CERTIFICATION AND FINANCING PROPOSAL

ROCKSPRINGS WIND FARM IN
VAL VERDE COUNTY, TEXAS

Submitted: January 24, 2017
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EXECUTIVE SUMMARY

ROCKSPRINGS WIND FARM
IN VAL VERDE COUNTY, TEXAS

Project: The project consists of the design, construction and operation of a 149.34-MW wind energy farm located in Val Verde County, Texas (the “Project”). The energy generated will be purchased by two private off-takers pursuant to two long-term power purchase agreements (PPAs) executed with the special-purpose company created to carry out the Project.

Project Objective: The Project will increase installed capacity of renewable energy resources, which will reduce the demand for traditional fossil fuel-based energy production and contribute to the displacement of greenhouse gas emissions and other pollutants from power generation by fossil fuels.

Expected Project Outcomes: The estimated environmental and human health outcomes resulting from the installation of 149.34 MW of new renewable energy generation capacity:

1. Generation of approximately 569.7 gigawatt-hours (GWh) of electricity; and
2. An expected displacement of approximately 330,805 metric tons/year of carbon dioxide, 414 metric tons/year of sulfur dioxide and 259 metric tons/year of nitrogen oxides.¹

Sponsor: Akuo Energy USA, Inc.

Borrower: Rocksprings Val Verde Wind, LLC.

NADB Loan: Short-term, senior construction loan for up to US$40.0 million.

¹ BECC calculation based on the generation of approximately 569.7 GWh of electricity and Texas emission factors reported by the U.S. Energy Information Administration (EIA). [http://www.eia.gov/electricity/state/texas/](http://www.eia.gov/electricity/state/texas/)
1. ELIGIBILITY

*Project Type*

The Project falls into the category of clean and efficient energy.

*Project Location*

The Project is located in Val Verde County, Texas, approximately 30 miles (48 kilometers) north of the U.S.-Mexico border.

*Project Sponsor and Legal Authority*

The private-sector project sponsor is Akuo Energy USA, Inc. (Akuo or the “Sponsor”), which will use a special-purpose vehicle, Rocksprings Val Verde Wind, LLC. (Rocksprings or the “Project Company”), to implement the Project. Rocksprings is a Delaware-based, limited-liability company established on July 25, 2013.

2. CERTIFICATION CRITERIA

2.1 TECHNICAL CRITERIA

2.1.1. Project Description

*Geographic Location*

The Project will be developed on approximately 15,620 acres (6,321 hectares) of private land, located approximately 30 miles northeast of the city of Del Rio, Texas, which is directly across the border from Ciudad Acuña, Coahuila in Mexico. The Project coordinates are latitude: 29°43′47″ N and longitude: 100°47′25″ W. Figure 1 below shows the geographic location of the Project.
General Community Profile

The Electric Reliability Council of Texas (ERCOT) manages the flow of electric power to 24 million Texas customers, on an electric grid with 46,500 miles of transmission lines and more than 550 generation units. The ERCOT grid covers several counties within the 100-km Texas border region, including Kinney, Starr, Jim Hogg, Zapata, Webb, Dimmit, Maverick, Zavala, Uvalde, Edwards, Val Verde, Crockett, Terrell, Brewster, Presidio, Jeff Davis and Culberson counties. BECC estimates there are approximately 600,000 households located in the ERCOT service area within the 100-km border region.

The Project will be constructed in Val Verde County and will generate electricity equivalent to the annual consumption of approximately 50,327 households. Communities in Val Verde County will benefit in two ways: (i) through the supply of electricity generated by the Project and (ii) the employment opportunities and additional taxes created by the construction and operation of the Project.

According to the U.S. Census Bureau, the population of Val Verde was 48,988 in 2015, which represents 0.18% of the total population of Texas. The median household income (MHI) reported for 2011-2015 in Val Verde County was an annual average of US$42,174, which is considerably lower than that of Texas (US$53,207) and the U.S. (US$53,889) during the same period. The

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2 BECC calculation based on average U.S. household consumption of 11,320 kilowatt-hours (kWh) of electricity in 2009.
3 Source: U.S. Census Quick Facts at [http://www.census.gov/quickfacts/table/PST045215/48465,00](http://www.census.gov/quickfacts/table/PST045215/48465,00).
largest community in the county is the city of Del Rio with an estimated population of 36,153 inhabitants in 2015.

**Local Energy Profile**

The U.S. Department of Energy (DOE), through the Energy Information Administration (EIA), provides a state-by-state reference for information and data covering energy production and demand. Figure 2 from the EIA website shows the location of power plants and energy sources in Texas.⁴

*Figure 2*

**POWER PLANTS AND ENERGY SOURCES**

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Texas established a Renewable Portfolio Standard (RPS) as part of its electricity industry restructuring legislation, which is designed to increase the delivery of renewable electricity with associated environmental benefits to the people of Texas. The RPS initially mandated that electricity providers collectively generate 2,000 MW of additional renewable energy by 2009. In 2005, the Texas Legislature approved a much more aggressive RPS, increasing the state’s total renewable energy mandate to 5,880 MW by 2015 and 10,000 MW by 2025. Texas has already exceeded these goals. In 2014 the state had an installed capacity of 82,169 MW, generating 246,127 GWh of electricity from renewable sources.\(^5\)

According to the 2014 Texas Renewable Energy Industry Report, wind generation in the state was twelve times greater in 2011 than 2002, with wind accounting for 19.7% of power generation in the Texas Interconnection Region at the end of December 2013. Wind energy now comprises over three quarters of renewable energy usage in Texas, followed by biofuels and biomass.\(^6\) Since 2008 the BECC/NADB have certified and funded five clean energy projects that are contributing 461.3 MW to the Texas RPS. Table 1 shows a breakdown of the sources of energy generation in Texas.

<table>
<thead>
<tr>
<th>Source</th>
<th>Installed Capacity (MW)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural gas</td>
<td>67,864</td>
<td>60.1%</td>
</tr>
<tr>
<td>Coal</td>
<td>24,122</td>
<td>21.4%</td>
</tr>
<tr>
<td>Wind</td>
<td>13,994</td>
<td>12.4%</td>
</tr>
<tr>
<td>Nuclear</td>
<td>4,960</td>
<td>4.4%</td>
</tr>
<tr>
<td>Hydroelectric</td>
<td>671</td>
<td>0.6%</td>
</tr>
<tr>
<td>Wood</td>
<td>367</td>
<td>0.3%</td>
</tr>
<tr>
<td>Other gas</td>
<td>306</td>
<td>0.3%</td>
</tr>
<tr>
<td>Other</td>
<td>259</td>
<td>0.2%</td>
</tr>
<tr>
<td>Solar</td>
<td>186</td>
<td>0.2%</td>
</tr>
<tr>
<td>Other biomass</td>
<td>125</td>
<td>0.1%</td>
</tr>
<tr>
<td>Petroleum</td>
<td>60</td>
<td>0.1%</td>
</tr>
<tr>
<td><strong>Total electric industry</strong></td>
<td><strong>112,914</strong></td>
<td><strong>100.0%</strong></td>
</tr>
</tbody>
</table>

Source: EIA, Texas Electricity Profile 2015 (http://www.eia.gov/electricity/state/texas/).

In the United States, the electricity system consists of three regions, the Eastern Interconnection, the Western Interconnection, and the Texas Interconnection. The latter, operated by ERCOT, is separate from the rest of the nation, making Texas the only mainland state with its own grid. As a result, the utilities within ERCOT are exempt from most federal regulation.

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\(^5\) Source: U.S. Energy Information Administration, Texas Electricity Profiles, Tables 4 & 5 [http://www.eia.gov/electricity/state/texas/].

ERCOT operates under a “nodal market” scheme based on 4,000 points of interconnection where energy is supplied by generators or utilized by retailers. Figure 3 shows the ERCOT service area and transmission lines.

ERCOT’s Texas Interconnection Region covers 75% of the state’s landmass and 85% of the electrical load. The 24 million Texans within the ERCOT region consumed 331,624 GWh of electricity in 2013. In 2015, total energy consumption was approximately 347,523,000 MWh. Around 76% of the energy used in the state came from natural gas and coal (265,565,743 MWh), followed by wind with 11.7% (40,786,278 MWh).\(^7\)

**Project Scope and Design**

The Project consists of the design, construction and operation of a 149.34-MW wind energy farm. The energy generated will be purchased by two private off-takers pursuant to two long-term PPAs, one for 12 years and the other for 15 years. The Project will be constructed on 15,620 acres of private land and will be interconnected through an underground transmission line to the 138-kV Maxwell Station managed by AEP Texas Central Company.\(^8\) Figure 4 shows the Project layout.

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\(^8\) AEP Texas is part of the American Electric Power system, one of the largest electric utilities in the United States, delivering electricity to more than five million customers in 11 states.
The Project includes the installation of 69 wind turbines and approximately 1.75 miles of a 138-kV underground transmission line to the point of interconnection, as well as construction of an O&M building and a collector substation.

The Commercial Operation Date (COD) is anticipated to occur no later than August 31, 2017. Some construction activities have already started, such as clearing and excavation at the turbine sites. The interconnection agreement with AEP Texas Central Company has already been signed. Table 2 presents the status of key tasks for the implementation of the Project.
Table 2
PROJECT MILESTONES

<table>
<thead>
<tr>
<th>Key Milestones</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project site lease agreements</td>
<td>Completed</td>
</tr>
<tr>
<td>Environmental studies</td>
<td>Completed</td>
</tr>
<tr>
<td>Power purchase agreements</td>
<td>Completed</td>
</tr>
<tr>
<td>Interconnection agreement</td>
<td>Completed</td>
</tr>
<tr>
<td>Determination of no hazard, in compliance with Federal Aviation Administration regulations</td>
<td>Completed</td>
</tr>
<tr>
<td>Engineering, procurement and construction (EPC) and Balance of Plant (BoP) contracts</td>
<td>Completed</td>
</tr>
<tr>
<td>Construction permits</td>
<td>In process</td>
</tr>
<tr>
<td>Commercial operation date</td>
<td>Expected (August 31, 2017)</td>
</tr>
</tbody>
</table>

NADB’s procurement policies require that private-sector borrowers use appropriate procurement methods to ensure a sound selection of goods, works and services at fair market prices and that their capital investments are made in a cost-effective manner. As part of its due-diligence process, NADB will review compliance with this policy.

2.1.2. Technical Feasibility

Selected Technology

The Sponsor evaluated different wind turbine suppliers and selected the equipment that was considered most suitable for the Project site in order to obtain the best performance (long-term energy output) based on available wind resources. The evaluation considered the guaranty and warranty terms, operation and maintenance (O&M) pricing, commercial/financial terms, EPC execution plan, safety and security, and turbine suitability. Two different wind turbine models were selected for this Project.

The main components of the Project are:

- **Wind Turbines.** The 69 wind turbines will be assembled on steel towers for a total installed capacity of 149.34 MW. Wind turbine transformers will step up the voltage of generated power to 34.5 kV.

- **Electrical Substation and Transmission Line.** One substation will be constructed to collect the energy produced by the turbines through underground lines. The collecting substation will deliver the energy to the interconnection point at the 138-kV Maxwell Station managed by AEP Texas Central Company.

- **Monitoring and Control System.** Through a SCADA system, the operation of each turbine, as well as the Project as a whole, can be controlled and monitored from a central computer or a remote PC. In case of problems, the SCADA system will alert the operations
staff. The control system will always be in operation to ensure that the equipment is running efficiently and safely.

- **Roads.** A network of roads will be constructed for the Project, which will be used to access the wind turbines and interconnection substation. The roads will allow the transportation of the components, machinery, equipment and materials required for installation of the wind turbines and construction of the interconnection substation. The roads will be unpaved and designed for low-volume traffic.

- **Operation and Maintenance Facilities.** An operation and maintenance facility will be constructed for the Project. The facility will be used for O&M activities, as well as storage during the construction and operation phases.

A number of U.S.-sourced components and companies are expected to participate in the construction and operation of the Project. General Electric (GE) is the largest American manufacturer of wind turbines and will be providing them for this Project. M.A. Mortenson Company is one of the largest construction companies in the wind energy sector and will be providing the balance of plant for the Project. Both off-takers are large corporations headquartered in the United States and will be consuming the power generated by the Project under executed power purchase agreements.

**Wind Resource Assessment**

The Project is located in the state of Texas, in a region where mid- to high-level wind power density has been reported. According to the National Renewable Energy Laboratories (NREL) and a study developed for the site, the Project area presents average wind speeds of 7.52 m/s. Figure 5 shows the wind resource availability in the Project area.⁹

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⁹ Source: Wind Resource Assessment developed for the Project.
The wind resource at the Project site was estimated using data from three monitoring masts (one installed in 2009 and two in August 2014), correlated with a weather station located in Del Rio, Texas, and a time series extracted from the NASA MERRA dataset. Energy production at the site was simulated using a wind resource grid developed with Openwind® software and the wind turbine layout provided by the Sponsor. The average annual net production and capacity factor for the Project is estimated at 569.7 GWh and 43.5%, respectively.¹⁰

2.1.3 Land Acquisition and Right-of-way Requirements

The Project will be developed on 15,620 acres (6,321 hectares) of private land, mostly undeveloped ranch land with scattered residential structures.¹¹ The Sponsor has secured the land through thirteen (13) lease agreements that include both a Development Term and an Operating Term. During the Development Term, the Sponsor performs tasks related to surveys, wind measurement work, site clearing, installation of fences, construction of temporary storage and placement of equipment or construction material on the properties. The Operating Term, which follows the Development Term and will begin upon issuance of the construction commencement notice, is for 40 years and covers both Project construction and operation.

¹¹ Source: AWS Truepower, Phase I Environmental Site Assessment for the Approximately 15,620-acre Rocksprings Val Verde Wind Project Area, Val Verde County, Texas, October 2016.
The property is located between the northeastern fork of U.S. Highway 277 and U.S. Highway 377 in eastern Val Verde County, Texas. A total of eight (8) permits to construct access points on highway right-of-ways have been obtained from the Texas Department of Transportation (TxDOT), allowing the Sponsor to construct permanent commercial access to the Project facilities. No additional permits are required.

State and local permits for construction will be obtained prior to construction startup. Loan disbursement will require the appropriate completion of the permits based on the advancement of specific construction tasks.

**2.1.4. Management and Operations**

The proposed Project will be designed to operate with minimal human intervention. Operation and maintenance tasks will be performed to optimize the operating time of the turbines, reduce repair costs and extend the life of the equipment. The Sponsor executed a Full Service Agreement (FSA) with the turbine manufacturer for 15 years. The FSA specifies the tasks to be performed for plant operations and maintenance during the term of the agreement. The scope of the FSA includes such services as industry standard O&M management tasks, reporting, remote monitoring and resets, and maintaining logs and records.

Akuo Energy was founded in 2007 and today is France’s leading independent renewable energy producer. Akuo is involved in all stages of the life cycle of power plants: studies, design, financing, construction and operation. With a total capacity of 605 MW in 18 wind projects in Europe and Americas, wind energy represents 74% of Akuo’s activity.\(^\text{12}\)

The M.A. Mortenson Company will construct the Project, in accordance with the EPC/BoP contracts signed on July 10, 2013. Mortenson is a privately-held construction company that has provided planning, development, preconstruction, general contracting, management, design and construction services for more than 100 projects to build wind farms and other infrastructure in the United States.\(^\text{13}\)

**2.2. ENVIRONMENTAL CRITERIA**

**2.2.1. Compliance with Applicable Environmental Laws and Regulations**

*Applicable laws and regulations*

Consistent with best management practices in the industry, the Sponsor voluntarily conducted an analysis of applicable federal, state and county laws and regulations to be considered for the implementation of the Project.

Specifically, the Sponsor analyzed the applicability of the following laws and regulations:

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\(^\text{13}\) For a detailed list of M.A. Mortenson wind projects, see: [http://www.mortenson.com/wind/projects](http://www.mortenson.com/wind/projects).
• **Clean Water Act**, which establishes the basic structure for regulating discharges of pollutants into the waters of the United States and regulating quality standards for surface waters.

• **Endangered Species Act (ESA)**, which provides a program for the conservation of threatened and endangered plants and animals and the habitats in which they are found. The law requires that federal agencies ensure that actions they authorize, fund, or carry out are not likely to jeopardize the continued existence of any listed species or result in the destruction or adverse modification of designated critical habitat of such species.

• **Bald and Golden Eagle Protection Act 16**, which prohibits anyone from taking, possessing, or transporting a bald eagle (*Haliaeetus leucocephalus*) or golden eagle (*Aquila chrysaetos*), or the parts, nests, or eggs of such birds without prior authorization. It requires that consultations be conducted to determine if any protected birds are found to inhabit the area. If so, the applicant must obtain a permit prior to moving any nests due to construction or operation of project facilities.

• **Migratory Bird Treaty Act**, which prohibits anyone from taking; possessing; importing; exporting; transporting; selling; purchasing; bartering; or offering for sale, purchase, or barter any migratory bird, or the parts, nests, or eggs of such a bird, except under the terms of a valid permit issued pursuant to federal regulations.

• **National Historic Preservation Act of 1966 (NHPA)**, which is intended to preserve historical and archaeological sites and requires federal agencies with jurisdiction over a specific site to take into account the effects of a project on any cultural resources at the site that are listed or eligible for listing on the National Register of Historic Places (NRHP). The NHPA also requires that the same federal agencies afford the State Historic Preservation Office (SHPO), any potentially affected Native American tribe, and the Advisory Council on Historic Preservation an opportunity to comment on a project. This is known as the Section 106 Review (16 USC 470).

To clarify the requirements for the Project related to these laws and regulations, the Sponsor performed basic environmental condition studies and conducted consultations with relevant agencies to evaluate mitigation requirements for the potential presence of endangered species. The study findings are described below.

**Environmental Studies and Compliance Activities**

The Sponsor conducted the following environmental studies to evaluate the potential impact of implementing the Project, as well as the mitigation measures that may be required as a result:

• **Environmental Site Assessment Phase I (Phase 1 ESA)**. A phase I ESA was completed for the Project in October 2016, in accordance with the American Society for Testing and
Materials (ASTM) Practice E1527-13.\(^\text{14}\) No evidence of recognized environmental conditions (RECs) was identified in the Project Area.\(^\text{15}\)

- **Biological Assessment.** The habitat assessment conducted in May 2012 identified one endangered species, the black-capped vireo. As a result, various avoidance and protection plans have been prepared in coordination with the U.S. Fish and Wildlife Service and the Texas Parks and Wildlife Department. In December 2013, a microsite habitat avoidance plan was created and during the 2015 breeding season two biologist were present on site to monitor and ensure that black-capped vireo and their habitat are not disturbed by construction activities. A Construction Compliance Plan was also developed in January 2016 and updated in October 2016 to minimize impacts to the black-capped vireo. An additional study is planned for the spring of 2017.

- **Acoustic Bat Pre-Construction Monitoring.** Bat monitoring was conducted within the Project area from June to December 2012 and February to May 2013. The studies did not identify any federally-listed bat species within the Project area.

- **Bird and Bat Conservation Strategy (BBCS).** A BBCS was developed for the Project in October 2016 as required by the U.S. Fish and Wild Service. This strategy includes avoidance and minimization measures that will be implemented during operation of the Project to reduce any impact to avian species.

- **Wetland Delineation.** A jurisdictional wetland delineation study was completed in May 2015 in accordance with the requirements of the U.S. Army Corps of Engineers (USACE). The identified impacts fall below the threshold that requires preconstruction notification.

- **Archeological Evaluation.** A desktop archeological evaluation was conducted for the Project area in March 2015, in accordance with the National Historic Preservation Act (NHPA). The evaluation identified seven archeological sites within or adjacent to the Project area. According to the Sponsor, all high potential archeological areas will be avoided. An Anticipated Discovery Plan has been prepared to provide guidance in the event cultural resources are encountered. The due-diligence review indicated that so far no cultural resources have been encountered during construction.

- **Spill Prevention, Control and Countermeasure (SPCC).** A SPCC Plan was prepared in October 2016, and describes the procedures, methods, and equipment to be used to prevent the discharge of oil into navigable waters of the United States or their adjoining shorelines, and to minimize and abate hazards to human health and the environment should such an event occur.

\(^{14}\) ASTM defines recognized environmental conditions as the “presence or likely presence of any hazardous substances or petroleum products on a property under conditions that indicate an existing release, a past release, or a material threat of a release of any hazardous substances or petroleum products into structures on the property or into the ground.” (https://www.astm.org/Standards/E1527.htm).

\(^{15}\) Source: Phase I Environmental Site Assessment for the approximately 15,620-acre Rocksprings Val Verde Wind Project Area, Val Verde County, Texas. October 2016.
• **Storm Water Pollution Prevention Plan (SWPPP).** A SWPPP was developed in November 2015 to comply with the requirements of the Construction General Permit from the Texas Commission on Environmental Quality (TCEQ).

**Pending Environmental Tasks and Authorizations**

There are no environmental authorizations pending.

**Compliance Documentation**

The Sponsor has obtained the following federal environmental and cultural clearances required for the Project:

• Air Quality Standard Permit for Concrete Batch Plants, issued by TCEQ on December 10, 2015;
• General permit for discharges under the Texas Pollution Discharge Elimination System, issued on February 19, 2013; and
• Determination of No Hazard to Air Navigation, issued by the Federal Aviation Administration on October 5, 2015.

**2.2.2. Environmental Effects / Impacts**

There is a need for affordable and environmentally-friendly alternatives to conventional fossil-fuel-based power generation. Renewable energy projects create an opportunity to generate electricity without the atmospheric emissions generated by fossil-fuel-based plants. Wind is a clean source of renewable energy, which means that it can be used continuously without depleting natural resources and does not produce waste byproducts that require disposal or gas emissions that contribute to air pollution. It does not consume or pollute water. The Project does not anticipate the use of water for cooling the turbines during normal operations. The Project provides an opportunity to displace greenhouse gases (GHG) and other pollutants produced by traditional hydrocarbon-based energy generation, while providing local residents with a safe and reliable energy alternative.

**Existing Conditions and Project Impact – Environment**

Historically, the United States has depended largely on fossil fuels for the generation of energy. This conventional method of energy development can affect the natural environment due to harmful emissions related to the generation process, including GHG and other pollutants, such as sulfur dioxide (SO₂) and nitrogen oxides (NOx).

The Project will help reduce the demand for electricity generated by fossil fuel-based power plants, and since wind-based power generation implies zero fuel costs and emissions, it will displace related harmful emissions. The anticipated environmental outcomes from the installation of 149.34 MW of new renewable energy generation capacity (approximately 569.7 GWh), are the displacement of approximately 330,805 metric tons/year of carbon dioxide (CO₂), 414 metric tons/year of SO₂ and 259 metric tons/year of NOx.
Mitigation of Risks

Activities related to Project implementation may cause temporary effects to the environment. The Sponsor will be managing these impacts in accordance with best construction practices. The following specific mitigation activities will be employed to reduce any anticipated environmental effects:

- **Storm Water Pollution Prevention Plan**, which is required by the TCEQ for construction activities;
- **Bird and Bat Conservation Strategy (BBCS)**, which includes avoidance and minimization measures that will be implemented during operation of the Project to reduce impacts to avian species;
- **Spill Prevention, Control, and Countermeasure Plan**, for construction of the Rockspring wind Project;
- **Disturbance Avoidance Plan**, provides construction recommendations to protect the habitat of the black-capped vireo.

Natural Resource Conservation

The Project will support natural resource conservation by reducing the demand on fossil fuels for energy production and contributing to improvements in air quality. The Project is anticipated to produce approximately 569.7 GWh of zero-carbon electricity in the first year of operation, equivalent to the annual energy consumption of approximately 50,327 households.

In addition, clean technologies such as wind energy require no water for electricity production, whereas fossil-fuel-fired generation is typically water intensive. Water used during the construction phase will be transported by water tank trucks to the Project site.

The Project will be constructed in compliance with the Disturbance Avoidance Plan. Additional studies will be conducted in the spring of 2017 to confirm that there have been no takes of black-capped vireo. Full adherence to the plan’s avoidance and minimization recommendations will allow construction of the Project to continue with only a minimal risk of direct take of black-capped vireo.  

No Action Alternative

The “no action” alternative to the development of renewable energy resources would result in greater demand for conventional fossil-fuel-based energy production, further depleting natural resources for the purpose of meeting an ever-growing demand for energy, as well as a lost opportunity to generate emission-free energy, such as that derived from wind sources. Additionally, the Project will help meet Texas RPS requirements, while satisfying increased demand for electricity.

16 Source: Construction Compliance Plan prepared by GMEC Environmental Consulting in October 2016, in accordance with Section 9 of the Endangered Species Act.
Existing Conditions and Project Impact – Health

Epidemiological research has shown that both chronic and acute exposure to harmful emissions associated with fossil fuel-based energy production can lead to serious respiratory problems. It is estimated that, at the very least, prolonged exposure to excessive levels of pollutants can deteriorate the respiratory capacity of human beings and greatly contribute to the increased incidence of cardiopulmonary diseases, such as asthma, heart ailments and lung cancer.

By using clean renewable resources instead of conventional fossil fuel sources in power generation, the Project will positively impact the region by reducing pollutants and thus help to contain the severity of respiratory problems and other diseases aggravated or caused by air pollution. In addition, the reduction of GHG emissions is expected to mitigate climate effects that create more vulnerable conditions for human health.

Transboundary Effects

No negative transboundary impacts are anticipated as a result of the development of the Project; on the contrary, a beneficial effect is anticipated on air quality due to the decreased demand on fossil-fuel-fired electrical plants in the region. Furthermore, the Project will aid in addressing the larger environmental concerns related to greenhouse gases and global warming targeted by international agendas and will be consistent with the North American Climate, Clean Energy, and Environment Partnership Action Plan announced by the governments of the U.S., Mexico and Canada on June 29, 2016.

Other Local Benefits

The Project is expected to generate temporary jobs during construction, and permanent jobs are expected to be created during operation.

2.3. FINANCIAL CRITERIA

The Project Sponsor has requested a loan from the North American Development Bank (NADB) to supplement the financing of the Project. The proposed payment mechanism is consistent with the project structures normally used in the renewable energy industry in the United States. The source of payment of the loan will be the funds available from GE Energy as the tax equity investor at the end of construction. NADB will have no recourse beyond the Project Company.

The tax equity investment provided is estimated to be sufficient to repay the entire senior loan commitment, including interest and fees accumulated during the construction phase of the project.

In addition, NADB’s analysis verified that Rocksprings Val Verde Wind, LLC has the legal authority to contract financing and pledge its sources of funding for the payment of financial obligations. Moreover, it has the legal and financial capacity to procure equipment and construct the Project given the experience of its development team. Rocksprings Val Verde Wind, LLC will outsource the EPC services to firms with ample experience and expertise in the industry. NADB will verify that the projected construction costs and contract warranties are in accordance with industry standards.
Considering the Project’s characteristics and based on the financial and risk analyses performed, the proposed Project is considered to be financially feasible and presents an acceptable level of risk. Therefore, NADB proposes providing a market-rate loan for up to $40 million dollars to Rocksprings Val Verde Wind, LLC for the construction of the Project.

3. PUBLIC ACCESS TO INFORMATION

3.1. PUBLIC CONSULTATION

BECC released the draft project certification and financing proposal for a 30-day public comment period beginning January 18, 2017. The following documentation were made available upon request:

- Determination of No Hazard to Air Navigation, issued by the Federal Aviation Administration on October 5, 2015;
- Permit to Construct Access Driveway Facilities on Highway Right of Way, issued by the Texas Department of Transportation on March 24, 2016; and
- Air Quality Standard Permit for Concrete Batch Plants issued by the Texas Commission on Environmental Quality on December 10, 2015.

The 30-day public consultation period ended on February 17, 2017, with no comments received.

3.2. OUTREACH ACTIVITIES

BECC conducted a media search to identify potential public opinion about the Project. References to the Project were found on several Internet sites, such as pennwellhub, renews and bizjournals. These articles can be found at the following links:


In summary, these publications highlight the scope of the Project. Opposition to the Project was not detected from the available media coverage.