Hart, Lydia

Subject:	Mtg w/ NRG @ 211 Carnegie Center, Princeton NJ 08540
Start:	Thu 4/10/2008 10:00 AM
End:	Thu 4/10/2008 12:00 PM
Show Time As:	Out of Office
Recurrence:	(none)

David Crane

Mr. Crane has served as the President, Chief Executive Officer and a director of NRG since December 2003. Prior to joining NRG, Mr. Crane served as Chief Executive Officer of International Power plc, a UK-domiciled wholesale power generation company, from January 2003 to November 2003, and as Chief Operating Officer from March 2000 through December 2002. Mr. Crane was Senior Vice President — Global Power New York at Lehman Brothers Inc., an investment banking firm, from January 1999 to February 2000, and was Senior Vice President — Global Power Group, Asia (Hong Kong) at Lehman Brothers from June 1996 to January 1999. Mr. Crane holds a Bachelor of Arts degree from Princeton University's Woodrow Wilson School of Public and International Affairs and a Juris Doctor degree from Harvard Law School.

Directors

NRG ENERGY, INC. (NYSE - NRG)

Click here for Committee Composition

Click on a person's name to view his or her biography.

Howard E. Cosgrove
Chairman of the Board

Mr. Cosgrove has been a director and Chairman of the Board of NRG Energy since December 2003, pursuant to the NRG Energy plan of reorganization. He was Chairman and Chief Executive Officer of Conectiv and its predecessor Delmarva Power and Light from December 1992 to August 2002. Prior to December 1992, Mr. Cosgrove held various positions with Delmarva Power and Light, including Chief Operating Officer and Chief Financial Officer. Mr. Cosgrove serves as Chairman of the Board of Trustees at the University of Delaware.

John F. Chlebowski
Chair, Audit Committee

Lawrence S. Coben

David Crane
President and Chief Executive Officer

Stephen Cropper

William Hantke

Paul Hobby

Maureen Miskovic
Chair, Commercial Operations Oversight Committee

Anne Schaumburg

Herbert Tate
Chair, Nuclear Oversight Subcommittee

Thomas Weidemeyer
Chair, Compensation Committee

Walter R. Young
Chair, Governance and Nominating Committee

NRG Energy, Inc. (NRG), headquartered in Princeton, New Jersey, is a wholesale power generation company founded in 1989, which has an ownership interest in 47 power generating facilities around the world. The diverse portfolio of facilities, are primarily in the Northeast, South Central and Western regions of the United States but, they have locations in Europe, Australia and Latin America. The company's operations include baseload, intermediate, peaking, and cogeneration facilities, thermal energy production and energy resource recovery facilities. NRG also has ownership interests in generating facilities in Australia and Germany.

David Crane, who holds an undergraduate degree from Princeton University and a Harvard Law School graduate, is the CEO.

On June 19, 2006 NRG Energy filed a Letter Of Intent with the Nuclear Regulatory Commission to build two 1358-MWe ABWRs at the South Texas Project site. [1] This was the first nuclear plant license application filed in the United States in 29 years.

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By Marc Gunther, Fortune senior writer
August 30 2007: 12:26 PM EDT

(Fortune Magazine) -- Is coal becoming a dirty word? It's vilified as a contributor to global warming, risky to get out of the earth -- as recent deaths in a Utah coal mine have reminded us -- and responsible for destroying streams and valleys in Appalachia, where mountaintop removal mining remains extremely controversial.

Meanwhile, pressure from environmental groups worried about climate change has forced utilities from North Carolina to Oregon to drop plans for about two dozen coal-fired power plants.

David Crane, the chief executive of NRG Energy (Charts, Fortune 500), a New Jersey-based wholesale power generator that produces electricity for other utilities, has some ideas. About 70% of the company's electricity is currently generated by burning coal.

Crane is pushing an array of alternative energy projects. He's looking to build two nuclear energy plants in Texas. He's developing wind farms in Texas and California. He's even testing technology that uses algae to capture carbon dioxide emissions at fossil-fuel plants, after which the algae can be dried and turned into a fuel itself.

Crane calls the need to curb climate change a "moral issue." NRG belongs to the U.S. Climate Partnership, an alliance of big companies and environmental groups that supports strong federal regulation to regulate carbon emissions.

Yet, for all his focus on renewable energy, Crane remains a big believer in coal. Indeed, he's become one of the power industry's leading advocates of "clean coal," an industry term for new power-producing processes that reduce carbon dioxide emissions.

While critics say "clean coal" is an oxymoron, Crane argues that it's a promising solution to the problem of climate change. "If you really want to move the needle on global warming," Crane says, "nuclear [power] is important -- but the key is clean coal."

Super trees: The latest in genetic engineering

NRG plans to develop about $16 billion worth of what it calls "environmentally responsible" power plants over the next decade. As part of that agenda, the company is seeking state and federal approval, and subsidies, for a 680-megawatt plant in upstate New York that would be the first big coal plant in America to capture and store carbon dioxide.

The proposed plant, to be located in Tonawanda, N.Y. represents a $1.5 billion bet that clean coal can become a reality.

The plant would use two existing technologies. One is called Integrated Gasification Combined Cycle, or IGCC, which turns coal into a gas, cleans the gas to remove emissions and burns it in an efficient way. The other is Carbon Capture and Storage, or CCS, which captures CO2 emissions, transports them if needed, and stores them as a liquid in underground formations.

Both technologies have been commercially deployed, but never in combination at the scale that NRG proposes.

Crane is confident that the technologies will work, but he admits that the plant raises a thicket of legal and economic issues, particularly around the issue of long-term carbon storage.

"It's a political, commercial and regulatory challenge," he says. "Who actually owns the carbon? Where's the liability?" NRG does not want to be responsible for the stored carbon, arguing that the alternative -- releasing CO2 into the air -- is worse than asking the government to take responsibility for carbon in the earth.

The other big challenge is cost. Building an IGCC plant will probably cost about 20% more than building a conventional coal plant, Crane says, and the costs of capturing and sequestering carbon could add another 20 to 25%.

Read more on the Green Biz

What do environmentalists think of clean coal? They disagree, it turns out.

The Natural Resources Defense Council and Environmental Defense, which work closely with big companies like General Electric (Charts, Fortune 500) that are promoting clean coal, support the idea.

Coal-burning currently generates more than 50% of the electricity in the United States, they note, and it is an abundant, domestic fuel. Environmental Defense's Steve Cochran, who leads the group's climate change campaign, recently told me: "My son's 11 years old -- his kids will be turning on light switches that come from coal-fired plants."

By contrast, Mike Brune of the activist Rainforest Action Network, describes clean coal as a "huge boondoggle" that will eliminate the cost advantages currently enjoyed by coal. The coal industry, he argues, "is desperately trying to remain relevant in a post-carbon world."

David Roberts of Grist, a popular website that covers the environment, is even more blunt. "Can you imagine another industry that destroys land in order to sell a product that poisons people and threatens to make the earth uninhabitable not only being allowed to operate, but having its continued profit taken as a kind of national imperative?" he writes. "It's bizarre."

Crane isn't swayed by critics, and suggests they're overlooking a harsh reality. "Even if the United States could wean itself from coal, China and India are not going to," he says. "We need to develop the technology to use coal in a cleaner way."

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By David Whitford, Fortune editor-at-large
September 25 2007: 3:04 PM EDT

(Fortune) -- Is the United States finally about to embark on a long anticipated nuclear power renaissance? It seemed so yesterday, when Princeton-based NRG Energy (Charts, Fortune 500) filed a license application to build two new nuclear reactors at its existing facility in Bay City, Texas.

It has been nearly 30 years since the U.S. Nuclear Regulatory Commission received the last such application. But with nearly three dozen U.S. projects in the works, more will surely follow.

The proposed NRG plan has several intriguing features. One, NRG is an energy wholesaler, not a regulated utility. Most observers have long assumed that the first new nukes out would be built by regulated utilities, which can finance new-plant construction with rate hikes. NRG will instead be the first to take advantage of government loan guarantees covering 80% of the estimated $6-billion cost. The loan guarantees will come both from the US, as provided by the Energy Policy Act of 2005; and Japan, where nearly all the key components of the proposed new plants will be built.

Going nuclear

Skip Bowman, CEO of the Nuclear Energy Institute, said in a statement that NRG's action represents "a new market approach to building a nuclear power station."

Two, NRG has chosen for the project the ABWR (advanced boiling water reactor) designed by GE (Charts, Fortune 500) and Hitachi (Charts). The ABWR is far from being the most advanced blueprint currently available, but that's just it. The industry has been tripped up so many times in the past by regulatory hurdles and costly construction delays that the last thing it wants is to try to push through a revolutionary design.

Or as NRG CEO David Crane puts it, "No first-of-a-kind engineering for us." Adds Crane: "It took us about 15 minutes to select the technology we wanted because we really only asked one question - show us the modern technology that's been built on time and on budget. ABWR is the only one that can make that claim."

NRG currently operates two Westinghouse reactors at the 12,200-acre site, 85 miles south of Houston. The new reactors, which still have several hurdles to clear and won't be up and running until 2014 at the earliest, could together produce 2700 additional megawatts of electricity, enough to power two million homes. "When all four are functioning," says Crane, "they'll displace the entire carbon emissions of Belgium."

Is nuclear power a good idea? Voice your opinion

Nuclear as clean energy? That's Crane's controversial view. He's a fascinating character: a Fortune 500 CEO in an industry that's still heavily dependent on coal, oil and natural gas, who nevertheless favors mandatory legislation to reduce greenhouse gasses. And unlike others in his industry who say the regulatory burden should be shared equally across sectors, he's willing to go it alone. "Let Detroit do what it wants," Crane argues. "If we clean up our carbon situation over next 20 years, principally with nuclear, then we will be seen as clean. And Detroit will have to go to plug-in hybrids. If you change the 240 million cars and light trucks to even a 50-mile battery, that would increase the total electricity consumption in the United States by 33%. For our industry, that's the best thing since the electric air conditioner."

Critics argue that nuclear is inherently dangerous, generates unsolvable waste-disposal problems, and produces plenty of greenhouses gasses, thank you very much - if not during the power-generation phase then in the mining of uranium and the construction of the plants.

Crane couldn't disagree more. "I'm one of those people who thinks global warming is a paradigm-shifting, life-changing, generation-affecting issue that we have to pull out the stops and do something about, and I think nuclear has to be at the forefront of that," he argues. "Nothing on the supply side of zero-carbon power generation moves the needle like nuclear. In anyone's book it's gotta look better than building 151 more coal plants in this country. You simply can't be serious about global warming and still be antinuclear. If you are those things, I have no time to talk to you." ■

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NRG Energy Amenable To Consolidation

Brian Wingfield, 08.20.07, 3:30 PM ET

Related Stories

10 Energy Executives To Watch

America's Next Nukes

WASHINGTON, D.C. -

The current market turmoil has all but frozen merger activity in the energy sector for now, but **NRG Energy**--frequently mentioned as a ripe buyout target--still seems to be flirting with ideas of consolidation.

According to NRG President and Chief Executive Officer David Crane, the company is "completely amenable" to being on either end of a takeover deal, "whichever one creates more shareholder value."

In a recent interview with Forbes.com, Crane said that merger activity in the power sector is likely to be stalled in the coming months due to turbulence in the debt markets. However, he

added that **NRG** (nyse: NRG - news - people), a New Jersey-based energy wholesaler, wants to lay itself "at the crossroads of consolidation" in case a potential deal becomes available.

His comments are likely to perk up the ears of potential buyers. When a private equity consortium led by Kohlberg, Kravis and Roberts earlier this year announced plans to buy **TXU Corp.** (nyse: TXU - news - people), there was immediate speculation that NRG was undervalued and could be the next candidate in the private equity buyout wave.

Crane says private equity's interest in the power generating sector "seems like a distant memory," given the mess in the markets. Congress is also considering a massive tax increase on private equity, which could further stall activity. Any future mergers will probably be along the traditional lines of power companies buying out their competitors, Crane says.

"I don't see any particular advantage in selling to private equity," says Crane, "but really, our view ... is that our sector is still extremely fractured and it has to consolidate. And the only question is when, by whom and at what price."

Merger activity among energy firms could use a jump-start. Last year several major deals fell apart for unrelated reasons. NRG rebuffed a hostile takeover bid from Atlanta-based **Mirant** (nyse: MIR - news - people), and a potential consolidation of **Constellation Energy Group** (nyse: CEG - news - people) and **FPL Group** (nyse: FPL - news - people) disintegrated due to political opposition in Maryland. After **Exelon** (nyse: EXC - news - people) and **Public Service Enterprise Group** (nyse: PEG - news - people) walked away from their much anticipated union due to concerns by New Jersey regulators, traditional mergers in the sector came to an abrupt halt.

Any future mergers are likely to occur in the Northeast, California or Texas due to market conditions in those regions, Crane says. And most of NRG's power plants are in the Northeast and Texas. "Our whole strategy in that area is to sort of position ourselves at the center of the consolidation game geographically," he adds.

NRG would seem to be in a good position for a buyout. For one thing, it is purely a power wholesaler, meaning it has no retail customer base that could potentially delay a deal.

Crane has also turned the company around since it emerged from Chapter 11 bankruptcy protection in December 2003. NRG's gross profits in 2006 were $2.3 billion, up from $592 million in 2005. The company is trying to increase shareholder value by using its excess cash to repurchase stock. During the last nine months, NRG bought back $500 million in common stock, and it plans to introduce dividends next year, though those plans are somewhat up in the air due to the situation in the debt markets.

NRG also has made no secret about its views of America's energy future, and the company is making bold steps to cash in on its hunches.

While other energy companies are taking a backseat on investment in nuclear power, Crane says NRG is on "turbo charge" to be among the first companies to build the first nuclear plant in the U.S. since 1996. Earlier this month, the company inked a deal with **Toshiba** (other-otc: TOSBF.PK - news - people) to design and build two new reactors to be used at an NRG power plant in South Texas. The first of these should be in operation by 2014.

"Time is money," he says. "It's a compelling investment decision, so we just want to move as quickly as possible."

Nuclear power plants have virtually no greenhouse gas emissions, and Crane believes the government should impose some type of price on carbon emissions in the near future. In July, Senators Jeff Bingaman, D-N.M., and Arlen Specter introduced a bill that would set an annual target for carbon emissions and allow firms to buy, sell and trade government-issued credits that allow them to produce these emissions.

Congress is going to take up the issue this fall, but NRG clearly wants to influence the debate. A week after Bingaman and Specter introduced their bill, NRG signed on to the United States Climate Action Partnership, an alliance of more than 30 companies and environmental groups that support reductions in greenhouse gas emissions.

Crane believes the U.S. should ease into imposing a steep price on carbon emissions. That would prevent too much demand for natural gas, discourage heavy future investment in coal plants and give the country time to get cleaner technologies up and running. Still, he hopes Congress will act soon.

"The first thing I ever say to any public policy maker is, 'Give us legislation, whether it be flawed or not, far enough or a little bit too much,'" he says. "Virtually any federal action in this area is going to be better than no federal action because trying to regulate carbon on a state-by-state or regional level ... it's just not sensible, either from an economic or an environmental perspective."

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Recent NRG news releases

News Releases

4/07/2008	NRG Energy, Inc. Opens Centralized Accounts Payable Center in New Roads, Louisiana
3/27/2008	NRG Energy Begins Construction on Second West Texas Wind Farm

3/25/2008	NRG Energy President & Chief Executive Officer, David Crane, to Present at the Morgan Stanley 2008 Electricity & Energy Conference
3/25/2008	NRG Forms Company to Develop Advanced Boiling Water Reactor Nuclear Power Projects in North America
3/11/2008	NRG Energy Chief Financial Officer, Clint Freeland, to Present at the Lehman Brothers High Yield Bond & Syndicated Loan Conference
3/07/2008	NRG Energy, Inc. Executes 10-Year Power Purchase Agreement with Southern California Edison
3/03/2008	NRG Energy, Inc. Declares Preferred Stock Dividends
2/28/2008	NRG Energy, Inc. Reports 2007 Fourth Quarter and Full-Year Results; Announces Management Changes
2/13/2008	NRG Energy, Inc. to Hold Year-End and Fourth Quarter 2007 Financial Results Conference Call on February 28
2/08/2008	NRG and Isles Kick Off Expansion and Renovation of YouthBuild Institute in Trenton
2/04/2008	NRG Energy to Partner with BP on West Texas Wind Farm
1/29/2008	David Crane, CEO of NRG Energy, Inc., to Speak at the Credit Suisse 2008 Energy Summit
1/25/2008	Alter Nrg Corp. announces regulatory approval of Somerset Station Gasification retrofit

NRG ENERGY

OVERVIEW

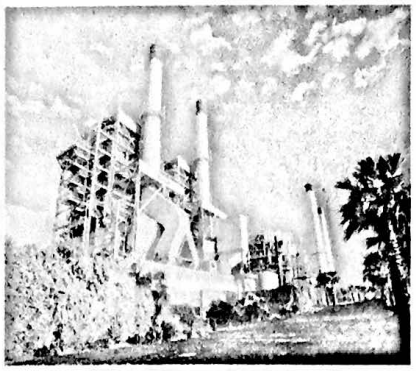
NRG Energy, Inc., a competitive energy provider, has a diversified generation portfolio, distinguished by its range in geography, fuel source and dispatch level. NRG's global portfolio of projects totals approximately 25,000 net MW.

Founded in 1989, NRG is a wholesale power generation company, primarily engaged in the ownership and operation of power generation facilities and the sale of energy, capacity and related products in the United States and internationally. We have a diverse portfolio of electric generation facilities in terms of geography, fuel type and dispatch levels, which helps us mitigate risk.

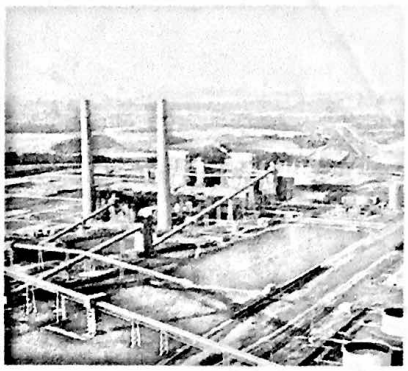
Operations include competitive energy production and cogeneration facilities, power marketing, district heating and cooling production, thermal energy production and resource recovery facilities.

NRG's portfolio of projects is primarily in North America but also in Europe, Australia and Latin America. Our projects use a wide array of fuel sources including fossil fuels (natural gas, oil, coal and nuclear) and refuse-derived fuels.

NRG also has a diverse portfolio in terms of dispatch type. We have a variety of baseload, intermediate and peaking units to create a balanced portfolio. NRG's baseload units run most often and provide power to meet day-to-day needs, while our intermediate and peaking units are dispatched during periods of higher demand.



El Segundo is a 670 MW natural gas-fueled plant in Southern California



Limestone is a 1,715 MW coal fueled plant in Limestone County, Texas

NRG POWER GENERATION

Ownership interest in 47 power generating facilities

23,951 MW net ownership

Projects located in United States, Australia, Germany and Brazil

LOCATIONS	Total Net MW
North America – Texas	10,776
North America – Northeast	7,116
North America – South Central	2,395
North America – Western	1,854
North America – Other	594
Total North America	22,735
Australia	605
Europe	455
Latin America	156
Total International	1,216
Total	**23,951**

The megawatt figures provided represent nominal summer net megawatt capacity of power generated as adjusted for the combined company's ownership position excluding capacity from inactive/mothballed units.

For more information about NRG contact our Corporate Headquarters.

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Rev. 01/3/07