



# JETI Application NRG CEDAR BAYOU 5 LLC #J0012

## Jobs, Energy, Technology & Innovation Act (JETI)

- Created by HB 5 – 88<sup>th</sup> Legislative Session (2023)
- To create economic development and jobs
- Allows qualifying projects to:
  - ✓ Pay 50% of M&O taxes (100% of I&S) for designated 10-year period
  - ✓ Pay no M&O taxes during construction period (100% of I&S)
- Requires a three-party agreement between company, school district, and Governor's office

# Job and Investment Requirements

COUNTY POPULATION	REQUIRED INVESTMENT
750,000 or more	\$200 million
250,000 – 749,999	\$100 million
100,000 – 249,999	\$50 million
99,999 or less* (Chambers County)	\$20 million

\*The amount of investment is based on county population, which is Chambers County for this project.

# NRG CEDAR BAYOU 5 LLC - APPLICATION

- Project is the construction of an additional 721 megawatt (MW) electric power generation plant at the NRG complex, that would create electricity for sale into the wholesale power market. The project would consist of one natural gas-fired combustion turbine in a single-shaft combined cycle configuration. The project would be developed on approximately 9 acres within Chambers County, in a reinvestment zone on land near Baytown Industrial Park.

# NRG CEDAR BAYOU 5 LLC– APPLICATION, cont.

- The company expects to invest an estimated \$825 million (meeting the statute's requirement minimum investment based on Chambers County population).
- Land is not included in the incentive & is assumed to be taxed in both Maintenance & Operations and Interest & Sinking scenarios.
- Projected to be operational by tax year 2029.

# APPLICATION PROCESS



1. New Application



2. Send to Comptroller



3. Completeness Letter

## Next Steps

You are here!



4. Comptroller  
Recommendation



5. Public Hearing



6. Governor and CISD Determination

## Final Step



7. Agreement Execution

# NRG Cedar Bayou 5 LLC Project Moonshot Reinvestment Zone

- The project must be located within a reinvestment zone
- This reinvestment zone was established on July 26, 2022 by the Commissioners Court of Chambers County, Texas, and is located generally southeast of Texas Highway 146 and west of FM 1406 near the Baytown Industrial Park.

# Total General Fund Revenue Impact

## Estimated M&O Funding Summary Comparison in Construction & Incentive Years (TY 2025-2038)

	Project Not Built	Project Built with Agreement	Project Impact
Project M&O Taxable Value	\$92,716,960*	\$3,030,356,406	\$2,937,639,446
Project I&S Taxable Value	\$92,716,960*	\$6,696,877,919	\$6,604,160,959
Total M&O Taxes	\$1,856,156,446	\$1,878,115,299	\$21,958,853
Recapture	-\$14,884,737	-\$16,224,869	-\$1,340,132
Total M&O State Aid	\$1,500,687,011	\$1,480,378,939	-\$20,308,072
Total M&O Revenue	<b>\$3,341,958,720</b>	<b>\$3,342,269,369</b>	<b>\$310,649</b>

*\*Land value only*



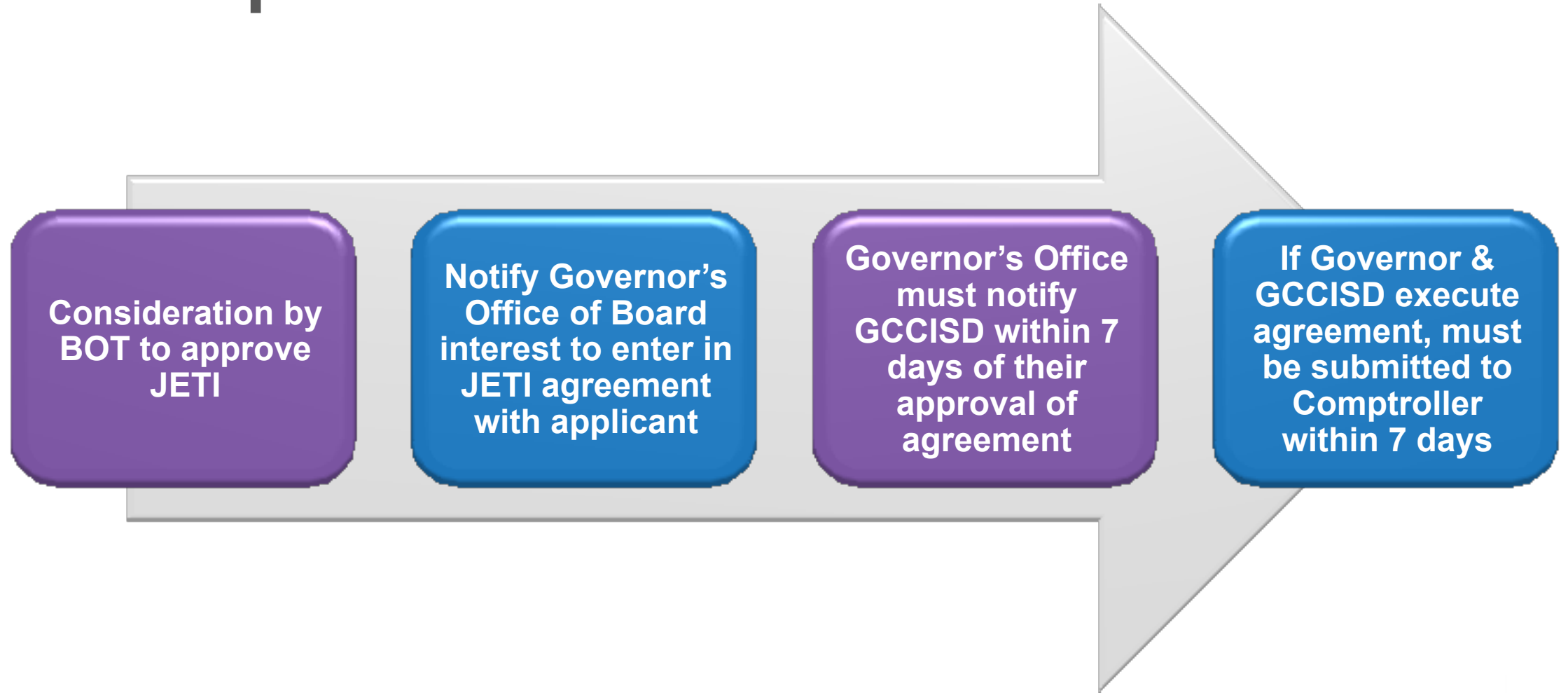
# Total Debt Service Fund (I&S) Impact

## Total I&S Taxes for Duration of Agreement: TY 2026-2043

	Project Not Built	Project Built with Agreement	Project Impact
Total I&S Taxes*	\$976,705,876	\$1,004,118,685	\$27,412,810

*\*The land is assumed to be fully taxed in both scenarios.*

# Next Steps



# Board Action

- Preliminary action, subject to further Board consideration and action on final agreement
  - ✓ *I move that the Board determine that the Goose Creek CISD is agreeable to entering an agreement for a limitation on the taxable value of property for maintenance and operation ad valorem tax purposes pursuant to the application filed by NRG Cedar Bayou 5 LLC, subject to and only upon the District's future consideration and approval of a final agreement containing the terms for such a limitation.*

# QUESTIONS?