period, the request is denied; and

- iii. If the Comptroller has not denied the request, the District's Board of Trustees shall approve or disapprove the request before the expiration of 150 days after the request is filed.

C. Any amendment of the Application and this Agreement adding additional or replacement Qualified Property pursuant to this Section 10.2 of this Agreement shall:

- i. require that all property added by amendment be eligible property as defined by

Section 313.024 of the TEXAS TAX CODE;

ii. clearly identify the property, investment, and employment information added by amendment from the property, investment, and employment information in the original Agreement; and

D. The Application and this Agreement may not be amended to extend the value limitation time period beyond its ten-year statutory term.

E. The Comptroller determination made under Section 313.026(c)(2) of the TEXAS TAX CODE in the original certificate for a limitation satisfies the requirement of the Comptroller to make the same determination for any amendment of the Application and this Agreement, provided that the facts upon which the original determination was made have not changed.

Section 10.3. ASSIGNMENT.

A. Any assignment of any rights, benefits, obligations, or interests of the Parties in this Agreement, other than a collateral assignment purely for the benefit of creditors of the project, is considered an amendment to the Agreement and such Party may only assign such rights, benefits, obligations, or interests of this Agreement after complying with the provisions of Section 10.2 regarding amendments to the Agreement. Other than a collateral assignment to a creditor, this Agreement may only be assigned to an entity that is eligible to apply for and execute an agreement for limitation on appraised value pursuant to the provisions of Chapter 313 of the TEXAS TAX CODE and the Comptroller's Rules.

B. In the event of a merger or consolidation of the District with another school district or other governmental authority, this Agreement shall be binding on the successor school district or other governmental authority.

C. In the event of an assignment to a creditor, the Applicant must notify the District and the Comptroller in writing no later than 30 days after the assignment. This Agreement shall be binding on the assignee.

Section 10.4. MERGER. This Agreement contains all of the terms and conditions of the understanding of the Parties relating to the subject matter hereof. All prior negotiations, discussions, correspondence, and preliminary understandings between the Parties and others relating hereto are superseded by this Agreement.

Section 10.5. Governing Law. This Agreement and the transactions contemplated hereby shall be governed by and interpreted in accordance with the laws of the State of Texas without giving effect to principles thereof relating to conflicts of law or rules that would direct the application of the laws of another jurisdiction. Venue in any legal proceeding shall be in a state district court in Cameron County.

Section 10.6. AUTHORITY TO EXECUTE AGREEMENT. Each of the Parties represents and warrants that its undersigned representative has been expressly authorized to execute this Agreement for and on behalf of such Party.

Section 10.7. SEVERABILITY. If any term, provision or condition of this Agreement, or any application thereof, is held invalid, illegal, or unenforceable in any respect under any Law (as hereinafter defined), this Agreement shall be reformed to the extent necessary to conform, in each case consistent with the intention of the Parties, to such Law, and to the extent such term,

provision, or condition cannot be so reformed, then such term, provision, or condition (or such invalid, illegal or unenforceable application thereof) shall be deemed deleted from (or prohibited under) this Agreement, as the case may be, and the validity, legality, and enforceability of the remaining terms, provisions, and conditions contained herein (and any other application such term, provision, or condition) shall not in any way be affected or impaired thereby. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement in an acceptable manner so as to effect the original intent of the Parties as closely as possible so that the transactions contemplated hereby are fulfilled to the extent possible. As used in this Section 10.7, the term "Law" shall mean any applicable statute, law (including common law), ordinance, regulation, rule, ruling, order, writ, injunction, decree, or other official act of or by any federal, state or local government, governmental department, commission, board, bureau, agency, regulatory authority, instrumentality, or judicial or administrative body having jurisdiction over the matter or matters in question.

Section 10.8. PAYMENT OF EXPENSES. Except as otherwise expressly provided in this Agreement, or as covered by the application fee, each of the Parties shall pay its own costs and expenses relating to this Agreement, including, but not limited to, its costs and expenses of the negotiations leading up to this Agreement, and of its performance and compliance with this Agreement.

Section 10.9. INTERPRETATION.

A. When a reference is made in this Agreement to a Section, Article, or Exhibit, such reference shall be to a Section or Article of, or Exhibit to, this Agreement unless otherwise indicated. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

B. The words "include," "includes," and "including" when used in this Agreement shall be deemed in such case to be followed by the phrase, "but not limited to". Words used in this Agreement, regardless of the number or gender specifically used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context shall require.

C. The provisions of the Act and the Comptroller's Rules are incorporated by reference as if fully set forth in this Agreement. In the event of a conflict, the conflict will be resolved by reference to the following order of precedence:

- i. The Act;
- ii. The Comptroller's Rules as they exist at the time the Agreement is executed, except as allowed in the definition of Qualified Property in Section 1.1; and
- iii. This Agreement and its Attachments including the Application as incorporated by reference.

Section 10.10. EXECUTION OF COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, taken together, shall constitute but one and the same instrument, which may be sufficiently evidenced by one counterpart.

Section 10.11. PUBLICATION OF DOCUMENTS. The Parties acknowledge that the District is required to publish the Application and its required schedules, or any amendment thereto; all

economic analyses of the proposed project submitted to the District; and the approved and executed copy of this Agreement or any amendment thereto, as follows:

A. Within seven (7) days of receipt of such document, the District shall submit a copy to the Comptroller for publication on the Comptroller's Internet website;

B. The District shall provide on its website a link to the location of those documents posted on the Comptroller's website;

C. This Section does not require the publication of information that is confidential under Section 313.028 of the TEXAS TAX CODE.

Section 10.12. CONTROL; OWNERSHIP; LEGAL PROCEEDINGS. The Applicant shall immediately notify the District in writing of any actual or anticipated change in the control or ownership of the Applicant and of any legal or administrative investigations or proceedings initiated against the Applicant related to the project regardless of the jurisdiction from which such proceedings originate.

Section 10.13. DUTY TO DISCLOSE. If circumstances change or additional information is obtained regarding any of the representations and warranties made by the Applicant in the Application or this Agreement, or any other disclosure requirements, subsequent to the date of this Agreement, the Applicant's duty to disclose continues throughout the term of this Agreement.

Section 10.14. CONFLICTS OF INTEREST.

A. The District represents that, after diligent inquiry, each local public official or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, has disclosed any conflicts of interest in obtaining or performing this Agreement and related activities, appropriately recused from any decisions relating to this Agreement when a disclosure has been made, and the performance of this Agreement will not create any appearance of impropriety. The District represents that it, the District's local public officials or local government officer, as those terms are defined in Chapters 171 and 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

B. The Applicant represents that, after diligent inquiry, each of its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, involved in the representation of the Applicant with the District has complied with the provisions of Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE. The Applicant represents that it and its agents, as defined in Chapter 176 of the TEXAS LOCAL GOVERNMENT CODE, have not given, nor intend to give, at any time hereafter, any future employment, gift, loan, gratuity, special discount, trip, favor, or service to a public servant, employee, or representative of the other Party or the State of Texas in connection with this Agreement.

C. The District and the Applicant each separately agree to notify the other Party and the Comptroller immediately upon learning of any conflicts of interest.

Section 10.15. PROVISIONS SURVIVING EXPIRATION OR TERMINATION. Notwithstanding the expiration or termination (by agreement, breach, or operation of time) of this Agreement, the provisions of this Agreement regarding payments (including liquidated damages and tax payments), reports, records, and dispute resolution of the Agreement shall survive the termination or expiration dates of this Agreement until the following occurs:

- A. all payments, including liquidated damage and tax payments, have been made;
- B. all reports have been submitted;
- C. all records have been maintained in accordance with Section 8.6.A; and
- D. all disputes in controversy have been resolved.

Section 10.16. FACSIMILE OR ELECTRONIC DELIVERY.

A. This Agreement may be duly executed and delivered in person, by mail, or by facsimile or other electronic format (including portable document format (pdf) transmitted by e-mail). The executing Party must promptly deliver a complete, executed original or counterpart of this Agreement to the other executing Parties. This Agreement shall be binding on and enforceable against the executing Party whether or not it delivers such original or counterpart.

B. Delivery is deemed complete as follows:

- i. When delivered if delivered personally or sent by express courier service;
- ii. Three (3) business days after the date of mailing if sent by registered or certified U.S. mail, postage prepaid, with return receipt requested;
- iii. When transmitted if sent by facsimile, provided a confirmation of transmission is produced by the sending machine; or
- iv. When the recipient, by an e-mail sent to the e-mail address for the executing Parties acknowledges having received that e-mail (an automatic “read receipt” does not constitute acknowledgment of an e-mail for delivery purposes).

[SIGNATURES FOLLOW ON NEXT PAGE]

IN WITNESS WHEREOF, this Agreement has been executed by the Parties in multiple originals on this **10th day of December, 2018**.

PALMAS WIND, LLC

By: _____
Name: Rafael Esteban Fernández de Córdoba

Title: Authorized Signatory

By: _____
Name: Basilio Guerrero Iñigo
Title: Authorized Signatory

**LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT**

By: _____
Leonel Garza, President
Board of Trustees

ATTEST:

Ruben Treviño, Secretary
Board of Trustees

EXHIBIT 1

DESCRIPTION AND LOCATION OF ENTERPRISE OR REINVESTMENT ZONE

[Insert description of Qualified Enterprise or Reinvestment Zone provided in the Application, including appropriate maps]

All of Cameron County, Texas is classified as an Enterprise Zone, the boundaries of which are described and depicted in the map below.

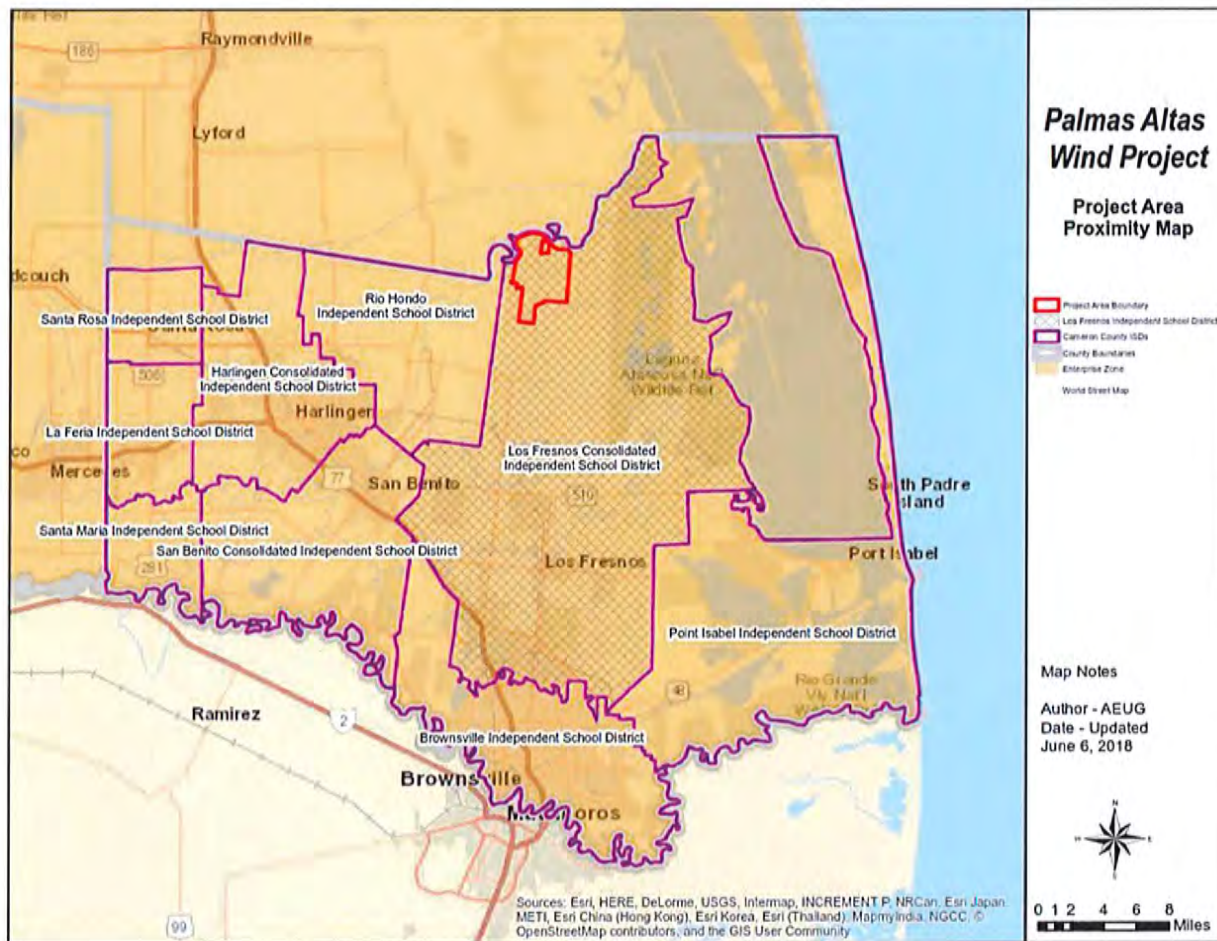


EXHIBIT 2

DESCRIPTION AND LOCATION OF LAND

[Insert Description of Location of Land, including appropriate maps]

All Qualified Property will be located within the boundaries of the Cameron County Enterprise Zone, and is more particularly described in Exhibit 1 and the map that follows.

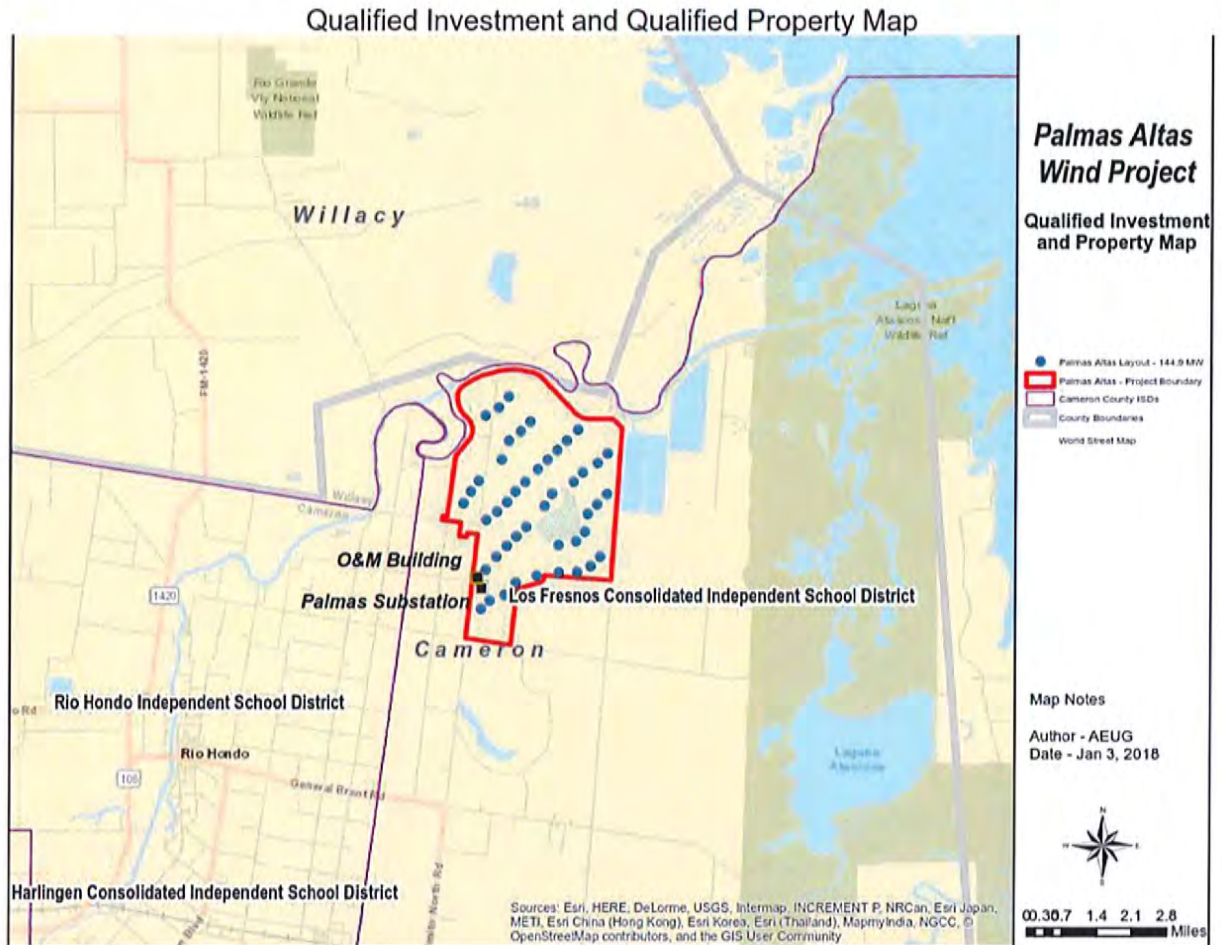


EXHIBIT 3

APPLICANT'S QUALIFIED INVESTMENT

[Insert Description of Location of Qualified Investment, including appropriate maps showing the project area]

This Agreement covers all qualified investment and qualified property necessary for the commercial operations of a Wind Farm. One hundred forty-four and nine-tenths megawatts (144.9 MW) will be located in Los Fresnos CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 46 of the 2.15 MW turbines manufactured by Acciona.

The Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control system necessary for commercial generation of electricity.

The Qualified Investment will be entirely located within Cameron County and the Los Fresnos Consolidated Independent School District as more particularly described and depicted in Exhibits 1 and 2.

EXHIBIT 4

DESCRIPTION AND LOCATION OF QUALIFIED PROPERTY

[Insert Description of Applicant's Qualified Property, including appropriate maps and site plans showing the project area]

This Agreement covers all qualified investment and qualified property necessary for the commercial operations of a Wind Farm. One hundred forty-four and nine-tenths megawatts (144.9 MW) will be located in Los Fresnos CISD. Turbine placement is subject to change but for purposes of this application, the Project anticipates using 46 of the 2.15 MW turbines manufactured by Acciona.

The Qualified Investment and qualified property includes, but is not limited to, turbines, towers, foundations, transformers, pad mounts, O&M building, underground collection systems, electric substation, transmission lines, electrical interconnections, met towers, roads, and control system necessary for commercial generation of electricity.

The Qualified Investment will be entirely located within Cameron County and the Los Fresnos Consolidated Independent School District as more particularly described and depicted in Exhibits 1 and 2.

EXHIBIT 5

AGREEMENT SCHEDULE

	Year of Agreement	Date of Appraisal	School Year	Tax Year	Summary of Description
Limitation Pre-Year(s)	1	January 1, 2019	2019-2020	2019	Limitation Pre-Year; QTP Begins
Limitation Period (10 Years)	2	January 1, 2020	2020-21	2020	\$20 Million appraisal limitation; QTP ends December 31, 2020
	3	January 1, 2021	2021-22	2021	\$20 Million appraisal limitation
	4	January 1, 2022	2022-23	2022	\$20 Million appraisal limitation
	5	January 1, 2023	2023-24	2023	\$20 Million appraisal limitation
	6	January 1, 2024	2024-25	2024	\$20 Million appraisal limitation
	7	January 1, 2025	2025-26	2025	\$20 Million appraisal limitation
	8	January 1, 2026	2026-27	2026	\$20 Million appraisal limitation
	9	January 1, 2027	2027-28	2027	\$20 Million appraisal limitation
	10	January 1, 2028	2028-29	2028	\$20 Million appraisal limitation
	11	January 1, 2029	2029-30	2029	\$20 Million appraisal limitation; Limitation Period Ends December 31, 2029
Maintain Viable Presence	12	January 1, 2030	2030-31	2030	No appraisal limitation; must Maintain viable presence.
	13	January 1, 2031	2031-32	2031	No appraisal limitation; must maintain viable presence
	14	January 1, 2032	2032-33	2032	No appraisal limitation; must maintain viable presence
	15	January 1, 2033	2033-34	2033	No appraisal limitation; must maintain viable presence
	16	January 1, 2034	2034-35	2034	No appraisal limitation; must maintain viable presence; Final Termination Date: December 31, 2034.

Agreement for Limitation on Appraised Value
Between Los Fresnos Consolidated Independent School
District and Palmas Wind, LLC.
December 10, 2018

Texas Economic Development Act Agreement
Comptroller Form 50-826 (May 2015)

AGREEMENT FOR LIMITATION ON APPRAISED VALUE OF PROPERTY FOR SCHOOL DISTRICT
MAINTENANCE AND OPERATIONS TAXES by and between LOS FRESNOS CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT and PALMAS WIND, LLC.

EXHIBIT E

Comptroller's Franchise Tax Account Status



Franchise Tax Account Status

As of : 12/05/2018 14:56:23

This Page is Not Sufficient for Filings with the Secretary of State

PALMAS WIND, LLC

Texas Taxpayer Number	32064146635
Mailing Address	100 CONGRESS AVE FL 22ND AUSTIN, TX 78701-2747
? Right to Transact Business in Texas	ACTIVE
State of Formation	DE
Effective SOS Registration Date	06/23/2017
Texas SOS File Number	0802754110
Registered Agent Name	CT CORPORATION SYSTEM
Registered Office Street Address	1999 BRYAN ST., STE. 900 DALLAS, TX 75201