



NRG Energy, Inc. Q4 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

Certainly sir. (Operator Instructions). Our first question will be from the John Kiani of Deutsche Bank. Please go ahead.

John Kiani – Deutsche Bank

Good morning

Unidentified Company Representative

Good morning, John.

John Kiani – Deutsche Bank

It looks like NRG made some positive announcements and continues to make good progress on the development of STP nuclear units 3 and 4 and also heard you make some interesting comments on carbon and the uncertainty in timing surrounding it's implementation, can you please talk a little bit about the thought process and benefits behind building your nuclear in Texas with this view on CO2?

David Crane

Well, John I would say that the main driver that makes nuclear power in Texas a strong economic proposition is gas prices. It has nothing to do with carbon. I mean obviously the current price of gas right now is nothing that would cause you to build a nuclear power plant, but if you look at the forward curve, if you take a long run view of gas in even in the \$6 range but \$7, \$8, \$9. A nuclear plant in Texas makes good money even before you get the carbon. Obviously as a huge baseload generator any sort of carbon-driven uplift in the price of power in Texas, will be a further benefit to the nuclear plant. Let me say, our view on carbon legislation, which has actually being consistent from before the recession to now, is we are supporter of federal carbon legislation like a lot of corporations that support carbon legislation, we have always been concerned that the pace and the style, which it's implemented in the early years. So nothing I've said in my comments indicate that we don't support carbon legislation or we don't believe that the carbon legislation might not be passed in 2009 or 2010. But we think those in Congress who will pass it will be very mindful of particularly the near-term impact. So any carbon legislation will be mild in the early years and have a long runway, in terms of, allocation versus auction.

John Kiani – Deutsche Bank

Okay thanks David.

David Crane

Thanks John.

Operator

Thank you. Our next question will be from Chris Taylor of Evergreen Investments

Chris Taylor – Evergreen Investments

Thanks, can you tell us what your open EBITDA would be, unhedged EBITDA or would have been for 2008 and more importantly what it would be for 2009 in your guidance?

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