NYSE:NPWR Q2 2026 Earnings Call Transcript

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Operator | Conference Operator:

Greetings and welcome to NetPower Inc.'s second quarter 2026 earnings conference call. At this time, all participants are on a listen-only mode. A question and answer session will follow the formal presentation. If anyone requires operator assistance during the conference, please press star zero on your telephone keypad. As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Bryce Mendes, Director, Investor Relations. Thank you. Please go ahead.

Bryce Mendes | Director, Investor Relations:

Thank you. Good morning, everyone, and welcome to NetPower's second quarter 2026 earnings conference call. With me on the call today, we have our chief executive officer, Danny Rice, our president and chief operating officer, Marc Horstman, and our chief financial officer, Lee Shuman. Yesterday, we issued our earnings release for the second quarter ended June 30th, 2026, which is available on our investor relations website at ir.netpower.com. During today's call, our remarks will include forward-looking statements. Actual results may differ materially from those stated or implied by forward-looking statements due to risks and uncertainties associated with our business, which are discussed in our SEC filings. We assume no obligation to update any forward-looking statements. A full description of these risks is available in the company's most recent annual report on Form 10-K and the quarterly report on Form 10-Q for the quarter ended June 30, 2026. each filed with the SEC. With that, I'll turn the call over to Danny Rice, NetPower's Chief Executive Officer.

Danny Rice | Chief Executive Officer:

Danny Rice Thanks, Bryce, and good morning, everyone. We appreciate you joining us this morning. We spent the last four months in an intensive customer engagement and marketing process. We talked to a broad set of prospective power buyers, the hyperscalers, the data center developers, general industrial companies looking to procure power. And what we heard was unambiguous. The market needs speed, scale, and reliability, and it's willing to pay a fair price for it. And given the shortage of having speed to reliable power at scale, which I think we'd all agree is mission critical to the US winning the AI race, the tech industry needs to see as much capital pointed directly at solving that problem today. So in our case, I think net power is unique because underneath our clean gas technology layer is a fundamental understanding of all things gas power generation both the equipment and the know-how for where these projects make good sense to site for end customers. So the markets told us that our 80 megawatt clean gas is very credible, but what they really need is a lot more power and they need it sooner. We believe the clean piece is important, but just as it's always been, it will only come at scale once society's basic energy pillars of reliable, affordable power are fully in place. And power demand is outstripping supply today. So it's incumbent upon us to take a step back and reassess our allocation of our capital and our skills to help meet these basic energy needs while preserving the ability to do what we originally came here to do, which is to transform natural gas into the lowest cost form of clean, firm power. That's still our North Star. So this transition to leading with unabated power first is simply a more actionable and likely lower risk pathway to eventually get to a cleaner energy future. Now, that isn't a judgment about the long-term importance of CCS. We believe in it, and it works. Just several weeks ago, the entropy team commissioned the world's first clean gas power plant in Canada, and that's a huge milestone for the industry. And we're sitting here with tens of billions of tons of annual CO2 demand in the Permian Basin for EOR, and as oil prices rise, as they have been recently, the demand for

CO2 just continues to grow. So I want to spend a moment on why we believe this strategic recalibration is durable. We view it as a pragmatic response to a structural market condition that we think runs for many, many years. The grid has quickly become a binding constraint on data center growth, first in markets like PJM and MISO, but it's quickly made its way to ERCOT as well. And it's interesting. I think a lot of folks in the industry viewed ERCOT as a safe haven for speed to power. And for a long time, that was especially true. Thank you for joining us. that has become the most actionable near-term solution in the market. And we see ourselves as part of that ecosystem. We have the site, we have the OxyLand relationship, and we have the technical capabilities to deliver firm dispatchable power at scale. That's what the market really needs today, and we believe allocating our capital in this manner is the right thing for shareholders and the power industry alike. On the point of grid constraints, it's a primary concern for local communities too. Over the past several months, we've listened closely to the local and national conversations around data center development. The Texas legislative activity, the moratorium discussions, the scrutiny on water consumption and grid impact, the broad and diverse community questions around this new kind of infrastructure. These are real concerns from real communities and they deserve real solutions. The pressure emerging around conventional data center development is, if anything, accelerating the demand for what we aspire to build. behind the meter and completely off-grid power solutions that don't strain the grid, don't fit in an interconnection queue, and are sited and designed so that carbon capture can be added over time. That's not just commercially attractive, it's the kind of project that has a credible answer for a regulator or a community asking hard questions. Through every step of Project Permian's development and evolution, our focus has been to be a good neighbor who endeavors to add long-term value to the communities where we live and work. We think the direction of the concerns point toward our recalibrated model, not away from it. So with that as the backdrop, our commercial strategy is now organized around what today's power customers are actually prioritizing. Speed to power, reliability, and scale. Natural gas power generation, co-located with customer load and deployable in a fast timeline, is how we meet that demand. We are redirecting near-term capital and execution focus towards the development of unabated natural gas power generation capacity with carbon capture retained as an option, a credible, meaningful, preserved option to be layered into projects over time as customer requirements, project economics, and financing support it. We actually think this will be a very differentiating Thank you. Thank you. Project Permian, our site in West Texas, is being redesigned for co-located demand. Based on current market feedback, we do not expect to deploy post-combustion carbon capture in the initial phase of deployment. The project is being designed to preserve the ability to add capture in later phases. The siting is right, and the oxy relationship for CO2 offtake via enhanced oil recovery remains intact as a future pathway. What we are not doing is requiring customers to pay for clean power before they've asked for it. The site has capacity for approximately one to one and a half gigawatts of power generation across multiple phases, and the initial phase is being sized to meet what the market will actually contract for today. On our relationship with Entropy, we're discussing a revised framework under which the parties may pursue deployment of Entropy's post-combustion capture technology in later phases of NetPower's projects. as and when supported by customer demand, economics, and financing. But today, it just wouldn't make sense for us to commit capital for something that isn't actionable yet. So we're going to try to preserve the relationship and the great work our teams have already done together. That work has shed a lot of insight on project design to accommodate carbon capture so that the retrofit option is a consideration in broader power site design. Clean power remains a long-term destination The North Star for us hasn't changed, but what has changed is the order of operations. We build the power first, a lot of it on an accelerated timeline to meet customers' needs now, and we capture when it makes sense. So I'll pass it over to Marc to give you a brief operational update, and then Lee will cover the financials. Marc?

Marc Horstman | President and Chief Operating Officer:

Thanks, Danny. Good morning, everyone. I'll keep this brief. We're reorienting our project execution around unabated behind the meter of power generation, which means firm power at three nines reliability. And that is 99.9% uptime, which corresponds to the plant being down for only a handful of hours a year. This co-located with customer load on the 2028 timeline this market is asking for. The configuration we're developing for

Project Permian and other sites pairs battery energy storage, reciprocating engines, and gas turbines to build in redundancy. So a single unit's outage or scheduled maintenance doesn't take down Our modeling today shows a single large unit can't meet a three nines target on its own, since planned maintenance alone would exceed the outage budget. Multiplying smaller units is what gets you there, and it's the direction the broader market has moved. On the commercial side, we're going direct to hyperscalers and their data center developers, leading with speed to power and land access. pairing our power development with the customer's campus build-out as coordinated parallel work streams with the design preserving the option to add post-combustion capture later. In concert with a potential customer, we're working to secure an additional 120 megawatts of gas power equipment with early delivery, which combined with our already secured gas turbines would bring our total secured capacity to nearly 200 megawatts for the first phase of this larger project. Our relationship with Oxy remains an important differentiator. A multi-site land footprint across West Texas is the kind of scalability the largest data center operators are asking for. We're actively working with Oxy to advance land rights for our power development, and that is a near-term priority for us. With that, I'll hand it over to Lee.

Lee Shuman | Chief Financial Officer:

Thank you, Mark. Good morning. Here's a quick financial update. We entered the second quarter with approximately $310 million cash Cash Equivalents and Investments and No Debt. Our current cash position is sufficient to support ongoing operations and development activities in Project Permian plus portions of the equipment for the project. Funding for the project through construction to commercial operations will require project level financing, partner capital, additional equity or some combination of those sources. We remain optimistic about our ability to secure capital to complete the project. Our balance sheet gives us the runway to be deliberate about this process. We are measuring every dollar we spend against what it takes to get to a fundable project, and we are managing the business accordingly. With that, I'll hand it over to the operator for Q&A.

Operator | Conference Operator:

Thank you. The floor is now open for questions. If you would like to register a question, please press star 1 on your telephone keypad at this time. A confirmation tone will indicate that your line is in the question queue. You may press star 2 if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up the handset before pressing the star keys. Again, that's star 1 to register a question at this time. Today's first question is coming from Nate Pendleton of Texas Capital Bank. Please go ahead.

Nate Pendleton | Analyst, Texas Capital Bank:

Good morning. Thanks for taking my questions. Can you build on your prepared remarks a bit on how you view the longer-term strategic positioning for net power with this new focus? Specifically, how do you think about where net power wins against other developers that are also trying to put power on the grid in West Texas?

Danny Rice | Chief Executive Officer:

Yeah, that's a good question. Look, I think if you just look at – if you take a step back and you look at the market right now, I think – We really have these two potential phases. And I think the phase that we're in right now is we're definitely in a shortage situation. And by that, I mean there's not enough power generation being built. And I think one of the questions we always ask ourselves is what's our competitive advantage? What's the differentiating feature of us versus everybody else? I think when markets eventually get to stabilization

and markets are at equilibrium, I think you definitely need to have a strategic differentiator versus your peers. but we're not in that market. We're in a very, very supply constrained market and value creation doesn't necessarily have to come from differentiation. It has to come from just capabilities to be able to meet the market's demand and I think that's one of the things that we heard sort of loud and clear over the last few months is yeah, the clean piece is really interesting but what we really need is just we need a lot more power and we need it faster and if you guys have both the intellectual human capital as well as the financial capital and the wherewithal to be able to do that. That's where we want to see you allocate your capital. And so I think for where we are right now, the market is extremely short power. And if you have the capability to be able to do that, that is value additive. That's value creative. and I think as we think about long-term, once the market actually gets to stabilization and by that it's once supply has been built up to be able to restore reliability to the grid, once everybody's basic power needs are being met, which we would argue that they were on the precipice of that happening. I think once you get to that sort of parity, I think that's where you really have to take a hard look at what's your strategic differentiator versus everybody else. And so as we sort of think about just this transition from the market being short power today us being able to install the unabated power gives us the opportunity to create ton of value because of the shortage. And then as we transition into the market and call it 10, 15 years where the market's at equilibrium, I think that's where this core strength of decarbonizing the gas power generation really becomes that differentiator. And so that's why it's important for us that we're continuing to hold on to that, continue to preserve that. And the easiest way for us to be able to preserve that is really making sure that we're putting our projects in the areas where sequestration is possible. So I don't think you'll necessarily find us going into areas where the ability to capture and sequester the CO2 is impossible. But I think the nice part about West Texas especially is you're not compromising on the merits of the unabated gas power. The abundance of the natural gas, the land availability, are second to none out there. So as you're thinking about places to be able to put just unabated gas power generation, West Texas is incredible. And when you kind of layer on what's gonna happen in five or 10 or 15 years when the clean piece starts to come into focus again, you're gonna wanna be in those places where you can take your existing assets and decarbonize them. So for us, this West Texas location really sort of fits into both of those buckets of we can use these assets that we have to meet the market's needs today to create value while still preserving the optionality and really like the intent and the ability to be able to decarbonize and really flex that differentiated skill set that we possess versus the broader market.

Nate Pendleton | Analyst, Texas Capital Bank:

Got it. Thanks, Danny. That makes complete sense. And then you just alluded to the customer conversations that drove the change. Maybe how should we think about the path and timing from here to a signed offtake on the back of so many conversations that you've had already?

Danny Rice | Chief Executive Officer:

Those conversations are in progress today. As Marc kind of noted in his comments, we're in the middle of securing additional power equipment to meet these power needs of the customer. So we're not necessarily going out there on spec the way we did for the first power generation units that we secured last year. That was really to get our foot in the door to do the PCC. But we're now able to take that asset and use that as part of the starting block of the first phase of the Project Premium site. So this next tranche of megawatts that we're securing is really at the behest of one of these prospective customers that we hope to work with. So it's not speculation on our side. It's really just in coordination with them. So hopefully in the next couple of months, we'll have more to share. But I think... I think the reality is the ultimate success of this project is making sure that all potential stakeholders are aligned. And so the community point is going to be a big one. And so we want to make sure that we're doing things on the appropriate timeline and disclosing things appropriately as it moves along.

Nate Pendleton | Analyst, Texas Capital Bank:

All right. Thanks for taking my questions. Yep. Thank you.

Operator | Conference Operator:

Once again, that's star one to register a question at this time. The next question is coming from Noel Parks of Tuohy Brothers. Please go ahead.

Noel Parks | Analyst, Tuohy Brothers:

Hi. Good morning. I was just curious, in the discussions you've had with potential offtakers to a degree that data center development is a huge part of the incremental demand, are Are the parties you're talking with more in a project origination stage, would you say? Or are they generally sort of, you know, well in progress down the development pathway where maybe when they start, you know, set the process in motion, the interconnectories, et cetera, weren't as glaring an issue as they are now?

Danny Rice | Chief Executive Officer:

Yeah, Nola, are you talking about like our project specifically? Are you talking about the potential customers projects in general?

Noel Parks | Analyst, Tuohy Brothers:

Potential customers projects.

Danny Rice | Chief Executive Officer:

Yeah, I mean, I think if you look at just like the site that we have in West Texas, it's fairly uniquely positioned, not just the one site. I mean, we were originally contemplating this would be a grid-connected project, but I think as everybody's starting to have real concerns around just the reliability of the grid, It's been pretty incredible, even in a place like Texas. Texas has been a safe haven for folks for a few years now, and that's why you've seen such an influx of demand for interconnects into the ERCOT grid. But now that the ERCOT grid is starting to indicate that new supply isn't showing up fast enough, I think it's causing people to have some pause around having grid-connected projects. and I think everybody's now starting to really just take matters into their own hands saying if we can't depend on the grid, we have to be fairly self-sufficient. And so that really lends itself to the behind the meter, you know, off-grid sort of model. And this is more of just a coincidence, but it actually like fairly aligns with what we were actually doing on the PCC piece, which was start on the smaller gas turbine units, Let's not go after the big ones to start. Producing 400 megawatts, you're going to have to have so much redundancy there because you're a massive, massive single point of failure risk. So we've sort of been designing this for the PCC, but it's also very conducive to removing the PCC and have the reliability in this behind the meter sort of application. So I think the design that we had been working on really for the PCC piece actually works incredibly well in the unabated version. The only real difference is rather than spending an extra you know 2x on the PCC piece we can take that capital and allocate it to essentially double the amount of installed megawatts for the behind the meter off-grid application so that's been like the biggest piece of the feedback for the market it's like you know the feedback has really been like you guys have like the gas skill set you're kind of doing it the hard way by also doing the PCC take that capital and allocate it to what we need right now which is We need as much firm, reliable power generation on an accelerated timeline as you can give us. So we've taken that market feedback. We're

running with the market feedback. In concert with this potential customer, we're securing additional turbines or additional power equipment to be able to meet their power needs on an accelerated timeline. I think everybody, you know, from the NetPower side is fairly aligned with the strategy. The important part for us is making sure that we preserve this optionality due to the carbon capture because we are quite confident it's going to come back at some time in the future and we need to be ready for it for when it does happen.

Noel Parks | Analyst, Tuohy Brothers:

Great. Thanks. And as you're looking at scenarios going forward of how long we might be in this shortage situation, before utilities and the grid catch up on their interconnectabilities. I've heard some people say maybe five years out and or before sort of global production of gas turbines, ramps that could be more in alignment with kind of near-term needs. As you were looking at this, did you have sort of like a, I think on the short end of the range, you're talking about early 2030s.

Danny Rice | Chief Executive Officer:

and that's just to get like new generation or new load onto the grid you're talking about early 2030s and that's in a market like ERCOT which is you know probably the fastest to market I think if you're looking at MISO and PJM you're talking about even longer time frames and that's not to solve the problem that's just to like start to solve the problem which I think is like the scary part and so I think you know I think it all comes down to you know is is are we going to continue to see the advancement of AI cause new demand for new power generation, right? And I think as the world quickly starts to adopt AI and embrace it, I think it becomes a fixture in everybody's lives and it becomes a fixture in terms of just load and demand for power. So the way I kind of see it is in like the most, conservative sort of scenario. You're talking about a lot of these grid constraints and power constraints being resolved by the middle of next decade. And then there's the scenario where it doesn't get solved until like the 2040s or beyond. But I think like in any case, when you're designing these behind the meter sort of applications or off-grid applications, there's always the expectation or intent that eventually it'll become grid connected. So as we look at like potentially citing these projects, we want to be able to have that sort of optionality the same way we have the optionality on the carbon capture. And that means we're going to be smart about where we cite these potential projects, right? So like this project for me in sight that we have, we're fairly close to a couple of really large high voltage power lines that we can connect into at some point in the future once the grid is reliable enough for us to connect into it. and so then you'll have essentially a behind the meter sort of application. So I think that's like one of I think like the key traits that you'll sort of see with our project is future proofing, right? Future proof on being able to connect into the grid, but also future proof in terms of if society changes its view on how aggressive we need to be on reducing emissions, we're going to be in a place where we can retrofit very, very quickly. and a lot of that's in part due to the great work that Marc and our team have done with Sanjay and the entropy team over the course of the last 12 months to really understand the PCC piece inside and out and making sure that these projects are in an area where if we do have the ability to capture the CO2, we have a place close by to be able to transport and sequester it. and that sort of partnership with Oxy continues on being able to have that option to be able to sell them the CO2 for utilization in their enhanced oil recovery operations. So I think there's a ton of optionality your customers are going to be able to get with NetPower projects.

Unidentified Participant | Analyst:

Hi, good morning.

Unidentified Participant | Analyst:

Hey, Danny, I just want to get a better sense, just given the strategy shift, how you're thinking about sizing the first project, because you could still do the initial design, but is there any appetite to do resub engines, like sort of things that we have seen from other companies in the space?

Danny Rice | Chief Executive Officer:

That's a great question. We're looking at it, we're evaluating it, we're pursuing it. I think the nice thing with us, and hopefully the market understands this with us by now, we're fairly technology agnostic people. We originally started off on the oxy combustion. And I think one of the things we really learned is if you're sort of pigeonholed into a single technology with a single supply chain, it puts your business at risk. Like you lose so much flexibility to be able to adapt and capitalize on the market. And so I think we've really taken a step back as we think about just power generation, as we think about power generation solutions. I think like one of the key features of us is being very agnostic to give us as much flexibility as possible to design the right solution for what the customer needs. And so, yeah, and Marc kind of said in his prepared remarks, as we think about just what this first project is going to look like, it's going to be a combination of turbines, resips, battery storage. It's going to be whatever enables us to deliver the lowest cost three nines reliability for the customer on the timeline that they want. So we're not beholden to any single OEM on the equipment. I think you're going to see us be very, very opportunistic and very creative with what these sort of projects look like. And I think that's going to become one of the hallmarks of this company is our adaptive ability to be able to get the customer what they want. and I think like one of the key pieces that really makes that happen is us having like this fundamental understanding of all things gas power generation and I think that's like I think that's probably one of the things that's like underestimated about us is you know we this company has spent like the last decade working on probably one of the hardest if not the hardest and many more. Thank you very much. and so with that, we kind of have this power generation acumen to be able to assess and understand the pros and cons of all potential power generation solutions to come up with the right one for the customers. And I think that sort of skillset and experience certainly has been resonating with the folks that we've been talking to recently.

Unidentified Participant | Analyst:

That's great, thank you, that's helpful. My follow up, can you just speak to how you're thinking about and I know there's negotiation ongoing, but just how you think about deploying, initial deployment. And then a tag onto that is the sort of the trade-off that we're seeing in the market where in order to de-risk the project and then come to an agreement, developers are being asked to front the CapEx and you have to pay money for long lead time items. So there's a certain level of spending that's needed in order to de-risk enough to get to the final PPA agreement. Are you seeing that dynamic? And then for NetPower, what does it mean for you guys, for your appetite to front the capital to get to a project?

Danny Rice | Chief Executive Officer:

Yeah, I think it's a great question. It's one of the things that we kick around internally a lot is how do we put our capital, how do we invest our capital without having too much of that capital at risk? And I think that's one of the things that us having $300 million on the balance sheet affords us the patience to be able to come up with the right structure so that we don't have to put all of our capital at risk and really toe the line on, you know, and many more. Thank you. for these projects without us having to really lean in on speculation any much more. I think we've always tried to be very judicious around our spending. The most aggressive we've been has been securing those turbines last year, which I would say has ended up being a very economic decision just because The market for really all power generation equipment has just continued to go up. So that was sort of an accretive commitment on our part, we think. But as we think about securing more

equipment, I think it's really going to be done in concert with a potential customer and working out a creative solution to be able to help finance the acquisition of it. So more to come there, Betty, but I think... I think what you'll really see from us is we're going to be very, very thoughtful and pragmatic about how we put more capital at risk.

Unidentified Participant | Analyst:

Okay, great. That makes sense. Thank you. Yep.

Operator | Conference Operator:

Thank you. The next question is coming from Wade Suki of Capital One. Please go ahead.

Wade Suki | Analyst, Capital One:

Good morning, everyone. Appreciate you all taking my questions today. Just maybe to sort of dovetail off some of the previous questions. I was curious if and how possible conversations are going with potential partners, how you guys are exploring potentially bringing in someone else to help develop or fund or whatever. How those kinds of conversations might be progressing, if at all. And then any update on costs would be helpful. Thank you. Appreciate it.

Danny Rice | Chief Executive Officer:

Yep. I mean, so on the second point, I think the cost thing is really going to be a function around what's like the ultimate project profile going to look like in terms of generation solutions. You know, I think as everybody sees, like, you know, the cost of equipment just continues to rise because the market's still tight. So that's not really a surprise to anybody. And so for us on the project side, it's really just making sure that the PPA price delivers a commensurate sort of return for that capital invested in the operating cost associated with operating that facility. I think on your first point, I think we're in a very unique position where we possess sufficient capital to move this project along. I think at the end of the day, I think we're going to be very, very humble about what our skill sets are. I think companies can get into trouble where they bite off more than they can chew. And so I think for us, it's really making sure that at the end of the day, we want to make sure that this project is successful. I think we certainly possess the skill set and the confidence to be able to do this alone. But is that ultimately what's going to enable us to scale this thing up to achieve the full potential of what these projects could be in West Texas? Because I think the way we kind of think about it is, you know, success with this first project leads to a second project and leads to a third project and leads to a fourth project. and so being able to like really improve the confidence and success of that first project if that means bringing in other strategic partners to really complement our skill sets then we definitely will you know we started to head down that path with entropy on the PCC piece um so I think we've demonstrated if there are folks out there that have skill sets that are additive to ours and just make the project better we will definitely want to bring them to the table um but we're sitting here today uh with a great skill set, with a great foundation that we can build from. And we have sort of a little bit of time and patience and certainly the capital on our balance sheet that we should be able to get pretty far doing it alone. So we'll certainly report back to everybody as that continues to evolve. But I think with where we are today and what we know good looks like, we're in a fairly good place just continuing to go it alone in partnership with Oxy on the land side.

Wade Suki | Analyst, Capital One:

I appreciate that. Just kind of one technical question, I guess, if I could, just on the entropy kind of related conversation. Just thinking about the technology, I was sort of under the impression that was something that sort of needed to be integrated with the facility during the build. But is the technology, I guess, capable for retrofit later once, or are there other potential technologies that you're looking at as well?

Danny Rice | Chief Executive Officer:

No, it's, yeah, I mean, Marc, if you want to take that one, that would be great.

Marc Horstman | President and Chief Operating Officer:

Yeah, that's fine. Hi, Wade. Marc here. With respect to the technology and especially around entropy, but also in general with the PCC, the post-combustion capture, it does need to be integrated, but it's not integrated to the point where it prevents you from adding it on as a second step. So it actually goes quite well with the current strategy from the standpoint of the power mix that we end up with, most likely putting that power mix in a simple cycle. And then depending upon, call it the ramp up that Danny was mentioning earlier on what that drives, you could either bring it in a combined cycle for the benefits of the power, or you could also bring it into a combined cycle configuration at the same time of adding the post-combustion capture as well. So I think that, you know, as we've looked at what we've learned over this last six, seven months with the entropy team, the entropy team has been great. And it's being able to, you know, going back to some of Danny's pre-recorded comments from the standpoint of, or the remarks from the standpoint of understanding that post combustion capture element, understanding what that total plant looks like. So as we look at the layout of the power now, having that in mind allows us to lay out to where we really have a legitimate pass forward on providing the clean energy that we think folks are going to want in the future.

Operator | Conference Operator:

Thank you. This brings us to the end of the Q&A session. I'd like to turn the floor back over to Mr. Rice for closing comments.

Danny Rice | Chief Executive Officer:

Okay. Thanks, everybody. We appreciate the questions from everyone. I know there's a lot to digest on this update, so I kind of want to leave you all with three things. This for us is really, it's a change in sequencing, not a change in conviction. We're building unabated power first because that's what the market's telling us it will pay for today on the timeline that it needs. Carbon capture, it remains the long-term destination. The entropy relationship, the Oxy EOR pathway, the site design itself all preserves that option. So we're not walking away from it. We're just being honest about when it gets built. Second, I think this makes us more investable, not less. A contracted natural gas plant with a credit-worthy offtaker is one of the most financeable assets in infrastructure, and that's the asset we're building toward as fast as we can. And third, patience here is a feature. It's not a bug. And Lee laid it out that we have a balance sheet that lets us run a disciplined commercial process instead of a rushed one. We'd rather take the time to get the right off-taker and the right structure than force a deal that doesn't hold up. So we know the market will judge us on execution from here, and that's the right standard. So we look forward to updating you as these conversations progress. So thank you again for joining us this morning, and thanks for your continued interest in NetPower. Have a good day.

Operator | Conference Operator:

Ladies and gentlemen, this concludes today's event. You may disconnect your lines or log off the webcast at this time and enjoy the rest of your day.