OFFICE OF THE COMPTROLLER ★ TEXAS ★

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

July 25, 2025

Thomas Atkins
Vice President, Development
NRG Greens Bayou 6, LLC
910 Louisiana St
Houston, TX 77002

Re: Recommendation for Approval for Limitation on Taxable Value of Property for School District Maintenance and Operations Taxes by NRG Greens Bayou 6 LLC, Application J0017

Dear Thomas Atkins:

Pursuant to Section 403.609, Government Code, the Comptroller issues this recommendation and makes the following findings in support of the application's approval:

1. **Eligible Applicant**: The applicant is not listed as a company ineligible to receive a state contract. Section 403.606, Government Code.
2. **Eligible Project**: The application pertains to a Fossil Fuel Electric Power Generation (NAICS Code 221112) project that meets the criteria for eligibility. Section 403.609(b)(1), Government Code.
3. **20-Year Analysis**: The proposed project has demonstrated its ability to generate state or local 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. Section 403.609(b)(2), Government Code.
4. **Competitive Site Selection**: The application demonstrates that the agreement plays a pivotal role in a competitive site selection, highlighting its significance as a compelling factor and that, in the absence of the agreement, the applicant would not make the proposed investment in this state. Section 403.609(b)(3), Government Code.
5. **Qualified Opportunity Zone**: This is inapplicable because the application does not indicate that the eligible project is proposed to be located in a qualified opportunity zone. Section 403.609(b)(4), Government Code.

Based on the above findings, the Comptroller recommends the application for approval of an agreement to limit the taxable value for maintenance and operations ad valorem tax of the eligible property used as a part of the eligible project that is the subject of the application.

If the application is modified, the information presented changes or the agreement deviates from the application, this recommendation for approval is rescinded, thereby rendering the prerequisite for a Comptroller recommendation, under Section 403.609, Government Code, as not attained.

Any building or improvement existing as of the date the agreement is entered into, or any tangible personal property placed in service prior to that date may not become eligible for the benefit as specified in Section 403.602(9), Government Code. Additionally, this recommendation is contingent on approving, and executing the agreement within one year of the date of this letter.

For further inquiries, please contact Will Counihan, Director, Data Analysis & Transparency, at will.counihan@cpa.texas.gov or 1-800-531-5441, ext. 6-0758, or 512-936-0758.

Sincerely,

DocuSigned by:
Lisa Craven
E450165D764443C...

Lisa Craven
Deputy Comptroller

Enclosure

cc: David Freeman, NRG Greens Bayou, LLC
Michael Lateur, Kroll, LLC
John Moore, Galena Park ISD
Kathy Mathias, Moak, Casey & Associates

Attachment A – Summary

Applicant Name	NRG Greens Bayou 6 LLC
Eligibility Category (six digit NAICS code)	221112
School District	Galena Park ISD
County	Harris
Population in County	4,731,145
Minimum required jobs per Sec. 403.604	N/A*
Projected commencement of construction	2026
Projected completion of construction	2028
First year of the incentive period	2029
Last year of the incentive period	2038
Project is located inside a qualified opportunity zone (yes or no)	No
Limitation percent (50% or 75%)	50%
110% of the average annual wage	$178,064
Minimum wage required per Sec. 403.612(b)(6)	$178,065
Reasonably likely to generate in a 20-year period taxes greater than or equal to the district maintenance and operations ad valorem tax revenue lost as a result of the	Yes
Estimated M&O levy without Limitation	$61,634,973
Estimated M&O levy with Limitation	$40,490,788
Estimated M&O gross tax benefit	$21,144,185
Amount of performance bond	$2,114,419

*Minimum job requirements do not apply to an eligible project that is an electric generation facility described by Section 403.602(8)(A)(i)(b).

Attachment B – 20-Year Analysis

Tax Year	Estimated ISD M&O Tax Levy Generated (Annual without limitation)	Estimated ISD M&O Tax Levy Generated (Annual without limitation) (Cumulative)	Estimated ISD M&O Tax Levy Generated (Annual with limitation)	Estimated ISD M&O Tax Levy Generated (Annual with limitation) (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)
2026	$13,808	$13,808	$13,808	$13,808	$0	$0
2027	$1,666,131	$1,679,939	$13,808	$27,616	$1,652,322	$1,652,322
2028	$2,028,373	$3,708,312	$13,808	$41,424	$2,014,565	$3,666,888
2029	$4,241,647	$7,949,959	$2,127,728	$2,169,152	$2,113,919	$5,780,807
2030	$4,142,997	$12,092,956	$2,078,403	$4,247,555	$2,064,595	$7,845,402
2031	$3,641,294	$15,734,250	$1,827,551	$6,075,106	$1,813,743	$9,659,144
2032	$3,552,509	$19,286,759	$1,783,159	$7,858,264	$1,769,351	$11,428,495
2033	$3,263,049	$22,549,808	$1,638,428	$9,496,693	$1,624,620	$13,053,115
2034	$3,268,793	$25,818,600	$1,641,300	$11,137,993	$1,627,492	$14,680,607
2035	$3,276,766	$29,095,366	$1,645,287	$12,783,280	$1,631,479	$16,312,086
2036	$3,074,634	$32,170,000	$1,544,221	$14,327,501	$1,530,413	$17,842,499
2037	$3,362,920	$35,532,919	$1,688,364	$16,015,865	$1,674,556	$19,517,055
2038	$3,268,070	$38,800,989	$1,640,939	$17,656,804	$1,627,131	$21,144,185
2039	$3,274,105	$42,075,095	$3,274,105	$20,930,909	$0	$21,144,185
2040	$3,287,416	$45,362,510	$3,287,416	$24,218,325	$0	$21,144,185
2041	$3,308,157	$48,670,668	$3,308,157	$27,526,482	$0	$21,144,185
2042	$3,220,869	$51,891,537	$3,220,869	$30,747,351	$0	$21,144,185
2043	$3,314,190	$55,205,727	$3,314,190	$34,061,542	$0	$21,144,185
2044	$3,100,204	$58,305,931	$3,100,204	$37,161,746	$0	$21,144,185
2045	$3,329,042	$61,634,973	$3,329,042	$40,490,788	$0	$21,144,185
		$61,634,973		**$40,490,788**		**$21,144,185**
		Estimated M&O Tax Levy without limitation		Estimated M&O Tax Levy with limitation		Estimated M&O Tax levy loss

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 Incentive agreement?	Yes

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, NRG Greens Bayou 6 LLC

Disclaimer: This evaluation is based on an analysis of the estimated M&O portion of the school district property tax levy directly related to this project, using estimated taxable values provided as part of the application examination and is based on information from the application. This examination is intended to meet the statutory requirement of 20-Year Analysis as required by Section 403.609 (b)(2) of the Government Code and is not intended for any other purpose.

Attachment C – Estimated Direct Ad Valorem Taxes

Table 1 examines the estimated direct impact on ad valorem taxes to the county if all taxes are assessed.

Year of project	Year	Estimated Total Taxable Value	Estimated Total Taxable Value without M&O Limitation		Galena Park ISD I&S Tax Levy	Galena Park ISD M&O Tax Levy	Galena Park ISD Total Tax Rate	Harris County Tax Levy	Houston City Tax Levy	Harris County Hospital District Tax Levy	Harris County Flood Control Tax Levy	Port of Houston Authority Tax Levy	Harris County Education Dept Tax Levy	San Jacinto Com Col Tax Levy	Estimated Total Property Taxes
				Tax Rate*	0.3343	0.8376	1.1719	0.3853	0.5192	0.1635	0.0490	0.0062	0.0048	0.1549	
1	2026	$1,648,538	$1,648,538		$5,511	$13,808	$19,319	$6,352	$8,559	$2,695	$807	$101	$79	$2,553	$37,913
2	2027	$198,917,219	$198,917,219		$665,000	$1,666,131	$2,331,131	$766,408	$1,032,758	$325,190	$97,410	$12,233	$9,546	$308,059	$4,574,676
3	2028	$242,164,914	$242,164,914		$809,582	$2,028,373	$2,837,955	$933,037	$1,257,296	$395,891	$118,588	$14,893	$11,621	$375,036	$5,569,282
4	2029	$506,404,832	$506,404,832		$1,692,962	$4,241,647	$5,934,609	$1,951,127	$2,629,203	$827,871	$247,986	$31,144	$24,302	$784,259	$11,646,243
5	2030	$494,627,185	$494,627,185		$1,653,588	$4,142,997	$5,796,585	$1,905,749	$2,568,055	$808,617	$242,219	$30,420	$23,737	$766,019	$11,375,382
6	2031	$434,729,438	$434,729,438		$1,453,344	$3,641,294	$5,094,638	$1,674,969	$2,257,072	$710,696	$212,887	$26,736	$20,863	$673,257	$9,997,860
7	2032	$424,129,556	$424,129,556		$1,417,908	$3,552,509	$4,970,417	$1,634,129	$2,202,038	$693,367	$207,696	$26,084	$20,354	$656,841	$9,754,085
8	2033	$389,571,221	$389,571,221		$1,302,376	$3,263,049	$4,565,424	$1,500,979	$2,022,615	$636,871	$190,773	$23,959	$18,696	$603,321	$8,959,316
9	2034	$390,257,008	$390,257,008		$1,304,668	$3,268,793	$4,573,461	$1,503,621	$2,026,175	$637,992	$191,109	$24,001	$18,728	$604,383	$8,975,088
10	2035	$391,208,887	$391,208,887		$1,307,850	$3,276,766	$4,584,616	$1,507,289	$2,031,117	$639,548	$191,575	$24,059	$18,774	$605,857	$8,996,979
11	2036	$367,076,602	$367,076,602		$1,227,174	$3,074,634	$4,301,807	$1,414,309	$1,905,825	$600,097	$179,757	$22,575	$17,616	$568,484	$8,441,987
12	2037	$401,494,699	$401,494,699		$1,342,237	$3,362,920	$4,705,157	$1,546,919	$2,084,520	$656,364	$196,612	$24,692	$19,268	$621,787	$9,233,531
13	2038	$390,170,711	$390,170,711		$1,304,380	$3,268,070	$4,572,450	$1,503,289	$2,025,727	$637,851	$191,067	$23,995	$18,724	$604,250	$8,973,103
14	2039	$390,891,280	$390,891,280		$1,306,789	$3,274,105	$4,580,894	$1,506,065	$2,029,468	$639,029	$191,419	$24,040	$18,759	$605,366	$8,989,675
15	2040	$392,480,402	$392,480,402		$1,312,101	$3,287,416	$4,599,517	$1,512,188	$2,037,719	$641,627	$192,198	$24,138	$18,835	$607,827	$9,026,221
16	2041	$394,956,702	$394,956,702		$1,320,380	$3,308,157	$4,628,537	$1,521,729	$2,050,576	$645,675	$193,410	$24,290	$18,954	$611,662	$9,083,171
17	2042	$384,535,476	$384,535,476		$1,285,541	$3,220,869	$4,506,410	$1,481,577	$1,996,470	$628,639	$188,307	$23,649	$18,454	$595,522	$8,843,505
18	2043	$395,676,973	$395,676,973		$1,322,788	$3,314,190	$4,636,978	$1,524,504	$2,054,315	$646,853	$193,763	$24,334	$18,989	$612,777	$9,099,736
19	2044	$370,129,414	$370,129,414		$1,237,380	$3,100,204	$4,337,584	$1,426,072	$1,921,675	$605,088	$181,252	$22,763	$17,763	$573,212	$8,512,196
20	2045	$397,450,087	$397,450,087		$1,328,715	$3,329,042	$4,657,757	$1,531,335	$2,063,521	$649,751	$194,631	$24,443	$19,074	$615,523	$9,140,513
				Total	$24,600,272	$61,634,973	$86,235,245	$28,351,646	$38,204,706	$12,029,710	$3,603,468	$452,549	$353,135	$11,395,995	$169,230,460

Source: CPA, NRG Greens Bayou 6 LLC
*Tax Rate per $100 Valuation

Table 2 examines the estimated direct impact on ad valorem taxes to the school district and Harris County, with all property tax incentives sought being granted using estimated taxable value from the application. The project has applied for a value limitation under Chapter 403, Government Code.

The difference noted in the last line is the difference between the totals in Table 1 and Table 2.

Year of project	Year	Estimated Total Taxable Value	Estimated Total Taxable Value with M&O Limitation		Galena Park ISD I&S Tax Levy	Galena Park ISD M&O Tax Levy	Galena Park ISD Total Tax Rate	Harris County Tax Levy	Houston City Tax Levy	Harris County Hospital District Tax Levy	Harris County Flood Control Tax Levy	Port of Houston Authority Tax Levy	Harris County Education Dept Tax Levy	San Jacinto Com Col Tax Levy	Estimated Total Property Taxes
				Tax Rate	0.3343	0.8376	1.1719	0.3853	0.5192	0.1635	0.0490	0.0062	0.0048	0.1549	
1	2026	$1,648,538	$1,648,538		$5,511	$13,808	$19,319	$6,352	$8,559	$2,695	$807	$101	$79	$2,553	$37,913
2	2027	$198,917,219	$1,648,538		$665,000	$13,808	$678,808	$766,408	$1,032,758	$325,190	$97,410	$12,233	$9,546	$308,059	$2,922,354
3	2028	$242,164,914	$1,648,538		$809,582	$13,808	$823,390	$933,037	$1,257,296	$395,891	$118,588	$14,893	$11,621	$375,036	$3,554,717
4	2029	$506,404,832	$254,026,685		$1,692,962	$2,127,728	$3,820,690	$1,951,127	$2,629,203	$827,871	$247,986	$31,144	$24,302	$784,259	$9,532,323
5	2030	$494,627,185	$248,137,862		$1,653,588	$2,078,403	$3,731,991	$1,905,749	$2,568,055	$808,617	$242,219	$30,420	$23,737	$766,019	$9,310,787
6	2031	$434,729,438	$218,188,988		$1,453,344	$1,827,551	$3,280,895	$1,674,969	$2,257,072	$710,696	$212,887	$26,736	$20,863	$673,257	$8,184,117
7	2032	$424,129,556	$212,889,047		$1,417,908	$1,783,159	$3,201,066	$1,634,129	$2,202,038	$693,367	$207,696	$26,084	$20,354	$656,841	$7,984,734
8	2033	$389,571,221	$195,609,880		$1,302,376	$1,638,428	$2,940,804	$1,500,979	$2,022,615	$636,871	$190,773	$23,959	$18,696	$603,321	$7,334,696
9	2034	$390,257,008	$195,952,773		$1,304,668	$1,641,300	$2,945,969	$1,503,621	$2,026,175	$637,992	$191,109	$24,001	$18,728	$604,383	$7,347,595
10	2035	$391,208,887	$196,428,713		$1,307,850	$1,645,287	$2,953,137	$1,507,289	$2,031,117	$639,548	$191,575	$24,059	$18,774	$605,857	$7,365,500
11	2036	$367,076,602	$184,362,570		$1,227,174	$1,544,221	$2,771,395	$1,414,309	$1,905,825	$600,097	$179,757	$22,575	$17,616	$568,484	$6,911,575
12	2037	$401,494,699	$201,571,619		$1,342,237	$1,688,364	$3,030,601	$1,546,919	$2,084,520	$656,364	$196,612	$24,692	$19,268	$621,787	$7,558,975
13	2038	$390,170,711	$195,909,625		$1,304,380	$1,640,939	$2,945,319	$1,503,289	$2,025,727	$637,851	$191,067	$23,995	$18,724	$604,250	$7,345,972
14	2039	$390,891,280	$390,891,280		$1,306,789	$3,274,105	$4,580,894	$1,506,065	$2,029,468	$639,029	$191,419	$24,040	$18,759	$605,366	$8,989,675
15	2040	$392,480,402	$392,480,402		$1,312,101	$3,287,416	$4,599,517	$1,512,188	$2,037,719	$641,627	$192,198	$24,138	$18,835	$607,827	$9,026,221
16	2041	$394,956,702	$394,956,702		$1,320,380	$3,308,157	$4,628,537	$1,521,729	$2,050,576	$645,675	$193,410	$24,290	$18,954	$611,662	$9,083,171
17	2042	$384,535,476	$384,535,476		$1,285,541	$3,220,869	$4,506,410	$1,481,577	$1,996,470	$628,639	$188,307	$23,649	$18,454	$595,522	$8,843,505
18	2043	$395,676,973	$395,676,973		$1,322,788	$3,314,190	$4,636,978	$1,524,504	$2,054,315	$646,853	$193,763	$24,334	$18,989	$612,777	$9,099,736
19	2044	$370,129,414	$370,129,414		$1,237,380	$3,100,204	$4,337,584	$1,426,072	$1,921,675	$605,088	$181,252	$22,763	$17,763	$573,212	$8,512,196
20	2045	$397,450,087	$397,450,087		$1,328,715	$3,329,042	$4,657,757	$1,531,335	$2,063,521	$649,751	$194,631	$24,443	$19,074	$615,523	$9,140,513
				Total	$24,600,272	$40,490,788	$65,091,060	$28,351,646	$38,204,706	$12,029,710	$3,603,468	$452,549	$353,135	$11,395,995	$148,086,274
				Diff	$0	$21,144,185	$21,144,185	$0	$0	$0	$0	$0	$0	$0	$21,144,185

Source: CPA, NRG Greens Bayou 6 LLC
*Tax Rate per $100 Valuation

Disclaimer: This examination is based on information from the application submitted to the comptroller.

Attachment D – Compelling Factor

The Comptroller determines that the limitation on appraised value is a compelling factor in a competitive site selection and that, in the absence of the agreement, the applicant would not make the proposed investment in this state. This represents the Comptroller's determination. This is based on the information available at the time of review, including information provided by the applicant.

Methodology
The Comptroller shall review any information available to the Comptroller including:

- the application;
- any public documents and statements relating to the applicant, the proposed project or the proposed eligible property that is subject to the application;
- official statements by the applicant, government officials or industry officials concerning the proposed project;
- alternative sites and prospects explored including any specific incentive information;
- any information concerning the proposed project's impact on the Texas economy;
- previous applications for and subsequent granting of economic development incentives;
- documents pertaining to the proposed project's financials, real estate transactions, utilities, infrastructure, transportation, regulatory environment, permits, workforce, marketing, existing facilities, nature of market conditions, and raw materials that demonstrate whether the incentive is a compelling factor in a competitive site selection process to locate the proposed project in Texas; and
- any other information that may aid the comptroller in its determination.

Specifically, the Comptroller notes the following:

- Per Applicant in Tab 2 of their Application for a Taxable Value Limitation on Eligible Property:
  A. "NRG proposes to expand up to three of its existing power generation facilities in Texas, one of which is NRG Greens Bayou, which would help address projected power generation capacity shortfalls in Texas's electricity market. The existing NRG Greens Bayou power generation complex contemplated for expansion in this application is located in GPISD. ... The Project would consist of one natural gas-fired combustion turbine in a simple-cycle configuration."
- Per Applicant in Tab 3 of their Application for a Taxable Value Limitation on Eligible Property:
  A. "At the time of filing this application, NRG has active applications in the Texas Energy Fund In-ERCOT Generation Loan Program (TEF Program) to finance the construction of three plant development projects at existing generation complexes."
  B. NRG Greens Bayou 6 LLC, NRG THW GT LLC, and NRG Cedar Bayou 5 LLC are currently in the due diligence process for construction loans to be provided by the Public Utility Commission of Texas (PUCT) under the Texas Energy Fund (TEF) Program."
- Per Applicant in Tab 7 of their Application for a Taxable Value Limitation on Eligible Property:
  A. "As part of its multi-state evaluation of where new electricity generation assets could be constructed and operated, within various state regulatory frameworks, NRG proposes to make a significant capital investment in new power generation capacity at up to three of its existing power generation complexes in Texas. The sites under consideration are the existing NRG TH Wharton, NRG Greens Bayou, and NRG Cedar Bayou power generation complexes currently operating as part of NRG's national power generation portfolio of sites. Consistent with the unique business cases presented by the potential investments, NRG is submitting a separate JETI application for each of the three proposed projects with this application for expansion at Greens Bayou being the third of three (the first and second of the three projects/Texas sites under consideration being the proposed expansions at the existing TH Wharton power generation facility in Harris County/Cypress-Fairbanks ISD and the existing Cedar Bayou power generation facility in Chambers County/Goose Creek CISD).

B. "Each of the three Texas sites under consideration is being evaluated through cost-benefit analyses and compared to alternative investment scenarios outside of Texas, including expanding existing NRG-owned and operated power generation complexes in other US states."
C. "Given the distinctly separate project costs, incentive benefits, financing/debt terms, and myriad other project development cost and feasibility factors, NRG is considering the approval and development of one, or two, or all three of the proposed projects in Texas."
D. "NRG has determined that financial viability at the Texas sites is contingent upon economic development support in the form of low-interest loans, completion bonus grants and tax abatement partnerships. Without this support, the projected costs for the new proposed power plants in Texas are likely to be lower than competing investment scenarios outside of Texas, and inconsistent with Board of Directors expectations for approval."
E. "The public earnings documents cited for reference illustrate and document the highly contingent nature of a Final Investment Decision (FID) to approve any of the three proposed expansions at existing NRG Texas facilities including the materiality of available incentive support. ... As representatives of its shareholders' collective interests, the NRG Corporate Board must reach a final investment decision based on the financial viability of each proposed project and such assessment will include evaluating the benefits of any state and local incentives."

- Confidential information submitted by the applicant included information regarding alternate locations being objectively reviewed outside of the state of Texas.
- Per an August 1, 2023 Power Magazine article:
  A. "NRG segments its operations with a geographical focus: Texas, the East, and the West."
  B. "During the [investor held] event [in June 2023], [CEO] Gutierrez also unveiled NRG's development of three 'brownfield' projects – a combined 1.5 GW – in Texas: a 413-MW gas peaker at TH Wharton, a 436-MW gas peaker at Greens Bayou, and a 689-MW combined cycle gas turbine project at Cedar Bayou."
  C. "While Gutierrez suggested NRG already has a diverse fuel mix and merit order, and 70% of its fleet is now located in Texas, he said the company's generating future will be highly more strategic."
- According to a NRG press release dated June 10, 2024:
  A. "Texas is projected to have the fastest growing electricity sector of any market in the United States... The state expects electricity consumption to grow by 65 gigawatts (65,000MW), or nearly 77% through 2030."
  B. "NRG urges advancement of any truly shovel-ready projects to meet the demands of the state's growing and electrified economy. Our three shovel-ready projects have been in development for five years and are among the select few projects positioned to bring much needed flexible and dispatchable generation to the state this decade."
  C. "Following approval, NRG would begin construction on two of the three facilities as early as October of this year. These plants are expected to create lasting economic and community benefits through permanent positions and hundreds of construction jobs."
- Per a June 18, 2024 Houston Chronicle article:
  A. "NRG Energy, one of the largest power generation companies in Texas, said it won't build 'shovel-ready' natural gas power plants that could supply at least 400,000 homes unless it knows by September if it will receive $925 million in low-interest loans from a taxpayer backed fund...The loans would come from the Texas Energy Fund, which was approved by voters in November to back construction of gas-fired power plants to connect to the grid operated by the Electric Reliability Council of Texas."
  B. "More than 340 gigawatts of resources are in ERCOT's development pipeline, the bulk of them solar and battery storage, [CEO Pablo] Vegas said. State leaders, however, have pushed for the urgent development of new natural gas power plants that can adjust their electricity output at ERCOT's command."
- Per NRG's Energy Q1 2024 Earnings Presentation dated May 7, 2024:
  A. "Competitive Markets Are Uniquely Positioned, Texas Stands out [because of] business-friendly policies and culture, energy & interconnection policies enable quick interconnection for data

centers and power plant development, abundance of land close to long-haul fiber networks and energy infrastructure..." (Pg 7)
   B. "NRG stie Location [s are] California, Texas, New York, Delaware, Illinois...21 Sites/ 21k Acres Real Estate Portfolio Provides Opportunity to Create Significant Shareholder Value." (Pg 12)
- According to a Houston Chronicle article dated March 1, 2025:
   A. "The four power plants are planned for two markets... Those are the Electricity Reliability Council of Texas, which operates the isolated Texas power grid, and PJM, which operates the grid in Virginia, the world's largest market for data centers, and other northeast states."
   B. "As for NRG, in addition to the four new power plants announced Wednesday, the company plans to build three gas-fired plants totaling 1.5 gigawatts of capacity in the Houston area. Two of those plants, totaling 1.1 gigawatts, are finalists for taxpayer-backed loans from the state's Texas Energy Fund program."
- According to a Houston Public Media article dated March 5, 2025:
   A. "NRG said it has partnered with energy company GE Vernova and The Industrial Company (TIC), an engineering, construction and procurement company. The goal of the project is to advance the construction of four natural gas combined cycle power plants. Each plant is expected to produce more than 5 gigawatts."
   B. "In the announcement, NRG Executive Vice President Robert Gaudette said the new plants will be necessary to keep up with the exponentially increased power need associated with the AI industry. 'The growing demand for electricity in part due to GenAI and the buildup of data centers means we need to form new, innovative partnerships to quickly increase America's dispatchable generation,' Gaudette said. 'Working together, these three industry leaders are committed to executing with speed and excellence to meet our customers' generation needs.'"
   C. "Although NRG did not immediately respond to a request for comment regarding exactly where the new plants will be built, the company said the new facilities will serve the Electric Reliability Council of Texas (ERCOT), which operates the Texas power grid, and the Pennsylvania-New Jersey-Maryland (PJM) regions."

Supporting Information

a) Compelling Factors section of the Application for a Taxable Value Limitation on Eligible Property
b) Attachments provided in Tab 2 of the Application
c) Attachments provided in Tab 3 of the Application
d) Attachments provided in Tab 7 of the Application
e) Additional information provided by the Applicant or located by the Comptroller

Disclaimer: This examination is based on information from the application submitted to the comptroller. It is intended to meet the statutory requirement of Section 403.609 of the Government Code and is not intended for any other purpose.

Supporting Information

Compelling Factors section of the Application for a Taxable Value Limitation on Eligible Property

Compelling Factors

Has the applicant entered into any agreements, contracts or letters of intent related to this project?

Yes

Has the applicant made any publicly available statements regarding the proposed project?

Yes

Has the applicant applied for or received any federal, state or local permits for activities at the proposed project site?

Yes

Supporting Information

Attachments provided in Tab 2 of the Application for a Taxable Value Limitation on Eligible Property

KROLL

Tab 2 – Description of Project - Revised

Section 4: Project Information – Question 1

In Tab 2, provide a detailed description of the proposed project. Include a legal description of the real property on which the proposed project will be located and the address, if known.

NRG Greens Bayou 6 LLC (GB), an entity formed by NRG Energy, Inc. (NRG) for the evaluation and consideration of developing a new power plant within the boundaries of its existing NRG Greens Bayou power production complex in Harris County, TX is requesting an appraised value limitation from Galena Park Independent School District (GPISD) for the contemplated Project described herein.

As further outlined in this application and attached documentation, NRG proposes to expand up to three of its existing power generation facilities in Texas, one of which is NRG Greens Bayou, which would help address projected power generation capacity shortfalls in Texas's electricity market. The existing NRG Greens Bayou power generation complex contemplated for expansion in this application is located in GPISD. The proposed Project would be the construction of an additional 455 megawatt (MW) electric power generation plant at the same 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 simple-cycle configuration.

The proposed Project would be a simple-cycle facility utilizing the new, trusted GE 7HA.03 advanced class combustion turbine, manufactured by General Electric. The heavy-duty gas turbine features a robust design that provides rapid startup time and shutdown capabilities, as well as other enhanced operability functions, all while retaining key performance criteria. The design of the 7HA class turbine from GE would be a significant improvement in power and efficiency over older generation turbines, allowing the 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 previous industry technologies, reducing overall amounts of nitrous oxide, carbon dioxide, unburned hydrocarbons, and other volatile organic compounds. The turbine is designed for flexible and efficient power generation and is capable of operating in the future on greater than 50% hydrogen, as a low carbon alternative fuel.

As currently proposed, the Project would be developed on approximately 6 acres within Harris County, inside of an enterprise zone on land generally south of US Route 90 and west of Irene Road.

The estimated capital investment required to construct the Project is approximately $550 million in real and personal property, including the detailed proposed improvements listed in Tab 5. It is anticipated that the Project would create approximately 250 construction jobs during the peak of its development phase and upon completion, up to 14 permanent, full-time positions to operate the facility.

The Harris County Appraisal District parcel ID, legal description, and address for the proposed project are listed below:

Parcel ID	Legal Description	Address/Location
0410240000065	TR 7 ABST 68 E SHIPMAN	0 OLD BEAUMONT HWY HOUSTON TX 77049
0410150010034	TR 14 (IMPS ONLY) (LAND*0410150010014) (POLLUTION CONTROL) ABST 59 REELS & TROBOUGH	12070 OLD BEAUMONT HWY HOUSTON TX 77049
041024000009	TR 11 ABST 68 E SHIPMAN	0 OLD BEAUMONT HWY HOUSTON TX 77049

Supporting Information

Attachments provided in Tab 3 of the Application for a Taxable Value Limitation on Eligible Property

KROLL

Tab 3 – Public Funding - Revised

Section 4: Project Information – Question 8

List any grants or loans of public money this project is receiving or expects to receive in Tab 3.

At the time of filing this application, NRG has active applications in the Texas Energy Fund In-ERCOT Generation Loan Program (TEF Program) to finance the construction of three power plant development projects at existing generation complexes.

NRG Greens Bayou 6 LLC, NRG THW GT LLC, and NRG Cedar Bayou 5 LLC are currently in the due diligence process for construction loans to be provided by the Public Utility Commission of Texas (PUCT) under the Texas Energy Fund (TEF) Program.

State and local incentives under consideration for the Project's final site determination include the following:

- TEF Programs
  - In-ERCOT Generation low-interest rate Loan Program
  - Completion Bonus Grant Program

The estimated benefit of the above incentives (if approved) is as follows:

Program	Estimated Value
In-ERCOT Generation Loan	20-year loan at an incentive, fixed interest rate of 3%, estimated $90,600,000 present value
Completion Bonus Grant	$80-120k per MW, based on Commercial Operations Date, estimated $16,700,000 present value

Supporting Information

Attachments provided in Tab 7 of the Application for a Taxable Value Limitation on Eligible Property

Tab 7 – Limitation as a Compelling Factor

Section 9: Limitation as a Compelling Factor – Question 1-4

In Tab 7, explain how the limitation is a compelling factor in a competitive site selection process. Provide information regarding potential project sites outside of Texas and include incentive offers, permits obtained or any incentive programs applied to.

Project Competitiveness

NRG is evaluating the financial and technical viability of constructing several new power plants at various proposed locations in the United States, including three existing sites in the greater Houston area. As part of its multi-state evaluation of where new electricity generation assets could be constructed and operated, within various state regulatory frameworks, NRG proposes to make a significant capital investment in new power generation capacity at up to three of its existing power generation complexes in Texas.

The sites under consideration are the existing NRG TH Wharton, NRG Greens Bayou, and NRG Cedar Bayou power generation complexes currently operating as part of NRG's national power generation portfolio of sites. Consistent with the unique business cases presented by the potential investments, NRG is submitting a separate JETI application for each of the three proposed projects with this application for expansion at Greens Bayou being the third of three (the first and second of the three projects/Texas sites under consideration being the proposed expansions at the existing TH Wharton power generation facility in Harris County/Cypress-Fairbanks ISD and the existing Cedar Bayou power generation facility in Chambers County/Goose Creek CISD). Each of the three Texas sites under consideration is being evaluated through cost-benefit analyses and compared to alternative investment scenarios outside of Texas, including expanding existing NRG-owned and operated power generation complexes in other US states. In fact, the GE 7HA.03 combustion turbine that could be used for NRG Greens Bayou was originally designed and targeted to an NRG site in Astoria, New York. Given the distinctly separate project costs, incentive benefits, financing/debt terms, and myriad other project development cost and feasibility factors, NRG is considering the approval and development of one, or two, or all three of the proposed projects in Texas.

The projected cost-benefit of developing the NRG Greens Bayou 6 LLC Project in Texas is being compared to allocating the same capital resources to another state or abroad. NRG has determined that financial viability at the Texas sites is contingent upon economic development support in the form of low-interest loans, completion bonus grants and tax abatement partnerships. Without this support, the projected costs for the new proposed power plants in Texas are likely to be lower than competing investment scenarios outside of Texas, and inconsistent with Board of Directors expectations for approval.

To reduce the projected costs associated with developing the Project and demonstrate financial viability, NRG seeks support from the Texas Comptroller of Public Accounts, Governor's Office of Economic Development, and Galena Park ISD for a JETI application and ten-year value limitation on new, eligible real and personal property associated with the Project. Without the requested support, the Project may not meet the standard for financial viability at the proposed site in Texas, and the investment options at sites outside of Texas would have to be prioritized. Should NRG elect to forgo investment in Texas and relocate the capital proposed for the Project outside the state, the consequence is the loss of high-demand machinery and equipment to other states, international competitors and/or locations abroad.

NRG has capital cost data, operating history, and revenue estimates to inform its decision on where to locate the proposed new power generation capacity (Project) given limited capital resources. In evaluating the competing scenarios throughout its power generation footprint, NRG must maintain its fiduciary responsibility to stakeholders and provide its corporate board all the information it would need to properly consider investing in Texas via the Project versus each alternative investment scenario. Additional details on the alternative scenarios are strictly confidential, subject to Section 403.621 of the Texas Tax Code. Disclosure of this highly sensitive information would harm NRG's ability to compete in the marketplace and could result in the cancellation of the Project.

Kroll has supplied NRG's most recent quarterly earnings presentation from Q4 2024 in the pages below. The public earnings documents cited for reference illustrate and document the highly contingent nature of a Final Investment Decision (FID) to approve any of the three proposed expansions at existing NRG Texas facilities including the materiality of available incentive support.

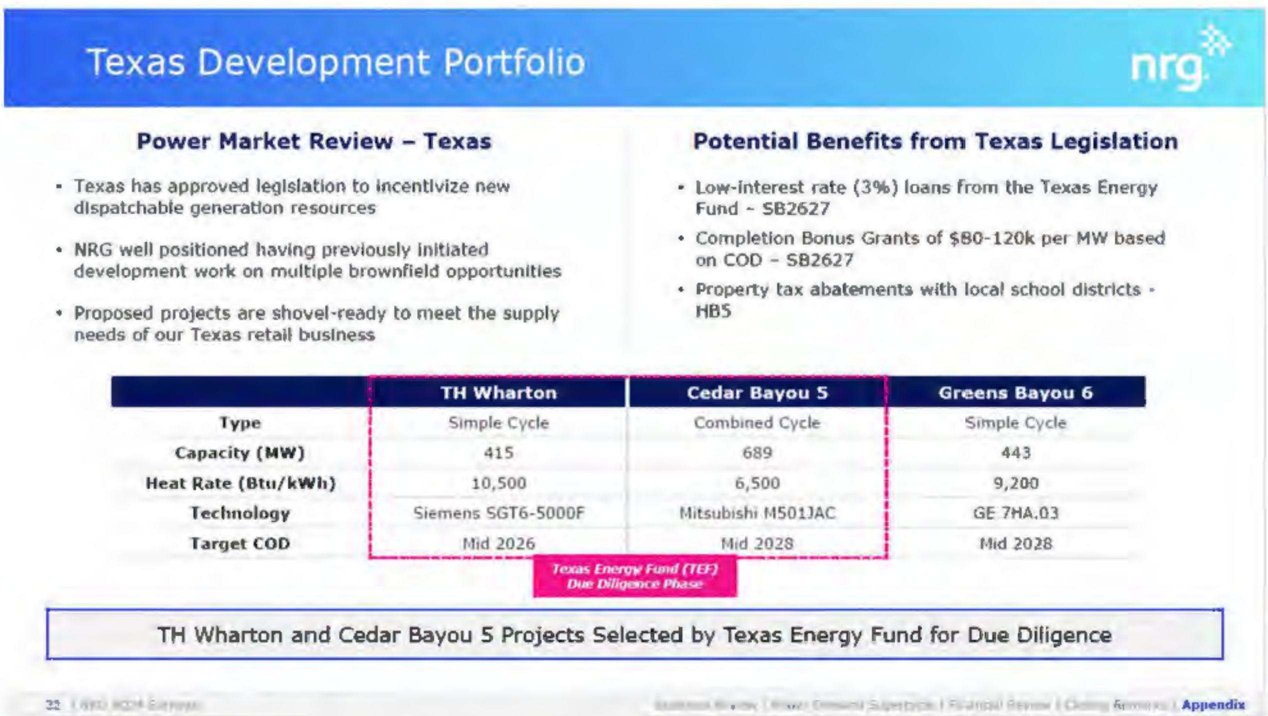
Slide 22 of the presentation shows all three existing sites under separate and distinct consideration (TH Wharton, Cedar Bayou 5, and Greens Bayou 6), as currently under evaluation for FID approval and commitment to development. The slide is attached as additional evidence that NRG is continuously evaluating the viability of investing in these three proposed sites in Texas, critically including potential financial benefits from state and local incentives. As representatives of its shareholders' collective interests, the NRG Corporate Board must reach a final investment decision based on the financial viability of each proposed project and such assessment will include evaluating the benefits of any state and local incentives. Since this presentation was published, the capacity has been updated to 455 megawatt (MW).

Please see additional statement in the Confidential Supplement to the Application.

Public Statements Regarding the Project

Any public statement made by NRG regarding the Project contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms.

Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated in published statements and materials about the Project include, among others, risks and uncertainties related to the capital markets generally.



	TH Wharton	Cedar Bayou 5	Greens Bayou 6
Type	Simple Cycle	Combined Cycle	Simple Cycle
Capacity (MW)	415	689	443
Heat Rate (Btu/kWh)	10,500	6,500	9,200
Technology	Siemens SGT6-5000F	Mitsubishi M501JAC	GE 7HA.03
Target COD	Mid 2026	Mid 2028	Mid 2028

Figure 7: NRG Energy, Inc. Fourth Quarter and Full Year 2024 Earnings Presentation, Slide 22

NRG Applies to the Texas Energy Fund to Bring Essential Dispatchable Power to ERCOT

NRG Energy, Inc.
Jun 10, 2024 • 3 min read

Share

- Three new shovel-ready projects totaling more than 1,600 megawatts that we believe are among the few that can be completed this decade.
- Timely approval will enable NRG to deliver essential, dispatchable generation to ERCOT as early as summer 2026.

HOUSTON--(BUSINESS WIRE)--Jun. 10, 2024-- Today, NRG Energy Inc. (NYSE: NRG) submitted the first of three loan applications to the Texas Energy Fund (TEF) to develop the previously announced 1,600 megawatts (MW) (1.6 Gigawatts) of new quick-start natural gas power generation in the Electric Reliability Council of Texas (ERCOT). The TEF is administered by the Public Utility Commission of Texas (PUCT).

This first application is for a new 721 MW natural gas combined cycle unit at NRG's Cedar Bayou plant in Baytown, Texas. In the coming weeks, the company plans to submit applications for two quick-start natural gas peaking projects near Houston: the 455 MW project at TH Wharton and the 456 MW unit at Greens Bayou. NRG anticipates that these three projects will be capable of supplying power to customers in under 30 minutes. Completion of these projects is contingent upon timely loan approvals from the PUCT and tax abatements by local authorities.

"Texas is projected to have the fastest growing electricity sector of any market in the United States," said Larry Coben, NRG Chair, Interim President and CEO. "The state expects electricity consumption to grow by 65 gigawatts (65,000MW), or nearly 77% through 2030. NRG urges advancement of any truly shovel-ready projects to meet the demands of the state's growing and electrified economy. Our three shovel-ready projects have been in development for five years and are among the select few projects positioned to bring much needed flexible and dispatchable generation to the state this decade."

Following approval, NRG would begin construction on two of the three facilities as early as October of this year. These plants are expected to create lasting economic and community benefits through permanent positions and hundreds of construction jobs.

About NRG

NRG Energy is a leading energy and home services company powered by people and our passion for a smarter, cleaner, and more connected future. A Fortune 500 company operating in the United States and Canada, NRG delivers innovative solutions that help people, organizations, and businesses achieve their goals while also advocating for competitive energy markets and customer choice. More information is available at www.nrg.com. Connect with NRG on Facebook, Instagram, LinkedIn and X.

Safe Harbor

This communication contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, risks and uncertainties related to the capital markets generally.

Figure 8: NRG Energy, Inc. June 10, 2024 Press Release

Permitting Information

Please see below for the list of applied federal, state, local permits regarding activities at the Project site.

Permit/ Authorization	Granting Agency	Description	Timing/ Status
Clean Water Act (CWA) Section 404 Nationwide Permit	USACE	Allows for dredge and fill impacts to waters of the U.S.	Does Not Apply Project design avoids discharge of dredge or fill to waters of the U.S., and thus no permit is needed
TPDES Stormwater General Permit (Construction Activities) – TXR150000	TCEQ	Authorizes stormwater discharges from construction activities that are >1 acre; Stormwater Pollution Prevention Plan (SWPPP) required	Notice of intent (NOI) for coverage under general permit to be submitted by EPC Contractor electronically prior to commencing construction; SWPPP to be developed prior to NOI submittal. Coverage under the General Permit is automatic upon electronic registration.
New Source Review (NSR) Permit Prevention of Significant Deterioration (PSD) Permit	TCEQ	Authorizes emissions of air contaminants, including greenhouse gases, from the Project	Completed NSR Permit No. 171485, PSDTX1616, Nonattainment Permit N308; GHG PSDTX230 issued September 2023 to NRG Greens Bayou 6 LLC TCEQ granted extension of the Start of Construction deadline to September 15, 2026
Federal Aviation Administration (FAA) Notice	FAA	Notice required if structures >200 ft high or meet regulatory height/distance ratios from nearby airports or heliports	Completed Notice submitted and Determination of No Hazard (DNH) to Air Navigation issued on April 12, 2023 Extension of DNH until April 7, 2026, approved

			by FAA on October 7, 2024

Figure 9: Pre-Construction Permit Table

Permit/ Authorization	Granting Agency	Description	Timing/ Status
TPDES Industrial Stormwater Multi-sector General Permit (MSGP) – TXR050000	TCEQ	Authorizes stormwater associated with industrial activities into or adjacent to water in the state	Does not apply Exempt from needing coverage pursuant to Part V, Section O(3)(b) of the MSGP
TPDES Industrial Wastewater Permit	TCEQ	Authorizes discharge of industrial wastewater to water in the state	With concurrence of TCEQ, it was determined that no amendment is necessary. Discharge is authorized under existing TPDES Permit No. WQ0001031000.
Water Supply Agreement	City of Houston	Contract for 4.33 MGD with peak rate of 4,210 GPM	Completed Water supplied to Project under existing Water Supply Agreement with the City of Houston pursuant to Existing Complex Services Agreement
Groundwater Well Permit No. WP2023117643	Harris-Galveston Subsidence District	Authorizes groundwater water supply for site	Completed Water supply from existing wells will be provided to Project pursuant to Existing Complex Services Agreement; no amendment to permit necessary
Public Water System (PWS) Registration	TCEQ	If serving 25 people >60 days/year, register as a non-transient, non-community Purchased water system	Current PWS Registration for site to be reactivated as needed if number of employees exceeds trigger for registration requirement
Title V Federal Operating Permit	TCEQ	Authorizes air emissions during operations	Operation authorized upon timely filing of Application; To submit application at Full Notice to Proceed (FNTP)

Acid Rain Permit Cross-State Air Pollution Rule Group 2 NOx Ozone Season Trading Program	TCEQ/EPA	Permit and SO2 emissions cap and trade program Ozone season NOx emissions cap and trade program	Included within Title V permit
Industrial and Hazardous Waste Notice of Registration (NOR)	TCEQ	Required if hazardous or industrial solid waste under TCEQ jurisdiction is stored, processed, or disposed of on-site or if generating >100 kg/month Class 1 or hazardous waste	Completed Project's waste will be included in the site's existing Solid Waste Registration #31634
EPA ID Number	TCEQ/EPA	Required for small and large quantity generators and some conditionally-exempt small quantity generators	Completed Project's waste will be included in the site's existing EPA ID # TXD000837435
Hazardous Materials Registration	U.S. DOT	Authorizes transportation of hazardous materials	Completed Project's transportation of hazardous materials is covered by the site's existing registration
Local Noise Ordinance	City of Houston	Authority to regulate noise is found in Texas Local Government Code Chapter 51	Engineering studies have been completed showing the Project complies with the regulations

Figure 10: Operations Permit Table

Supporting Information

Additional information provided by the Applicant or located by the Comptroller

NRG Energy's Pivot Amid Power Sector Change

Once a giant pure-play independent power producer, NRG Energy has cultivated a legacy of pioneering business models to withstand waves of change in the power sector. Its latest strategic shift pivots from megawatts generated to customers served.

A mere decade ago, NRG Energy, which described itself as a "competitive power and energy company," held a massive 48-GW generating fleet with assets dispersed throughout the U.S. By the end of 2022, the company had accomplished a remarkable corporate overhaul, ridding itself of nearly two-thirds of that capacity and regenerating itself as a "consumer services company built on dynamic retail brands." But while significant, that transformation has represented only one stage of the company's elaborate metamorphosis.

NRG Energy's foundation is embedded in Northern States Power Co. (NSP), a Minneapolis-based publicly-held energy firm that also spawned regulated utility giant Xcel Energy. According to the Minnesota Historical Society, NSP's roots were first sown by entrepreneur Henry Marison Byllesby. Byllesby—who in 1881 as a 22-year-old engineering school dropout joined Thomas Edison as a draftsman for a power plant in New York—went on to cultivate solid experience in the then-burgeoning power industry with stints at Westinghouse, Portland General Electric Co. In 1902, Byllesby established an engineering and operating firm in Chicago with renowned financier and utility consolidator Samuel Insull.

While Byllesby in 1909 began the Washington County Light and Power Co., Byllesby and Insull in 1909 established utility holding companies NSP and Standard Gas and Electric in 1910. By the time Byllesby and Insull parted ways in 1912, NSP had snapped up several companies, including its flagship holding, Minneapolis General Electric. In the decades that followed, NSP rapidly expanded. Despite setbacks posed by the Public Utility Holding Company Act of 1935, the company had become one of the top 10 utilities by the mid-1950s.

A Non-regulated Opportunity

As a horizon for deregulation began to emerge in the late 1980s, NSP tasked David Peterson to start a new business that could acquire, build, own, and operate non-regulated power and energy segments. Peterson—a 25-year company veteran who had climbed the ranks starting in power plants and rising to running corporate fuel supply—in 1989 began leading NRG Energy as a wholly owned NSP subsidiary.

Powered initially by a series of cogeneration power plants in California, NRG Energy was formally incorporated as a Delaware corporation in 1992. By 1993, the company had branched out internationally, acquiring interests in plants in Latin America, Germany, the Czech Republic, and Australia. Within a decade, the company's power capacity surged to 11 GW, padded by major fossil power acquisitions like Dunkirk and Huntley in upstate New York and combustion turbines in California.

However, in an effort to gain more business clout as restructuring gained steam, NSP merged with New Century Energies, a Colorado-based mid-sized public utility holding company. While the merged companies rebranded to create Xcel Energy, NRG, then already a hefty generator with a 15-GW fleet, was spun off as an independent entity. Xcel, however, still owned a 74% interest in the nascent NRG after it completed a public offering, and NRG largely functioned as an Xcel subsidiary.

At the time, NRG, still headquartered in Minneapolis, was bent on an aggressive expansion, highly optimistic that the U.S. power generation sector would evolve away from regulation based on cost-of-service pricing to an independent power generation market based on competitive market pricing. Within a year, the company had extended its full or partial ownership to 76 generation projects—a combined 24 GW, including 5 GW located outside the U.S.

But much of the expansion, including the construction of new projects, required intensive capital, and the majority was fulfilled with third-party debt. In 2002, as an economic downturn froze the market, NRG's financial burden became significantly heavier. Struggling to pay off a $9.4 billion debt it had accumulated on its balance sheet through "aggressive purchases," the company and 25 subsidiaries in May 2003 voluntarily filed for Chapter 11 bankruptcy protection and began a comprehensive restructuring. While the bankruptcy forced NRG to sell off assets—including most of its foreign fleet—and halt construction of nearly 4 GW of new projects, it eliminated Xcel's equity ownership and allowed the company to relaunch as an independent public company.

1. NRG Energy has owned a 44% share of the 2.6-GW South Texas Project Electric Generating Station (STP) nuclear power plant located in Bay City, Texas, since 2006, along with municipal utilities CPS Energy (40%) and Austin Energy (16%). Under a definitive agreement announced in June 2023, NRG will sell its stake in STP to Constellation Energy. Courtesy: NRG

Establishing a Significant Competitive Energy Foothold

By 2006, buoyed by market forces, NRG had resumed its expansion spree. Its most significant acquisition during that period was of Texas Genco, whose generating assets in the Electric Reliability Council of Texas (ERCOT) comprised 10.4 GW, many of which NRG retains today as its core generating base in Texas. These include major baseload coal and nuclear plants, and intermediate, cyclic, and natural gas assets, such as the mammoth 2.5-GW coal-fired W.A. Parish plant, the 1.6-GW coal-fired Limestone plant, the 1.4-GW Cedar Bayou natural gas plant, and an undivided 44% interest in two nuclear generation units at the 2.6-GW South Texas Project Electric Generating Station (STP, Figure 1).

In 2009, while still chiefly a competitive power generator with a 24-GW fleet, the company acquired Reliant Energy, a substantial retail franchise in Texas. It also began to concertedly consider investments in technologies that emitted no greenhouse gases (GHG), including Bluewater Wind, a pioneering offshore wind development envisioned as a 200-MW project (though it abandoned the project two years later, unable to secure co-investors). And a year later, it acquired Green Mountain Energy, a retailer styled on providing "cleaner energy and carbon offset products."

By 2012, NRG had begun describing itself as an "integrated wholesale generation and retail electricity company," but it added a new suite of investments in a bid to expand its "alternative energy" holdings, which were composed of new carbon-mitigating technologies such as solar PV, distributed solar, solar thermal, and carbon capture. At the time, with significant prescience, the company forecast that the energy industry would embrace "a long-term societal trend towards sustainability" and that an information technology–driven revolution would bolster personal choice in the consumer economy.

Still, 2012 proved to be a pivotal year in which NRG vastly expanded its fossil fleet through a $1.7 billion merger with GenOn. The merger added a 21-GW wholesale fleet based in PJM Interconnection, ISO-New England, and the New York Independent System Operator (NYISO) to NRG's portfolio. The combined company made NRG—now outfitted with a massive 46-GW asset base—the largest competitive power company in the U.S., and it shifted its largest sources of capacity revenue to capacity auctions in the East. "This combination ushers in a new era of scale, scope, and market and fuel diversification in the competitive power industry," NRG's then-CEO, David Crane, said at the time.

Despite a series of disruptions, including new stringent federal environmental rules, NRG, led by Crane, continued its enlargement. In a manifesto penned in 2014, Crane envisioned NRG could function like an Amazon, Apple, Facebook, and Google of electricity, playing a transformative role in connecting customers with energy-generating potential and empowering them to make their own electricity consumption choices. Crane further broadened NRG's investments with visionary flair into offshore wind, rooftop solar, electric vehicle charging, and home automation. However, the company also continued its thermal fleet expansion. In 2014, pivotally, it acquired Midwest Generation from Edison Mission Energy, adding a substantial 8-GW fleet of mostly fossil capacity, including Joliet, Waukegan, and Will County, giant coal plants in Illinois.

By 2015, NRG's fleet had crested to 52 GW, and its business had expanded beyond plant operations. NRG now fostered a business entity that provided engineering, procurement, and construction, and other energy services. And, along with a "Home" consumer-facing business, which included its retail brands, it had established NRG Yield to own, operate, and acquire diversified contracted renewable and conventional generation and thermal infrastructure assets.

2. NRG Energy and partner JX Nippon operated Petra Nova, a $1 billion carbon capture and sequestration (CCS) project in Thompsons, Texas, over a three-year demonstration period starting in December 2016. The project, POWER's 2017 Plant of the Year, captured 92.4% of carbon dioxide from flue gas slipstream at the adjacent coal-fired unit W.A. Parish unit. Economic conditions rooted in the collapse of oil and power prices at the outset of the COVID pandemic prompted the partners to place Petra Nova in reserve shutdown in May 2020. While NRG sold its share in the pioneering project to JX Nippon in September 2022, the Japanese firm returned the iconic unit to service in September 2023. *Courtesy: NRG Energy*

Navigating Market Volatility

However, the rapid growth failed acceptance on Wall Street, and worse, it saddled the company with increased complexity, particularly as wholesale market conditions began to distort, shaken by an influx of state and federal intervention to establish incentives for renewables and nuclear. Anticipating new troubles, NRG at the end of 2015 installed a new CEO, Mauricio Gutierrez. (Gutierrez in November 2022 departed NRG amid a major leadership reshuffle partly influenced by activist investor firm Elliott Investment Management.)

Cognizant of the unprecedented disruptions, Gutierrez, who had climbed the ranks and previously served as NRG's former chief operating officer, was widely quoted for declaring that the independent power producer model "is now obsolete and unable to create value in the long term."

A major concern rested on GenOn, which had been financially crippled by falling wholesale power prices and capacity prices spurred primarily by the glut of cheap gas. GenOn only stayed profitable because it sold assets to rebalance its portfolio, which entailed retiring uneconomic coal plants and converting them to gas where economical. After GenOn's debt-holders filed a suit against NRG in December 2016, alleging breaches of fiduciary duty, NRG in a stunning move in May 2017 relinquished GenOn's 15.4-GW fleet—nearly a third of its fleet—to its creditors.

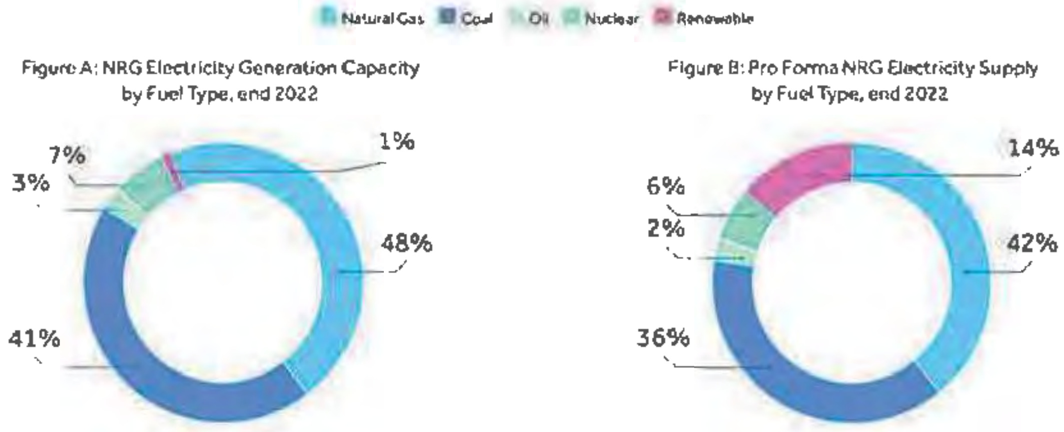
Seeking to cast off nearly $13 billion in debt and shave exposure to environmental and cyclical commodity price risks, NRG in the following years began a series of generating asset divestments, starting with interests in NRG Yield (a 3.4-GW portfolio that later morphed into Clearway Energy) and its 3.6-GW South Central portfolio. By 2019, its asset sales resulted in $3 billion in cash proceeds, the removal of $8 billion in consolidated debt, and a simplified corporate structure. Notable recent asset sales include its 44% (1.2-GW) equity interest in STP—its sole nuclear asset—to Constellation Energy for a $1.75 billion purchase price.

During the same period, however, the company's transformation has led it further into the retail space. In 2018, it bought North Carolina–based XOOM Energy for $210 million, and in 2019, it bought Stream Energy, a "direct selling" retailer that operates in Texas, Pennsylvania, and other Eastern markets for $300 million. Then, in 2021, it acquired Direct Energy for $3.6 billion. Earlier this year, it closed on the $2.8 billion purchase of Vivint Home, a "smart-home" platform that it claims will be integral to its current business model.

Cultivating a Concerted Focus on Retail

Profoundly less commodity-based and more customer-focused, NRG today considers itself "one of the largest competitive energy retailers in the U.S." The core of its business, it says, "is the sale of electricity and natural gas to residential, commercial and industrial [C&I], and wholesale customers."

NRG segments its operations with a geographical focus: Texas, the East, and the West. In its Texas segment—serving ERCOT—the company's generation supply is "fully integrated" with its retail load, allowing the company to supply a portion of its retail customers with its Texas asset base. This approach "reduces the need to sell electricity to and buy electricity from other institutions and intermediaries, resulting in stable earnings and cash flows, lower transaction costs, and less credit exposure," the company explains. "The integrated model also results in a reduction in actual and contingent collateral through offsetting transactions, thereby reducing transactions with third parties."



3. NRG Energy's electricity supply by fuel type at the end of 2022. The company's owned generation capacity (Figure A) served about one-third of the 155 TWh of its sold power in 2022. The remaining two-thirds were served by third-party market purchases of power for resale. Figure B represents NRG generation capacity plus current and future renewable electricity capacity from power purchase agreements (PPAs). At the end of 2022, NRG had signed agreements for about 2.4 GW of renewable power capacity, and about 45% were operational. Courtesy: NRG Energy

The integrated model comprises three main functions. "Customer Operations" is geared toward serving its customer base. "Market Operations," meanwhile, works to cost-efficiently supply energy to its customers, as well as to "maximize the value of the company's assets after satisfying load requirements." It does this through two commercial groups: power, which is responsible for "end-use" power supply (including plant optimization and fuel supply), and natural gas, which is tasked with costing, logistics, and supply for all of NRG's customers, including C&I and wholesale. The Direct Energy acquisition "significantly increased the Company's capabilities and scale across the natural gas value chain," NRG notes. Finally, NRG's third business segment, Plant Operations, is dedicated to its wholesale generation portfolio, which included 16 GW of generation capacity at 23 plants as of December 2022 (Figure 3).

NRG's asset sales and retirements announced over 2023 are slated to diminish its overall fleet even more to about 13.6 GW. The sale of NRG's stake in STP will cut the company's ERCOT fleet's capacity to 8.9 GW. And since the company retired its giant 1.4-GW gas-fired plant in Joliet, Illinois, in June 2023 (owing to results of a PJM base residual auction), only 2.9 GW remains in the East, all operating in PJM. Meanwhile, spurred by Illinois' Climate and Equitable Jobs Act, which requires all coal and oil power units to achieve zero emissions no later than January 2030, NRG has chosen to retire all its remaining plants—a combined 1.8 GW—in the state. Still, some efforts to retire inefficient generation have been stymied by market rules. For example, after PJM identified reliability impacts from NRG's proposed retirement of its coal-fired 410-MW Indian River 4 in Delaware, NRG entered into a reliability must-run (RMR) agreement that is expected to end in 2026.

Meanwhile, in January 2023, the company sold its 420-MW Astoria power plant in Queens, New York—its only asset in NYISO—to offshore wind developer Beacon Wind Land for $215.5 million. Today, it also has only one asset in the Midcontinent Independent System Operator: the 1.2-GW gas-fired Cottonwood plant in East Texas, but that, too, is slated to cease operations when its lease expires in May 2025. NRG's assets that operate in the California ISO (CAISO), meanwhile, include the 214-MW Ivanpah solar thermal plant and the 226-MW gas-fired Midway-Sunset plant, which CAISO recently released from an RMR. NRG, notably, still owns a 37.5% stake in the 1,613-MW coal-fired Gladstone plant in Queensland, Australia.

Proceeding With a Risk-Wary Strategy

A primary driver of NRG's current strategy is a climate goal, first announced in 2014—when the company, led by Crane, was still a giant power generator—to reduce GHGs by 50% by 2025 from its 2014 baseline. In 2019, NRG also set an ambition to achieve net-zero emissions by 2050. In 2021, notably, the company became the first North American power company to receive validation from the Science-Based Targets Initiative as aligned with a 1.5-degree Celsius trajectory.

Yet, that presents a complex dilemma for NRG, as Jeanne-Mey Sun, NRG's chief sustainability officer, noted. Shareholder pressure remains a real concern. "As a competitive energy provider, NRG competes for its customers every day. As such, we must serve the needs of customers that want to buy electricity, even when it has a relatively high carbon intensity," she said. "Moreover, there are rules governing the shutdown of power plants in the market. In addition to complying with these market rules, we have a fiduciary duty to preserve and enhance the financial performance of the company."

For CEO Gutierrez, the solution is clearly embedded in opportunities that will endure the rapid pace of change. During an investor event held in June 2023, trends Gutierrez highlighted suggest as electrification gains pace, the residential sector will increasingly adopt smart and connected devices. "The most relevant aspect for us is the convergence between the two," he said. "New value opportunities are emerging from electric vehicles [EVs] and rooftop solar to smart devices and portable batteries." At the same time, "a buildup of renewable energy and grid-scale batteries, combined with increasing demand-side load management are creating headwinds for conventional power generation assets," he said. "These trends support our evolution toward the consumer and home."

However, he added: "I want to be clear, we will own generation, but we need to make sure it has the right attributes to help manage our customer's power demand, and it will deliver stable margins to our consumer business." NRG's generation portfolio "is an integral part of our improved supply strategy," he underscored. During the event, Gutierrez also unveiled NRG's development of three "brownfield" projects—a combined 1.5 GW—in Texas: a 413-MW gas peaker at TH Wharton, a 436-MW gas peaker at Greens Bayou, and a 689-MW combined cycle gas turbine project at Cedar Bayou.

While Gutierrez suggested NRG already has a diverse fuel mix and merit order, and 70% of its fleet is now located in Texas, he said the company's generating future will be highly more strategic. "As we think about the future composition of our portfolio, we want to increase the load-following capabilities of our supply and continue lowering our emissions with responsible retirements," he said. It means, he suggested, that future developments may be limited to intermediate or peaking capacity. More significantly, any generation the company owns will provide a foundation for its customer-focused businesses. "Depending on market design improvements and economics, we could bring these products to market to help manage our retailers," he said.

That's one reason why NRG "was comfortable with" its decision to sell its baseload stake in STP, Gutierrez said. "We can easily replace the attributes of this asset through market purchases of power and attract good economics for our business," he noted.

Over the longer term—2025 and beyond—NRG ultimately expects "a tighter integration" between its energy and smart home businesses, said Gutierrez. That would allow NRG to grow outside competitive power markets. "Our smart home and behind-the-meter offerings give us access to 60 million additional homes, a significant increase in our total addressable market," which currently stands at around 7.5 million customers, he said.

The opportunity could also allow the company to participate in residential load control and aggregation. And finally, it could provide another tool to help NRG manage its own retailers. "NRG is uniquely positioned to act as a bridge between the home and the grid," said Gutierrez. "We will be able to dispatch the home as a power unit and provide instantaneous flexible capacity to the electric grid."

—***Sonal Patel*** *is a POWER senior associate editor (@sonalcpatel, @POWERmagazine).*

Utility Spotlight

POWER magazine is exploring the histories of some of the largest utilities in the U.S. as part of the magazine's 140th-anniversary celebration. Other features that are part of this exclusive "Utility Spotlight" series are here:

New Era for NextEra: A Utility Spotlight (February 2022)

History of Power: Duke Energy's Century-Old Legacy (May 2022)

Southern Company: A History of a Prolific Power Technology Pioneer (August 2022)

History of Power: Dominion Energy's Fluid Transition (November 2022)

Why Constellation Energy, a Nuclear-Heavy Giant, Is Primed for Power Futurity (February 2023)

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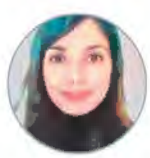

Aug 1, 2023
by Sonal Patel

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Baytown West Chambers County ECONOMIC DEVELOPMENT FOUNDATION

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NRG Energy proposes $526M expansion at Cedar Bayou plant in east Baytown

August 11, 2022

Houston-based NRG Energy Inc. (NYSE: NRG) is seeking to expand a power station in Chambers County.

NRG proposed adding a 690-megawatt electric-power generation block at its existing Cedar Bayou power production complex in east Baytown, according to tax incentive applications recently made public by the Texas comptroller's office. The expansion project would include a natural gas-fired combustion turbine in a single-shaft, combined-cycle configuration that would generate electricity for sale on the wholesale power market.The new combined-cycle facility would use a new Mitsubishi M501JAC combustion turbine from Mitsubishi Power, NRG said. The project would be developed on a roughly 9-acre greenfield lot near the existing Cedar Bayou facilities, southeast of Texas Highway 146 and west of FM 1405.

To develop the facility in Chambers County, NRG is seeking a taxable value limitation under Chapter 313 of the Texas Tax Code.

NRG said it plans to invest nearly $526.8 million in the project, but the power company is seeking an agreement with the Goose Creek Consolidated Independent School District to limit the project's taxable valuation to $100 million for its first 10 years in operation. Under NRG's proposal, the new unit at Cedar Bayou would begin commercial operations in 2025; the first year of taxable value limitation would begin in 2026.

"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," NRG said in the application.

NRG said it has applied for and received an air permit related to the expansion project — dubbed Project Moonshot — and the company is soliciting debt and equity financing proposals in addition to applying for a Chapter 313 value limitation. Construction of the expansion project would require approximately 500 full-time construction workers, and Project Moonshot would create 18 new permanent jobs in Chambers County.

NRG also said receiving the Chapter 313 limitation is a determining factor in constructing the new unit in Chambers County. The company has existing natural gas-fired plants in Texas, New York, Maryland, Connecticut, Illinois and California. NRG said a critical factor in developing the new generation unit is locating it next to or near an existing facility to leverage the company's land ownership, personnel, and gas and water supplies.

"If Project Moonshot cannot offset a significant portion of the property tax liabilities associated with expanding in Texas, one of the other five states would receive the proposed investment," NRG said.

All Chapter 313 agreements must be approved by the Texas comptroller, who must decide that the incentives are a determining factor for the project to go ahead with development within Texas.

NRG said the expansion at Cedar Bayou would also help the Texas power grid managed by the Electric Reliability Council of Texas by providing more controllable, fast-start power generation to complement a growing load of intermittent renewable energy sources, like wind and solar.

"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," NRG said.

Developers of solar projects, wind farms, renewable fuels plants, semiconductor manufacturing plants, petrochemical projects and other industrial facilities have sought appraised value limitations with Texas school districts through Chapter 313 agreements. Even an Australian producer of rare earth materials recently applied for incentives through Chapter 313 to build a processing facility on the Texas Gulf Coast.

The tax program is slated to expire at the end of the year after the Texas Legislature did not advance a bill that would have extended Chapter 313 by two years.

NRG Energy named Houston as its sole headquarters last year. The company used to be based in Princeton, New Jersey, and then claimed dual headquarters in Princeton and Houston after acquiring Houston-based GenOn in 2012. NRG is also the parent company of Houston-based Reliant Energy.

Meanwhile, the power company continues to work through repairs after a fire at another one of its Houston-area power plants. The 610-megawatt Unit 8 at NRG's WA Parish Power Generating Station in Fort Bend County went offline just before midnight May 8, according to ERCOT data. Based on the company's assessment of needed restoration efforts, NRG expects the coal unit to return to service by the end of the second quarter of 2023, the company said in its Q2 2022 earnings report earlier in August.

By Chris Mathews, Houston Business Journal
https://www.bizjournals.com/houston/news/2022/08/11/nrg-cedar-bayou-gas-turbine-expansion-tax-value.html

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<< Back

NRG Applies to the Texas Energy Fund to Bring Essential Dispatchable Power to ERCOT

June 10, 2024 at 7:14 PM EDT

- Three new shovel-ready projects totaling more than 1,600 megawatts that we believe are among the few that can be completed this decade.
- Timely approval will enable NRG to deliver essential, dispatchable generation to ERCOT as early as summer 2026.

HOUSTON--(BUSINESS WIRE)--Jun. 10, 2024-- Today, NRG Energy Inc. (NYSE: NRG) submitted the first of three loan applications to the Texas Energy Fund (TEF) to develop the previously announced 1,600 megawatts (MW) (1.6 Gigawatts) of new quick-start natural gas power generation in the Electric Reliability Council of Texas (ERCOT). The TEF is administered by the Public Utility Commission of Texas (PUCT).

This first application is for a new 721 MW natural gas combined cycle unit at NRG's Cedar Bayou plant in Baytown, Texas. In the coming weeks, the company plans to submit applications for two quick-start natural gas peaking projects near Houston: the 455 MW project at TH Wharton and the 456 MW unit at Greens Bayou. NRG anticipates that these three projects will be capable of supplying power to customers in under 30 minutes. Completion of these projects is contingent upon timely loan approvals from the PUCT and tax abatements by local authorities.

"Texas is projected to have the fastest growing electricity sector of any market in the United States," said Larry Coben, NRG Chair, Interim President and CEO. "The state expects electricity consumption to grow by 65 gigawatts (65,000MW), or nearly 77% through 2030. NRG urges advancement of any truly shovel-ready projects to meet the demands of the state's growing and electrified economy. Our three shovel-ready projects have been in development for five years and are among the select few projects positioned to bring much needed flexible and dispatchable generation to the state this decade."

Following approval, NRG would begin construction on two of the three facilities as early as October of this year. These plants are expected to create lasting economic and community benefits through permanent positions and hundreds of construction jobs.

About NRG

NRG Energy is a leading energy and home services company powered by people and our passion for a smarter, cleaner, and more connected future. A Fortune 500 company operating in the United States and Canada, NRG delivers innovative solutions that help people, organizations, and businesses achieve their goals while also advocating for competitive energy markets and customer choice. More information is available at www.nrg.com. Connect with NRG on Facebook, Instagram, LinkedIn and X.

Safe Harbor

This communication contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, risks and uncertainties related to the capital markets generally.

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BUSINESS // ENERGY

NRG says it won't build new natural gas power plants without low-interest loans

By **Claire Hao**, *Staff writer*
Updated June 18, 2024 11:27 a.m.

Natural gas powered electric generation plants at the WA Parish Generating Station in Richmond. Texas is looking to stimulate more gas-powered facilities through taxpayer-backed loans.
Kirk Sides/Staff photographer

NRG Energy, one of the largest power generation companies in Texas, said it won't build "shovel-ready" natural gas power plants that could supply at least 400,000 homes unless it knows by September if it will receive $925 million in low-interest loans from a taxpayer-backed fund.

The Houston-based company began laying the groundwork for these projects five years ago and has waited for electricity prices that are consistently high enough to make the investment profitable, said Matthew Pistner, NRG's senior vice president of operations. Though extreme weather and a potential explosion in electricity demand have driven up wholesale prices, the proposed plants still depend on the fund's support, he said.

"When you take a look at the market signals and the benefit to having that lower-interest rate loan, you really need the combination of those things to come together to make the economic hurdles that we have," Pistner said, adding that electricity markets have priced in hot summer temperatures but haven't fully accounted yet for anticipated increases in power demand.

The loans would come from the Texas Energy Fund, which was approved by voters in November to back construction of gas-fired power plants to connect to the grid operated by the Electric Reliability Council of Texas. Before applications opened on June 1 for the available $5 billion, developers seeking $38.9 billion in financing submitted 125 pre-application notices for almost 56 gigawatts of proposed generation. That would nearly double ERCOT's gas capacity if built.

NRG's applications

NRG on Monday filed the first application for loans to build a 721-megawatt gas power plant designed to run 24/7 during the summer and winter at its Cedar Bayou facility in Baytown. Next week, the company plans to apply for loans to build two quick-start plants near Houston, a 455-megawatt plant at TH Wharton and a 456-megawatt plant at Greens Bayou, that would be turned on when the grid is most strained to fill in gaps in power supply. One megawatt can power about 250 Texas homes during the hottest summer days, according to ERCOT.

NRG has secured the equipment it needs for these power plants, Pistner said. Supply chain challenges, however, mean that NRG could lose its reservation on this equipment, which is in high demand, he said. Companies across the country are scrambling to build new gas-fired generation to meet surging power demand from the rise of artificial intelligence, he said.

"If we don't get timely loan approval, it's going to be hard for us to keep our place in the queue, and timely for us looks like September," Pistner said. NRG would begin construction in October if it were awarded the loans in September, he said.

Pistner also cast doubt on the ability of other developers to complete their proposed plants by 2030 because of the long lead time needed to secure equipment and other necessary contracts. "A good place to look to see who's been thinking about this for a while and who's just coming to the table" is ERCOT's development pipeline, which had 15.9 gigawatts of proposed gas generation as of May 31, he said.

"The way that we think about it is if you're not already shovel-ready or close to it, the ability to take a conceptual idea today and get megawatts in the ground is unlikely to happen this decade. I don't know how many of that 56 gigawatts is speculative," Pistner said.

Attracting gas-fired power

Irving-based Vistra, another of Texas' big three power generation companies, has plans to produce new gas-fueled power that don't depend on Texas Energy Fund support. Those include upgrading existing power plants to add more than 500 megawatts and transitioning a coal-fired plant to gas to add 600 megawatts. The company's largest proposal, however, a new 860-megawatt plant in West Texas, does plan to lean on the loans.

Generation companies say the Texas Energy Fund loans are not enough to stimulate construction of new gas-fired power plants, as the loans help with financing but can't guarantee predictable returns on investment. That's because loans don't address the companies' challenge of wind and solar resources on the grid selling cheap electricity, depressing returns for natural gas plants.

To boost their returns, generation companies have pushed for programs that pay generators to supply backup power and reward generators who are available in the times of greatest grid strain. The reward-based proposal, known as the performance credit mechanism, faced much skepticism from lawmakers and industrial manufacturers during legislative committee hearings this week for fear it would drive up electricity prices.

"The TEF has helped jump-start the dispatchable energy needed to improve reliability and affordability. What's equally important is implementing the long-term market rules, as directed by the Legislature, that provide the regulatory certainty needed to make multibillion investments," said Walt Baum, CEO of Powering Texans, an industry group that represents companies including Vistra and NRG, in a statement. "We need both to work in parallel."

Sandie Haverlah, president of the Texas Consumer Association, said she believes Texas needs more natural gas power plants, at least in the short term, to meet power demand projections. But she remains concerned about the cost to electricity customers.

"I'm not sure you can bring the gas plants on without seeing some higher prices and a sustained higher price in the market," Haverlah said.

Growing demand

ERCOT in April released unprecedented projections of how much electricity Texas would potentially need by 2030 — 152 gigawatts, a nearly 78% increase from

2023's peak power demand. Much of that growth is expected to come from data centers, oil and gas electrification and increased industrial manufacturing, ERCOT CEO Pablo Vegas said.

More than 340 gigawatts of resources are in ERCOT's development pipeline, the bulk of them solar and battery storage, Vegas said. State leaders, however, have pushed for the urgent development of new natural gas power plants that can adjust their electricity output at ERCOT's command.

Not all agree that more natural gas — the burning of which generates climate-warming emissions — is the best solution to Texas grid woes. A report from the nonprofit American Council for an Energy-Efficient Economy found that cutting energy waste and encouraging energy conservation would be faster and cheaper than building new power plants.

"Socialized corporate welfare for politicians' fossil fuel-tycoon donors to build more climate-warming, unreliable gas plants is not the answer to a grid crisis driven by climate change," Dave Cortez, director of Sierra Club Lone Star Chapter, said in a statement.

(Updated June 18 at 11:26 a.m.) *This story was updated to correct Dave Cortez's name.*

June 13, 2024 | Updated June 18, 2024 11:27 a.m.

Claire Hao

ENERGY & POWER GRID REPORTER

Claire Hao is a reporter on the Houston Chronicle business desk covering the Texas power grid the clean energy transition and other electricity-related topics.

Claire previously spent a year on the climate and environment team of the San Francisco Chronicle. She has written for the news desks of Bloomberg Law and the Chicago Tribune as

Competitive Markets Are Uniquely Positioned

Large Loads Likely to Prefer Competitive Markets

nrg

Speed, Affordability and Resource Availability are Key Attributes for Large Loads; including Data Centers

Data Center Company Priorities	Competitive Markets
Favorable Regulatory Environment (Development, Grid Interconnection)	✓
Ample & Affordable Land	✓
Affordable Power/Energy	✓
Located Near Long-Haul Fiber Networks	✓
Reliable Power & Sufficient Transmission Infrastructure	✓
Water Supplies	✓
Attractive Tax Policies	✓

Texas Stands Out

- Business-friendly policies and culture
- Energy & interconnection policies enable quick interconnection for data centers and power plant development
- Abundance of land close to long-haul fiber networks and energy infrastructure
- >230 data centers currently located in Texas

Competitive Markets Offer Favorable Conditions for Data Center and Other Large Load Growth - with Texas and Portions of PJM Best Positioned

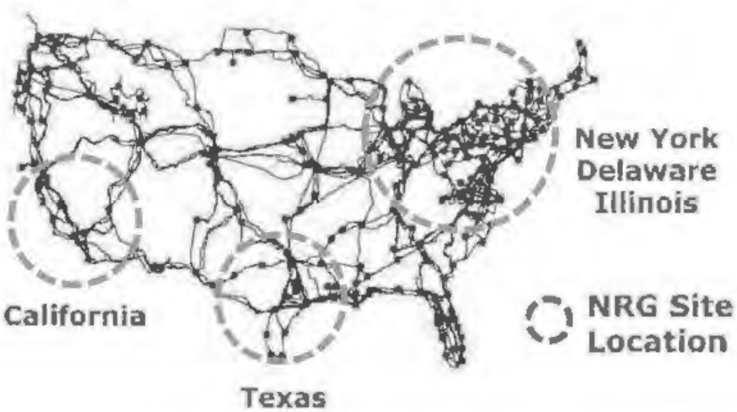
Exploring Value of NRG's Real Estate Portfolio

Sites Available for Development

Location*	Sites	Acreage
Texas	6	~17,000
East/West	15	~4,000
Total	**21**	**~21,000**

**Portfolio comprised of current and retired power plant sites*

U.S. Long-Haul Fiber Optic Cables



Exploring Site Values

NRG Power Development Opportunities

- Shovel-ready development of 1.5 GWs natural gas generation in Texas[1]

Third-Party Lease, Sale and/or Partnerships

- Large Loads: developing strategy for data centers and other large loads
- Power Generation: opportunities include additional natural gas, renewables and energy storage
- Colocation includes both in-front-of-the meter and behind-the-meter strategies

Established Dedicated Team to Maximize Existing Real Estate Value

21 Sites / 21k Acres Real Estate Portfolio Provides Opportunity to Create Significant Shareholder Value

[1] See slide 20 for development project details

FitchRatings

RATING ACTION COMMENTARY

Fitch Affirms NRG Energy's IDR at 'BB+'; Outlook Stable

Tue 15 Oct, 2024 - 4:45 PM ET

Fitch Ratings - New York - 15 Oct 2024: Fitch Ratings has affirmed NRG Energy, Inc.'s Long-Term Issuer Default Rating at 'BB+'. The Rating Outlook is Stable. Fitch has also affirmed NRG's senior secured debt at 'BBB-'/'RR1' (including debt issued by Alexander Funding Trust II), senior unsecured at 'BB+'/'RR4', and preferred at 'BB-'/'RR6'.

The affirmations reflect NRG's announcement that it plans to execute several financing transactions. The transactions will remove the ringfencing associated with the company's March 2023 acquisition of Vivint Smart Home, Inc.

While Fitch evaluated NRG's credit metrics on a consolidated basis, Vivint was a restricted, non-guarantor subsidiary of NRG, and its pre-acquisition capital structure remained in place. The financing transactions will be credit neutral but will simplify NRG's corporate structure, allowing Vivint to be a guarantor subsidiary and reduce interest expense. Fitch expects NRG to continue to allocate FCF as necessary to maintain EBITDA gross leverage within the rating threshold of 3.0x-3.5x.

KEY RATING DRIVERS

Vivint Refinancing Credit Neutral: NRG announced on Oct. 15 that it will engage in several financing transactions to remove the ringfencing associated with Vivint. NRG plans to repay Vivint's term loan B and secured notes with the proceeds from an increase in NRG's term loan B and the issuance of new NRG senior unsecured notes. Additionally, the company will exchange the existing Vivint senior unsecured notes for NRG senior unsecured notes via an obligor exchange amendment with no change to existing tenor or coupon. Fitch views the

Progress on Strategy Execution: Fitch views the Vivint refinancing as another step in NRG's company transformation of its business model from less commodity-based to more integrated and customer-focused. Under NRG's ownership, Vivint has continued its subscriber growth, increases in recurring revenue and improving customer margins. While leverage increased initially as a result of the cash-financed Vivint acquisition, NRG's strong FCF and asset sales are expected to result in 2024 EBITDA gross leverage below the downgrade threshold of 3.5x.

Capital Allocation Plan: NRG continues to allocate 80% of excess cash available after debt reduction to be returned to shareholders. Its current stock buyback authorization is $2.7 billion through 2025, of which it has completed $1.3 billion as of July 31, 2024. NRG is targeting a 7%-9% annual dividend growth rate. It has augmented FCF with asset sales and expects to meet its 2.50x-2.75x net debt leverage target.

NRG closed on the sale of its 44% equity interest in South Texas Project Electric Generating Station to Constellation Energy Corp. on Nov. 1, 2023 for a purchase price of $1.75 billion. Proceeds from the sale added to the previously announced 2023 debt reduction target of $900 million, bringing the total amount to $1.5 billion in 2023 and $500 million in 2024. Fitch expects NRG to continue to allocate FCF as necessary to maintain EBITDA gross leverage to within Fitch's specified rating threshold of 3.0x-3.5x.

Commodity Exposure: NRG, as an integrated energy marketer, seeks to hedge its expected load with either owned generation or third-party suppliers. The company is short generation in most of its markets. Unexpected differences in load forecasts, wholesale power markets, commodity prices and plant operations could have a significant impact on cash flow. Fitch expects NRG to appropriately manage such risks, with rating action being likely if it fails to do so and its cash-generating ability significantly decreases.

NRG submitted three loan applications to the Texas Energy Fund (TEF) to develop 1.6GW of new quick-start natural gas power generation in the Electric Reliability Council of Texas. The TEF announced on Aug. 24, 2024 that NRG's T.H. Wharton was one of the projects selected to advance to the next phase of the application review process. Fitch's forecasts do not include any potential generation projects and will do so only when there is certainty on their execution. The projects may be financed with debt that is non-recourse to NRG.

from or expenditures to support such activities, but we expect NRG to develop these plans within its stated credit-metric goals.

Agreement Reached with Activist Investor: NRG announced on Nov. 20, 2023 that it had reached an agreement with activist investor Elliott Investment Management L.P. regarding the composition of NRG's board of directors and the establishment of a committee to conduct a search for a new CEO. In the wake of the agreement, NRG reaffirmed its revised capital allocation plan announced in June 2023, as well as its commitment to investment-grade metrics by 2025. NRG announced on Aug. 1, 2024 that the board chairperson and interim CEO, Lawrence Coben, has been appointed as president and CEO. He will also continue as board chairperson.

DERIVATION SUMMARY

NRG is well positioned relative to Vistra Corp. (BB/Stable) and Calpine Corporation (B+/Stable). NRG's acquisition of Vivint continued its transformation from its origins as a power generator and provides additional revenue channels. The acquisition further diversifies NRG's revenue stream compared with its two peers. As a result, NRG's concentration in Texas will decline to 45% in terms of residential customers from its current 53%.

Vistra's portfolio is less diversified geographically than its peers', with 70% of its consolidated EBITDA from operations in Texas. Like NRG, Vistra benefits from ownership of large and well-entrenched retail electricity businesses in Texas. Calpine's retail business is much smaller. NRG is short generation compared with Vistra and Calpine, and serves load from sources other than its own generation.

While NRG's leverage increased initially as a result of the Vivint acquisition, strong FCF and asset sales are expected to result in the company's 2024 EBITDA gross leverage to be below the downgrade threshold of 3.5x. Fitch expects NRG to continue to allocate FCF as necessary to return and maintain leverage within rating thresholds of 3.0x-3.5x. Fitch projects Vistra's leverage to remain in the range of 3.5x-4.0x in 2024-2026 and Calpine's leverage to remain around 5.0x.

KEY ASSUMPTIONS

-- Stock buybacks of $2.7 billion through 2025, as per management's publicly stated forecast;

-- NRG retail gross margins remain in line with current expectations;

-- Continued practice of hedging retail energy load at signing;

-- Capacity revenue per past auction results;

-- Debt pay-down of $2.55 billion total by 2025, consistent with publicly stated target net debt/adjusted EBITDA of 2.50x-2.75x.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

-- EBITDA gross leverage under 3.0x on a sustainable basis;

-- Balanced allocation of FCF that maintains balance-sheet flexibility and leverage within stated goal.

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

-- EBITDA gross leverage exceeding 3.5x on a sustainable basis;

-- Weaker power prices than we expected or capacity auctions in core regions;

-- Inadequate liquidity sources to meet potential collateral and working capital needs;

-- Unfavorable changes in regulatory constructs or rules in NRG's markets;

-- Aggressive growth or capital allocation strategy that reduces stability of cash flow;

-- Failure to appropriately hedge retail sales obligations.

reduce the convertible note principal. The company had previously increased the total capacity of the credit agreement by $645 million and extended the maturity of a portion of commitments to February 2028.

The earlier incremental commitment brings the total capacity of the revolving credit facility to $4.305 billion. Subsequently, in June 2024 NRG amended its accounts receivable borrowing facility to increase its aggregate commitments to $2.3 billion from $1.4 billion. It also extended the scheduled termination date of the facility by one year to June 2025, among other amendments.

The company had no revolver borrowings outstanding and $2.9 billion LCs issued under its revolving credit facility and collective collateral facilities as of June 30, 2024. As of the same date, NRG had a consolidated cash balance of $376 million. It has a $500 million senior secured first lien note maturing in 2025.

ISSUER PROFILE

NRG is an unregulated, integrated power company producing and selling electricity, natural gas, and related products in major competitive power markets in the U.S. and Canada.

Criteria Variation

Fitch's *Corporate Rating Criteria* outlines and defines a variety of quantitative measures used to assess credit risk. As per the criteria, Fitch's definition of total debt is all encompassing. However, Fitch's criteria is designed to be used in conjunction with experienced analytical judgment, and adjustments may be made to the application of the criteria that more accurately reflects the risks of a specific transaction or entity.

In 2020, NRG established Alexander Funding Trust, a Delaware statutory trust (SPV) that issued $900 million of P-Caps redeemable on Nov. 15, 2023. The trust invested the sale of the P-Caps in a treasury portfolio. The company redeemed the existing P-Caps in August 2023 and issued $500 million of P-Caps under Alexander Funding Trust II.

The three-year put option agreement allows NRG to, from time to time, issue to the trust and require the trust to purchase from NRG, on one or more occasions, up to $500 million of the aggregate principal amount of NRG's 7.467% senior secured first lien notes due addition to being used for LC postings. However, NRG and Fitch do not expect this to occur.

Fitch does not factor in NRG's P-Caps debt, which is a variation from the *Corporate Rating Criteria*'s definition of total debt. In the absence of NRG exercising the issuance right, P-Caps are treated as off-balance-sheet debt for analytical purposes and excluded from Fitch's leverage and interest coverage metrics. If NRG were to exercise issuance rights, the amount of debt issued to the trust would be included in our total debt calculation for NRG and, therefore, its credit metrics.

SUMMARY OF FINANCIAL ADJUSTMENTS

NRG's series A preferred stock receive 50% equity credit, based on Fitch's *Corporate Hybrids Treatment and Notching Criteria*. The features supporting 50% equity credit include an ability to defer dividend payments for at least five years and the cumulative feature of deferred dividends.

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

MACROECONOMIC ASSUMPTIONS AND SECTOR FORECASTS

Click here to access Fitch's latest quarterly Global Corporates Macro and Sector Forecasts data file which aggregates key data points used in our credit analysis. Fitch's macroeconomic forecasts, commodity price assumptions, default rate forecasts, sector key performance indicators and sector-level forecasts are among the data items included.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit

ENTITY / DEBT	RATING			RECOVERY	PRIOR
NRG Energy, Inc.	LT IDR	BB+ Rating Outlook Stable	Affirmed		BB+ Rating Outlook Stable
senior unsecured	LT	BB+	Affirmed	RR4	BB+
senior secured	LT	BBB-	Affirmed	RR1	BBB-
preferred	LT	BB-	Affirmed	RR6	BB-
Alexander Funding Trust II					
senior secured	LT	BBB-	Affirmed	RR1	BBB-

VIEW ADDITIONAL RATING DETAILS

FITCH RATINGS ANALYSTS

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Fitch Ratings, Inc.
33 Whitehall Street New York, NY 10004

Cont. from "City investigating..."

Rodeo officials said in a statement they were aware of the scale of the measles outbreak, and were working closely with the Houston Health Department to monitor the situation.

"For those that are unvaccinated or immunocompromised, measles, flu and even the common cold are illnesses that need to be considered. Those that have health concerns may want to consider whether attending any large event is right for you. We look forward to a safe 2025 Rodeo."

In northwest Texas, the outbreak grew to 146 cases on Friday, two days after health officials reported that a child had died after being hospitalized in Lubbock.

Twenty people have been hospitalized for treatment amid the outbreak, which began last month in the South Plains region and has now spread to nine counties. The Texas child's death, reported on Wednesday, was the first measles death in the United States since 2015.

Cases continue to be concentrated in school-aged children who have not received the vaccine that protects against measles, mumps and rubella, health officials said. Of the 146 cases reported on Friday, 46 are among children younger than 5 and 70 are among children between 5 and 17. Only five cases are among individuals who have received the MMR vaccine; the rest are among individuals who are unvaccinated or whose vaccination status is unknown.

The state's largest measles outbreak in more than 30 years has already spread to the Panhandle, and health officials have reported exposures in San Antonio and San Marcos. Experts said they anticipate that the outbreak will continue to grow for some time. Measles is highly contagious and it takes seven to 21 days for symptoms to appear after an exposure.

"I would not be surprised at all if we see more cases soon, because the incubation period is a little longer than some viral infections," said Catherine Troisi, an epidemiologist at the UTHealth Houston School of Public Health. "It may take a bit, but the odds are we'll see more cases."

What the data shows

The 146 cases the DSHS reported on Friday is an increase of 22 since the agency's last update three days earlier.

Most of the new cases are in Gaines County, the small county along the New Mexico border that remains the epicenter of the outbreak. The 98 cases the county reported on Friday is 18 more than it reported on Tuesday. That total also represents about two-thirds of all cases in the outbreak.

Nearby Terry County reported 21 cases, the same number it reported earlier this week.

Four counties each reported one additional case since Tuesday's update. Dawson County's total grew to eight cases, Yoakum County's rose to six, and both Lubbock and Lynn counties have now reported two cases.

Dallam County reported four cases, Martin County reported three and Ector County reported two, all unchanged since earlier this week.

The New Mexico Department of Health also reported nine cases of measles in Lea County, which borders Gaines County, as of Friday.

Experts have long warned that an outbreak of measles was inevitable because it's highly contagious, and a rising number of Texans are opting to forgo routine childhood vaccinations for measles and other infectious diseases.

Measles is spread through coughing and sneezing, and it can linger in the air for up to two hours. Up to nine in 10 people who are exposed to the virus will become infected if they aren't vaccinated, according to health officials.

Symptoms include fever, cough, runny nose, red and watery eyes, and a tell-tale rash that appears on the face before spreading down the body, according to the DSHS. But an individual may be infectious up to four days before a rash appears and up to four days after it's gone, which means it's possible for someone to spread the virus before knowing they're infected, said Dr. Ashley Drews, an infectious disease specialist at Houston Methodist.

"The issue is that you're not aware, and so you're out and about in public," Drews said. "... So it's important for people who have been exposed, if they don't have immunity, to also isolate themselves and wait and see if they're going to develop symptoms."

Vaccinations are critical, experts say

Widespread adoption of the MMR vaccine led to measles being officially eliminated from the U.S. in 2000, because two doses are 97% effective at preventing an infection. But experts have warned that a rising number of nonmedical vaccine exemptions among schoolchildren could make outbreaks more common.

Gaines County's nonmedical vaccine exemption rates is one of the highest in Texas, with 13.6% of children in kindergarten through grade 12 skipping at least one routine childhood vaccine during the 2023-24 school year, according to DSHS data. Across Texas, about 2.3% of K-12 students had nonmedical vaccine exemptions.

Health officials in Lubbock and the South Plains region have set up clinics to provide the MMR vaccine that are now open seven days a week.

Experts said getting more shots into arms will be key to containing the outbreak.

"Getting kids up to date on vaccines would be the first order of business," Drews said.

Houston Chronicle MAR 01 2025

NRG Energy to build four natural gas power plants to supply data centers in Texas, elsewhere

By Claire Hao

NRG Energy, a Houston-based power generation giant, plans to build four new natural gas power plants to supply data centers in Texas and elsewhere, according to a Wednesday announcement.

It's the latest initiative from energy companies rushing to supply electricity to power-hungry data centers, the largest of which could soon use as much electricity as some cities or even entire states. Texas has become a hub for new data centers as Big Tech companies race to develop artificial intelligence technologies.

Big Tech's AI hype, driven by so-called "hyperscaler" companies building massive data centers, is a lucrative opportunity for gas-fired power plant developers such as NRG. That's because data center customers need electricity that is available 24/7.

"We have more people beating down our doors," NRG CEO Lawrence Coben told investors during the company's Wednesday earnings call. "And if (hyperscalers) build it, they're going to need our power."

NRG plans to build 5.4 gigawatts of natural gas combined-cycle power plants primarily to serve data centers, Matthew Pistner, NRG's senior vice president of generation, said in an interview. That's approximately the power usage of 1.3 million Texas homes on the hottest summer days. The company is in discussions with potential customers on whether the plants would be directly connected to those facilities, Pistner said.

The four power plants are planned for two markets, according to a Wednesday news release. Those are the Electricity Reliability Council of Texas, which operates the isolated Texas power grid, and PJM, which operates the grid in Virginia, the world's largest market for data centers, and other northeast states.

The first 1.2 gigawatts are expected to begin operations in 2029, according to the announcement. NRG said it would own and operate the plants, which would be built in partnership with GE Vernova, an energy equipment company, and Kiewit, an energy construction company.

Growing market

Texas has become "the nation's fastest-growing power market" in part because of the data centers flocking to the state, Robert Gaudette, executive vice president of NRG's commercial division, said during the company's earnings call.

Continued on Next Page

Cont. from "NRG Energy..."

Large electricity users needing nearly 100 gigawatts of power have applied to connect to the ERCOT grid, according to the Texas grid operator, an extraordinary figure considering the power demand record in ERCOT is approximately 85 gigawatts. Though many of the data centers, bitcoin mines and manufacturing facilities included in that count are unlikely to be built, it's still a sign that Texas is expected to need much more electricity in the next decade.

Texas has landed some blockbuster AI-related projects recently. In January, tech giants Open AI and Oracle announced the Stargate plan to build data centers near Abilene as part of a $500 billion investment in artificial intelligence infrastructure. This week, Apple announced plans to open a server manufacturing facility in the Houston area as part of its $500 billion investment to serve the AI boom.

"This transformation is exciting, it's real, and it's fueling what we believe to be the start of a power demand super cycle. NRG is uniquely positioned to capture this value," Gaudette said Wednesday. The company reported a profit of $1.1 billion in 2024.

The surge in power demand has even lured oil and gas companies that previously steered clear of the electric power sector to announce plans to build gas plants for data centers. Those include Spring-based Exxon Mobil, Houston-based Chevron and Midland-based Diamondback Energy.

Plants in Houston area

As for NRG, in addition to the four new power plants announced Wednesday, the company plans to build three gas-fired plants totaling 1.5 gigawatts of capacity in the Houston area. Two of those plants, totaling 1.1 gigawatts, are finalists for taxpayer-backed loans from the state's Texas Energy Fund program, Pistner said.

Though potentially profitable for energy and tech companies, the AI race and the corresponding interest in natural gas could set back the nation's efforts to slow climate change.

There are no plans currently to add technologies that capture climate-warming emissions to NRG's portfolio of planned projects, Pistner said. But most of the plants could have those technologies added in the future, or they could burn a blend of natural gas and hydrogen if that fuel gains traction, he said.

Houston Chronicle MAR 01 2025

In the Hill Country, a tale of two data centers

By Richard Webner

One country road without lane markings on the quiet southern border of Hays County could soon be home to two data centers.

This month, a limited partnership with ties to Denver-based startup CloudBurst Data Centers purchased 95.9 acres of rural land at 2955 Francis Harris Lane, property records show. On its website, CloudBurst has announced plans to build its first data center at an unspecified site "close to San Marcos" and recently entered an agreement with Dallas-based Energy Transfer LP to power the facility with natural gas from its Oasis Pipeline subsidiary.

The limited partnership, named Data Center LB, bought the property — which spans the border between Hays and Guadalupe counties — Feb. 7 for an undisclosed price from members of the Wostal family, according to records from both counties.

Data Center LB was formed in January, as was its general partner, CloudBurst I GP, according to filings with the Texas Secretary of State. Both share the same manager: Paul Connor, with the Houston firm Connor Investment Real Estate.

Also on Feb. 7, Data Center LB entered an agreement with Cloudburst Texas LLC — which is led by the same executives as CloudBurst Data Centers, according to state filings — giving Cloudburst Texas the option to purchase the site over the next 24 months, with a possible 12-month extension.

The Hays County Appraisal District identifies the site as being in New Braunfels, but it doesn't appear to be within the city limits or extraterritorial jurisdiction of New Braunfels, according to a map on the city's website.

The property was recently released from the extraterritorial jurisdiction of the city of San Marcos after its prior owners submitted a request to the city in January, city spokesperson Nadine Cesak said in an email Tuesday.

CloudBurst, founded in 2022, said this month it expects its San Marcos-area data center to be in operation in the third quarter of next year.

Roy Davis, president of CloudBurst Data Centers, declined to comment.

Calls and emails sent to representatives of Connor Investment were not returned.

About 2 miles from the potential CloudBurst site, another data center is planned on a 199.5-acre property at 904 Francis Harris Lane. The owners of two adjacent properties there are asking the city of San Marcos to rezone the site as light industrial so the facility can be built.

Michael Whellan, an attorney with the Austin law firm Armbrust & Brown who is representing the two owners — San Marcos married couple Donald and Germaine Tuff, and the entity Highlander SM One LLC — said Tuesday that CloudBurst is not behind the data center planned there. He declined to provide any other details.

Hays County property records show that the Tuffs reached an agreement with Oasis Pipeline LP in December to supply an easement on their property allowing for a pipeline to be built. Oasis Pipeline LP operates a pipeline that appears to pass through Comal and Guadalupe counties, according to information from Energy Transfer.

Highlander SM One, which is linked to the Fort Worth firm Highlander Real Estate Partners, signed an easement agreement with Oasis Pipeline in 2023, records show.

Whellan, however, said there was already a pipeline at the site and that it is only being moved.

"It's just a plain, vanilla data center," he said.

The city of San Marcos Planning and Zoning Commission was set to consider the rezoning for the 904 Francis Harris site on Tuesday but Whellan said his clients requested a postponement so they could gather more information.

They are also asking to change the properties' designation in the city's growth plan from "comprehensive/cluster," indicating areas where development should be discouraged, to a commercial designation.

In 2022, the 137-acre tract currently owned by Highlander SM One was annexed into the city as part of a plan to build a 470-unit single-family neighborhood, but that project "ultimately did not proceed," according to a case summary written by city staff.

City staff support the construction of a data center on the site, saying it would be an improvement over the previous residential proposal. They point out that the data center will offer new tax revenue while requiring few city services and creating little traffic.

Under its agreement with CloudBurst, Energy Transfer will supply the company's data center with up to 450,000 MMBTu — or million British Thermal Units — per day, according to a recent news release. The gas will be enough to generate up to 1.2 gigawatts of electricity for at least 10 years. A gigawatt is a unit used to measure electrical power; it is equal to 1 billion watts.

In recent decades, the San Antonio-Austin region has grown into one of the biggest data center hubs in the United States. Central Texas now has the fourth-most data center space under construction among geographic markets in the U.S., according to real estate firm CBRE. Data centers are spaces used to house servers, network hardware and other data storage systems.

"If the region's in-progress construction was completed tomorrow, the combined Austin/San Antonio market would become the second largest data center market in the country, trailing only behind Northern Virginia," CBRE said in a recent report.

ENERGY & ENVIRONMENT

Houston-based NRG Energy announces plans for four new natural gas plants to power AI

The company said the new facilities will serve the Electric Reliability Council of Texas (ERCOT), which operates the Texas power grid, and the Pennsylvania-New Jersey-Maryland (PJM) regions.

Kyle McClenagan (Https://Www.Houstonpublicmedia.Org/Articles/Author/Kyle-Mcclenagan/) | March 5, 2025, 3:47 PM

(Mailto:?Subject=Someor Based NRG Energy Announces Plans For Four New Natural Gas Plants To Power AI%0A%0Ahttps Environment/20 Energy-Announces-Plans-For-4-New-Natural-Gas-Plants-To-Power-A-I/)

(https://cdn.houstonpublicmedia.org/wp-content/uploads/2021/07/22163421/TPR.jpeg)

Equipment used to capture carbon dioxide emissions is seen at a coal-fired power plant owned by NRG Energy on January 9, 2017.

Houston-based NRG Energy has announced a venture to build four new natural gas power plants in the U.S. to power artificial intelligence data centers, with some slated for Texas.

NRG said it has partnered with energy company GE Vernova and The Industrial Company (TIC), an engineering, construction and procurement company. The goal of the project is to advance the construction of four natural gas combined cycle power plants. Each plant is expected to produce more than 5 gigawatts.

In the announcement, NRG Executive Vice President Robert Gaudette said the new plants will be necessary to keep up with the exponentially increased power need associated with the AI industry.

"The growing demand for electricity in part due to GenAI and the buildup of data centers means we need to form new, innovative partnerships to quickly increase America's dispatchable generation," Gaudette said. "Working together, these three industry leaders are committed to executing with speed and excellence to meet our customers' generation needs."

Although NRG did not immediately respond to a request for comment regarding exactly where the new plants will be built, the company said the new facilities will serve the Electric Reliability Council of Texas (ERCOT), which operates the Texas power grid, and the Pennsylvania-New Jersey-Maryland (PJM) regions.

The first new plants — accounting for 1.2 gigawatts — are expected to be brought online in 2029. The companies plan to have the remaining plants completed by 2032.

The announcement of this joint venture comes several months after NRG began pursuing the construction of three natural gas plants (https://www.nrg.com/about/newsroom/2024/43521.html) in the Houston area.

In June 2024, NRG applied for the first of three loans with the Texas Energy Fund to build 1,600 megawatts of "quick-start natural gas power."

According to NRG, the first plant will be built at the company's Cedar Bayou plant in Baytown. The remaining two projects will be built in Wharton and Greens Bayou.

NRG said it could begin dispatching power from those plants as early as summer 2026.

Business (Https://Www.Houstonpublicmedia.Org/Topics/News/Business/) Energy & Environment (Https://Www.Houstonpublicmedia.Org/Topics/News/Energy-Environment/)
Houston (Https://Www.Houstonpublicmedia.Org/Topics/News/Houston/) Infrastructure (Https://Www.Houstonpublicmedia.Org/Topics/Infrastructure/)
Local (Https://Www.Houstonpublicmedia.Org/Topics/News/Local/) News (Https://Www.Houstonpublicmedia.Org/Topics/News/)
Texas (Https://Www.Houstonpublicmedia.Org/Topics/News/Texas/) Ercot (Https://Www.Houstonpublicmedia.Org/Tag/Ercot/)
Natural Gas Power Plants (Https://Www.Houstonpublicmedia.Org/Tag/Natural-Gas-Power-Plants/) Nrg Energy (Https://Www.Houstonpublicmedia.Org/Tag/Nrg-Energy/)
Texas Energy Fund (Https://Www.Houstonpublicmedia.Org/Tag/Texas-Energy-Fund/)

Attachment E – Application

Project Overview

Affiliated School District
Galena Park ISD

Project in Multiple ISD
No

Company Information

Company Legal Name
NRG Greens Bayou 6 LLC

Texas Taxpayer I.D.
32087770981

NAICS Code
221112

Form of Business
Limited Liability Company

Current on Tax Payment to the State of Texas?
Yes

Company Address

Street Address
12070 Old Beaumont HWY

City
Houston

State
TX

Zip Code
77049

Parent Company Information

Legal Name
NRG Energy Inc.

Taxpayer I.D.
14117242397

Parent Company Address

Street Address
910 Louisiana Street

City
Houston

State
TX

Zip Code
77002

Authorized Company Representative

Full Name
Thomas Atkins

Title
Vice President, Development

Organization
NRG Greens Bayou 6 LLC

Phone Number
617-699-3756

Email Address
thomas.atkins@nrg.com

Street Address
910 Louisiana Street

City	State	Zip Code
Houston	TX	77002

2nd Authorized Company Representative

Full Name
David Freeman

Title
Senior Director, Development

Organization
NRG Greens Bayou 6 LLC

Phone Number
214-597-2517

Email Address
david.freeman@nrg.com

Street Address
910 Louisiana Street

City	State	Zip Code
Houston	TX	77002

Authorized Company Consultant

Full Name
Michael Lateur

Title
Managing Director

Organization
Kroll, LLC

Phone Number
512-671-5575

Email Address
michael.lateur@kroll.com

Authorized School District Representative

Full Name
John Moore

Title
Superintendent

Organization
Galena Park ISD

Phone Number
832-386-1000

Email Address
jmoore@galenaparkisd.com

Authorized School District Consultant

Full Name
Kathy Mathias

Title
Executive Director of Economic Development

Organization
Moak Casey

Phone Number
512-485-7878

Email Address
kmathias@moakcasey.com

Project Information

County Name
Harris

County Population
4,731,145

Minimum Investment Required	Required No. of New Jobs	Property Activity
$200 million	N/A Jobs	Provision of Utility Services

The Central Appraisal District (CAD) that will be responsible for appraising the property
Harris CAD

Indicate which zone the land on which proposed new construction or new improvements is located
Enterprise Zone under Government Code Chapter 2303

Zone Name
Census Block Group 1: 482012324051

Will any of the proposed required investment be leased under a capitalized lease?
No

Compelling Factors

Has the applicant entered into any agreements, contracts or letters of intent related to this project?
Yes

Has the applicant made any publicly available statements regarding the proposed project?
Yes

Has the applicant applied for or received any federal, state or local permits for activities at the proposed project site?
Yes

Grants and Loans

Program Name	Proposed/Requested Amount
TEF - In-ERCOT Generation Loan	90,600,000
TEF - Completion Bonus Grant	16,700,000

Taxing Entities

Entity Type	Entity Name	Tax Rate	Percentage
M&O (ISD)	GALENA PARK ISD	0.8376	100
I&S (ISD)	GALENA PARK ISD	0.33431	100
County	Harris	0.38529	100

City	Houston	0.51919	100
Hospital District	Harris County Hospital District	0.16348	100
Water District	Harris County Flood Control	0.04897	100
Other	Port of Houston Authority	0.00615	100
Other	Harris County Education Department	0.004799	100

Tax Abatements

Entity Type	Tax Abatement Type	Percentage	Start Year	End Year

No tax abatements available

Project Timeline

Projected commencement year of construction *
2026

Projected completion year of construction *
2028

Projected commencement year of commercial operations
2028

First year of the incentive period
2029

Last year of the incentive period
2038

Opportunity Zone

Is the project located on a Qualified Opportunity Zone as designated by the United States Treasury?
No

Did the Applicant consider locating the proposed project in a Qualified Opportunity Zone?
No

Schedule A

Tax Year	Column A: Planned Investment	Column B: New Eligible Investment	Column C: Total investment
2026	$ 339,990,454	$ 3,556,875	$ 343,547,329
2027	$ 161,286,991	$ 4,021,427	$ 165,308,418
2028	$ 34,721,131	$ 4,397,915	$ 39,119,046
		Total Investments	$ 547,974,793

Schedule B - Construction Period

Project Year	Tax Year	Land Market Value	Eligible Property Taxable Value	I&S Final JETI Taxable Value	M&O Final JETI Taxable Value
1	2026	$1,648,538	$0	$1,648,538	$1,648,538
2	2027	$1,648,538	$197,268,681	$198,917,219	$1,648,538
3	2028	$1,648,538	$240,516,376	$242,164,914	$1,648,538

Schedule B - Incentive Period

Project Year	Tax Year	Land Market Value	Eligible Property Taxable Value	I&S Final JETI Taxable Value	M&O Final JETI Taxable Value
4	2029	$1,648,538	$504,756,294	$506,404,832	$254,026,685
5	2030	$1,648,538	$492,978,647	$494,627,185	$248,137,862
6	2031	$1,648,538	$433,080,900	$434,729,438	$218,188,988
7	2032	$1,648,538	$422,481,018	$424,129,556	$212,889,047
8	2033	$1,648,538	$387,922,683	$389,571,221	$195,609,880
9	2034	$1,648,538	$388,608,470	$390,257,008	$195,952,773
10	2035	$1,648,538	$389,560,349	$391,208,887	$196,428,713
11	2036	$1,648,538	$365,428,064	$367,076,602	$184,362,570
12	2037	$1,648,538	$399,846,161	$401,494,699	$201,571,619
13	2038	$1,648,538	$388,522,173	$390,170,711	$195,909,625

Schedule B - Post Incentive Period

Project Year	Tax Year	Land Market Value	Eligible Property Taxable Value	I&S Final JETI Taxable Value	M&O Final JETI Taxable Value
14	2039	$1,648,538	$389,242,742	$390,891,280	$390,891,280
15	2040	$1,648,538	$390,831,864	$392,480,402	$392,480,402
16	2041	$1,648,538	$393,308,164	$394,956,702	$394,956,702
17	2042	$1,648,538	$382,886,938	$384,535,476	$384,535,476
18	2043	$1,648,538	$394,028,435	$395,676,973	$395,676,973

19	2044	$1,648,538	$368,480,876	$370,129,414	$370,129,414
20	2045	$1,648,538	$395,801,549	$397,450,087	$397,450,087

Wage Requirements

Wage NAICS Code
221112

Indicate the NAICS level used
County

Texas Workforce Commission Quarterly Census of Employment and Wages Area
Harris

Annual Wages

Wage Reporting Year	Wage Reporting Quarter	Average Weekly Wage
2024	Q1	$3,571
2024	Q2	$3,271
2024	Q3	$2,761
2024	Q4	$2,849

Average Annual Wage: $161,876   **110% of Average Annual Wage: $178,064**

Authorized Company Representative (Applicant) Signature

Signature
Thomas Atkins

Date
Tue May 13 2025

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

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

Tab 2 – Description of Project - Revised

Section 4: Project Information – Question 1

In Tab 2, provide a detailed description of the proposed project. Include a legal description of the real property on which the proposed project will be located and the address, if known.

NRG Greens Bayou 6 LLC (GB), an entity formed by NRG Energy, Inc. (NRG) for the evaluation and consideration of developing a new power plant within the boundaries of its existing NRG Greens Bayou power production complex in Harris County, TX is requesting an appraised value limitation from Galena Park Independent School District (GPISD) for the contemplated Project described herein.

As further outlined in this application and attached documentation, NRG proposes to expand up to three of its existing power generation facilities in Texas, one of which is NRG Greens Bayou, which would help address projected power generation capacity shortfalls in Texas's electricity market. The existing NRG Greens Bayou power generation complex contemplated for expansion in this application is located in GPISD. The proposed Project would be the construction of an additional 455 megawatt (MW) electric power generation plant at the same 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 simple-cycle configuration.

The proposed Project would be a simple-cycle facility utilizing the new, trusted GE 7HA.03 advanced class combustion turbine, manufactured by General Electric. The heavy-duty gas turbine features a robust design that provides rapid startup time and shutdown capabilities, as well as other enhanced operability functions, all while retaining key performance criteria. The design of the 7HA class turbine from GE would be a significant improvement in power and efficiency over older generation turbines, allowing the 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 previous industry technologies, reducing overall amounts of nitrous oxide, carbon dioxide, unburned hydrocarbons, and other volatile organic compounds. The turbine is designed for flexible and efficient power generation and is capable of operating in the future on greater than 50% hydrogen, as a low carbon alternative fuel.

As currently proposed, the Project would be developed on approximately 6 acres within Harris County, inside of an enterprise zone on land generally south of US Route 90 and west of Irene Road.

The estimated capital investment required to construct the Project is approximately $550 million in real and personal property, including the detailed proposed improvements listed in Tab 5. It is anticipated that the Project would create approximately 250 construction jobs during the peak of its development phase and upon completion, up to 14 permanent, full-time positions to operate the facility.

The Harris County Appraisal District parcel ID, legal description, and address for the proposed project are listed below:

Parcel ID	Legal Description	Address/Location
0410240000065	TR 7 ABST 68 E SHIPMAN	0 OLD BEAUMONT HWY HOUSTON TX 77049
0410150010034	TR 14 (IMPS ONLY) (LAND*0410150010014) (POLLUTION CONTROL) ABST 59 REELS & TROBOUGH	12070 OLD BEAUMONT HWY HOUSTON TX 77049
041024000009	TR 11 ABST 68 E SHIPMAN	0 OLD BEAUMONT HWY HOUSTON TX 77049

KROLL

Tab 3 – Public Funding - Revised

Section 4: Project Information – Question 8

List any grants or loans of public money this project is receiving or expects to receive in Tab 3.

At the time of filing this application, NRG has active applications in the Texas Energy Fund In-ERCOT Generation Loan Program (TEF Program) to finance the construction of three power plant development projects at existing generation complexes.

NRG Greens Bayou 6 LLC, NRG THW GT LLC, and NRG Cedar Bayou 5 LLC are currently in the due diligence process for construction loans to be provided by the Public Utility Commission of Texas (PUCT) under the Texas Energy Fund (TEF) Program.

State and local incentives under consideration for the Project's final site determination include the following:

- TEF Programs
    - In-ERCOT Generation low-interest rate Loan Program
    - Completion Bonus Grant Program

The estimated benefit of the above incentives (if approved) is as follows:

Program	Estimated Value
In-ERCOT Generation Loan	20-year loan at an incentive, fixed interest rate of 3%, estimated $90,600,000 present value
Completion Bonus Grant	$80-120k per MW, based on Commercial Operations Date, estimated $16,700,000 present value

Parcel ID	Legal Description	Address/Location
0410240000065	TR 7 ABST 68 E SHIPMAN	0 OLD BEAUMONT HWY HOUSTON TX 77049
0410150010034	TR 14 (IMPS ONLY) (LAND*0410150010014) (POLLUTION CONTROL) ABST 59 REELS & TROBOUGH	12070 OLD BEAUMONT HWY HOUSTON TX 77049
041024000009	TR 11 ABST 68 E SHIPMAN	0 OLD BEAUMONT HWY HOUSTON TX 77049

Tab 4 – Project Maps - Revised

Section 4: Project Information – Question 10

Attach the applicable supporting documentation in Tab 4.

- **A high-resolution map depicting the eligible property and project boundaries within the Enterprise Zone, along with the ISD and County Boundaries**

The Project, if approved, would be located entirely within the Enterprise Zone in Census Block Group 482012324051 in Galena Park ISD and Harris County.

Please note that the Project encompasses all Harris CAD Parcel ID 0410240000065 and a portion of Harris CAD Parcel IDs 0410150010034 and 041024000009. The Site area depicted below as the Proposed Project would not have any current improvements on site.

There are currently no improvements on Harris CAD Parcel IDs 0410240000065 and 041024000009. All existing improvements on Harris CAD Parcel ID 0410150010034 are not included within the Site.

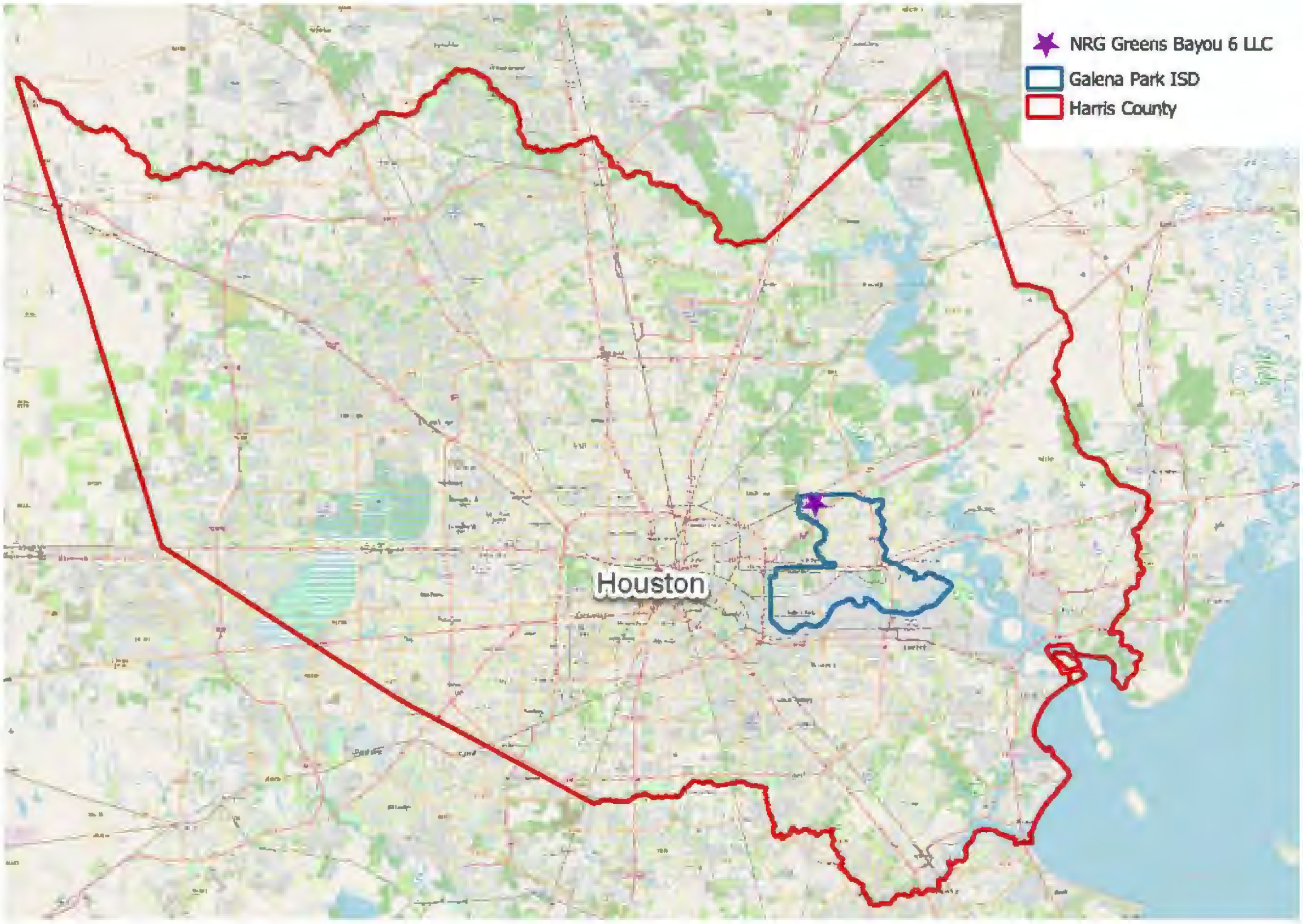

Figure 1: Project Location within Galena Park ISD, Harris County

Figure 2: Proposed Project Boundary within Galena Park ISD and Enterprise Zone in Census Block Group 1: 482012324051

Figure 3: Proposed Project Boundary within Full Borders of Enterprise Zone in Census Block Group 1: 482012324051

Tab 5 – Eligible Property Description

Section 5: Eligible Property – Question 1

In Tab 5, provide a detailed list and description of the eligible property for which you are requesting a limitation.

NRG Greens Bayou 6 LLC's real and personal property improvements for the proposed Project would include:

- GE 7HA.03 advanced class combustion turbine generator
- Control room & warehouse
- Cooling tower
- Diesel-fired emergency generator
- All ancillary and eligible machinery and equipment necessary for operations
- Water storage tanks & treating system
- Fuel gas compressor

All qualified property and investment would be located within the proposed Project boundary, as illustrated in Tab 4.

Tab 6 – Ineligible Property Description - Revised

Section 6: Ineligible Property – Question 1

1. Existing Property: In Tab 6, provide a high-resolution map that includes a specific and detailed description of all existing property. This includes buildings and improvements existing as of the application complete date. The description must provide sufficient detail to distinguish existing property from future proposed property.

2. Proposed new property that will not be eligible for this limitation: In Tab 6, provide a high-resolution map that includes a specific and detailed description of all proposed new property within the project boundary that will not become new improvements. The description must provide sufficient information to distinguish existing property from proposed new property that won't be eligible for the limitation

There are no existing buildings or improvements on Harris CAD Parcel IDs 0410240000065 and 041024000009 at the time of filing this application.

The existing property on Harris CAD Parcel ID 0410150010034 consists of roadways, concrete slabs, ponds, sheds, buildings, laydown pipe, and real and personal property used as part of prior unit energy generation operations (similar listing in the above description tab). The existing property would not be part of qualified property. The proposed Project would be constructed on a small portion of this parcel as illustrated in Tab 4.

The existing property would not be part of the qualified property because it does not lie within the project boundary. There is no existing property inside the project boundary. Please see the map below for confirmation that the proposed Project boundaries contain no existing improvements.

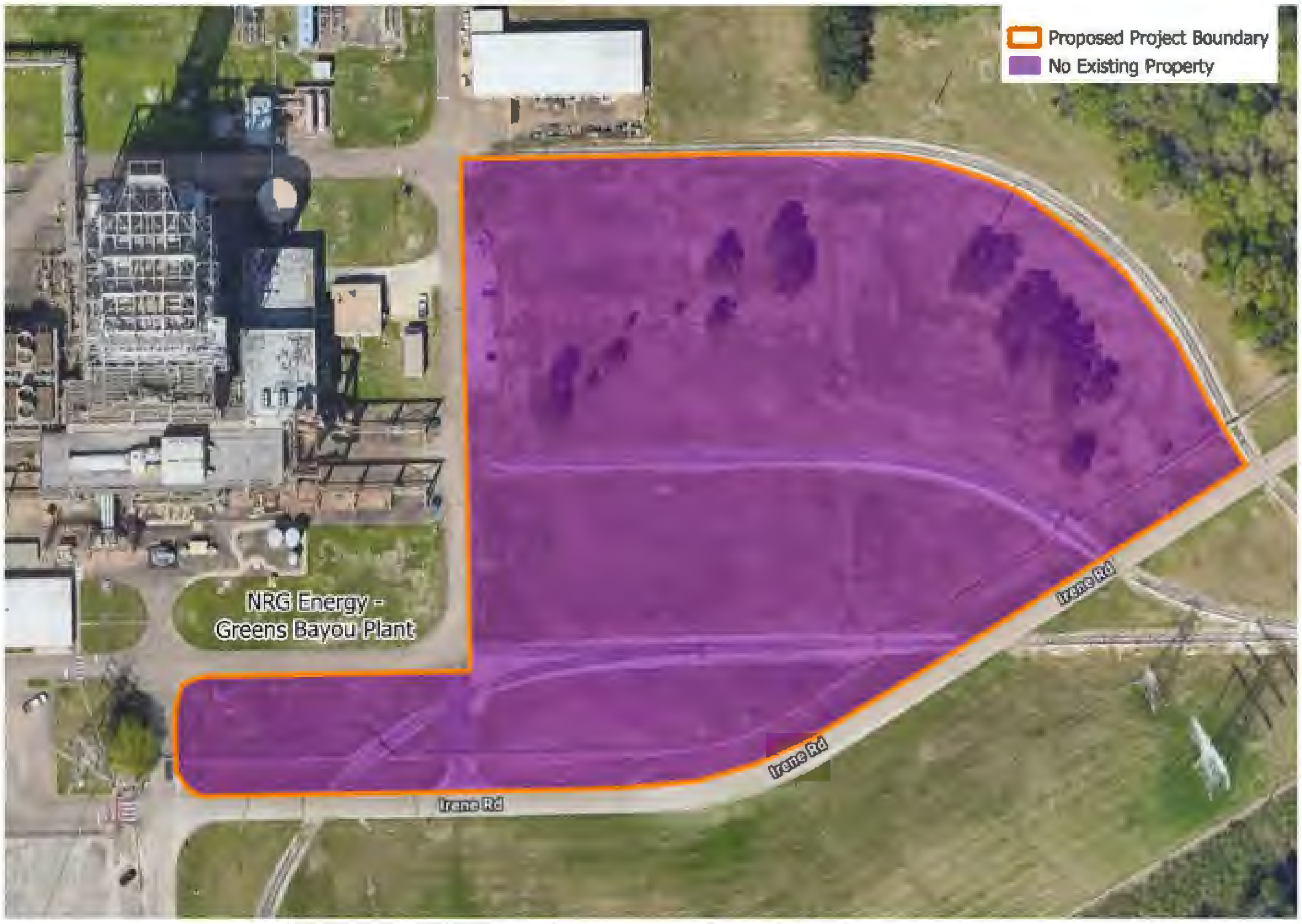

Figure 4: Proposed Borders of Project with No Existing Property

NRG Greens Bayou 6 LLC requests that all new investments in real and personal property (Tab 5) associated with this Project resulting in incremental taxable value be eligible and subject to the JETI program.

Please see the following page for the Harris CAD real property records of the three parcels.

HARRIS CENTRAL APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0410240000065

Tax Year: 2025

Print

Owner and Property Information			
Owner Name & Mailing Address:	**NRG TEXAS POWER LLC** **ATTN: PROPERTY TAX DEPT** **804 CARNEGIE CTR** **PRINCETON NJ 08540-6023**	Legal Description: Property Address:	**TR 7** **ABST 68 E SHIPMAN** **0 OLD BEAUMONT HWY** **HOUSTON TX 77049**

State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8004 -- Land Neighborhood Section 4	E	0	3,359,783 SF	0	0	9426	300 -- ISD 15 - Galena Park ISD	5760D	456Q

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/21/2025	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2024 Rate	2025 Rate
None	015	GALENA PARK ISD		Not Certified	1.171910	
	040	HARRIS COUNTY		Not Certified	0.385290	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.048970	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.006150	
	043	HARRIS CO HOSP DIST		Not Certified	0.163480	
	044	HARRIS CO EDUC DEPT		Not Certified	0.004799	
	047	SAN JACINTO COM COL D		Not Certified	0.154868	
	061	CITY OF HOUSTON		Not Certified	0.519190	

Texas law prohibits us from displaying residential photographs, sketches, floor plans, or information indicating the age of a property owner on our website. You can inspect this information or get a copy at **HCAD's information center at 13013 NW Freeway.**

Valuations

Value as of January 1, 2024			Value as of January 1, 2025		
	Market	Appraised		Market	Appraised
Land	1,546,172		Land	1,546,172	
Improvement	0		Improvement	0	
Total	1,546,172	1,546,172	Total	1,546,172	1,546,172

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8004 -- Land Neighborhood Section 4	4400	SF	2,823,198	1.00	1.00	1.00	--	1.00	0.50	0.50	1,411,599.00
2	8004 -- Land Neighborhood Section 4	4400	SF	236,585	1.00	1.00	0.25	Floodway	0.25	0.50	0.13	29,573.00
3	8004 -- Land Neighborhood Section 4	4400	SF	300,000	1.00	1.00	0.70	Restr or Non-Conf	0.70	0.50	0.35	105,000.00

Building
Vacant (No Building Data)

Figure 4: Harris CAD Parcel ID 0410240000065 Real Property Record (2025)

HARRIS CENTRAL APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0410150010034

Tax Year: 2025

Print

Owner and Property Information	
Owner Name & Mailing Address: **NRG TEXAS POWER LLC ATTN: PROPERTY TAX DEPT 804 CARNEGIE CTR PRINCETON NJ 08540-6023**	Legal Description: **TR 14 (IMPS ONLY) (LAND*0410150010014) (POLLUTION CONTROL) ABST 59 REELS & TROBOUGH** Property Address: **12070 OLD BEAUMONT HWY HOUSTON TX 77049**

State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
F2 -- Real, Industrial	3300 -- Industrial Imps Only Land	E	0	0 SF	0	0	9426	300 -- ISD 15 - Galena Park ISD	5760D	456Q

Value Status Information

Value Status	Shared CAD
All Values Pending	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2024 Rate	2025 Rate
Pollution Control	015	GALENA PARK ISD	Pending	Pending	1.171910	
	040	HARRIS COUNTY	Pending	Pending	0.385290	
	041	HARRIS CO FLOOD CNTRL	Pending	Pending	0.048970	
	042	PORT OF HOUSTON AUTHY	Pending	Pending	0.006150	
	043	HARRIS CO HOSP DIST	Pending	Pending	0.163480	
	044	HARRIS CO EDUC DEPT	Pending	Pending	0.004799	
	047	SAN JACINTO COM COL D	Pending	Pending	0.154868	
	061	CITY OF HOUSTON	Pending	Pending	0.519190	

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Valuations

Value as of January 1, 2024			Value as of January 1, 2025		
	Market	Appraised		Market	Appraised
Land	0		Land		
Improvement	30,200		Improvement		
Total	30,200	30,200	Total	Pending	Pending

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	3300 -- Industrial Imps Only Land	--	GR	0	1.00	1.00	1.00	--	1.00	Pending	Pending	Pending

Figure 5: Harris CAD Parcel ID 0410150010034 Real Property Record (2025)

HARRIS CENTRAL APPRAISAL DISTRICT
REAL PROPERTY ACCOUNT INFORMATION
0410240000090

Tax Year: 2025

Print

Owner and Property Information			
Owner Name & Mailing Address:	**NRG TEXAS POWER LLC** **ATTN: PROPERTY TAX DEPT** **804 CARNEGIE CTR** **PRINCETON NJ 08540-6023**	Legal Description: Property Address:	**TR 11** **ABST 68 E SHIPMAN** **0 OLD BEAUMONT HWY** **HOUSTON TX 77049**

State Class Code	Land Use Code	Building Class	Total Units	Land Area	Building Area	Net Rentable Area	Neighborhood	Market Area	Map Facet	Key Map®
C2 -- Real, Vacant Commercial	8004 -- Land Neighborhood Section 4	E	0	204,732 SF	0	0	9426	300 -- ISD 15 - Galena Park ISD	5760D	456Q

Value Status Information

Value Status	Notice Date	Shared CAD
Noticed	04/21/2025	No

Exemptions and Jurisdictions

Exemption Type	Districts	Jurisdictions	Exemption Value	ARB Status	2024 Rate	2025 Rate
None	015	GALENA PARK ISD		Not Certified	1.171910	
	040	HARRIS COUNTY		Not Certified	0.385290	
	041	HARRIS CO FLOOD CNTRL		Not Certified	0.048970	
	042	PORT OF HOUSTON AUTHY		Not Certified	0.006150	
	043	HARRIS CO HOSP DIST		Not Certified	0.163480	
	044	HARRIS CO EDUC DEPT		Not Certified	0.004799	
	047	SAN JACINTO COM COL D		Not Certified	0.154868	
	061	CITY OF HOUSTON		Not Certified	0.519190	

Texas law prohibits us from displaying residential photographs, sketches, floor plans, or information indicating the age of a property owner on our website. You can inspect this information or get a copy at **HCAD's information center at 13013 NW Freeway**.

Valuations

Value as of January 1, 2024			Value as of January 1, 2025		
	Market	Appraised		Market	Appraised
Land	102,366		Land	102,366	
Improvement	0		Improvement	0	
Total	102,366	102,366	Total	102,366	102,366

Land

Market Value Land												
Line	Description	Site Code	Unit Type	Units	Size Factor	Site Factor	Appr O/R Factor	Appr O/R Reason	Total Adj	Unit Price	Adj Unit Price	Value
1	8004 -- Land Neighborhood Section 4	4400	SF	204,732	1.00	1.00	1.00	--	1.00	0.50	0.50	102,366.00

Building
Vacant (No Building Data)

Figure 6: Harris CAD Parcel ID 041024000009 Real Property Record (2025)

Tab 7 – Limitation as a Compelling Factor

Section 9: Limitation as a Compelling Factor – Question 1-4

In Tab 7, explain how the limitation is a compelling factor in a competitive site selection process. Provide information regarding potential project sites outside of Texas and include incentive offers, permits obtained or any incentive programs applied to.

Project Competitiveness

NRG is evaluating the financial and technical viability of constructing several new power plants at various proposed locations in the United States, including three existing sites in the greater Houston area. As part of its multi-state evaluation of where new electricity generation assets could be constructed and operated, within various state regulatory frameworks, NRG proposes to make a significant capital investment in new power generation capacity at up to three of its existing power generation complexes in Texas.

The sites under consideration are the existing NRG TH Wharton, NRG Greens Bayou, and NRG Cedar Bayou power generation complexes currently operating as part of NRG's national power generation portfolio of sites. Consistent with the unique business cases presented by the potential investments, NRG is submitting a separate JETI application for each of the three proposed projects with this application for expansion at Greens Bayou being the third of three (the first and second of the three projects/Texas sites under consideration being the proposed expansions at the existing TH Wharton power generation facility in Harris County/Cypress-Fairbanks ISD and the existing Cedar Bayou power generation facility in Chambers County/Goose Creek CISD). Each of the three Texas sites under consideration is being evaluated through cost-benefit analyses and compared to alternative investment scenarios outside of Texas, including expanding existing NRG-owned and operated power generation complexes in other US states. In fact, the GE 7HA.03 combustion turbine that could be used for NRG Greens Bayou was originally designed and targeted to an NRG site in Astoria, New York. Given the distinctly separate project costs, incentive benefits, financing/debt terms, and myriad other project development cost and feasibility factors, NRG is considering the approval and development of one, or two, or all three of the proposed projects in Texas.

The projected cost-benefit of developing the NRG Greens Bayou 6 LLC Project in Texas is being compared to allocating the same capital resources to another state or abroad. NRG has determined that financial viability at the Texas sites is contingent upon economic development support in the form of low-interest loans, completion bonus grants and tax abatement partnerships. Without this support, the projected costs for the new proposed power plants in Texas are likely to be lower than competing investment scenarios outside of Texas, and inconsistent with Board of Directors expectations for approval.

To reduce the projected costs associated with developing the Project and demonstrate financial viability, NRG seeks support from the Texas Comptroller of Public Accounts, Governor's Office of Economic Development, and Galena Park ISD for a JETI application and ten-year value limitation on new, eligible real and personal property associated with the Project. Without the requested support, the Project may not meet the standard for financial viability at the proposed site in Texas, and the investment options at sites outside of Texas would have to be prioritized. Should NRG elect to forgo investment in Texas and relocate the capital proposed for the Project outside the state, the consequence is the loss of high-demand machinery and equipment to other states, international competitors and/or locations abroad.

NRG has capital cost data, operating history, and revenue estimates to inform its decision on where to locate the proposed new power generation capacity (Project) given limited capital resources. In evaluating the competing scenarios throughout its power generation footprint, NRG must maintain its fiduciary responsibility to stakeholders and provide its corporate board all the information it would need to properly consider investing in Texas via the Project versus each alternative investment scenario. Additional details on the alternative scenarios are strictly confidential, subject to Section 403.621 of the Texas Tax Code. Disclosure of this highly sensitive information would harm NRG's ability to compete in the marketplace and could result in the cancellation of the Project.

Kroll has supplied NRG's most recent quarterly earnings presentation from Q4 2024 in the pages below. The public earnings documents cited for reference illustrate and document the highly contingent nature of a Final Investment Decision (FID) to approve any of the three proposed expansions at existing NRG Texas facilities including the materiality of available incentive support.

Slide 22 of the presentation shows all three existing sites under separate and distinct consideration (TH Wharton, Cedar Bayou 5, and Greens Bayou 6), as currently under evaluation for FID approval and commitment to development. The slide is attached as additional evidence that NRG is continuously evaluating the viability of investing in these three proposed sites in Texas, critically including potential financial benefits from state and local incentives. As representatives of its shareholders' collective interests, the NRG Corporate Board must reach a final investment decision based on the financial viability of each proposed project and such assessment will include evaluating the benefits of any state and local incentives. Since this presentation was published, the capacity has been updated to 455 megawatt (MW).

Please see additional statement in the Confidential Supplement to the Application.

Limitation as a Compelling Factor - Related Agreements, Contracts, or Intent Letters

Please see statement in the Confidential Supplement to the Application.

Permitting Information

Please see below for the list of applied federal, state, local permits regarding activities at the Project site.

Permit/ Authorization	Granting Agency	Description	Timing/ Status
Clean Water Act (CWA) Section 404 Nationwide Permit	USACE	Allows for dredge and fill impacts to waters of the U.S.	Does Not Apply Project design avoids discharge of dredge or fill to waters of the U.S., and thus no permit is needed
TPDES Stormwater General Permit (Construction Activities) – TXR150000	TCEQ	Authorizes stormwater discharges from construction activities that are >1 acre; Stormwater Pollution Prevention Plan (SWPPP) required	Notice of intent (NOI) for coverage under general permit to be submitted by EPC Contractor electronically prior to commencing construction; SWPPP to be developed prior to NOI submittal. Coverage under the General Permit is automatic upon electronic registration.
New Source Review (NSR) Permit Prevention of Significant Deterioration (PSD) Permit	TCEQ	Authorizes emissions of air contaminants, including greenhouse gases, from the Project	Completed NSR Permit No. 171485, PSDTX1616, Nonattainment Permit N308; GHG PSDTX230 issued September 2023 to NRG Greens Bayou 6 LLC TCEQ granted extension of the Start of Construction deadline to September 15, 2026
Federal Aviation Administration (FAA) Notice	FAA	Notice required if structures >200 ft high or meet regulatory height/distance ratios from nearby airports or heliports	Completed Notice submitted and Determination of No Hazard (DNH) to Air Navigation issued on April 12, 2023 Extension of DNH until April 7, 2026, approved

			by FAA on October 7, 2024

Figure 9: Pre-Construction Permit Table

Permit/ Authorization	Granting Agency	Description	Timing/ Status
TPDES Industrial Stormwater Multi-sector General Permit (MSGP) – TXR050000	TCEQ	Authorizes stormwater associated with industrial activities into or adjacent to water in the state	Does not apply Exempt from needing coverage pursuant to Part V, Section O(3)(b) of the MSGP
TPDES Industrial Wastewater Permit	TCEQ	Authorizes discharge of industrial wastewater to water in the state	With concurrence of TCEQ, it was determined that no amendment is necessary. Discharge is authorized under existing TPDES Permit No. WQ0001031000.
Water Supply Agreement	City of Houston	Contract for 4.33 MGD with peak rate of 4,210 GPM	Completed Water supplied to Project under existing Water Supply Agreement with the City of Houston pursuant to Existing Complex Services Agreement
Groundwater Well Permit No. WP2023117643	Harris-Galveston Subsidence District	Authorizes groundwater water supply for site	Completed Water supply from existing wells will be provided to Project pursuant to Existing Complex Services Agreement; no amendment to permit necessary
Public Water System (PWS) Registration	TCEQ	If serving 25 people >60 days/year, register as a non-transient, non-community Purchased water system	Current PWS Registration for site to be reactivated as needed if number of employees exceeds trigger for registration requirement
Title V Federal Operating Permit	TCEQ	Authorizes air emissions during operations	Operation authorized upon timely filing of Application; To submit application at Full Notice to Proceed (FNTP)

Acid Rain Permit Cross-State Air Pollution Rule Group 2 NOx Ozone Season Trading Program	TCEQ/EPA	Permit and SO2 emissions cap and trade program Ozone season NOx emissions cap and trade program	Included within Title V permit
Industrial and Hazardous Waste Notice of Registration (NOR)	TCEQ	Required if hazardous or industrial solid waste under TCEQ jurisdiction is stored, processed, or disposed of on-site or if generating >100 kg/month Class 1 or hazardous waste	Completed Project's waste will be included in the site's existing Solid Waste Registration #31634
EPA ID Number	TCEQ/EPA	Required for small and large quantity generators and some conditionally-exempt small quantity generators	Completed Project's waste will be included in the site's existing EPA ID # TXD000837435
Hazardous Materials Registration	U.S. DOT	Authorizes transportation of hazardous materials	Completed Project's transportation of hazardous materials is covered by the site's existing registration
Local Noise Ordinance	City of Houston	Authority to regulate noise is found in Texas Local Government Code Chapter 51	Engineering studies have been completed showing the Project complies with the regulations

Figure 10: Operations Permit Table

Public Statements Regarding the Project

Any public statement made by NRG regarding the Project contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms.

Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated in published statements and materials about the Project include, among others, risks and uncertainties related to the capital markets generally.

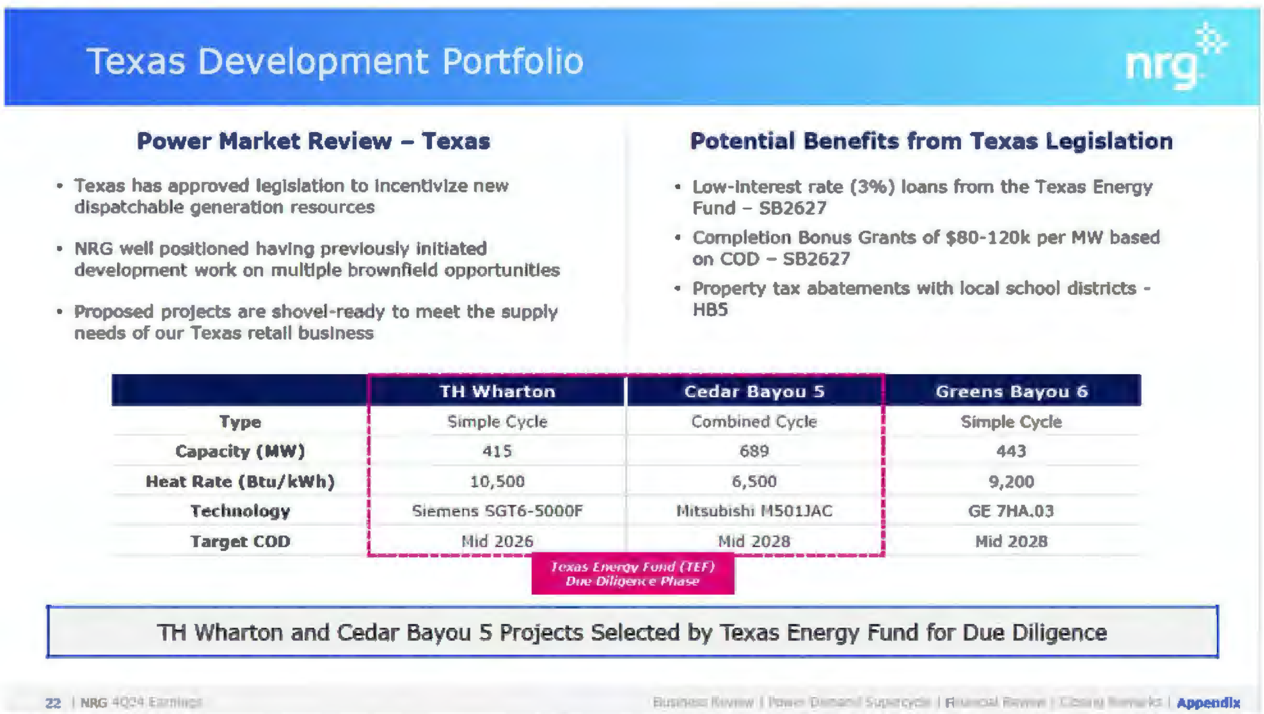

Figure 7: NRG Energy, Inc. Fourth Quarter and Full Year 2024 Earnings Presentation, Slide 22

NRG Applies to the Texas Energy Fund to Bring Essential Dispatchable Power to ERCOT

NRG Energy, Inc.
Jun 10, 2024 • 3 min read

Share

- Three new shovel-ready projects totaling more than 1,600 megawatts that we believe are among the few that can be completed this decade.
- Timely approval will enable NRG to deliver essential, dispatchable generation to ERCOT as early as summer 2026.

HOUSTON--(BUSINESS WIRE)--Jun. 10, 2024-- Today, NRG Energy Inc. (NYSE: NRG) submitted the first of three loan applications to the Texas Energy Fund (TEF) to develop the previously announced 1,600 megawatts (MW) (1.6 Gigawatts) of new quick-start natural gas power generation in the Electric Reliability Council of Texas (ERCOT). The TEF is administered by the Public Utility Commission of Texas (PUCT).

This first application is for a new 721 MW natural gas combined cycle unit at NRG's Cedar Bayou plant in Baytown, Texas. In the coming weeks, the company plans to submit applications for two quick-start natural gas peaking projects near Houston: the 455 MW project at TH Wharton and the 456 MW unit at Greens Bayou. NRG anticipates that these three projects will be capable of supplying power to customers in under 30 minutes. Completion of these projects is contingent upon timely loan approvals from the PUCT and tax abatements by local authorities.

"Texas is projected to have the fastest growing electricity sector of any market in the United States," said Larry Coben, NRG Chair, Interim President and CEO. "The state expects electricity consumption to grow by 65 gigawatts (65,000MW), or nearly 77% through 2030. NRG urges advancement of any truly shovel-ready projects to meet the demands of the state's growing and electrified economy. Our three shovel-ready projects have been in development for five years and are among the select few projects positioned to bring much needed flexible and dispatchable generation to the state this decade."

Following approval, NRG would begin construction on two of the three facilities as early as October of this year. These plants are expected to create lasting economic and community benefits through permanent positions and hundreds of construction jobs.

About NRG

NRG Energy is a leading energy and home services company powered by people and our passion for a smarter, cleaner, and more connected future. A Fortune 500 company operating in the United States and Canada, NRG delivers innovative solutions that help people, organizations, and businesses achieve their goals while also advocating for competitive energy markets and customer choice. More information is available at www.nrg.com. Connect with NRG on Facebook, Instagram, LinkedIn and X.

Safe Harbor

This communication contains forward-looking statements that may state NRG's or its management's intentions, beliefs, expectations or predictions for the future. Such forward-looking statements are subject to certain risks, uncertainties and assumptions, and typically can be identified by the use of words such as "will," "expect," "estimate," "anticipate," "forecast," "plan," "believe" and similar terms. Although NRG believes that its expectations are reasonable, it can give no assurance that these expectations will prove to have been correct, and actual results may vary materially. Factors that could cause actual results to differ materially from those contemplated above include, among others, risks and uncertainties related to the capital markets generally.

Figure 8: NRG Energy, Inc. June 10, 2024 Press Release

Tab 8 – Economic Benefit Statement

Section 10: Economic Benefit Statement and Schedules

KROLL

Project Moonshot

Greens Bayou 6 LLC, Proposed Greens Bayou 6 Site

Jobs, Energy, Technology & Innovation Act (JETI) Application: Economic Benefit Statement

Prepared by Kroll Tax Services
MONDAY, 12 MAY 2025

May 12, 2025

Desiree Caufield
Economic Development Manager
Texas Comptroller of Public Accounts
Lyndon B. Johnson State Office Building
111 East 17th St.
Austin, TX 78774

Re: Greens Bayou 6 LLC – JETI EBS Statement

Dear Ms. Caufield,

Please accept the following as a detailed analysis of the estimated economic benefits associated with the potential development of Greens Bayou 6 LLC (at the proposed Greens Bayou 6 site), also referred to as "Project Moonshot", to the surrounding community and State of Texas. This analysis contains detailed projections, estimates of project investment and job creation, and econometric estimates of the monetary benefit to the surrounding community, as requested in the JETI application pursuant to Texas Government Code Title 4, Subtitle A, Chapter and Sub-Section 403.608.

Our estimates were developed using conservative assumptions and inputs, avoiding the multiplication of certain impacts. We have deliberately excluded speculative revenues from state and local sources, such as travel, tourism, hotel stays, fines, and fees. While these revenues would undoubtedly benefit the State and local community, the lack of solid metrics precludes their inclusion in a sound analysis. Kroll's estimates are grounded in substantial, credible, and reasonable metrics and assumptions, taking into account local economic factors, wages, intra-industry spending, and market conditions to deliver an accurate assessment of community benefits.

A bulleted list of the estimates requested is included below as an executive summary.

- Sec. 403.608(b)(1) – The Project would create **14 permanent full-time** jobs and on average, **~514 construction jobs** during three construction years.
- Sec. 403.608(b)(2) – The Project would entail a total of ~**$548M** in **capital investment, including ~$168M** in **real property** and ~**$380M** in **personal property.**
- Sec. 403.608(b)(3) – The average estimated **valuation of new property** is ~**$387M.** This value is calculated by averaging the estimated taxable value of all years 2026 through 2063.
- Sec. 403.608(b)(4) – The Project would create an estimated ad valorem property tax liability of ~**$361M** across all taxing jurisdictions, including the local school district.

- Sec. 403.608(b)(5) – It is estimated that **State tax revenue** would be ~**$27M,** directly and indirectly attributable to the Project's activities. The total direct state and local tax revenue is estimated to be ~**$399M**.
- Sec. 403.608(b)(6) - These subsections include an estimate of the wider economic impact benefits reasonably attributed to the Project's activities over the thirty-eight years of this analysis:
    - (A) On average, an estimated ~**274 permanent jobs would be supported and created by local businesses** as a result of the Project activities. It is reasonably assumed that the impact is positive on the surrounding businesses.
    - (B) The indirect economic impact of the Project would generate an estimated **~$360M in state and local taxes.**
    - (C) Although it is not known if any businesses are locating to the area as a direct result of the project, it is anticipated that the Project will spur **$356M in local business expenditures**. *See Section 4 on project economic impact analysis*
    - (D) It is estimated that The State of Texas would **increase its GDP by ~$4.5B** as a result of the Project.
    - (E) It is estimated that earnings within the State of Texas would increase by ~**$993M**.
    - (F) The state and local taxes generated by the Project are estimated at ~**$766M.**

Sincerely,

Tony Schum

Director

Kroll Site Selection and Incentive Advisory

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SECTION 01

Greens Bayou 6 LLC – Job Creation and Capital Investment

Total Number of Permanent and Temporary Job Creation – Subsections (1) and (2)

Sec. 403.608 (b) (1) and (2) require that the estimated number of total jobs and total amount of capital investment be provided in connection with the Project, beginning with the date of the construction of the project and looking forward twenty-five years after the end of the incentive term (ten years), for a total of thirty-eight years of economic benefit.

(1) Job Creation

The company intends to make 14 full-time hires in support of the Project, with **total payroll expected to exceed $1.8M**. The projected Net New Job Creation fluctuates because of temporary construction hiring, which has been forecasted by Lightcast™, including earnings. On average, the construction activities are estimated to support **514** construction jobs through construction work in progress (CWIP).

Job Creation Schedule

Calendar Year	Project Year	Net New Job Creation	Total Headcount	Permanent Job Payroll	Construction Payroll	Total Payroll
2026	1	964	964	$0	$125,271,696	$125,271,696
2027	2	-497	467	$0	$60,995,655	$60,995,655
2028	3	-357	110	$0	$14,295,617	$14,295,617
2029	4	-96	14	$1,842,448	$0	$1,842,448
2030	5	0	14	$1,879,297	$0	$1,879,297
2031	6	0	14	$1,916,883	$0	$1,916,883
2032	7	0	14	$1,955,221	$0	$1,955,221
2033	8	0	14	$1,994,325	$0	$1,994,325
2034	9	0	14	$2,034,212	$0	$2,034,212
2035	10	0	14	$2,074,896	$0	$2,074,896
2036	11	0	14	$2,116,394	$0	$2,116,394
2037	12	0	14	$2,158,722	$0	$2,158,722
2038	13	0	14	$2,201,896	$0	$2,201,896
2039	14	0	14	$2,245,934	$0	$2,245,934
2040	15	0	14	$2,290,853	$0	$2,290,853
2041	16	0	14	$2,336,670	$0	$2,336,670
2042	17	0	14	$2,383,404	$0	$2,383,404
2043	18	0	14	$2,431,072	$0	$2,431,072
2044	19	0	14	$2,479,693	$0	$2,479,693
2045	20	0	14	$2,529,287	$0	$2,529,287
2046	21	0	14	$2,579,873	$0	$2,579,873
2047	22	0	14	$2,631,470	$0	$2,631,470
2048	23	0	14	$2,684,099	$0	$2,684,099
2049	24	0	14	$2,737,781	$0	$2,737,781
2050	25	0	14	$2,792,537	$0	$2,792,537
2051	26	0	14	$2,848,388	$0	$2,848,388
2052	27	0	14	$2,905,356	$0	$2,905,356
2053	28	0	14	$2,963,463	$0	$2,963,463
2054	29	0	14	$3,022,732	$0	$3,022,732
2055	30	0	14	$3,083,187	$0	$3,083,187
2056	31	0	14	$3,144,850	$0	$3,144,850
2057	32	0	14	$3,207,747	$0	$3,207,747
2058	33	0	14	$3,271,902	$0	$3,271,902
2059	34	0	14	$3,337,340	$0	$3,337,340
2060	35	0	14	$3,404,087	$0	$3,404,087
2061	36	0	14	$3,472,169	$0	$3,472,169
2062	37	0	14	$3,541,612	$0	$3,541,612
2063	38	0	14	$3,612,444	$0	$3,612,444
Total				$92,112,247	$200,562,968	$292,675,215

CWIP Years
Incentive Period

(2) Capital Investment

The company has proposed a capital investment of approximately **$548M**. The total real property investment expenditure is an estimated **$168M**, with an additional estimated **$380M** in personal property expenditures. While the company would have regular capital upgrades, only the investment related to this Project construction is accounted for in the table below.

Estimated Capital Investment				
Calendar Year	Project Year	Real Property	Personal Property	Total Investment
2026	1	$96,971,674	$246,575,655	**$343,547,329**
2027	2	$58,975,234	$106,333,185	**$165,308,418**
2028	3	$11,577,262	$27,541,784	**$39,119,046**
2029-2063	4-38	$0	$0	**$0**
Total		**$167,524,170**	**$380,450,623**	**$547,974,793**

CWIP Years
Incentive Period

SECTION 02

Greens Bayou 6 LLC - Property Value Increases and Ad Valorem Taxes

Increases in Proposed Value of Property and Estimated Ad Valorem Taxes - Subsections (3) and (4)

Sec. 403.608 (b) (3) and (4) require that the increase in appraised value of the property and the estimated amount of ad valorem taxes paid are stated in connection with the Project beginning with the date of the construction of the Project and looking forward twenty-five years after the end of the incentive term (ten years), for a total of thirty-eight years of economic benefit.

(3) Value of Property

The Company estimated asset valuation has been projected as follows. The average estimated valuation of new property through CWIP, incentive period, and twenty-five following years is approximately **$387M.** This value is calculated by averaging the estimated taxable value of all years 2026 through 2063.

Estimated Asset Valuation

Calendar Year	Project Year	Tax Year	Valuation	Calendar Year	Project Year	Tax Year	Valuation
2026*	1	2026	$0	2045	20	2045	$395,801,549
2027	2	2027	$197,268,681	2046	21	2046	$398,252,973
2028	3	2028	$240,516,376	2047	22	2047	$398,781,009
2029	4	2029	$504,756,294	2048	23	2048	$396,039,934
2030	5	2030	$492,978,647	2049	24	2049	$381,975,705
2031	6	2031	$433,080,900	2050	25	2050	$402,085,842
2032	7	2032	$422,481,018	2051	26	2051	$407,736,965
2033	8	2033	$387,922,683	2052	27	2052	$406,967,172
2034	9	2034	$388,608,470	2053	28	2053	$372,306,472
2035	10	2035	$389,560,349	2054	29	2054	$423,188,500
2036	11	2036	$365,428,064	2055	30	2055	$411,790,086
2037	12	2037	$399,846,161	2056	31	2056	$427,987,803
2038	13	2038	$388,522,173	2057	32	2057	$434,876,325
2039	14	2039	$389,242,742	2058	33	2058	$433,167,815
2040	15	2040	$390,831,864	2059	34	2059	$486,593,257
2041	16	2041	$393,308,164	2060	35	2060	$466,451,984
2042	17	2042	$382,886,938	2061	36	2061	$445,238,685
2043	18	2043	$394,028,435	2062	37	2062	$506,628,456
2044	19	2044	$368,480,876	2063**	38	2063	$175,298,031
				Average Value			$386,866,247

CWIP Years
Incentive Period

*2026 is Project Year 1. In this year, the valuation of property for tax purposes is $0 due to no investment occurring in 2025 that increases appraisal value.

**Company currently projects that the facility will only run through part of 2063. Therefore, taxable value decreases in 2063 due to the facility only receiving revenue for a portion of the year.

(4) Ad Valorem Taxes

The Company's estimated property tax liabilities are displayed in the table below. It is estimated that without economic development incentives, the Company would pay more than **$360M** in property taxes through CWIP, the incentive period, and twenty-five following years.

Estimated Property Taxes

Calendar Year	Project Year	Tax Year	Harris County	City of Houston	Harris Co Flood Ctrl	Port of Houston Authy	Harris Co Hosp Dist	Harris Co Educ Dept	San Jacinto College District	GPISD M&O	GPISD I&S	**Total Property Taxes**
2026*	1	2026	$0	$0	$0	$0	$0	$0	$0	$0	$0	**$0**
2027	2	2027	$760,057	$1,024,199	$96,602	$12,132	$322,495	$9,467	$305,506	$1,652,322	$659,489	**$4,842,269**
2028	3	2028	$926,686	$1,248,737	$117,781	$14,792	$393,196	$11,542	$372,483	$2,014,565	$804,070	**$5,903,852**
2029	4	2029	$1,944,776	$2,620,644	$247,179	$31,043	$825,176	$24,223	$781,706	$4,227,839	$1,687,451	**$12,390,036**
2030	5	2030	$1,899,397	$2,559,496	$241,412	$30,318	$805,921	$23,658	$763,466	$4,129,189	$1,648,077	**$12,100,935**
2031	6	2031	$1,668,617	$2,248,513	$212,080	$26,634	$708,001	$20,784	$670,704	$3,627,486	$1,447,833	**$10,630,651**
2032	7	2032	$1,627,777	$2,193,479	$206,889	$25,983	$690,672	$20,275	$654,288	$3,538,701	$1,412,396	**$10,370,460**
2033	8	2033	$1,494,627	$2,014,056	$189,966	$23,857	$634,176	$18,616	$600,768	$3,249,240	$1,296,864	**$9,522,171**
2034	9	2034	$1,497,270	$2,017,616	$190,302	$23,899	$635,297	$18,649	$601,830	$3,254,985	$1,299,157	**$9,539,005**
2035	10	2035	$1,500,937	$2,022,558	$190,768	$23,958	$636,853	$18,695	$603,304	$3,262,957	$1,302,339	**$9,562,370**
2036	11	2036	$1,407,958	$1,897,266	$178,950	$22,474	$597,402	$17,537	$565,931	$3,060,825	$1,221,663	**$8,970,006**
2037	12	2037	$1,540,567	$2,075,961	$195,805	$24,591	$653,669	$19,189	$619,234	$3,349,111	$1,336,726	**$9,814,852**
2038	13	2038	$1,496,937	$2,017,168	$190,259	$23,894	$635,156	$18,645	$601,697	$3,254,262	$1,298,868	**$9,536,887**
2039	14	2039	$1,499,713	$2,020,909	$190,612	$23,938	$636,334	$18,680	$602,812	$3,260,297	$1,301,277	**$9,554,574**
2040	15	2040	$1,505,836	$2,029,160	$191,390	$24,036	$638,932	$18,756	$605,273	$3,273,608	$1,306,590	**$9,593,582**
2041	16	2041	$1,515,377	$2,042,017	$192,603	$24,188	$642,980	$18,875	$609,108	$3,294,349	$1,314,869	**$9,654,366**
2042	17	2042	$1,475,225	$1,987,911	$187,500	$23,548	$625,944	$18,375	$592,969	$3,207,061	$1,280,029	**$9,398,561**
2043	18	2043	$1,518,152	$2,045,756	$192,956	$24,233	$644,158	$18,909	$610,224	$3,300,382	$1,317,276	**$9,672,047**
2044	19	2044	$1,419,720	$1,913,116	$180,445	$22,662	$602,393	$17,683	$570,659	$3,086,396	$1,231,868	**$9,044,942**
2045	20	2045	$1,524,984	$2,054,962	$193,824	$24,342	$647,056	$18,995	$612,970	$3,315,234	$1,323,204	**$9,715,570**
2046	21	2046	$1,534,429	$2,067,690	$195,024	$24,493	$651,064	$19,112	$616,766	$3,335,767	$1,331,400	**$9,775,744**
2047	22	2047	$1,536,463	$2,070,431	$195,283	$24,525	$651,927	$19,138	$617,584	$3,340,190	$1,333,165	**$9,788,706**
2048	23	2048	$1,525,902	$2,056,200	$193,941	$24,356	$647,446	$19,006	$613,339	$3,317,230	$1,324,001	**$9,721,422**
2049	24	2049	$1,471,714	$1,983,180	$187,054	$23,492	$624,454	$18,331	$591,558	$3,199,429	$1,276,983	**$9,376,193**
2050	25	2050	$1,549,197	$2,087,589	$196,901	$24,728	$657,330	$19,296	$622,702	$3,367,871	$1,344,213	**$9,869,828**
2051	26	2051	$1,570,970	$2,116,930	$199,669	$25,076	$666,568	$19,567	$631,454	$3,415,205	$1,363,105	**$10,008,544**
2052	27	2052	$1,568,004	$2,112,933	$199,292	$25,028	$665,310	$19,530	$630,262	$3,408,757	$1,360,532	**$9,989,648**
2053	28	2053	$1,434,460	$1,932,978	$182,318	$22,897	$608,647	$17,867	$576,584	$3,118,439	$1,244,658	**$9,138,847**
2054	29	2054	$1,630,503	$2,197,152	$207,235	$26,026	$691,829	$20,309	$655,384	$3,544,627	$1,414,761	**$10,387,826**
2055	30	2055	$1,586,586	$2,137,973	$201,654	$25,325	$673,194	$19,762	$637,731	$3,449,154	$1,376,655	**$10,108,034**
2056	31	2056	$1,648,994	$2,222,070	$209,586	$26,321	$699,674	$20,539	$662,816	$3,584,826	$1,430,806	**$10,505,633**
2057	32	2057	$1,675,535	$2,257,834	$212,959	$26,745	$710,936	$20,870	$673,484	$3,642,524	$1,453,835	**$10,674,722**
2058	33	2058	$1,668,952	$2,248,964	$212,122	$26,640	$708,143	$20,788	$670,838	$3,628,214	$1,448,123	**$10,632,784**
2059	34	2059	$1,874,795	$2,526,344	$238,285	$29,925	$795,483	$23,352	$753,577	$4,075,705	$1,626,730	**$11,944,195**
2060	35	2060	$1,797,193	$2,421,772	$228,422	$28,687	$762,556	$22,385	$722,385	$3,907,002	$1,559,396	**$11,449,796**
2061	36	2061	$1,715,460	$2,311,635	$218,033	$27,382	$727,876	$21,367	$689,532	$3,729,319	$1,488,477	**$10,929,083**
2062	37	2062	$1,951,989	$2,630,364	$248,096	$31,158	$828,236	$24,313	$784,605	$4,243,520	$1,693,710	**$12,435,991**
2063**	38	2063	$675,406	$910,130	$85,843	$10,781	$286,577	$8,413	$271,481	$1,468,296	$586,039	**$4,302,965**
Total			$56,641,165	$76,325,693	$7,199,039	$904,106	$24,033,060	$705,497	$22,767,017	$123,134,884	$49,146,637	$360,857,098

CWIP Years
Incentive Period

*2026 is Project Year 1. In this year, the valuation of property for tax purposes is $0 due to no investment occurring in 2025 that increases appraisal value.

**Company currently projects that the facility will only run through part of 2063. Therefore, taxable value decreases in 2063 due to the facility only receiving revenue for a portion of the year.

SECTION 03

Greens Bayou 6 LLC - State Tax Revenue and Project Economic Impact Analysis

Estimated State Tax Revenue and Project Economic Impact Analysis - Subsections (5) and (6)

Sec. 403.608 (b)(5) requires that the amount of state taxes paid is stated in connection with the Project, beginning with the date of construction of the project and looking forward twenty-five years after the end of the incentive term (ten years), for a total of thirty-eight years of economic benefit. Sec. 403.608 (b)(6) requests an estimate of the associated economic benefits that may be reasonably attributed to the project.

(5) Estimated State Tax Revenues by Category

The estimated state tax revenues were derived from categorical objective analysis of state Franchise Tax and State Sales & Use Tax. The latter 6.25% sales tax rate is applied to taxable and non-exempt project investments, the discretionary portion of income of permanent and construction wages used in purchasing goods and services locally, and the in-migration construction workers that are provided a travel per diem. Our assumptions are notated below:

- Discretionary and disposable income percentage used to purchase local goods & services subject to sales tax: **26% of wages earned**
- Net in-migration of construction workers (i.e., construction workers that would travel to the site from out-of-state or abroad): **20%**
- Estimated number of construction days on-site, per worker, per year: **300**
- To estimate the Franchise Tax due, the **70% margin** method is utilized.

Using these categorical Franchise and Sales & Use tax methodologies, it is estimated that through CWIP, the incentive period, and twenty-five following years, State tax revenue would be **$27M**, directly and indirectly attributable to the Project's activities. Total direct State and local tax revenues associated with the Project would be approximately **$399M**.

Estimated State and Local Tax Revenue - Project Derived

Calendar Year	Project Year	Tax Year	Sales Tax Revenue (Local)	Sales Tax Revenue (State)	Total State Tax Revenue	Total State and Local Tax Revenue
2026	1	2026	$3,277,678	$3,612,938	$3,612,938	$6,890,616
2027	2	2027	$1,589,550	$1,755,336	$1,755,336	$8,187,156
2028	3	2028	$373,761	$412,131	$520,238	$6,797,851
2029	4	2029	$120,729	$281,027	$440,110	$12,950,874
2030	5	2030	$116,257	$267,053	$416,206	$12,633,398
2031	6	2031	$120,241	$279,505	$436,726	$11,187,618
2032	7	2032	$122,813	$287,541	$449,814	$10,943,087
2033	8	2033	$126,047	$297,646	$466,372	$10,114,590
2034	9	2034	$128,330	$304,780	$477,926	$10,145,260
2035	10	2035	$130,709	$312,215	$489,977	$10,183,057
2036	11	2036	$124,395	$292,484	$456,341	$9,550,741
2037	12	2037	$138,386	$336,207	$529,392	$10,482,630
2038	13	2038	$136,522	$330,382	$519,118	$10,192,527
2039	14	2039	$138,839	$337,621	$530,802	$10,224,215
2040	15	2040	$141,461	$345,815	$544,084	$10,279,126
2041	16	2041	$144,395	$354,985	$558,996	$10,357,758
2042	17	2042	$142,863	$350,196	$550,425	$10,091,848
2043	18	2043	$148,811	$368,785	$581,154	$10,402,012
2044	19	2044	$142,044	$347,636	$545,055	$9,732,040
2045	20	2045	$153,612	$383,787	$605,293	$10,474,475
2046	21	2046	$156,563	$393,008	$620,237	$10,552,545
2047	22	2047	$158,852	$400,161	$631,694	$10,579,252
2048	23	2048	$160,013	$403,789	$637,211	$10,518,646
2049	24	2049	$157,253	$395,165	$622,116	$10,155,562
2050	25	2050	$166,348	$423,587	$669,301	$10,705,477
2051	26	2051	$170,435	$436,361	$690,160	$10,869,140
2052	27	2052	$172,302	$442,195	$699,340	$10,861,290
2053	28	2053	$162,424	$411,326	$646,791	$9,948,062
2054	29	2054	$182,212	$473,164	$750,113	$11,320,152
2055	30	2055	$180,412	$467,538	$739,985	$11,028,431
2056	31	2056	$188,187	$491,834	$780,154	$11,473,973
2057	32	2057	$192,740	$506,062	$803,382	$11,670,844
2058	33	2058	$194,319	$510,996	$810,968	$11,638,071
2059	34	2059	$198,890	$525,283	$834,265	$12,977,351
2060	35	2060	$192,254	$504,544	$798,654	$12,440,704
2061	36	2061	$185,253	$482,665	$761,112	$11,875,447
2062	37	2062	$206,899	$550,311	$874,087	$13,516,978
2063	38	2063	$92,386	$192,457	$271,580	$4,666,932
Total			**$10,635,184**	**$19,268,514**	**$27,127,453**	**$398,619,735**

CWIP Years
Incentive Period

(6) Associated Economic Benefits Attributed to the Project

The following table represents Kroll's best faith of the estimate of associated economic benefits, created by utilizing the Lightcast input-output general equilibrium multipliers and tax estimates. Where Kroll has intimate knowledge of the Project, the initial projections were removed, and only the Direct (suppliers), Indirect (suppliers of suppliers), and Induced (wider economy) outputs of the Lightcast engine were utilized in creating the table below. A restatement of the summary of this subsection request is listed below:

- On average, an estimated **274 permanent jobs would be supported and created by local businesses** as a result of the Project activities.
- The indirect economic impact of the Project would generate an estimated liability of **$360M in state and local tax.**
- Although it is not known if any businesses are locating in the area as a direct result of the project, it is anticipated that the Project will spur **$356M in local business expenditures**. See *Complementary Businesses and Industry Growth Table in* the pages below.
- It is estimated that the State of Texas would **increase its GDP by approximately $4.5B** as a result of the Project activities.
- It is estimated that the State of Texas would recognize an increase in **earnings of approximately $993M** as a result of the Project activities.
- It is estimated that **State and local tax liabilities generated** as a result of the project **would be approximately $766M**.

Economic Impact Analysis Results

Calendar Year	Project Year	Tax Year	(A) Average Number of Permanent Jobs Supported	(B) Total Impact on State and Local Taxes	(D) Total Impact on State GDP	(E) Total Impact on Earnings in State	(F) Total State and Local Tax Revenue
2026	1	2026	0	$9,991,467	$468,819,025	$125,271,696	$16,882,083
2027	2	2027	0	$4,879,040	$226,304,074	$60,995,655	$13,066,196
2028	3	2028	0	$1,140,809	$94,598,278	$14,295,617	$7,938,660
2029	4	2029	201	$7,058,448	$76,810,916	$16,207,902	$20,009,322
2030	5	2030	189	$6,617,827	$72,167,881	$15,347,992	$19,251,224
2031	6	2031	198	$6,975,842	$76,007,986	$16,114,217	$18,163,460
2032	7	2032	204	$7,199,998	$78,427,103	$16,608,759	$18,143,085
2033	8	2033	212	$7,486,328	$81,507,350	$17,230,607	$17,600,919
2034	9	2034	217	$7,682,435	$83,630,105	$17,669,613	$17,827,695
2035	10	2035	222	$7,887,259	$85,846,250	$18,127,159	$18,070,316
2036	11	2036	206	$7,270,267	$79,334,612	$16,912,945	$16,821,008
2037	12	2037	241	$8,571,524	$93,197,721	$19,603,610	$19,054,154
2038	13	2038	235	$8,374,162	$91,144,693	$19,245,111	$18,566,689
2039	14	2039	241	$8,571,408	$93,283,702	$19,690,587	$18,795,624
2040	15	2040	247	$8,797,111	$95,725,825	$20,194,858	$19,076,237
2041	16	2041	253	$9,051,879	$98,477,560	$20,759,183	$19,409,636
2042	17	2042	249	$8,884,093	$96,742,227	$20,464,437	$18,975,942
2043	18	2043	263	$9,422,754	$102,511,062	$21,608,395	$19,824,766
2044	19	2044	246	$8,759,394	$95,514,071	$20,306,936	$18,491,434
2045	20	2045	274	$9,828,123	$106,914,739	$22,531,622	$20,302,598
2046	21	2046	281	$10,082,076	$109,662,585	$23,099,057	$20,634,620
2047	22	2047	286	$10,273,014	$111,742,158	$23,539,255	$20,852,266
2048	23	2048	288	$10,356,849	$112,685,202	$23,762,505	$20,875,494
2049	24	2049	280	$10,069,710	$109,689,154	$23,231,798	$20,225,272
2050	25	2050	302	$10,902,204	$118,585,915	$24,980,859	$21,607,681
2051	26	2051	312	$11,260,987	$122,452,434	$25,766,909	$22,130,127
2052	27	2052	316	$11,409,406	$124,085,769	$26,125,940	$22,270,696
2053	28	2053	290	$10,447,477	$113,927,142	$24,226,317	$20,395,539
2054	29	2054	339	$12,288,132	$133,536,186	$28,031,714	$23,608,284
2055	30	2055	334	$12,088,332	$131,474,541	$27,685,532	$23,116,763
2056	31	2056	352	$12,792,646	$139,016,796	$29,180,626	$24,266,619
2057	32	2057	363	$13,191,969	$143,320,942	$30,056,231	$24,862,813
2058	33	2058	366	$13,309,633	$144,634,816	$30,359,857	$24,947,704
2059	34	2059	376	$13,709,454	$148,946,797	$31,239,017	$26,686,806
2060	35	2060	359	$13,049,579	$142,004,937	$29,962,775	$25,490,283
2061	36	2061	341	$12,354,580	$134,691,376	$28,616,387	$24,230,027
2062	37	2062	394	$14,365,855	$156,122,765	$32,779,205	$26,241,302
2063	38	2063	107	$3,510,683	$40,899,752	$10,757,436	$17,027,661
Total			**274**	**$359,912,754**	**$4,534,444,446**	**$992,588,323**	**$765,741,004**

CWIP Years
Incentive Period

Direct and Indirect Tax

Over the construction period, the total of state and local direct and indirect tax revenues is estimated to be over **$22M**. Through the years of operations, this figure is estimated to be approximately **$377M.** Total direct state and local direct and indirect tax revenue over the investment and operations periods is an estimated **$399M.**

Direct vs. Indirect Tax Revenues for State and Local Taxing Jurisdictions During Investment Period			
	Direct Taxes	Indirect Taxes	Total Tax Revenue
State of Texas	$108,107	$5,780,405	**$5,888,512**
Local Districts	$10,746,122	$5,240,989	**$15,987,111**
Total:	**$10,854,229**	**$11,021,394**	**$21,875,623**

Direct vs. Indirect Tax Revenues for State and Local Taxing Jurisdictions During Operating Period			
	Direct Taxes	Indirect Taxes	Total Tax Revenue
State of Texas	$9,247,656	$11,991,285	**$21,238,940**
Local Districts	$350,589,960	$4,915,211	**$355,505,171**
Total:	**$359,837,616**	**$16,906,496**	**$376,744,112**

Complementary Businesses and Industry Growth Table

Using Lightcast, this table predicts the ripple effect of the applicant's investment on local industries and complimentary businesses. The data suggests that the investment would result in over **$356M** in the **development of complementary businesses**.

Development of Industries in the State			
NAICS	Development of Complementary Businesses by Industry	In-Region Purchases	Percent of Total
22	Utilities	$65,394,403	18%
48	Transportation and Warehousing	$57,319,885	16%
31	Manufacturing	$49,043,194	14%
21	Mining, Quarrying, and Oil and Gas Extraction	$31,493,547	9%
54	Professional, Scientific, and Technical Services	$40,414,017	11%
53	Real Estate and Rental and Leasing	$25,711,333	7%
52	Finance and Insurance	$16,875,857	5%
51	Information	$8,915,146	3%
56	Administrative and Support and Waste Mana	$16,474,749	5%
42	Wholesale Trade	$13,577,518	4%
23	Construction	$15,001,720	4%
44	Retail Trade	$5,258,752	1%
72	Accommodation and Food Services	$6,134,847	2%
81	Other Services (except Public Administration)	$1,391,320	0%
90	Government	$1,162,289	0%
61	Educational Services	$927,422	0%
71	Arts, Entertainment, and Recreation	$599,731	0%
55	Management of Companies and Enterprises	$344,586	0%
62	Health Care and Social Assistance	$269,509	0%
11	Agriculture, Forestry, Fishing and Hunting	$1,238	0%
Total:		**$356,311,063**	**100%**

Direct and Indirect Economic Impacts on Earnings

The table labeled Direct, Indirect, and Induced Construction Payroll models the total estimated payroll for construction workers required on-site due to the proposed project. These are shown as Indirect and Induced because the workers would be employed by contractors, not the applicant. Over the three-year construction period, we can project that there could be an approximately **$201M payroll impact**.

The second table, however, shows the direct payroll impact for the applicant's projected employees (as would be reflected on each employee's W-2). Construction jobs are not included in this table. Over the course of 35 years of normal business operations, the proposed project could result in over **$792M in payroll earnings**.

Direct, Indirect, and Induced Construction Earnings			
Calendar Year	Direct Construction Earnings	Indirect and Induced Construction Earnings	Total Construction Earnings
2026	$0	$125,271,696	**$125,271,696**
2027	$0	$60,995,655	**$60,995,655**
2028	$0	$14,295,617	**$14,295,617**
Total:	$0	$200,562,968	$200,562,968

Direct and Indirect Operations Earnings			
Calendar Year	Direct Operations Earnings	Indirect and Induced Operations Earnings	Total Change in Earnings
2029	$1,842,448	$14,365,454	**$16,207,902**
2030	$1,879,297	$13,468,695	**$15,347,992**
2031	$1,916,883	$14,197,333	**$16,114,217**
2032	$1,955,221	$14,653,538	**$16,608,759**
2033	$1,994,325	$15,236,282	**$17,230,607**
2034	$2,034,212	$15,635,401	**$17,669,613**
2035	$2,074,896	$16,052,263	**$18,127,159**
2036	$2,116,394	$14,796,551	**$16,912,945**
2037	$2,158,722	$17,444,888	**$19,603,610**
2038	$2,201,896	$17,043,214	**$19,245,111**
2039	$2,245,934	$17,444,653	**$19,690,587**
2040	$2,290,853	$17,904,005	**$20,194,858**
2041	$2,336,670	$18,422,513	**$20,759,183**
2042	$2,383,404	$18,081,033	**$20,464,437**
2043	$2,431,072	$19,177,323	**$21,608,395**
2044	$2,479,693	$17,827,243	**$20,306,936**
2045	$2,529,287	$20,002,335	**$22,531,622**
2046	$2,579,873	$20,519,184	**$23,099,057**
2047	$2,631,470	$20,907,785	**$23,539,255**
2048	$2,684,099	$21,078,406	**$23,762,505**
2049	$2,737,781	$20,494,017	**$23,231,798**
2050	$2,792,537	$22,188,322	**$24,980,859**
2051	$2,848,388	$22,918,522	**$25,766,909**
2052	$2,905,356	$23,220,585	**$26,125,940**
2053	$2,963,463	$21,262,855	**$24,226,317**
2054	$3,022,732	$25,008,982	**$28,031,714**
2055	$3,083,187	$24,602,345	**$27,685,532**
2056	$3,144,850	$26,035,776	**$29,180,626**
2057	$3,207,747	$26,848,483	**$30,056,231**
2058	$3,271,902	$27,087,955	**$30,359,857**
2059	$3,337,340	$27,901,677	**$31,239,017**
2060	$3,404,087	$26,558,688	**$29,962,775**
2061	$3,472,169	$25,144,218	**$28,616,387**
2062	$3,541,612	$29,237,593	**$32,779,205**
2063	$3,612,444	$7,144,992	**$10,757,436**
Total:	$92,112,247	$699,913,107	$792,025,355

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AFFIDAVIT OF NRG GREENS BAYOU 6 LLC

BEFORE ME, the undersigned authority, personally appeared, who, being by me duly sworn, deposed and said:

"My name is Thomas Atkins. I am over 18 years of age, of sound mind, and I have never been convicted of a felony or a crime of moral turpitude. I have personal knowledge of the facts stated in this affidavit and all the facts stated herein are true and correct.

I am Vice President, Development of the NRG Greens Bayou 6 LLC and am authorized to make this affidavit on behalf of NRG Greens Bayou 6 LLC. NRG Greens Bayou 6 LLC hereby attests that it is not ineligible under Government Code, §403.606 to submit an application or enter into an agreement under Texas Jobs, Energy, Technology and Innovation Act ("Act").

We certify that NRG Greens Bayou 6 LLC has thoroughly reviewed the ineligibility criteria outlined in Section 403.606 and NRG Greens Bayou 6 LLC affirms to the best of our knowledge and belief, none of the circumstances or conditions that render the company ineligible under Government Code, §403.606 are applicable.

We understand the importance of accuracy and completeness in providing this information and acknowledge that any false statement or misrepresentation may result in legal consequences including rejection of an application or rescission of an agreement entered under the Act."

WITNESS MY HAND on this the 9th day of May, 2025.

Thomas E. Atkins

Thomas Atkins

SUBSCRIBED AND SWORN TO BEFORE ME on MAY 9, 2025, to certify which witness my hand and official seal.

NOTARY PUBLIC STATE OF TEXAS
GWENDOLYN L HINTON
Notary ID #129259540
My Commission Expires
October 5, 2025

Gwendolyn L Hinton

Notary Public, State of Texas

My commission expires ______________