



GLENN HEGAR TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

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

July 08, 2016

Kenny Austin
Superintendent
Friona Independent School District
909 East 11th
Friona, Texas 79035

Dear Superintendent Austin:

On May 03, 2016, the Comptroller issued written notice that Scandia Wind, LLC (the applicant) submitted a completed application (Application #1130) for a limitation on appraised value under the provisions of Tax Code Chapter 313¹. This application was originally submitted on March 24, 2016, to the Friona Independent School District (the 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.
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 #1130.

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.

¹ All statutory references are to the Texas Tax Code, unless otherwise noted.

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 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).

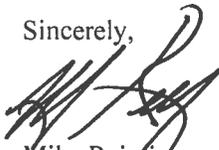
The Comptroller's review of the application assumes the accuracy and completeness of the statements in the application. If the application is approved by the school district, the applicant shall perform according to the provisions of the Texas Economic Development Act Agreement (Form 50-826) executed 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, 2016.

Note that any building or improvement existing as of the application review start date of May 03, 2016, 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 Korry Castillo, Director, Data Analysis & Transparency, by email at korry.castillo@cpa.texas.gov or by phone at 1-800-531-5441, ext. 3-3806, or direct in Austin at 512-463-3806.

Sincerely,



Mike Reissig
Deputy Comptroller

Enclosure

cc: Korry Castillo

Attachment A – Economic Impact Analysis

The following tables summarize the Comptroller’s economic impact analysis of Scandia Wind, LLC (the project) applying to Friona Independent School District (the 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 Scandia Wind, LLC.

Applicant	Scandia Wind, LLC
Tax Code, 313.024 Eligibility Category	Renewable Energy Electric Generation
School District	Friona ISD
2014-15 Enrollment in School District	1060
County	Parmer
Proposed Total Investment in District	\$337,500,000
Proposed Qualified Investment	\$337,500,000
Limitation Amount	\$25,000,000
Qualifying Time Period (Full Years)	2017-2018
Number of new qualifying jobs committed to by applicant*	5
Number of new non-qualifying jobs estimated by applicant	0
Average weekly wage of qualifying jobs committed to by applicant	\$927.02
Minimum weekly wage required for each qualifying job by Tax Code, 313.021(5)(B)	\$926.98
Minimum annual wage committed to by applicant for qualified jobs	\$48,205
Minimum weekly wage required for non-qualifying jobs	\$762
Minimum annual wage required for non-qualifying jobs	\$39,624
Investment per Qualifying Job	\$67,500,000
Estimated M&O levy without any limit (15 years)	\$33,207,300
Estimated M&O levy with Limitation (15 years)	\$11,016,425
Estimated gross M&O tax benefit (15 years)	\$22,190,875
* 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 Scandia Wind, LLC (modeled).

Year	Employment			Personal Income		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total
2016	50	51	101	\$2,340,000	\$3,660,000	\$6,000,000
2017	200	190	390	\$9,360,000	\$15,640,000	\$25,000,000
2018	155	146	301	\$7,261,025	\$13,738,975	\$21,000,000
2019	5	13	18	\$241,025	\$3,758,975	\$4,000,000
2020	5	1	6	\$241,025	\$2,758,975	\$3,000,000
2021	5	1	6	\$241,025	\$1,758,975	\$2,000,000
2022	5	(5)	0	\$241,025	\$1,758,975	\$2,000,000
2023	5	(3)	2	\$241,025	\$758,975	\$1,000,000
2024	5	(5)	0	\$241,025	\$758,975	\$1,000,000
2025	5	3	8	\$241,025	\$758,975	\$1,000,000
2026	5	(1)	4	\$241,025	\$758,975	\$1,000,000
2027	5	3	8	\$241,025	\$758,975	\$1,000,000
2028	5	1	6	\$241,025	\$758,975	\$1,000,000
2029	5	(3)	2	\$241,025	-\$241,025	\$0
2030	5	(7)	-2	\$241,025	-\$241,025	\$0
2031	5	(9)	-4	\$241,025	-\$241,025	\$0

Source: CPA, REMI, Scandia 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	Tax Rate	Friona ISD I&S Tax Levy	Friona ISD M&O Tax Levy	M&O and I&S Tax Levies	Parmer County Tax Levy	Parmer Co Hospital Tax Levy	Parmer Co FM Road Tax Levy	High Plains UWCD Tax Levy	Estimated Total Property Taxes
2017	\$16,875,000	\$16,875,000	0.0827	\$13,956	\$165,375	\$179,331	\$73,170	\$40,989	\$18,225	\$1,354	\$313,069
2018	\$182,250,000	\$182,250,000		\$150,721	\$1,786,050	\$1,936,771	\$790,236	\$442,685	\$196,830	\$14,627	\$3,381,149
2019	\$253,125,000	\$253,125,000		\$209,334	\$2,480,625	\$2,689,959	\$1,097,550	\$614,841	\$273,375	\$20,316	\$4,696,041
2020	\$303,750,000	\$303,750,000		\$251,201	\$2,976,750	\$3,227,951	\$1,317,060	\$737,809	\$328,050	\$24,379	\$5,635,249
2021	\$303,750,000	\$303,750,000		\$251,201	\$2,976,750	\$3,227,951	\$1,317,060	\$737,809	\$328,050	\$24,379	\$5,635,249
2022	\$286,875,000	\$286,875,000		\$237,246	\$2,811,375	\$3,048,621	\$1,243,890	\$696,819	\$309,825	\$23,025	\$5,322,180
2023	\$270,000,000	\$270,000,000		\$223,290	\$2,646,000	\$2,869,290	\$1,170,720	\$655,830	\$291,600	\$21,670	\$5,009,110
2024	\$253,125,000	\$253,125,000		\$209,334	\$2,480,625	\$2,689,959	\$1,097,550	\$614,841	\$273,375	\$20,316	\$4,696,041
2025	\$236,250,000	\$236,250,000		\$195,379	\$2,315,250	\$2,510,629	\$1,024,380	\$573,851	\$255,150	\$18,961	\$4,382,971
2026	\$219,375,000	\$219,375,000		\$181,423	\$2,149,875	\$2,331,298	\$951,210	\$532,862	\$236,925	\$17,607	\$4,069,902
2027	\$202,500,000	\$202,500,000		\$167,468	\$1,984,500	\$2,151,968	\$878,040	\$491,873	\$218,700	\$16,253	\$3,756,833
2028	\$185,625,000	\$185,625,000		\$153,512	\$1,819,125	\$1,972,637	\$804,870	\$450,883	\$200,475	\$14,898	\$3,443,763
2029	\$168,750,000	\$168,750,000		\$139,556	\$1,653,750	\$1,793,306	\$731,700	\$409,894	\$182,250	\$13,544	\$3,130,694
2030	\$151,875,000	\$151,875,000		\$125,601	\$1,488,375	\$1,613,976	\$658,530	\$368,904	\$164,025	\$12,189	\$2,817,624
2031	\$151,875,000	\$151,875,000		\$125,601	\$1,488,375	\$1,613,976	\$658,530	\$368,904	\$164,025	\$12,189	\$2,817,624
2032	\$101,250,000	\$101,250,000		\$83,734	\$992,250	\$1,075,984	\$439,020	\$245,936	\$109,350	\$8,126	\$1,878,416
2033	\$101,250,000	\$101,250,000		\$83,734	\$992,250	\$1,075,984	\$439,020	\$245,936	\$109,350	\$8,126	\$1,878,416
			Total	\$2,802,290	\$33,207,300	\$36,009,590	\$14,692,536	\$8,230,667	\$3,276,855	\$243,519	\$56,289,876

Source: CPA, Scandia Wind, LLC

¹Tax Rate per \$100 Valuation

Table 4 examines the estimated direct impact on ad valorem taxes to the school district and Parmer County, with all property tax incentives sought being granted using estimated market value from the application. The project has applied for a value limitation under Tax Code Chapter 313, and tax abatements with the county and county hospital district.

The difference noted in the last line is the difference between the totals in Table 3 and Table 4.

Table 4 Estimated Direct Ad Valorem Taxes with all property tax incentives sought											
Year	Estimated Taxable Value for I&S	Estimated Taxable Value for M&O		Friona ISD I&S Tax Levy	Friona ISD M&O Tax Levy	M&O and I&S Tax Levies	Parmer County Tax Levy	Parmer Co Hospital Tax Levy	Parmer Co FM Road Tax Levy	High Plains UWCD Tax Levy	Estimated Total Property Taxes
			Tax Rate ¹	0.0827	0.9800		0.4336	0.2429	0.1080	0.0080	
2017	\$16,875,000	\$16,875,000		\$13,956	\$165,375	\$179,331	\$0	\$0	\$18,225	\$1,354	\$179,331
2018	\$182,250,000	\$182,250,000		\$150,721	\$1,786,050	\$1,936,771	\$0	\$0	\$196,830	\$14,627	\$1,936,771
2019	\$253,125,000	\$25,000,000		\$209,334	\$245,000	\$454,334	\$0	\$0	\$273,375	\$20,316	\$454,334
2020	\$303,750,000	\$25,000,000		\$251,201	\$245,000	\$496,201	\$0	\$0	\$328,050	\$24,379	\$496,201
2021	\$303,750,000	\$25,000,000		\$251,201	\$245,000	\$496,201	\$0	\$0	\$328,050	\$24,379	\$496,201
2022	\$286,875,000	\$25,000,000		\$237,246	\$245,000	\$482,246	\$124,389	\$69,682	\$309,825	\$23,025	\$676,317
2023	\$270,000,000	\$25,000,000		\$223,290	\$245,000	\$468,290	\$234,144	\$131,166	\$291,600	\$21,670	\$833,600
2024	\$253,125,000	\$25,000,000		\$209,334	\$245,000	\$454,334	\$329,265	\$184,452	\$273,375	\$20,316	\$968,052
2025	\$236,250,000	\$25,000,000		\$195,379	\$245,000	\$440,379	\$409,752	\$229,541	\$255,150	\$18,961	\$1,079,671
2026	\$219,375,000	\$25,000,000		\$181,423	\$245,000	\$426,423	\$475,605	\$266,431	\$236,925	\$17,607	\$1,168,459
2027	\$202,500,000	\$25,000,000		\$167,468	\$245,000	\$412,468	\$878,040	\$491,873	\$218,700	\$16,253	\$1,782,380
2028	\$185,625,000	\$25,000,000		\$153,512	\$245,000	\$398,512	\$804,870	\$450,883	\$200,475	\$14,898	\$1,654,265
2029	\$168,750,000	\$168,750,000		\$139,556	\$1,653,750	\$1,793,306	\$731,700	\$409,894	\$182,250	\$13,544	\$2,934,900
2030	\$151,875,000	\$151,875,000		\$125,601	\$1,488,375	\$1,613,976	\$658,530	\$368,904	\$164,025	\$12,189	\$2,641,410
2031	\$151,875,000	\$151,875,000		\$125,601	\$1,488,375	\$1,613,976	\$658,530	\$368,904	\$164,025	\$12,189	\$2,641,410
2032	\$101,250,000	\$101,250,000		\$83,734	\$992,250	\$1,075,984	\$439,020	\$245,936	\$109,350	\$8,126	\$1,760,940
2033	\$101,250,000	\$101,250,000		\$83,734	\$992,250	\$1,075,984	\$439,020	\$245,936	\$109,350	\$8,126	\$1,760,940
			Total	\$2,802,290	\$11,016,425	\$13,818,715	\$6,182,865	\$3,463,602	\$3,659,580	\$271,961	\$23,465,182
			Diff	\$0	\$22,190,875	\$22,190,875	\$8,509,671	\$4,767,064	-\$382,725	-\$28,442	\$32,824,694

Source: CPA, Scandia Wind, LLC

¹Tax 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 over 25 Years

This represents the Comptroller’s determination that Scandia 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	2016	\$0	\$0	\$0	\$0
	2017	\$165,375	\$165,375	\$0	\$0
	2018	\$1,786,050	\$1,951,425	\$0	\$0
Limitation Period (10 Years)	2019	\$245,000	\$2,196,425	\$2,235,625	\$2,235,625
	2020	\$245,000	\$2,441,425	\$2,731,750	\$4,967,375
	2021	\$245,000	\$2,686,425	\$2,731,750	\$7,699,125
	2022	\$245,000	\$2,931,425	\$2,566,375	\$10,265,500
	2023	\$245,000	\$3,176,425	\$2,401,000	\$12,666,500
	2024	\$245,000	\$3,421,425	\$2,235,625	\$14,902,125
	2025	\$245,000	\$3,666,425	\$2,070,250	\$16,972,375
	2026	\$245,000	\$3,911,425	\$1,904,875	\$18,877,250
	2027	\$245,000	\$4,156,425	\$1,739,500	\$20,616,750
	2028	\$245,000	\$4,401,425	\$1,574,125	\$22,190,875
Maintain Viable Presence (5 Years)	2029	\$1,653,750	\$6,055,175	\$0	\$22,190,875
	2030	\$1,488,375	\$7,543,550	\$0	\$22,190,875
	2031	\$1,488,375	\$9,031,925	\$0	\$22,190,875
	2032	\$992,250	\$10,024,175	\$0	\$22,190,875
	2033	\$992,250	\$11,016,425	\$0	\$22,190,875
Additional Years as Required by 313.026(c)(1) (10 Years)	2034	\$992,250	\$12,008,675	\$0	\$22,190,875
	2035	\$992,250	\$13,000,925	\$0	\$22,190,875
	2036	\$992,250	\$13,993,175	\$0	\$22,190,875
	2037	\$992,250	\$14,985,425	\$0	\$22,190,875
	2038	\$992,250	\$15,977,675	\$0	\$22,190,875
	2039	\$992,250	\$16,969,925	\$0	\$22,190,875
	2040	\$992,250	\$17,962,175	\$0	\$22,190,875
	2041	\$992,250	\$18,954,425	\$0	\$22,190,875
	2042	\$992,250	\$19,946,675	\$0	\$22,190,875
	2043	\$992,250	\$20,938,925	\$0	\$22,190,875
		\$20,938,925	is less than	\$22,190,875	

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, Scandia Wind, LLC

Year	Employment			Personal Income			Revenue & Expenditure		
	Direct	Indirect + Induced	Total	Direct	Indirect + Induced	Total	Revenue	Expenditure	Net Tax Effect
2016	50	51	101	\$2,340,000	\$3,660,000	\$6,000,000	328064	-183105	\$511,169
2017	200	190	390	\$9,360,000	\$15,640,000	\$25,000,000	1281738	-617981	\$1,899,719
2018	155	146	301	\$7,261,025	\$13,738,975	\$21,000,000	1037598	-213623	\$1,251,221
2019	5	13	18	\$241,025	\$3,758,975	\$4,000,000	198364	488281	-\$289,917
2020	5	1	6	\$241,025	\$2,758,975	\$3,000,000	144958	427246	-\$282,288
2021	5	1	6	\$241,025	\$1,758,975	\$2,000,000	106812	335693	-\$228,881
2022	5	(5)	0	\$241,025	\$1,758,975	\$2,000,000	38147	267029	-\$228,882
2023	5	(3)	2	\$241,025	\$758,975	\$1,000,000	7629	190735	-\$183,106
2024	5	(5)	0	\$241,025	\$758,975	\$1,000,000	45776	144958	-\$99,182
2025	5	3	8	\$241,025	\$758,975	\$1,000,000	38147	76294	-\$38,147
2026	5	(1)	4	\$241,025	\$758,975	\$1,000,000	22888	7629	\$15,259
2027	5	3	8	\$241,025	\$758,975	\$1,000,000	-30518	-68665	\$38,147
2028	5	1	6	\$241,025	\$758,975	\$1,000,000	-38147	-122070	\$83,923
2029	5	(3)	2	\$241,025	-\$241,025	\$0	-91553	-160217	\$68,664
2030	5	(7)	-2	\$241,025	-\$241,025	\$0	-129700	-190735	\$61,035
2031	5	(9)	-4	\$241,025	-\$241,025	\$0	-167847	-267029	\$99,182
2032	5	(9)	-4	\$241,025	-\$1,241,025	-\$1,000,000	-198364	-289917	\$91,553
2033	5	(9)	-4	\$241,025	-\$1,241,025	-\$1,000,000	-221252	-381470	\$160,218
2034	5	(13)	-8	\$241,025	-\$1,241,025	-\$1,000,000	-267029	-411987	\$144,958
2035	5	(19)	-14	\$241,025	-\$2,241,025	-\$2,000,000	-289917	-473022	\$183,105
2036	5	(17)	-12	\$241,025	-\$3,241,025	-\$3,000,000	-350952	-579834	\$228,882
2037	5	(17)	-12	\$241,025	-\$3,241,025	-\$3,000,000	-343323	-625610	\$282,287
2038	5	(19)	-14	\$241,025	-\$3,241,025	-\$3,000,000	-350952	-663757	\$312,805
2039	5	(21)	-16	\$241,025	-\$3,241,025	-\$3,000,000	-381470	-732422	\$350,952
2040	5	(25)	-20	\$241,025	-\$5,241,025	-\$5,000,000	-457764	-801086	\$343,322
2041	5	(23)	-18	\$241,025	-\$4,241,025	-\$4,000,000	-488281	-877380	\$389,099
2042	5	(26)	-21	\$241,025	-\$5,241,025	-\$5,000,000	-503540	-900269	\$396,729
						Total	-\$1,060,488	-\$6,622,314	\$5,561,826
							\$26,500,751	is greater than	\$22,190,875

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
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Source: CPA, REMI, Scandia Wind, LLC

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 Scandia 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:

- Scandia Wind, LLC stated in Tab 5 of their application that “tax incentives play a fundamental role in the development of a wind energy project of this magnitude.”
- Per the applicant, the Chapter 313 “value limitation incentive, in particular, is considered a vital component of the overall viability and marketability of the project. The critical project economics are due in part to: The continued decline of gas prices and its effect on the price of electricity, Limited grid access in the Texas Panhandle; and Additional costs associated with construction additional transmission lines to Hereford, TX.”
- Scandia Wind, LLC asserts “the value limitation incentive plays a significant function in the decision to invest capital for this project as it is considered essential in the overall economic analysis.”
- The attached article from the KFDA (Amarillo, Texas CBS affiliate) website, dated May 11, 2016, states that “[t]wo years from now, a total of 96 new wind turbines will call Parmer County home”. Additionally, “[b]oth Friona and Bovina school districts will receive revenue from the turbine project.”
- Per applicant email dated June 13, 2016, there are no current wind related improvements on site.
- Attached maps indicate the location of the project in relation to current CREZ lines.

Supporting Information

- a) Section 8 of the Application for a Limitation on Appraised Value
- b) Attachments provided in Tab 5 of the Application for a Limitation on Appraised Value
- c) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the school district and forwarded to the comptroller. It is intended to meet the statutory requirement of Chapter 313 of the Tax Code and is not intended for any other purpose.

Supporting Information

**Section 8 of the Application for
a Limitation on Appraised Value**

SECTION 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:

<input checked="" type="checkbox"/> Land has no existing improvements	<input type="checkbox"/> Land has existing improvements (<i>complete Section 13</i>)
<input type="checkbox"/> Expansion of existing operation on the land (<i>complete Section 13</i>)	<input type="checkbox"/> 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

TAB 05, LIMITATION AS A DETERMINING FACTOR:

Scandia Wind LLC (Scandia) is comprised of wind energy firms and partnerships with over 80 years of combined experience in developing and implementing large-scale renewable energy projects around the globe. In Texas alone, Scandia has coordinated and developed over 600 megawatts (MW) of wind energy production capacity. These unique attributes allow flexibility and ample opportunity to invest in a variety of competing regions, including potential development in nearby New Mexico.

Currently, this project is in its early development stages, and the decision to invest capital is still on-going. Therefore, the opportunity to consider capital investment for alternative locations is still available.

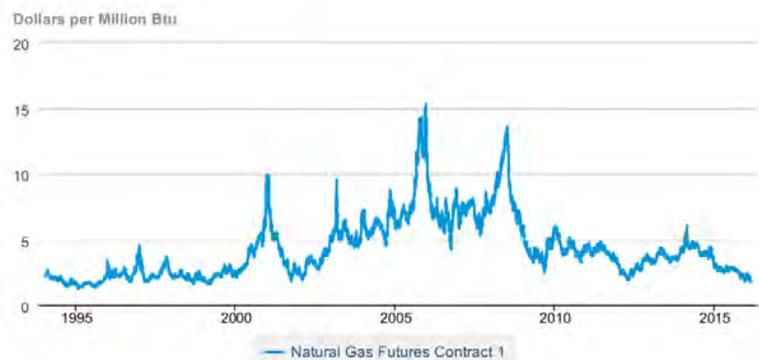
Tax incentives play a fundamental role in the development of a wind energy project of this magnitude. The value limitation incentive, in particular, is considered a vital component of the overall viability and marketability of the project. The critical project economics are due in part to:

- The continued decline of gas prices and its effect on the price of electricity (see Chart below)
- Limited grid access in the Texas Panhandle; and
- Additional costs associated with construction additional transmission lines to Hereford, TX

In light of these obstacles, the value limitation incentive plays a significant function in the decision to invest capital for this project as it is considered essential in the overall economic analysis.

Currently, Scandia is pursuing local and state regulatory permits and tax abatement agreements.

Natural Gas Futures Contract 1



 Source: U.S. Energy Information Administration

Supporting Information

Additional information
provided by the Applicant or
located by the Comptroller



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Job opportunities open thanks to new wind farm

Published: Wednesday, May 11th 2016, 1:27 pm CDT
Updated: Thursday, May 12th 2016, 1:19 pm CDT

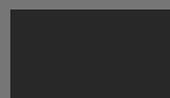
By Nelly Ramirez, Reporter [CONNECT](#)



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Scandia Wind Southwest, the company developing the new turbines, says the process is has been steadily growing since 2009 / Source: KFDA

AMARILLO, TX (KFDA) - Two years from now, a total of 96 new wind turbines will call Parmer County home. New jobs, however, will not have to wait as long.

Developers with Scandia Wind Southwest say the process of bringing the turbines to Parmer County has been an ongoing since 2009. The current construction phase has opened 300 jobs to the residents living in Bovina and Friona.

"You can go out there right now and see the caliche roads," CEO Jim Swafford said. "They're excavating the holes, there are concrete trucks moving like little ants on a hill up there. It is very exciting to see after all of that process, Parmer County is seeing (the construction of) its first wind farm and will finally see turbines in place by the end of this year."

County officials are excited to see what new economical growth this farm can bring to the towns. Both Friona and Bovina school districts will receive revenue from the turbine project.

"As far as the school districts how they use their money is up to them," Swafford said. "There should be a lot of revenue coming in to these



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Right now the construction process has opened up 300 jobs to locals from surrounding rural towns of Bovina and Friona. Source: KFDA



The Friona and Bovina school districts are expected to see a good portion of tax revenue from the project / Source: KFDA



CEO Jim Swafford says Parmer County residents could see their first full wind farm by the end of the year / Source: KFDA

school districts. From what I hear they are very excited to have the revenue they normally would not see to build new stadiums."

The school district of Bovina says they have been planning on building a new basketball coliseum and the wind revenue will help them start and complete this project.

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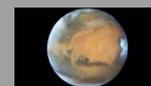
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IN CASE YOU MISSED IT

Oklahoma woman fights to keep chickens in her backyard

Semitruck hangs over NYC overpass

A law in one part of Oklahoma has some residents pushing for change. Tiffany Liou explains.

A tractor-trailer and car were involved in a wreck on a Bronx overpass that sent the truck's cab and part of its trailer over the edge.

COMPTROLLER QUERY RELATED TO CURRENT CONSTRUCTION AND POWER PURCHASE AGREEMENT ON
CHAPTER 313 PROJECTS #1130 AND #1131
– Bovina and Friona ISD – Scandia Wind, LLC App. #1130 and #1131

Comptroller Question (via email on June 13, 2016):

Can you say whether there are any wind-farm-related improvements on either #1131 and #1130?

Applicant Response (via email on June 13, 2016):

There have been NO wind-farm-related improvements.

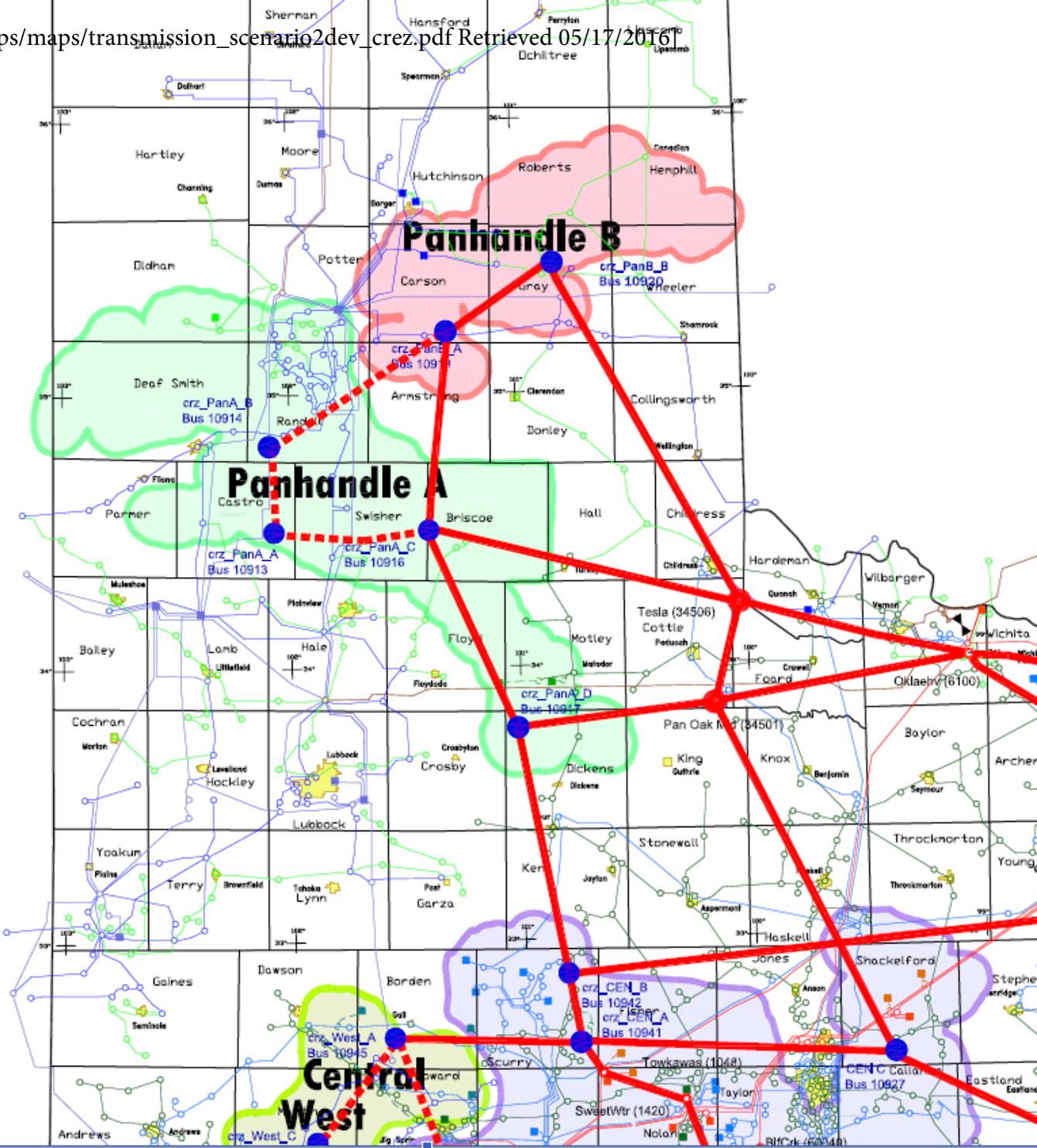
Comptroller Question (via email on June 13, 2016):

Can you confirm whether or not you have a PPA?

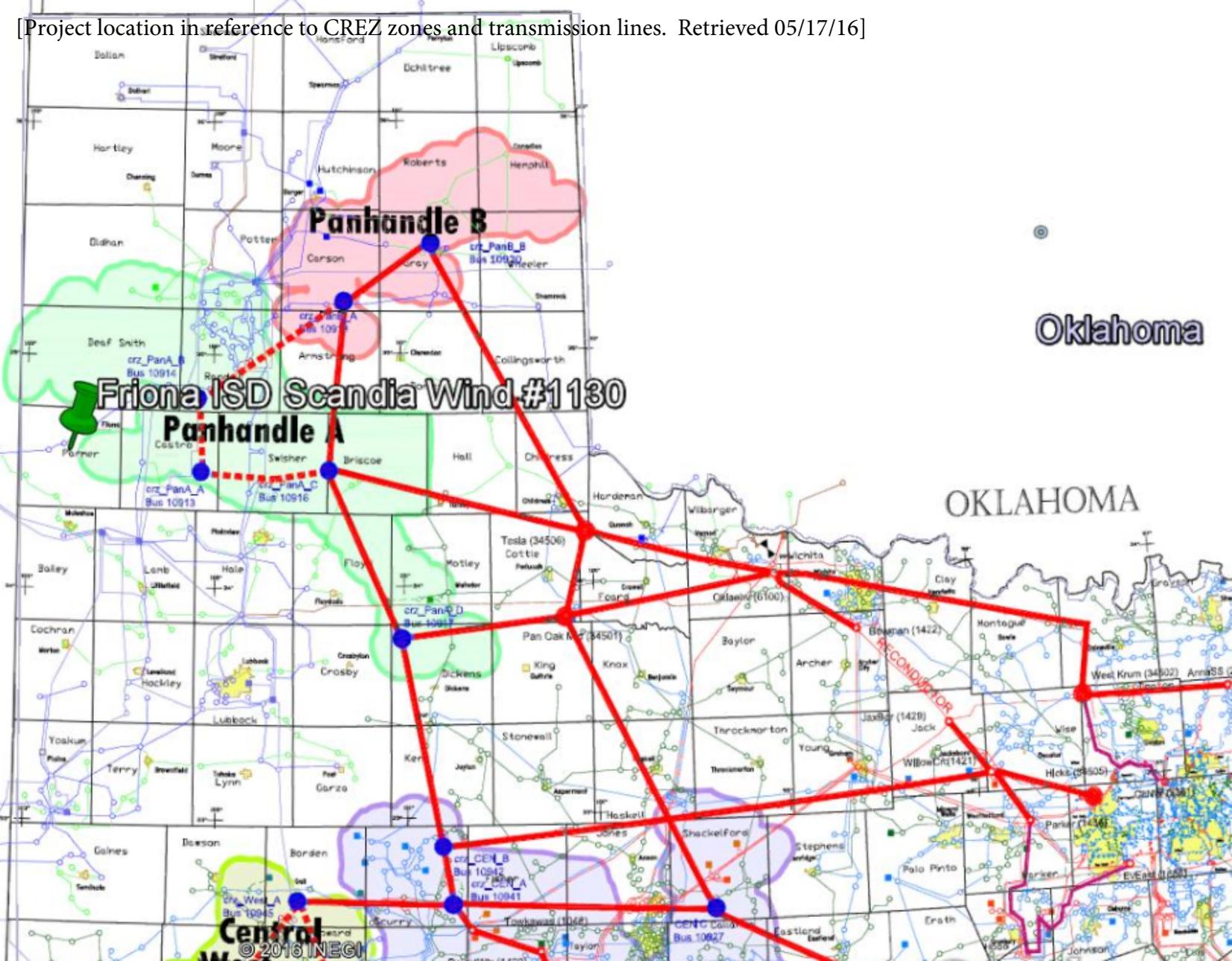
Applicant Response (via email on June 13, 2016):

We do not have a PPA.

-  DOUBLE CIRCUIT 345KV TRANSMISSION LINE
-  SINGLE CIRCUIT 345KV TRANSMISSION LINE
-  ADDITION OF SECOND CIRCUIT TO THE EXISTING 345KV STRUCTURE
-  SINGLE CIRCUIT 138KV TRANSMISSION LINE
-  ADDITION OF SECOND CIRCUIT TO THE EXISTING 138KV STRUCTURE
-  EXISTING 345KV SUBSTATION
-  EXISTING 138KV SUBSTATION
-  NEW 345KV SUBSTATION
-  NEW 345KV SUBSTATION WITH 345/138KV AUTOTRANSFORMER
-  WIND POWER COLLECTION POINT



[Project location in reference to CREZ zones and transmission lines. Retrieved 05/17/16]



Friona ISD Scandia Wind #1130

Oklahoma

OKLAHOMA

Central
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