

**TAX ABATEMENT AGREEMENT BETWEEN LEE COLLEGE,  
AND NRG CEDAR BAYOU 5 LLC  
FOR PROPERTY LOCATED IN THE  
NRG CEDAR BAYOU 5 LLC PROJECT MOONSHOT 2022 REINVESTMENT ZONE**

This Tax Abatement Agreement (hereinafter referred to as the “**Agreement**”) is made, entered, and executed between **LEE COLLEGE** acting through its **Board of Regents** (hereinafter referred to as “**COLLEGE**”), and **NRG CEDAR BAYOU 5 LLC** (hereinafter referred to as “**NRG**”), the owner of taxable property in Chambers County, Texas, located in the **NRG CEDAR BAYOU 5 LLC PROJECT MOONSHOT REINVESTMENT ZONE** (hereinafter referred to as “**Reinvestment Zone**”).

**I. AUTHORIZATION**

This Agreement is authorized by the Texas Property Redevelopment and Tax Abatement Act, Tax Code, Chapter 312, as amended, and by authorization of the **COLLEGE** following the designation of the Reinvestment Zone. The guidelines and criteria for granting tax abatements in a reinvestment zone created in and by Chambers County, Texas, which were accepted by the **COLLEGE** and are incorporated herein by reference, together with any applicable amendments. All definitions set forth therein are applicable to this Agreement.

**II. DEFINITIONS**

As used in this Agreement, the following terms shall have the meanings set forth below:

- a. “Improvements” means the buildings or portions thereof and other improvements, including fixed machinery, site improvements, equipment and process units used or to be used for commercial or industrial purposes on the Site that are acquired and/or constructed by **NRG** on the property after January 1, 2022, and subject to *ad valorem* taxes.
- b. “Construction Phase” means a material and substantial improvement of the property which represents a separate and distinct construction operation undertaken for the purpose of constructing the Improvements. The period of Construction Phase ends when the Improvements are substantially completed and consistent with Article VI entitled “Contemplated Improvements” expected by December 31, 2026.

- c. "Abatement" means the full or partial exemption from *ad valorem* taxes of certain property in a Reinvestment Zone designated for economic development purposes.
- d. "Base Year Value" means the Certified Appraised Value of all Eligible Abatement Property as valued on January 1 of the year of the date of execution of this Agreement. The Base Year Value does not include the value of the land or other Ineligible Property located on the Site as of the valuation date.
- e. "Eligible Abatement Property" means the buildings, structures, fixed machinery, equipment, certain business personal property, and improvements subject to ad valorem taxes necessary to the operation and administration of the Improvements.
- f. "New Eligible Abatement Property" means Eligible Abatement Property, the construction and installation of which commences after the date of execution of this Agreement. A list of the New Eligible Abatement Property is set forth in the **NRG Application for Tax Abatement, Chambers County, Texas ("NRG Application")**, which is attached hereto as **Exhibit B** and incorporated herein by reference and made a part hereof. During the Construction Phase of the New Eligible Abatement Property, **NRG** may make such change orders to the New Eligible Abatement Property as are reasonably necessary to accomplish its intended use.
- g. "Ineligible Property" means land, inventories, supplies, tools, furnishings, and other forms of movable business personal property, including but not limited to, vehicles, vessels, aircraft, housing, hotel accommodations, deferred maintenance investments, improvements for the generation or transmission of electrical energy not wholly consumed by a new facility or expansion, any Improvements including those to produce, store, or distribute natural gas, fluids or gases, which are not necessary to the operation of the expansion of the existing facility, and property that has an economic life of less than fifteen (15) years.
- h. "Undocumented Worker" means an individual who, at the time of employment by **NRG**, is not: (i) lawfully admitted for permanent residence to the United States, or (ii) authorized under law to be employed in that manner in the United States.
- i. "Permanent Employee" means a person whose employment is both permanent and full-time as reflected in the applicable payroll system of **NRG**, or an entity controlled by or under common control with **NRG** who is expected or scheduled to work at least [1,800] hours in a twelve-month period as an employee at the New Facility.

- j. "Term" means the term of this Agreement for Tax Years 2027 – 2036 as set forth in Section IV.

### III. SUBJECT PROPERTY

3.01 The Reinvestment Zone is an area within Chambers County, Texas, comprising approximately 325 acres generally described in **Exhibit A** attached hereto and incorporated herein (the "**Site**"). The 2021 Certified Appraised Value of the Site is:

<u>Land Only</u>	\$12,800,020
<u>TOTAL:</u>	\$12,800,020

3.02 The Chambers County Appraisal District ("**CCAD**") shall determine the Certified Appraised Values, subject to **NRG** 's rights under the Texas Tax Code (the "**Code**") to protest and appeal such value or component thereof. Subject to such rights, the Base Year Value is \$105,210,423.

### IV. VALUE AND TERM OF AGREEMENT

4.01 The Abatement shall commence no later than the January 1, 2027, valuation date as authorized by Sec. 312.007 of the Code, provided, however, that the abatement period shall not exceed ten years (the "**Abatement Period**"). In each year that this Agreement is in effect, the amount of the appraised value, as defined in the Code, of the New Eligible Abatement Property shall be abated in accordance with the following schedule:

<u>Year Abated</u>	<u>Percentage of Value Abated</u>
<b>2027</b>	<b>100%</b>
<b>2028</b>	<b>100%</b>
<b>2029</b>	<b>100%</b>
<b>2030</b>	<b>100%</b>
<b>2031</b>	<b>100%</b>
<b>2032</b>	<b>100%</b>
<b>2033</b>	<b>100%</b>
<b>2034</b>	<b>100%</b>
<b>2035</b>	<b>100%</b>
<b>2036</b>	<b>100%</b>

4.02 For each year during the Abatement Period, the tax abatement shall not apply to the Base Year Value, which shall be fully taxable, if applicable. The New Eligible Abatement Property value shall be determined by **CCAD**, subject to **NRG** 's rights under the Texas Tax Code to protest and appeal such value or component thereof.

## **V. TAXABILITY**

During the period that this Agreement is effective:

- a. The value of Ineligible Property shall be fully taxable; and
- b. The appraised value, as defined in the Texas Tax Code, of New Eligible Abatement Property shall be abated as set forth above under the section entitled "VALUE AND TERM OF AGREEMENT."

## **VI. CONTEMPLATED IMPROVEMENTS**

6.01 As set forth in the NRG Application, which is incorporated herein for all purposes, **NRG** represents that it will construct a 690-Megawatt Power Generation Facility (the "**New Facility**") with an approximate improvement cost and added value of **\$564,000,000**. During the Construction Phase, **NRG** may make such change orders to the project as are reasonably necessary. All New Facility Improvements shall be completed in accordance with the NRG Application and all applicable laws, ordinances, rules, or regulations.

6.02 **NRG** represents and agrees that the agreed to construction and operation of the New Facility will stimulate employment and the local economy. To this end, **NRG** represents and agrees that it reasonably expects a quarterly average of one hundred (100) new construction jobs to be generated at the Site during the Construction Phase for the New Facility.

6.03 **NRG** represents and agrees to use its reasonably good faith effort to cause directly or indirectly to be filled eighteen (18) Permanent Employee positions. **NRG** represents that these will be truly "new jobs". **NRG** represents and agrees it will use commercially reasonable efforts to prioritize hiring criteria and exercise commercially reasonable efforts to ensure that the new employment opportunities referenced above will be filled by local residents, and that a minimum of eight (8) of the new Permanent Employee positions will be filled by residents of the

**COLLEGE** service area. **NRG** also represents and agrees to use commercially reasonable efforts to prioritize efforts to use local resources in goods and services at the New Facility.

- Failure of **NRG** to provide the required Permanent Employees at any applicable anniversary of the commencement of the Term shall not be considered an Event of Default unless the number of Permanent Employees actually provided is less than 75% of the required number, provided that **NRG** shall be provided reasonable allowance as may be required by the effects of Force Majeure.

6.04 In compliance with Texas Government Code, Section 2264.001 *et seq.*, **NRG** hereby certifies that it does not and shall not knowingly employ an Undocumented Worker for any purpose related to this Agreement. If, after receiving the benefits of this Agreement, **NRG** (or any branch, division, or department thereof) is convicted of a violation under 8 U.S.C. Section 1324a(f), **NRG** shall repay all taxes previously abated by virtue of this Agreement with interest at the rate of three percent (3%) *per annum*, not later than the 120th day after the date on which the College notifies **NRG** of a violation of this Section 6.05.

## **VII. EVENTS OF DEFAULT**

7.01 During the abatement period covered by this Agreement, the **COLLEGE** may declare a default hereunder by **NRG** if **NRG** (i) fails to commence construction of the New Facility within one (1) year from the date this Agreement is executed or (ii) fails to construct the New Facility or (iii) if **NRG** fails to comply with any of the respectively applicable material terms of this Agreement, or (iv) if any representation made by **NRG** in this Agreement is false or misleading in any material respect.

7.02 If the **COLLEGE** declares that **NRG** is in default of this Agreement, the **COLLEGE** shall notify **NRG** in writing. If such default is not cured within sixty (60) days from the date of such notice (the “**Cure Period**”), then this Agreement may be terminated. In the case of a default for causes beyond **NRG**’s reasonable control which cannot with due diligence be cured within the Cure Period, the Cure Period shall be deemed extended if **NRG** (i) shall notify the **COLLEGE** of **NRG**’s intention to institute steps reasonably necessary to cure such default, (ii) shall proceed to cure such default, and (iii) shall submit a proposed schedule for the completion of

the Improvements, including the estimated date for completion of the Improvements, a reasonable explanation concerning the reason for the delay, and a reasonable estimate of the overall percent of the Improvements that is completed as of the date of such notice.

7.03 In the event **NRG** (i) allows its *ad valorem* taxes on the Improvements to become delinquent or fails to timely and properly follow the legal procedures for the protest and appeal of the ad valorem taxes on the Improvements or (ii) defaults under this Agreement and fails to cure, this Agreement may then be terminated. In the event of termination of this Agreement pursuant to the provisions of this paragraph, all taxes previously abated by virtue of this Agreement will be recaptured and paid within sixty (60) days of the termination, together with penalties and interest as required by the Code.

7.04 In the event the Improvements are completed and begin producing product or services as contemplated, but subsequently discontinue producing product or services or shall fail to cure any representation regarding employment for any reason excepting fire, explosion, or other casualty, accident, or natural disaster or governmental mandate, for a period of one (1) year during the Abatement Period, then this Agreement shall terminate. In the event of termination pursuant to the provisions of this paragraph, the abatement of the taxes for the calendar year during which the facility Improvements no longer produce shall terminate, but there shall be no recapture of prior years' taxes abated by this Agreement. The taxes otherwise abated shall be paid to the **COLLEGE** prior to the delinquency date for such year. In no event shall **NRG** be required to pay such taxes within less than sixty (60) days of the termination.

## **VIII. ADMINISTRATION**

8.01 This Agreement shall be administered on behalf of the **COLLEGE** by the **BAYTOWN-WEST CHAMBERS COUNTY ECONOMIC DEVELOPMENT FOUNDATION** (the "**EDF**"). Upon completion of the facility Improvements, the **COLLEGE**, or its representative, the **EDF**, shall annually evaluate the facility Improvements to ensure compliance with this Agreement. All inspections will be made only upon twenty-four (24) hours prior notice and will only be conducted in such manner as to not unreasonably interfere with the construction and/or operation of the New Facility.

8.02 The Chief Appraiser of the **CCAD** shall annually determine (i) the taxable value pursuant to the terms of this abatement of the real and business personal property comprising this Reinvestment Zone and (ii) the full taxable value without abatement of the real and business personal property comprising this Reinvestment Zone. The Chief Appraiser shall record both the abatement taxable value and the full taxable value in the appraisal records. The full taxable value listed in the appraisal records shall be used to compute any recapture. Each year **NRG** shall furnish the Chief Appraiser with the information required by Chapter 22 or Chapter 312.005 of the Code. Such information shall also be provided to the **COLLEGE** in preparation of its annual evaluation for compliance with this Agreement.

8.03 If after notice of default and failure to cure, the **COLLEGE** terminates this Agreement, it shall provide **NRG** written notice of such termination. In the event of termination, **NRG** may file suit in the Chambers County District Court appealing termination within ninety (90) days after receipt from the **COLLEGE** of written notice of termination. If an appeal is filed, **NRG** shall remit to the **COLLEGE** within sixty (60) days after receipt of the notice of termination, any recaptured taxes as may be payable during the pendency of the litigation under Section 42.08, Tax Code. If the final determination of the appeal increases **NRG** tax liability, **NRG** shall pay the additional tax to the **COLLEGE** pursuant to Section 42.42, Tax Code. If the final determination of the appeal decreases **NRG** tax liability, the **COLLEGE** shall refund to **NRG** the difference between the amount of tax paid and the amount of tax for which **NRG** is liable together with interest pursuant to Section 42.43, Tax Code.

## **IX. ASSIGNMENT**

**NRG** may assign this Agreement with the written consent of the **COLLEGE**, which consent shall not be unreasonably withheld. Any assignment shall provide that the assignee shall irrevocably and unconditionally assume all the duties and obligations of the assignor upon the same terms and conditions as set out in this Agreement. No assignment shall be approved if **NRG** or the assignee is delinquent in ad valorem taxes due the **COLLEGE**.

## **X. NOTICE**

Any notice required to be given under the provisions of this Agreement shall be in writing and shall be served when it is deposited, enclosed in a wrapper with the postage prepaid thereon, and by registered or certified mail, return receipt requested, in a United States Post Office, addressed to the **COLLEGE** and **NRG**. If mailed, any notice shall be deemed to be received three (3) days after the date of deposit in the United States Mail. Unless otherwise provided in this Agreement, all notices shall be delivered to the following addresses:

**To NRG – ATTN: VP ASSET MANAGEMENT**  
**NRG CEDAR BAYOU 5 LLC**  
**910 LOUISIANA STREET**  
**DALLAS, TX 77002**

To the **COLLEGE**:

**LEE COLLEGE**  
**OFFICE OF THE PRESIDENT**  
**200 LEE DRIVE**  
**P.O. BOX 818**  
**BAYTOWN, TX 77522-0818**

WITH A COPY TO:

**BAYTOWN ECONOMIC DEVELOPMENT FOUNDATION**  
**1300 ROLLINGBROOK DRIVE, STE. 505**  
**BAYTOWN, TX 77521**

Either party may designate a different address by giving the other party ten (10) days written notice.

## **XI. AUTHORITY**

Each of the parties hereto represents and warrants to the other party that (i) it has all requisite power and authority to execute and deliver, to perform its obligations under and to consummate the transactions contemplated by this Agreement and (ii) the execution and delivery of this Agreement, the performance of its obligations under and the consummation by each party of the transactions contemplated by this Agreement have been duly authorized by



all requisite corporate authority on the part of **NRG** and by all requisite governmental authority on the part of the **COLLEGE** and (iii) upon execution and delivery of this Agreement, this Agreement will constitute valid and binding legal obligations of such party.

## **XII. DATE**

This Agreement may be executed in counterparts and the effective date of the Agreement shall be the date the **COLLEGE** executes this Agreement by and through its Board of Regents, so authorizing, on the date of the countersignature hereto by the Chairman of the Board on this 15th day of November, 2022.

## **XIII. MISCELLANEOUS**

13.01 In the event any section, subsection, paragraph, sentence, phrase, or word herein is held invalid, illegal, or unconstitutional, the balance of this Agreement shall stand, shall be enforceable and shall be read as if the parties always intended to delete said invalid section, subsection, paragraph, sentence, phrase, or word.


13.02 This Agreement shall be construed under the laws of the State of Texas. Venue for any action under this Agreement shall be the State District Court of Chambers County, Texas.

13.03 This Agreement shall be subject to change, modification or, except in the event of default which has not been cured as provided herein, termination, only with the mutual written consent of the **COLLEGE** and **NRG**.

13.04 This complete Agreement has been executed by the parties in multiple originals, each having full force and effect.

**[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]**

By: **NRG CEDAR BAYOU 5 LLC**

By:   
(Signature)

Thomas Atkins - Vice President  
(Printed Name and Title)

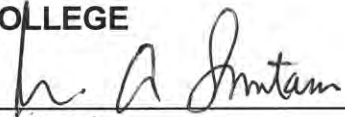
January 11, 2023  
(Date)

**ATTEST:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Printed Name and Title)


By: **LEE COLLEGE**

By:   
(Signature)

Gilbert A. Santana Board Chair  
(Printed Name and Title)

11/15/22  
(Date)

**ATTEST:**

  
(Signature)

Mark Hinsol Sec.  
(Printed Name and Title)

**EXHIBIT A**

**NRG CEDAR BAYOU 5 LLC PROJECT MOONSHOT 2022 REINVESTMENT ZONE**

**ORDER DESIGNATING/CREATING  
NRG CEDAR BAYOU 5 LLC PROJECT MOONSHOT  
2022 REINVESTMENT ZONE**

On July 26, 2022, at a public meeting of the Commissioners Court of CHAMBERS COUNTY, TEXAS (the "Court"), the Court conducted a hearing on the application of NRG CEDAR BAYOU 5 LLC ("NRG") for the creation of the NRG CEDAR BAYOU 5 LLC PROJECT MOONSHOT 2022 REINVESTMENT ZONE (the "Reinvestment Zone").

The Court finds and declares that:

1. The Court has adopted tax abatement guidelines and policies which are now in effect, thereby electing to become eligible to participate in tax abatement.
2. NRG has applied, in a timely and adequate fashion, for tax abatement on a proposed project to be developed within the Reinvestment Zone.
3. All notices and legal requirements have been given and/or satisfied prior to the consideration by the Court of the creation of the Reinvestment Zone. Specifically, notice of today's hearing was published in the manner required by law and notice was timely given to the presiding officer of other taxing units of government as required by law.
4. The designation of the Reinvestment Zone will contribute to the retention or expansion of primary employment and will attract major investment in the zone that will be a benefit to the property to be included in the Reinvestment Zone and will contribute to the economic development of the County and surrounding area.
5. The improvements sought to be made are feasible and practical and will be a benefit to the land to be included in the Reinvestment Zone.
6. The area requested to be designated as a reinvestment zone meets the criteria for designation as such in one of more ways as specifically provided by law.

Therefore, upon motion made by Commissioner Combs,  
seconded by Commissioner Tice and affirmatively passed, be it  
RESOLVED and ORDERED by the Court that the 325-acre tract of land described  
in the attached Exhibit is hereby designated as the NRG CEDAR BAYOU 5 LLC  
PROJECT MOONSHOT 2022 REINVESTMENT ZONE and is eligible for  
commercial / industrial tax abatement.

PASSED and ADOPTED July 26, 2022.

CHAMBERS COUNTY, TEXAS

By: \_\_\_\_\_

JUDGE JIMMY SYLVIA,  
Chambers County Judge

ATTEST:

Heather H. Hawthorne

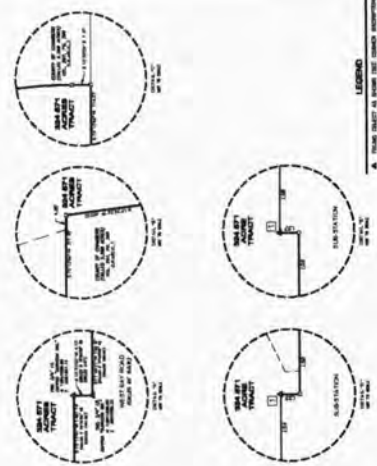
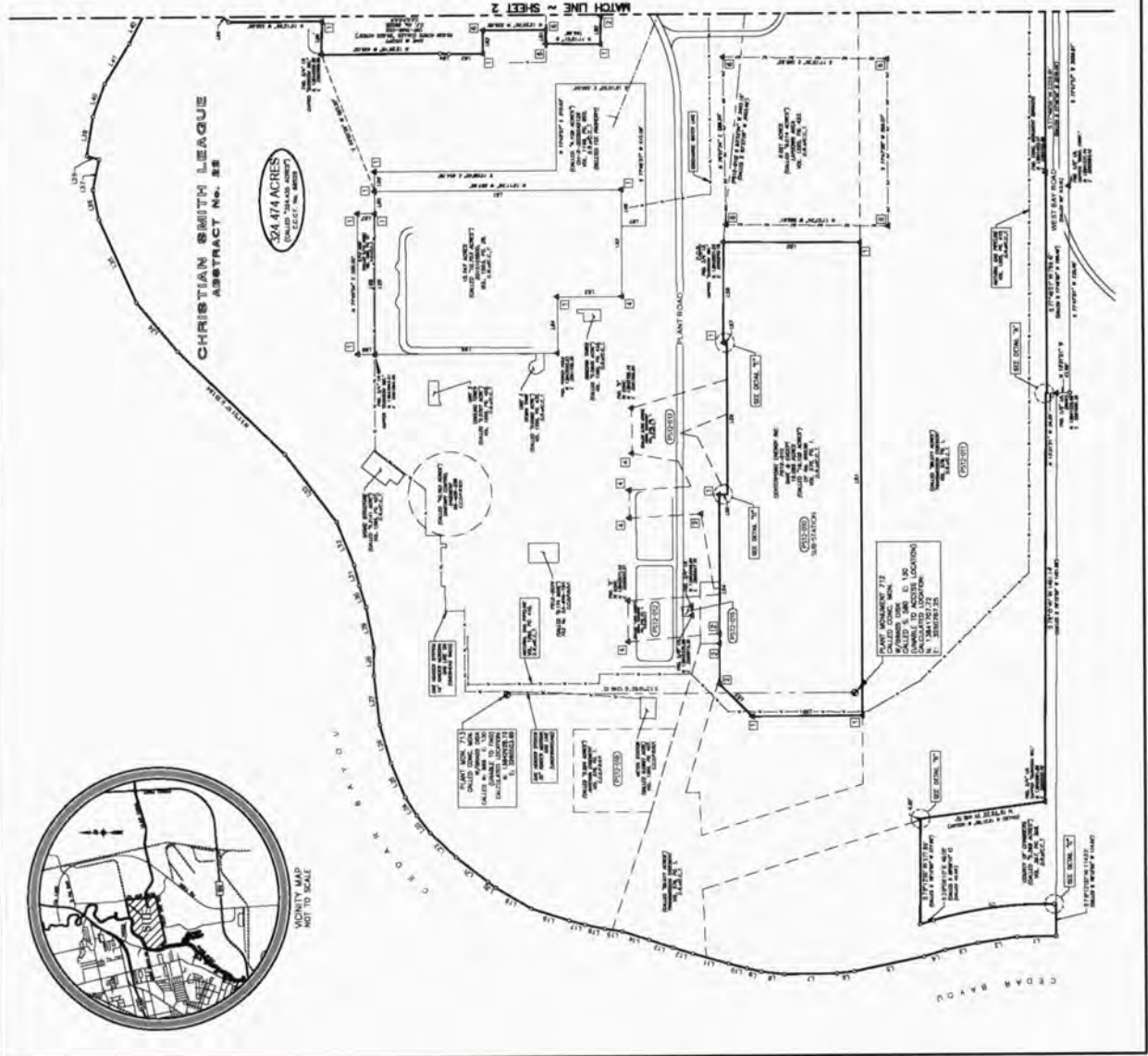
HEATHER H. HAWTHORNE, County Clerk



**NRG CEDAR BAYOU 5 LLC PROJECT MOONSHOT**  
**PROPERTY DESCRIPTION**  
**325-ACRE TRACT**

Being the description of 324.474 acres (called "324.435 acres") tract of land, more or less, out of the Christian Smith League, Abstract 22, Chambers County, Texas, being out of 413.054 acres (called "413.081 acres") tract of land described in an instrument to Texas Genco and recorded under Chambers County Clerk's File Number 8952B, in the Deed Records of Chambers County, Texas.



[illegible]

FROBIS AREA \* A13 064 ACRES (CALL ID "A13 061 ACRES")  
NAME AND EXCPT  
ANFORD PLSORS  
ANGEL CITY TANK-02 4286 ACRES (CALLED "R 129 ACRES")  
ANGEL CITY TANK-02 26 83 ACRES (CALLED "R 82 ACRES")  
LAB-TOTAL (SAVE AND EXCEPT) 18 865 ACRES (CALLED "18 865 ACRES")  
AREA \* 32N 47W ARE (CALLED "32N 43S ACRES")

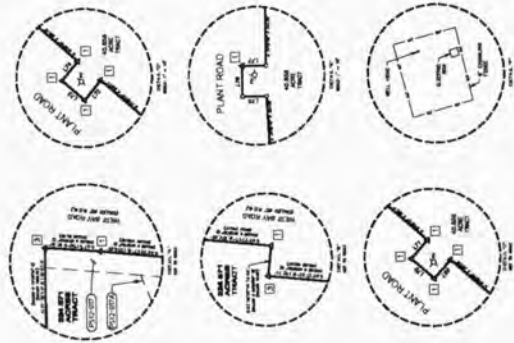
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Year	Faculty (F) and Students (S)	Faculty	Students
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1991	100	100	100
1992	100	100	100
1993	100	100	100
1994	100	100	100
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1996	100	100	100
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2077	100	100	100
2078	100	100	100
2079	100	100	100
2080	100	100	100
2081	100	100	1

**CORNER DESCRIPTIONS LIST**

1	= FOLDED 3/4" REIN ROD CAPPED "SURFCON INC."
2	= FOLDED 5/8" REIN ROD
3	= FOLDED 1/2" REIN ROD
4	= FOLDED "X" MARK SURFCON IN CONCRETE
5	= FOLDED 3/4" REIN ROD
6	= FOLDED FENCE POST FOR CORNER

[illegible][illegible][illegible]

ORCHARD AREA = 413.364 ACRES (CALLED "413.081 ACRES")

SALE AND EXCEPT:

PARCEL P133-002 13.866 ACRES (CALLED "13.102 ACRES")

PARCEL C171-001-002 24.688 ACRES (CALLED "24.688 ACRES")

PARCEL C171-001-002 24.688 ACRES (CALLED "24.688 ACRES")

SUB TOTAL (SALE AND EXCEPT) 43.242 ACRES (CALLED "43.242 ACRES")

NET AREA = 324.174 ACRES (CALLED "324.174 ACRES")

[illegible]



**EXHIBIT B**

**NRG CEDAR BAYOU 5 LLC APPLICATION**



NRG Cedar Bayou 5 LLC - Ch. 312 Application  
Chambers County

**NRG Cedar Bayou 5 LLC**  
910 Louisiana Street  
Houston, TX 77002

Honorable Judge Jimmy Sylvia  
Chambers County Judge  
404 Washington Avenue PO Box 939  
Anahuac, Texas 77514

July 8, 2022

Re: Project Moonshot – Chapter 312 Property Tax Abatement Application

Dear Honorable Judge Jimmy Sylvia,

Following Chambers County's (County) Letter of Intent for NRG Energy, Inc.'s Project Moonshot (Project), a proposed 690 megawatt electric power generation block which would generate electricity for sale on the wholesale power market, please accept the attached formal Chapter 312 Property Tax Abatement Application to the County. As previously communicated, the Project and its resulting improvements would take place entirely within the County's jurisdictional boundaries, but for the Project to be able to get the final notice to proceed from NRG executive management and debt and equity investors, there are significant cost hurdles that must be overcome. Incentive support from the County via a Chapter 312 property tax abatement at the statutory maximum would be a pivotal component needed to overcoming these cost hurdles.

We sincerely appreciate the County's consideration and potential support for Project Moonshot.

Sincerely,

A handwritten signature in black ink that reads "David Freeman". The signature is written in a cursive, flowing style.

David Freeman  
Senior Director, Development  
NRG Energy, Inc.  
10445 Osburn Road  
Pilot Point, TX 76258-6767

## **APPLICATION FOR TAX ABATEMENT IN CHAMBERS COUNTY, TX**

This application should be filed at least 90 days prior to the proposed date for beginning of construction or the installation of fixed machinery and equipment. **Projects that have begun construction (including earthwork) prior to County approval of final contracts are ineligible.** The filing of this document acknowledges familiarity and conformance with Guidelines and Criteria for Tax Abatement in Chambers County (attached). This application will become part of the agreement and any knowingly false representations will be grounds to void the agreement. Original copy of this request should be submitted to the County Judge Jimmy Sylvia, 404 Washington Avenue, P. O. Box 939, Anahuac, Texas 77514 if the property is located outside the corporate limits of a municipality. If the property is within the corporate limits of a municipality, the application should be submitted to the city manager of the municipality or city administrator. Note: Approval of this application is only 1 step in securing tax abatement. The applicant must provide other legal documents.

**Upon approval, the applicant must maintain membership in the Baytown-West Chambers County Economic Development Foundation, commencing the date of agreement and extending for the term of this agreement, at the standard rate for similar size companies as established by the Foundation.**

### **APPLICANT INFORMATION**

**Date: July 8, 2022**

Company Name: NRG Cedar Bayou 5 LLC  
 Address: 910 Louisiana Street, Attention VP Asset Management  
 City: Dallas State: Texas Zip-Code: 770002

### **APPLICANT MUST SUBMIT ANNUAL REPORT. (See instructions).**

Number of Employees: 6,635  
 Annual Sales: \$26.98B  
 Corporation: ☒ Partnership: ☐ Proprietorship: ☐

### **PROJECT INFORMATION**

#### **Type of Facility**

See Instructions

- ☐ Manufacturing Facility
- ☐ Wholesale Distribution Facility
- ☐ Research Facility
- ☐ Service Facility
- ☐ Entertainment & Recreation Facility
- ☒ Other Basic Industry

**Proposed Project Location Address and Legal Description: Property ID: 39423; Legal Description: 22 TR 17-5-3 C Smith**

Attach map and/or aerial showing proposed site

#### **Jurisdictions:**

School District: Goose Creek CISD  
 College District: Lee College

City or Town N/A**Describe Product or Service**Project Description:

Attach narrative(s) fully explaining the project, describe existing site and proposed improvements and provide list of improvements and fixed machinery and equipment for which abatement is requested.

☐ NEW PLANT☒ EXPANSION☐ MODERNIZATION

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**ECONOMIC INFORMATION****Construction Estimates:**

Start Month/Year January/2024 Construction Man Years 3  
 Completion Date December/2026 Peak Construction Jobs 500

**If Modernization:**

Estimated Economic Life of Existing Plant N/A Years  
 Added Economic Life from Modernization N/A Years

**Permanent Employment Estimates (PEE'S)**

Current Plant Employment 55  
 Number of Plant Jobs ☐ Retained or ☒ Created  
     At start/opening 18 in year 2027  
     5 years into operation 18 in year 2032

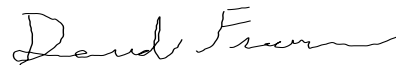
**Estimated Appraised Value on Site**

	Personal	Improvements	Land
Value January 1 Preceding Abatement Agreement:	<u>0</u>	<u>0</u>	<u>6,622,640</u>
Est. Value of Improvements:	<u>0</u>	<u>~564,000,000</u>	<u>0</u>
Est. Value of Abated Properties After Abatement Expires:	<u>0</u>	<u>~325,000,000</u>	<u>0</u>
Value upon Completion of Project – Personal Property and Project Improvements Not Subject To Abatement:	<u>0</u>	<u>0</u>	<u>0</u>

**VARIANCE**

Is the applicant seeking a variance under Section 2 of the guidelines? ☐ YES ☒ NO  
 If "YES", attach required supplementary information.

**OTHER ABATEMENTS.** Has the company made application for abatement for this project to other taxing jurisdictions or nearby counties? ☐ YES ☒ NO. If "YES" please provide dates of application, hearing dates if held or scheduled, name of jurisdictions and contacts, and letter of intent.

**COMPANY REPRESENTATIVE TO BE CONTACTED:**NAME: David Freeman

\_\_\_\_\_  
Signature of Company OfficialTITLE: Senior Director, DevelopmentDavid Freeman, Senior Director, Development\_\_\_\_\_  
Name & Title of Company OfficialADDRESS: 10445 Osburn RoadCITY: Pilot PointSTATE: TexasZIP-CODE: 76258TELEPHONE: 214-597-2517**INSTRUCTIONS**

Applicant and projects must meet the requirements established in the Guidelines and Criteria (attached) in order to receive positive consideration. Section 2 of the Guidelines, for example, sets out improvements, terms and economic qualifications. Conformance with all sections, however, is required for eligibility.

**APPLICANT INFORMATION**

The taxing unit may consider applicant's financial capacity in determining whether to enter into an abatement agreement. Established companies for which public information is available, or the wholly owned businesses of such companies, should include with the application a copy of their latest annual report to stockholders. Other applicants and new companies should attach a statement showing when the company was established; business references (name, contact and telephone number of principal bank, accountant, and attorney) and may be required to submit an audited financial statement and business plan.

**PROJECT INFORMATION**

Only facilities referenced in Section 2(a) of the Guidelines may receive abatement without applying for a variance. Check guideline definitions in Section 2(a) to confirm project qualification.

## **ECONOMIC INFORMATION**

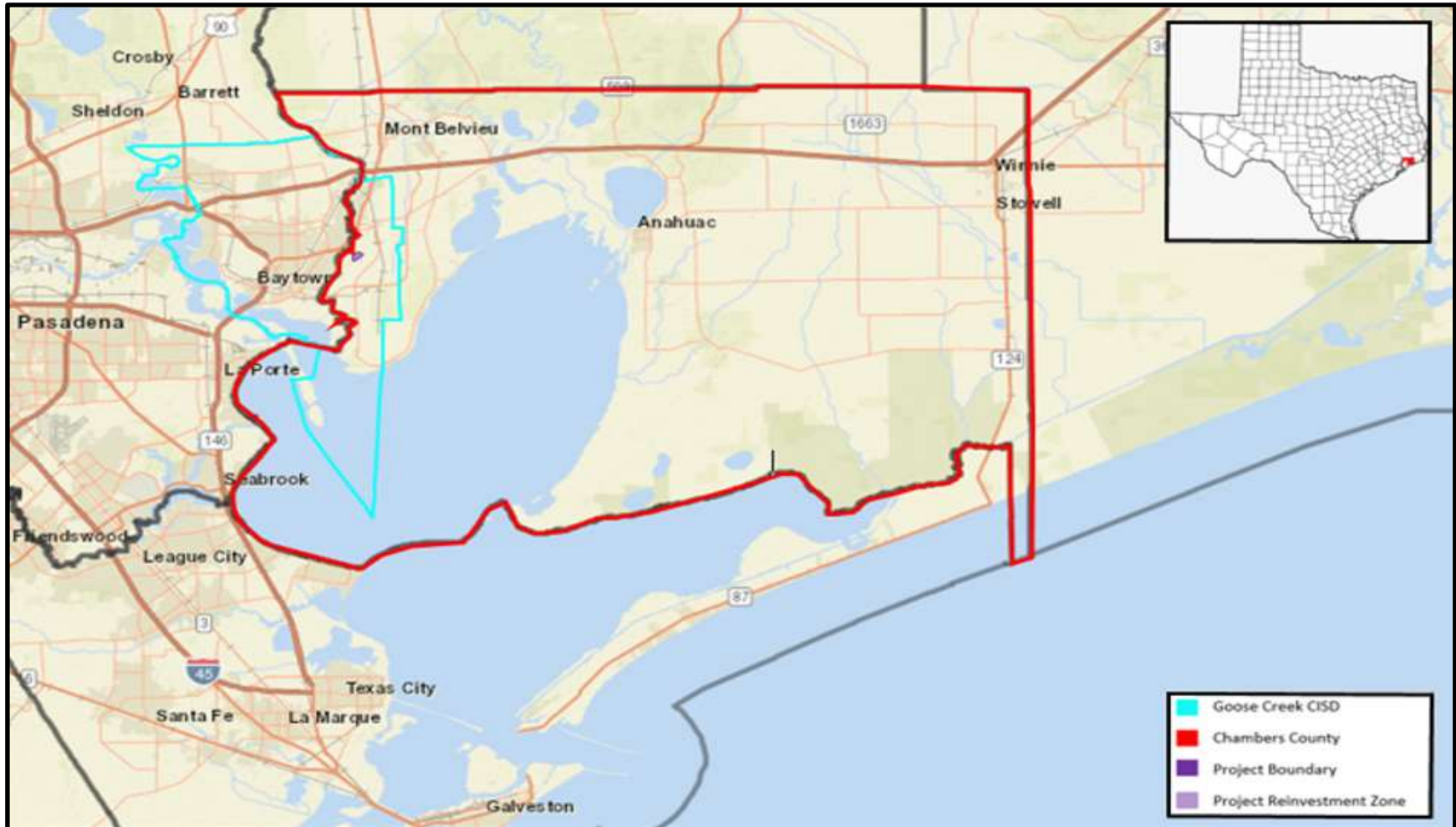
**Permanent Employment Estimates** – In estimating the permanent employment, include the total number of jobs retained or created at this site by your firm as well as known permanent jobs of service contractors required for operation.

**Estimated Appraised Value on Site** – The value January 1<sup>st</sup> preceding abatement should be the value established by the Chambers County Appraisal District. If the applicant must estimate value because the taxable value is not known or is combined with other properties under a single tax account, please so state. To qualify, the abated properties must be expected to result in an addition to the tax base of at least seven hundred fifty thousand dollars (\$750,000.00) after the period of abatement expires. Projections of value should be a “best estimate” based on taxability in Texas. The projection of project values not abated should include personal property and ineligible project-related improvements such as office space in excess of that used for plant administration, housing, etc.

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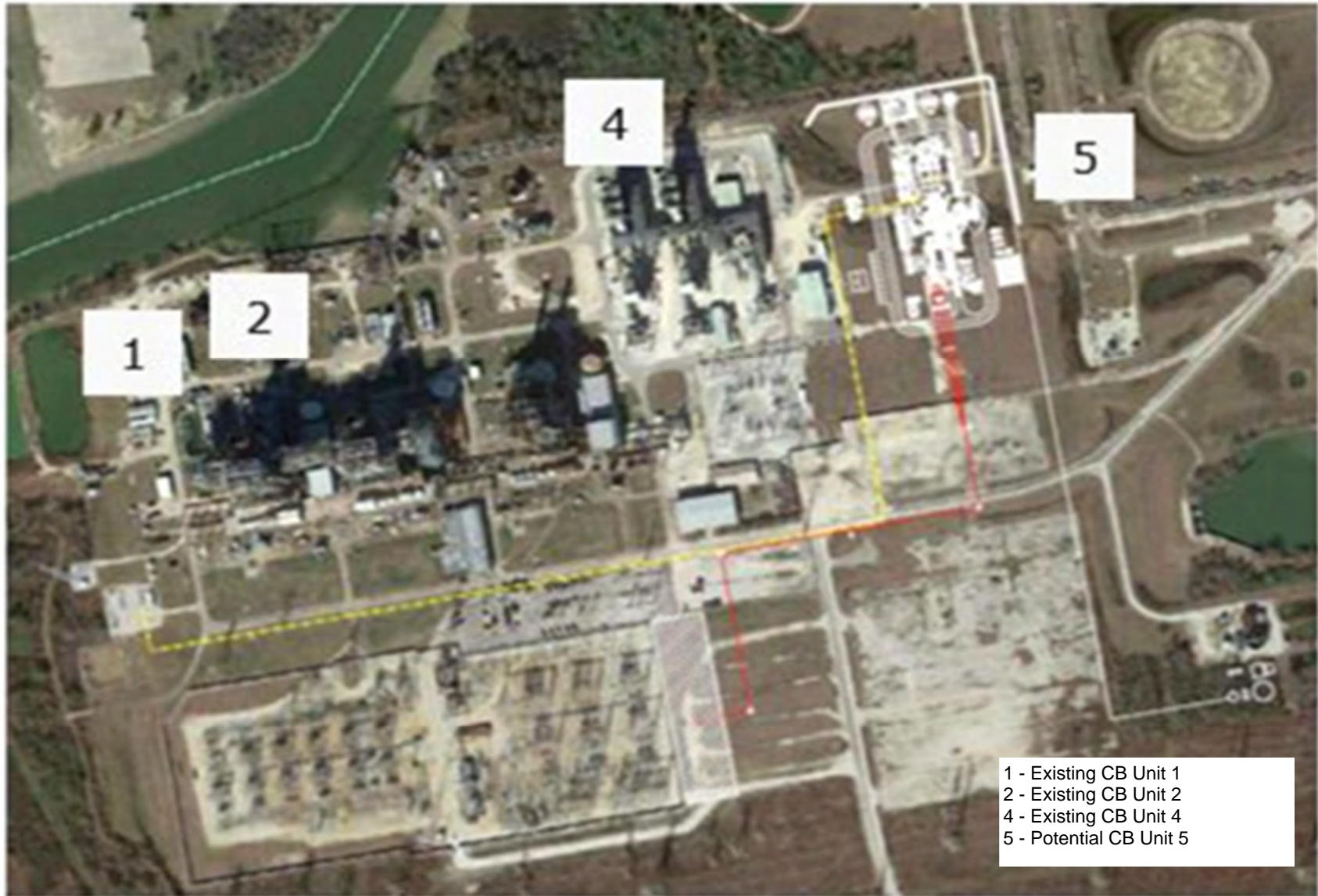
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Exhibit B  
Project Maps









## **Exhibit C**

### **Detailed Description of the Project**

NRG Cedar Bayou 5 LLC (CB5), an entity formed by NRG Energy, Inc. ("NRG") for the consideration of an expansion of its existing Cedar Bayou power production complex in Chambers County, TX is requesting a Chapter 312 property tax abatement agreement with Chambers County for Project Moonshot (Project), more specifically a proposed 690 megawatt (MW) electric power generation block which would generate electricity for sale on the wholesale power market. The Project would consist of one natural gas-fired combustion turbine in a single-shaft combined cycle configuration.

As proposed, the combined cycle facility would utilize the new, Mitsubishi M501JAC advanced class combustion turbine developed by Mitsubishi Power. The JAC class turbine features a shorter startup time and other enhanced operability functions, while retaining key performance criteria. The design of the JAC class turbine from Mitsubishi would be a significant improvement in power and efficiency, allowing a new unit to operate with reduced emissions and enhanced responsiveness to the immediate needs of the Texas power grid. In addition to enhanced operability functions, the turbine produces fewer emissions by burning less fuel than traditional combined cycle facilities in the industry, reducing overall amounts of NOx, CO2, UHCs and VOCs.

As the industry transitions to cleaner and more renewable forms of energy production, which are uncontrollable, Independent System Operators (ISOs) such as the Electric Reliability Council of Texas (ERCOT) must manage disruption of the state power grid by introducing controllable and reliable, fast-start technologies. A viable energy plan for ERCOT includes power generating assets that can fill the gap during the intermittent periods of renewable electric generation and having callable power generation near large power consumption centers, such as Houston, increases peak system capacity and addresses reliability challenges currently impacting the state electric grid.

Because energy produced at the plant would be controllable, the proposed Project would be an affordable, reliable, and urgently needed supplement to renewable energy generation in Texas, especially during storms or other conditions when solar and wind power are diminished or unavailable. Should the Project be approved by the Company's Board, receive sufficient debt financing support, and be constructed, it would increase the state's power grid capacity, reliability, and performance, while generating stable, low-cost energy for residential, commercial and industrial power customers in the region.

As currently proposed, the Project would encompass approximately 9 acres within Chambers County in a reinvestment zone to be established on land generally southeast of Texas Highway 146 and west of FM 1405, near the Baytown Industrial Park.

To reach its desired electric generation targets, Cedar Bayou's real and personal property improvements for the Project would include:

- Mitsubishi M501JAC advanced class combustion turbine
- Reheat steam turbine
- Auxiliary boiler
- Heat recovery steam generator
- Diesel-fired generator
- Gas heater

- Cooling tower
- Gas compression
- All ancillary and eligible equipment necessary for operations
- Water storage tanks
- Warehouse
- Control room

