**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**WASHINGTON, DC 20549**

# FORM 8-K

**CURRENT REPORT PURSUANT**
**TO SECTION 13 OR 15(D) OF THE**
**SECURITIES EXCHANGE ACT OF 1934**

| | |
|---|---|
| **Date of report (Date of earliest event reported)** | June 21, 2006 |

# NRG Energy, Inc.

(Exact Name of Registrant as Specified in Its Charter)

| | |
|---|---|
| **Delaware** | |
| (State or Other Jurisdiction of Incorporation) | |
| **001-15891** | **41-1724239** |
| (Commission File Number) | (IRS Employer Identification No.) |
| **211 Carnegie Center** | **Princeton, NJ 08540** |
| (Address of Principal Executive Offices) | (Zip Code) |

**609-524-4500**
(Registrant's Telephone Number, Including Area Code)

**Not Applicable**
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 7.01**

On June 21, 2006, NRG will deliver an investor and securities analyst presentation that includes the slides filed as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference. Copies of the slides used in the investor call include graphic images and are available for viewing on our website located at www.nrgenergy.com, although we reserve the right to discontinue that availability at any time.

The information contained in this Item 7.01 is not filed for purposes of the Securities Exchange Act of 1934, as amended, and is not deemed incorporated by reference by any general statements incorporating by reference this report or future filings into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent NRG specifically incorporates the information by reference. By including this Item 7.01 disclosure in the filing of this Current Report on Form 8-K and furnishing this information, we make no admission as to the materiality of any information in this report that is required to be disclosed solely by reason of Regulation FD.

**Item 9.01 Exhibits**

| Exhibit No. | Description |
|---|---|
| 99.1 | Slides for June 21, 2006 analyst and investor conference call. |

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NRG Energy, Inc.
(Registrant)

By: /s/ TIMOTHY W.J. O'BRIEN
Timothy W. J. O'Brien
Vice President and General Counsel

Dated: June 21, 2006

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## EXHIBIT INDEX

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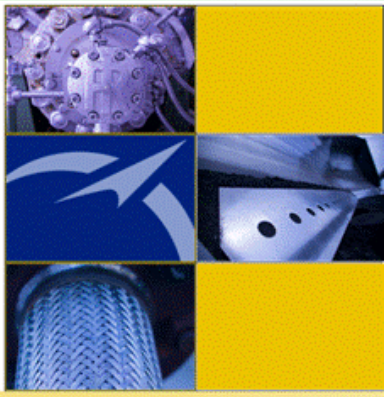
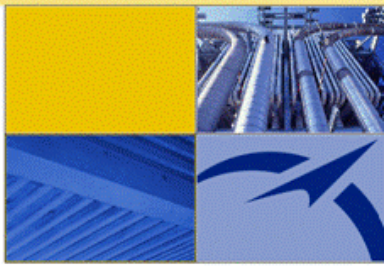
| 99.1 | Slides for June 21, 2006 analyst and investor conference call. |



# Repowering America with NRG

June 2006



# Safe Harbor & Legend

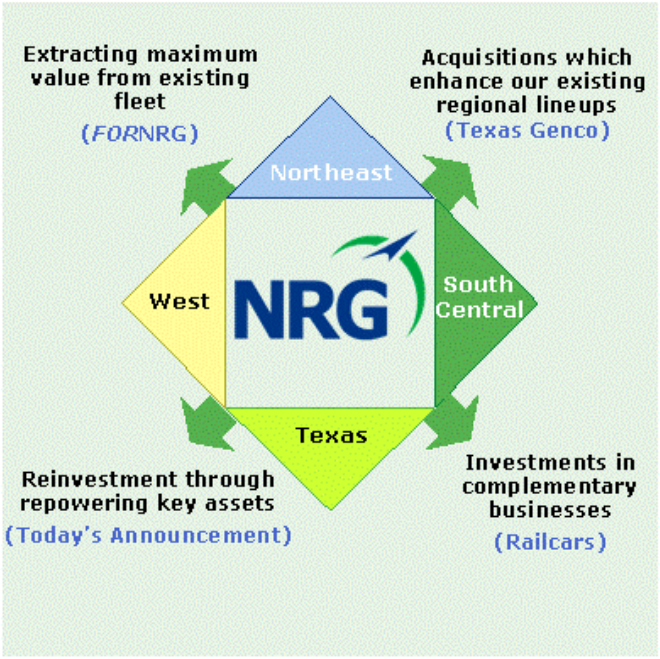
This investor presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such forward-looking statements are subject to certain risks, uncertainties and assumptions and include NRG's expectations regarding the timing, construction, equipment, costs, financing, environmental impact, job creation and financial success of the development projects described herein, and typically can be identified by the use of words such as "will," "should," "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, general economic conditions, permitting and regulatory obstacles, construction delays, the performance of new equipment and technologies, the volatility of energy and fuel prices, changes in the wholesale power markets and related government regulation, the availability of financing and the condition of capital markets generally, our ability to access capital markets, and the inability to implement value enhancing improvements to plant operations and companywide processes.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included in this investor presentation should be considered in connection with information regarding risks and uncertainties that may affect NRG's future results included in NRG's filings with the Securities and Exchange Commission at www.sec.gov.

# Agenda

| Section | Presenter |
| --- | --- |
| Repowering Overview | David Crane, President and CEO |
| Financial Overview | Robert Flexon, Executive VP and CFO |
| Closing Remarks and Q&A | David Crane, President and CEO |
| Appendix | |

# NRG Strategy: Capitalizing on Multiple Growth Opportunities in Multiple Regions




## Our Customer Focus...

- Load serving entities in our core regions
- Willing to contract for their bulk generation needs at a price that factors in:
  - Load variability
  - Transmission constraints
  - Fuel cost risks

## ...Drives Our Asset Mix

- Regionally focused, multi-fuel
- Assets across the merit order
- Located around transmission constraints
- Ability to procure, transport and trade all of the commodities involved in our business

**Expanding and enhancing our core asset base through this Comprehensive Repowering Initiative**

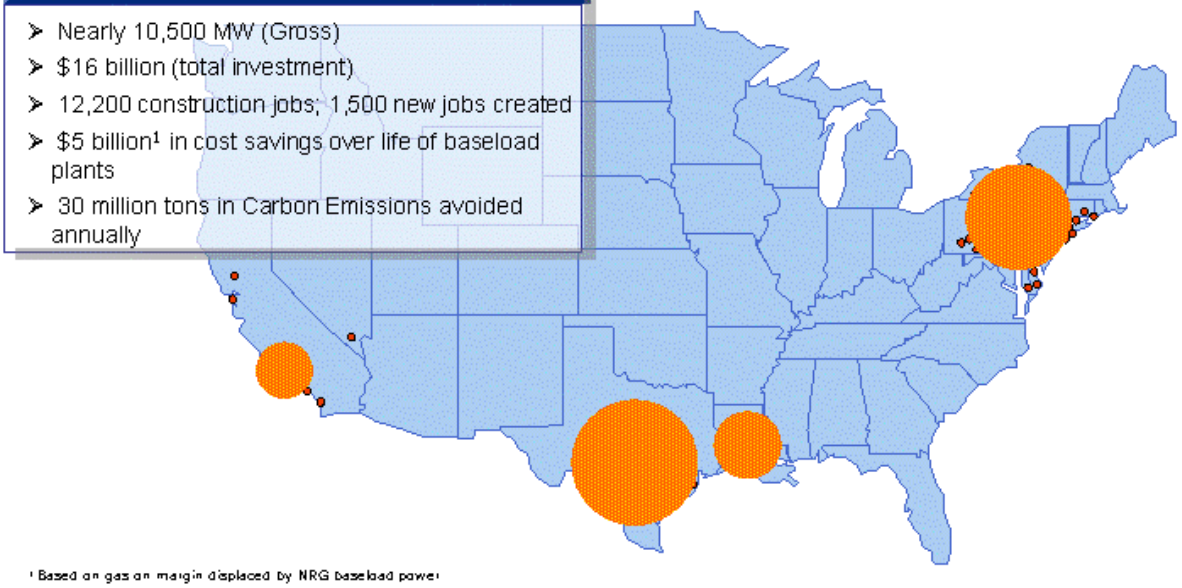
# Scope of National Development Program

| | |
|---|---|
| **Total Gross MW** | Nearly 10,500 MW (Gross), before retirements and equity sell down |
| **Total Estimated Cost** | Approximately $16.0 billion, before non-recourse financing and equity sell down |
| **Timing of Operations** | 2007 - 2015 |
| **Technology** | Applying state-of-the-art, but proven, technologies |
| **Carbon** | Reduce emissions intensity by approx 20-25% |
| **Employees** | Nearly 12,200 at peak construction and 1,500 permanent operating staff |
| **Risk Management** | **Long-term offtake targeted for approximately 70% of total net capacity** |
| **Financing** | Program preserves NRG's balance sheet strength and options with regard to capital allocation |

# Proposed Repowering Development Program

**Program Highlights**

- Nearly 10,500 MW (Gross)
- $16 billion (total investment)
- 12,200 construction jobs; 1,500 new jobs created
- $5 billion[1] in cost savings over life of baseload plants
- 30 million tons in Carbon Emissions avoided annually



[1] Based on gas on margin displaced by NRG baseload power

**Asset scale and diversity of fuel and location are the keys to success in the wholesale power generation business**

# Flagship Development Projects

**Nuclear**

- **STP Expansion in Texas (2,700 MW - ~$5.2 billion)**
  - ✓ Intense interest from potential long term offtakers
  - ✓ Best, most prepared, site in U.S. for nuclear development
  - ✓ Based on proven ABWR technology and construction techniques successfully employed in Japan and Taiwan
  - ✓ Design already certified by NRC, work already begun on COL application
  - ✓ Poised to capture benefits under EPA of 2005
  - ✓ *Carbon Free, Emissions Free*

**Gasified Coal**

- **The IGCC Threepack on Northeast (~ 2,300 MW – ~$4.4 billion)**
  - ✓ Solid fuel base load alternative to natural gas dependence
  - ✓ Yearlong detailed site feasibility studies completed
  - ✓ Enhanced by existing facilities at our site, cost effective development
  - ✓ Working closely with states
  - ✓ *Provides foundation for carbon capture and sequestration*

**Wind**

- **Acquisition of Padoma Wind Power (450 MW - ~$750 million)**
  - ✓ Proven wind developers
  - ✓ Wind investment opportunities in our core markets
  - ✓ Enhance, and enhanced by, our origination efforts and our commercial operations capability
  - ✓ *Carbon Free, Emissions Free*

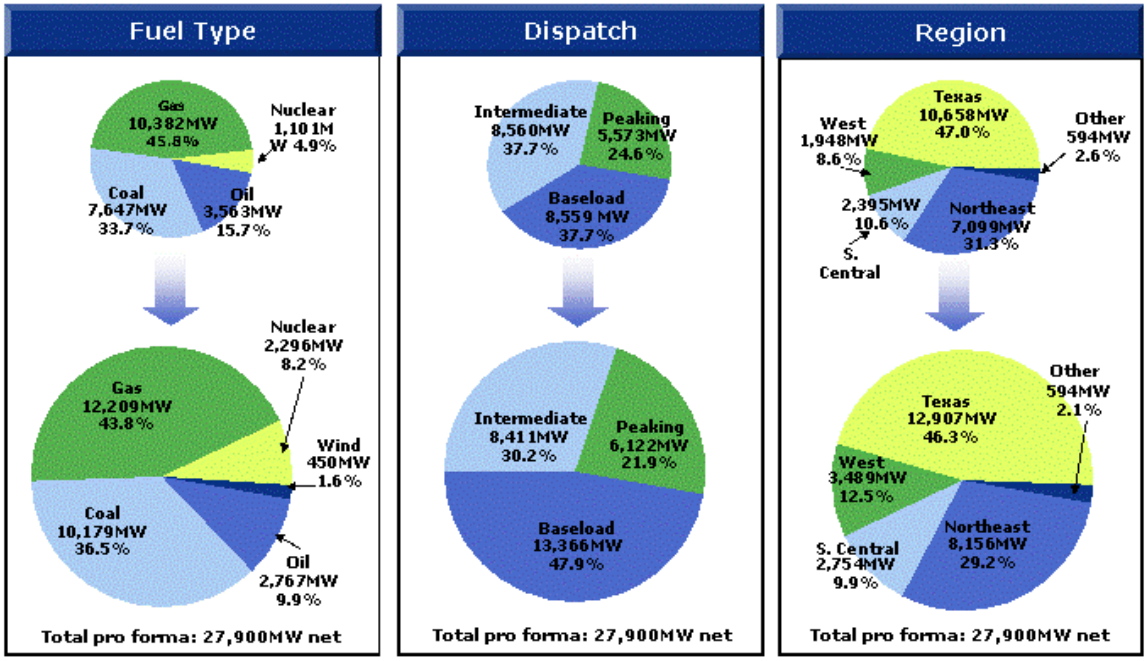
**Three logical extensions within our wholesale power generation business**

# Proposed Development Philosophy

| Situation | Implication |
|---|---|
| **Nuclear:** Texas needs alternative to gas. Large advantage in pursuing nuclear in the near-term given benefits from Energy Policy Act | STP is the best and most prepared site for new nuclear development in the U.S. "bar none" |
| **IGCC:** California and RGGI states seek to address the carbon issue now | IGCC's with state backed contracts in Northeast; weave into environmental settlement for entire site |
| **Coal:** Texas and Louisiana need to reduce dependence on gas-fired generation and provide affordable and reliable power to growing consumer and industry demand | BACT pulverized coal units in Texas and Louisiana plus continued environmental remediation of existing units |
| **CTs:** Urban areas, transmission constrained, require modern, fuel efficient flexible generation | New more efficient gas CT's where we have sites within transmission constraints in order to serve peaks and follow load<br>• NYC<br>• SW Connecticut<br>• Houston<br>• San Diego |
| **Wind:** Wind – a high growth business due to states' RPS – becoming increasing part of national portfolio | Opportunity to acquire wind company with proven track record and developments in our core regions |

**Not "one size fits all": the right solutions for the right markets**

# Net Capacity Now & Post Build Out

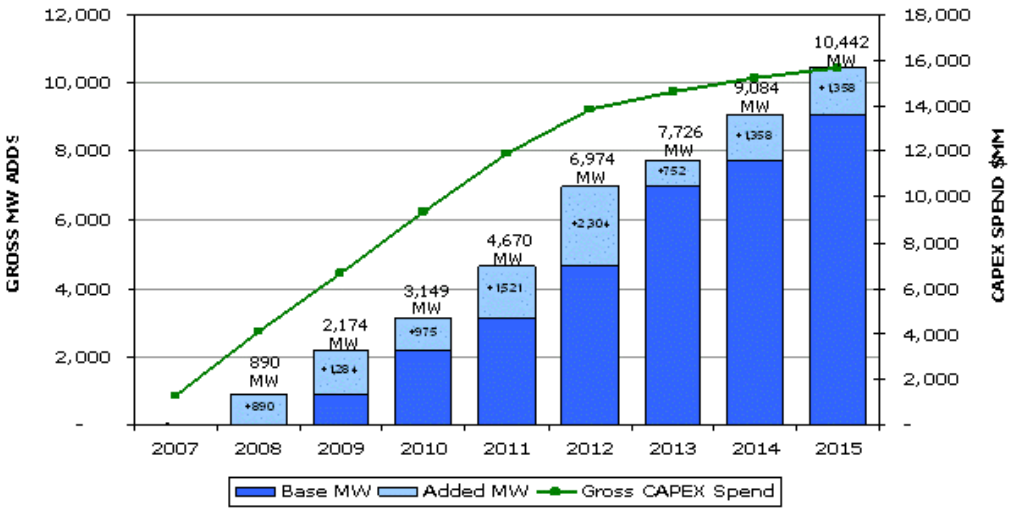



Assumes 44% ownership interest in STP units 3 and 4

**Maintaining our diversity and flexibility while strengthening our base load**

# Projected CapEx Spend

## Gross MW Added & CapEx Timeline




Assumes 100% ownership interest in STP units 3 and 4 and 450MW of wind

**Comprehensive Repowering Initiative does not impact NRG's near term capital allocation decisions**

# Dynamics Driving the Need for Repowerings in all our Markets

**Btu's**

**Fuel Prices**: High gas prices, in particular, encourage a fuel mismatch play in gas dominated power markets

**Supply** **Demand**

**Reserve Margins:** supply shortfalls are expected in our core markets by 2008

**Time to Develop!**

**Environmentalists:** Sox, Nox, Hg and now Carbon. Solution is a mix of new capacity, environmental controls and more efficient technology

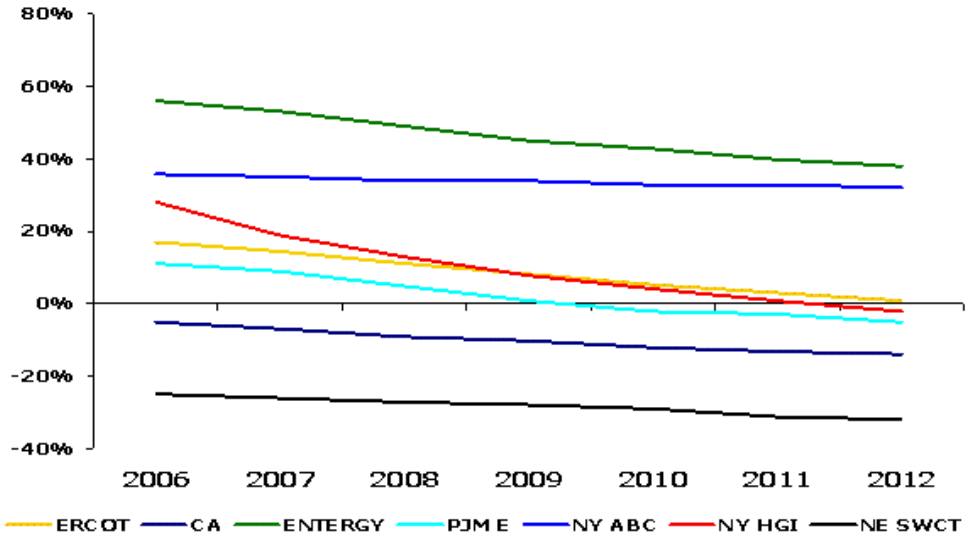
**Offtakers:** Load-serving entities and their regulators and representatives are concerned about high and volatile wholesale prices

**Growth:** Investment, even net of retirements, yields NPV returns in excess of cost of capital

All key factors in place to support power plant development and construction in the US, taking into account the lessons learned from the last construction cycle

Supply Demand

# Reserve Margins* in NRG Core Regions




* Does not include capacity additions
Source: Energy Velocity Database

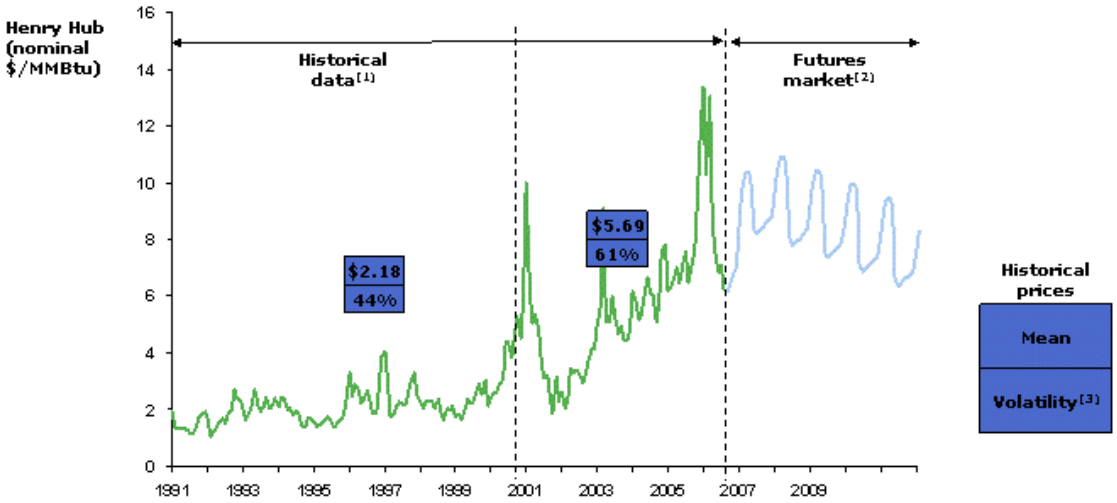
**Reserve margins projected to decline across our core regions**

# Gas Volatility Is A Significant Catalyst

Btu's

NRG

## Commodity Prices Key to Out Earning WACC



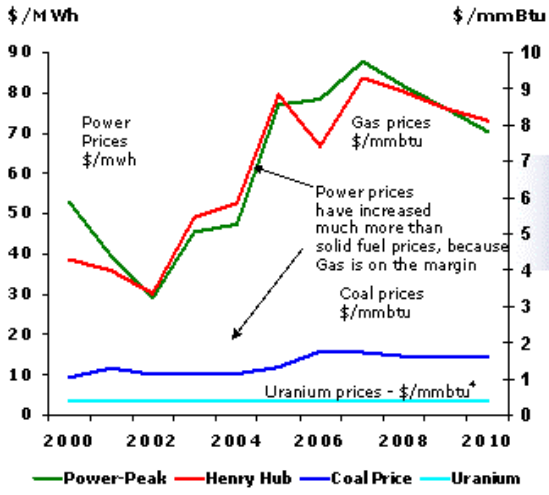

(1) Average monthly Henry Hub spot prices from January 1991 through May 2006
(2) NYMEX futures contract prices for May 2004 through December 2010, as of June 2006
(3) Volatilities quoted are historical monthly volatilities

**In single price auction systems, high gas prices drive the economics of solid-fuel new build**

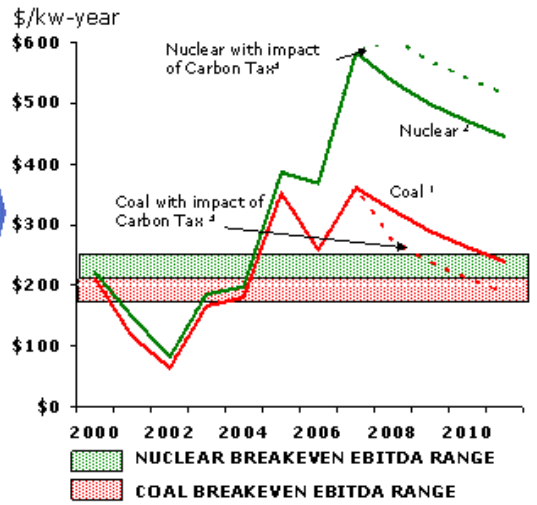
# Btu's ERCOT Example

NRG

## Commodity Prices in ERCOT



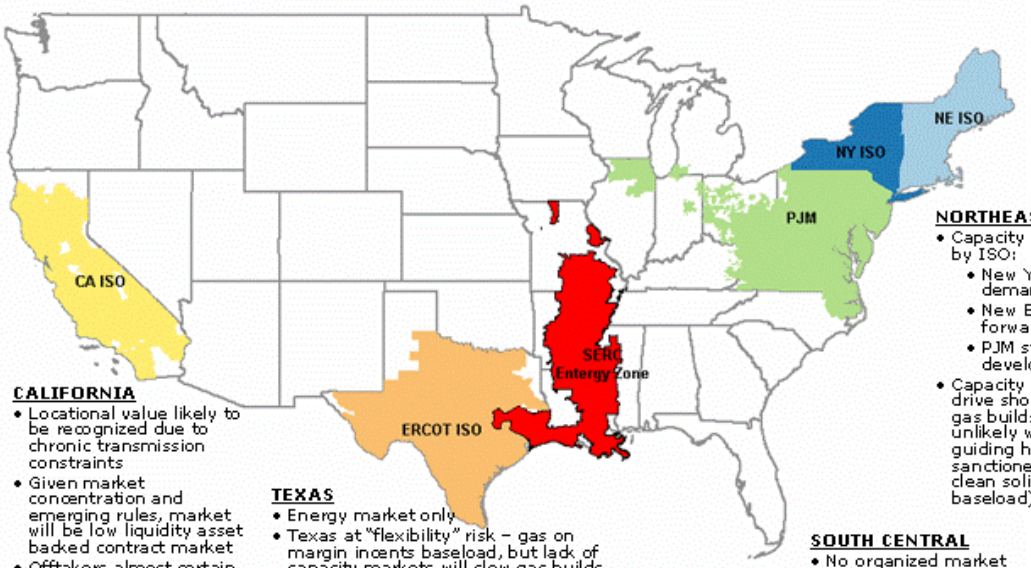

## Solid Fuel Plant Economics in Texas




1.Fixed O&M of $30/kw-year, 85% capacity factor.
2.Fixed O&M of $80/kw-year, 90% capacity factor. Includes impact of the EPACT production tax credit
3.Carbon tax of $15/ton starting 2008. Emission rate for coal 0.95 tons/MWh.
4. Historical STP fuel costs

**Fuel/Power price divergence making repowering economics attractive**

# Potential Offtakers and Offtake Arrangement




**CALIFORNIA**
- Locational value likely to be recognized due to chronic transmission constraints
- Given market concentration and emerging rules, market will be low liquidity asset backed contract market
- Offtakers almost certain to be incumbent utilities

**TEXAS**
- Energy market only
- Texas at "flexibility" risk – gas on margin incents baseload, but lack of capacity markets will slow gas builds
- Offtake arrangements may be more hedge-like and market-backed
- Offtakers likely to be cities, coops and heavy industry

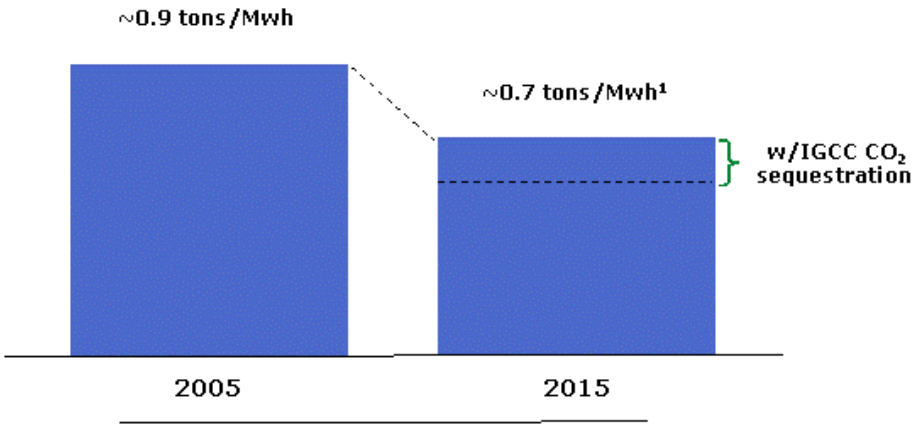
**NORTHEAST**
- Capacity markets differs by ISO:
  - New York with demand curve,
  - New England with forward market,
  - PJM still under development
- Capacity markets should drive shorter cycle-time gas builds, but baseload unlikely without state guiding hand (i.e., state sanctioned contracts for clean solid fuel baseload)

**SOUTH CENTRAL**
- No organized market
- All investment can best be hedged with bi-lateral contracts
- Likely offtakers are municipalities and coops

**Offtake arrangements will vary by region**

# NRG Emissions Profile Post Redevelopment

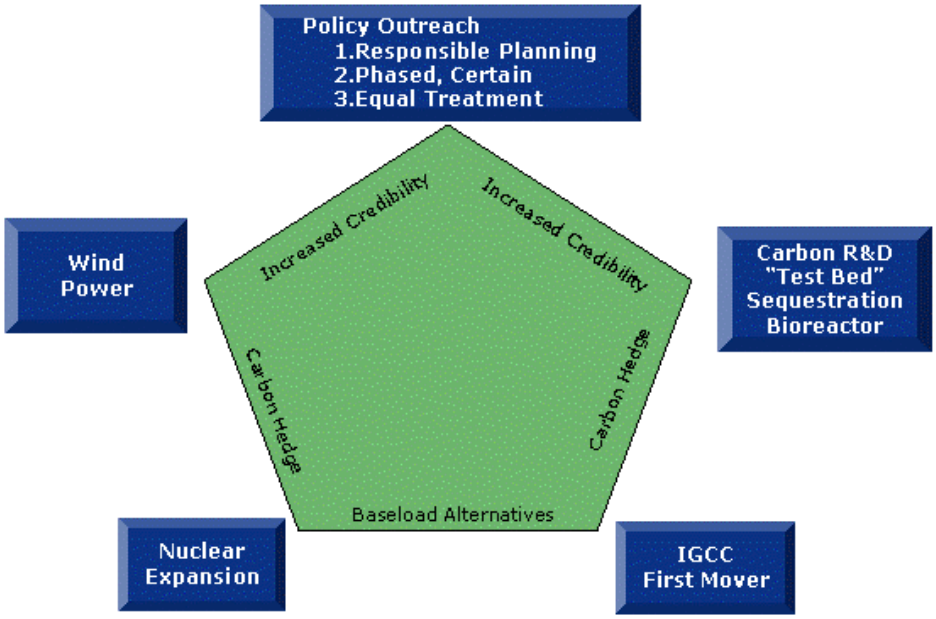
$CO_2$ emissions dramatically decrease on per Mwh basis




Note: includes impact of 2,700MW of nuclear, 2,250MW of IGCC, 1,800MW of coal, 3,100MW of gas and 1,000MW of wind.
All MW are before any potential equity sell down.
[1] Assumes full impact of 2,700MW at STP. With only 44% ownership of STP, carbon intensity would be ~0.06 tons/Mwh higher

**It is all about carbon**

# NRG's Carbon "PENTAGON" – Five Point Strategy




**A program to address carbon's impact on all phases of NRG's business**

# Repowering Benefits NRG

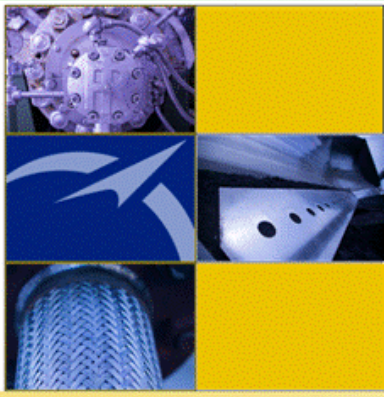
| NRG Strengths | Repowering Advantage |
|---|---|
| ✓ Size and diversity of fleet | Enhanced |
| ✓ Substantial free cash flow | High quality, low risk re-investment opportunity |
| ✓ Site locational advantage | Premium pricing points, fewer NIMBY concerns, pre-existing interconnections |
| ✓ Repowering over greenfield | Total cost advantages, opportunity for enhanced ancillary revenues |

**An effectively implemented repowering program will enable NRG to leverage off its strengths while addressing the aging of our existing fleet**

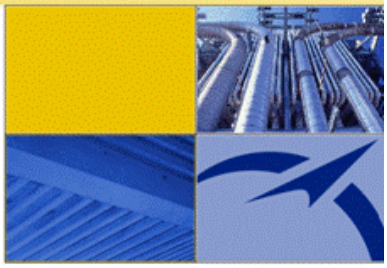
# Recent Developments

- ✓ Agreed on bridge contract with Southern Mississippi Electric Power Association for 75 MW for 4.5 years
- ✓ Filed Letter of Intent with Nuclear Regulatory Commission on June 19 for STP Units 3 and 4
- ✓ Filed air permit application with TCEQ for Limestone Unit 3 on June 12
- ✓ Filed air permit application with TCEQ to uprate W.A. Parish units by 100MWs by 2010 and installation of back-end emission controls (i.e. scrubbers) on June 21
- ✓ Executed Acquisition Agreement to purchase Padoma Wind Power development platform on June 19

Off to a good start but there is still much work to do before "we put metal in the ground"



# Financial Overview



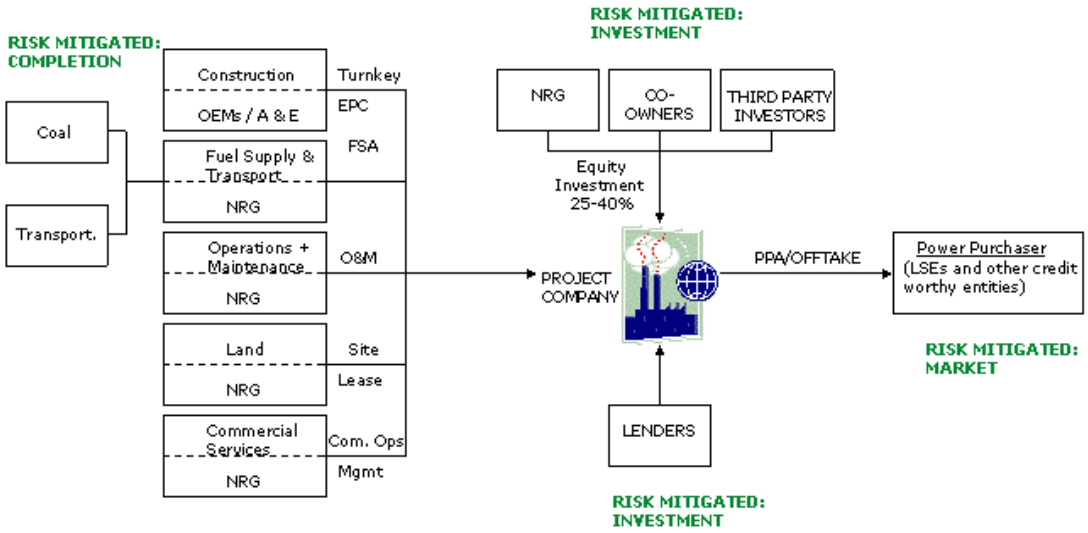
# Growth Initiatives – Investment Requirements

**Investment and Return Criteria:**

- ✓ Signed PPA's and/or hedges for > 70% of capacity
- ✓ Tailored approach – type and duration of hedges differ by project
- ✓ Unlevered returns > cost of capital
- ✓ Baseload project payback of 8 -10 years
- ✓ Consolidated net debt/capital maintained within targeted range

Financial discipline maintained through contracted capacity and investment return criteria

# Structure to Mitigate Risk




- Limited recourse to NRG
- Nonrecourse (potentially off balance sheet) Debt
- Construction risk largely transferred
- Market risk borne primarily by load serving entities

Projects structure to allocate risks to those parties best positioned to manage them

# Project Financing Approach

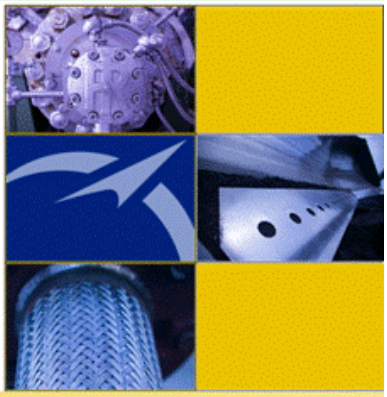
**In order to attract the most cost-effective non-recourse financing, NRG will seek:**

- ✓ Turnkey, fixed price EPC contracts
- ✓ Long term PPAs with creditworthy entities
- ✓ Medium term power hedges/swaps with financial institutions
- ✓ Fuel supply and/or hedges to match PPA term
- ✓ Package projects of similar technology (IGCCs, wind, etc.) into financing packages at commercial operation to reduce long-term financing cost

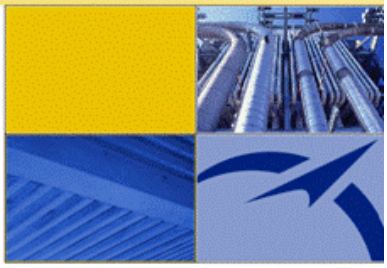
# Financing Growth

- NRG will continue to apply rigorous financial criteria to development opportunities:
  - Seek co-owners and third party investments from equity investors, offtakers or equipment suppliers whose participation is critical to the success of the project
  - Project financing will be applied to reduce NRG exposure and maintain corporate balance sheet ratios
    - Projects are expected to attract a minimum 7-10 year debt; however, longer terms likely available
    - Although much of this debt will be on-balance sheet, off-credit
  - Leverage in the range of 50 – 80% will be applied to projects depending on contract structure, technology and co-sponsors

**NRG management has a proven record of value creation without overleveraging the balance sheet**



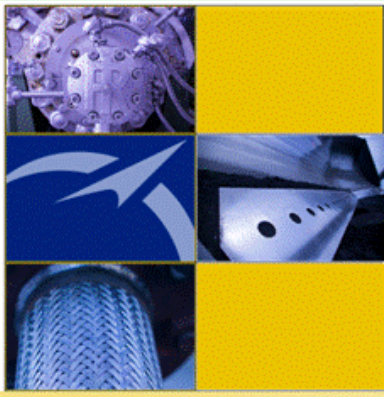
# Closing Remarks and Q&A



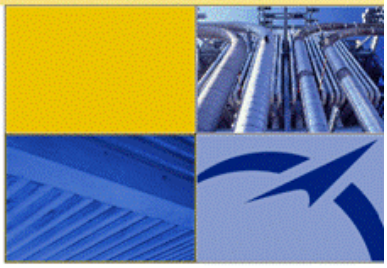
# Conclusion: Strategic Principles

| | |
|---|---|
| **Tailored Approach** | • Right technology for the right business environment<br>• Not a "one size fits all" |
| **Hedged Portfolio** | • 70% on average – but different by project<br>• Type of contract cover available specific to region |
| **Risk Appropriate Returns** | • "Efficient frontier" concept<br>• Extent of contract coverage inversely proportional to required returns |
| **Flexible Financing** | • Driven by broad portfolio<br>• Ultimately lower financing costs and easier management |
| **Environmental Stewardship** | • Range of technology and fuels<br>• Significantly reduce carbon |

**Not "one size fits all": the right solutions for the right markets**



# Appendix



# Summary of Repowering Projects

| LOCATION | GROSS MW | COST PER GROSS KW INSTALLED | FUEL | TECHNOLOGY | MERIT ORDER | YEAR OF OPERATION | EQUIPMENT MANUFACTURERS |
|---|---|---|---|---|---|---|---|
| | | | | | | | |
| TEXAS | | | | | | | |
| STP - 2 UNITS | 2,716 | 1,915 | NUCLEAR | ABWR | Baseload | 2014/2015 | GE/Toshiba/Hitachi |
| Limestone - unit 3 | 800 | 1,608 | COAL - PRB/EAST | Pulverized Coal | Baseload | 2012 | Multiple |
| CTs - Houston | 500 | 300 | GAS | Simple/Combined Cycle | Peak-Int | 2008 | Siemans/Westinghouse |
| TEXAS ADDS | 4,016 | 1,652 | | | | | |
| LOUISIANA | | | | | | | |
| BC-II - unit 4 | 775 | 1,742 | COAL - PRB/ILLINOIS | Pulverized Coal | Baseload | 2010 | B&W/Alstom/Hitachi/GE |
| BC-1 | 230 | 1,265 | PET COKE/COAL | Fluidized Bed Boiler | Baseload | 2009 | FW/Alstom/GE |
| SOUTH CENTRAL ADDS | 1,005 | 1,633 | | | | | |
| NORTHEAST | | | | | | | |
| Indian River | 752 | 1,955 | COAL-IL/PETCOKE | IGCC - Shell Gassifier | Baseload | 2011-2012 | GE Turbines |
| Montville | 752 | 1,955 | COAL-IL/PETCOKE | IGCC - Shell Gassifier | Baseload | 2011-2012 | GE Turbines |
| Cos Cob | 40 | 315 | GAS/OIL | P&W FT4 | Peaker/LFRM | 2008 | P&W |
| Middletown | 300 | 743 | GAS/OIL | GE LMS 100 | Peaker/LFRM | 2009 | GE |
| Devon | 200 | 1,060 | GAS/OIL | GE LM 6000 | Peaker/LFRM | 2009 | GE |
| Huntley | 752 | 1,955 | COAL-PRB/PETCOK | IGCC - Shell Gassifier | Baseload | 2013-2014 | GE Turbines |
| Astoria | 200-400 | $781-$803 | GAS/OIL | GE LMS 100 | Intermediate | 2008-2010 | GE |
| NORTHEAST ADDS | 3,096 | 1,648 | | | | | |
| CALIFORNIA | | | | | | | |
| Long Beach | 354 | 839 | GAS | Simple Cycle Gas Turbine | Peaker | 2009 | Siemans |
| El Segundo | 647 | 845 | GAS | Combined Cycle Gas Turbine | Baseload | 2011 | Siemans/GE |
| Encina (Cabrillo I) peakers | 730 | 749 | GAS | Combined Cycle Gas Turbine | Intermediate | 2011 | Siemans/GE |
| Kearney Mesa (Cabrillo II) | 144 | 785 | GAS | Simple Cycle Gas Turbine | Peaker | 2011 | Siemans/GE |
| WESTERN ADDS | 1,875 | 802 | | | | | |
| NEW BUSINESS | | | | | | | |
| Padoma Wind Power - Texas | 300 | 1,664 | WIND | Wind turbines | Baseload | 2008-2010 | GE, Mitsubishi, Gamesa |
| Padoma Wind Power - California | 150 | 1,664 | WIND | Wind turbines | Baseload | 2008 | GE, Mitsubishi, Gamesa |
| TOTAL NEW BUSINESS | 450 | 1,664 | | | | | |
| | | | | | | | |
| TOTAL | 10,442 | 1,497 | | | | | |

# Technology Overview

| BRIEF INTRODUCTION TO GENERATION | | |
|---|---|---|
| Technology | Fuel | Description |
| Conventional Coal | | |
| • pulverized coal (Super and Sub Critical) | Coal | Burn coal in a boiler – combustion heats water which drives steam turbine<br>Retrofit technology can now remove 90% of Hg, and SOx. Super critical boiler has lower heat rate, higher capital costs |
| • Circulated Fluidized Bed | Coal | Burns coal over a limestone bed which absorbs sulfur and NOx, limiting the need for back end controls |
| New Solid Fuel Technology | | |
| • IGCC (Integrated Gas Combined Cycle | Coal | Gasifies coal before combustion<br>Gasified coal then burned like in a combined cycle<br>Lower emissions profile than traditional pulverized coal<br>Provides opportunity for "carbon capture" – removing CO2 from flue gas stream (although sequestration then required) |
| Modern Gas Technology | | |
| • Combustion Turbines (CT) | Gas | Gas "engine"<br>Quick start capability<br>Lower capital cost than CCGT but less efficient |
| • Combined Cycle (CCGT) | Gas | Burn gas in a boiler – combustion heats water which drives steam turbine<br>Older pre-1980's technology<br>Far less efficient than a CT |
| Nuclear | Uranium | Nuclear reaction heats water that drives steam turbine<br>No emissions |
| Renewables | | |
| • Wind Turbines | Wind | Wind spins turbines which generate power<br>No emissions<br>Enjoy federal tax incentives and subsidization in some states |