

Bringing New Nuclear to Texas
STP 3&4
On Track and In Front



Nuclear Innovation North America LLC

Platt's Nuclear Conference

February 12, 2009

NRG and Toshiba A Powerful Partnership



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Development Capability

- ✓ Licensing Expertise
- ✓ Financing Expertise
- ✓ Partnering and Offtake Relationships
- ✓ Continued Funding of Development Efforts
- ✓ Additional Opportunities
- ✓ Existing Development Program



TOSHIBA

EPC Capability

- ✓ 40 Years of BWR Construction Experience
- ✓ Committed Capital
- ✓ Existing Manufacturing Supply Chain
- ✓ Modularized Design Engineering and Construction
- ✓ Positive Subcontractor Relationships



Bringing Innovation to Nuclear Generation

What's New?



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- NRC schedule for STP 3&4 issued
- Highly ranked within upper tier for DOE Loan Guarantee
- Significant progress for Japanese support
- Offtake for 80% to 100% of plant output under MOU
- EPC Contract negotiations complete
- \$500mm long-lead material credit facility
- Exploring new partner for 20% of STP 3&4
- Letter of intent for ABWR Recertification submitted



NINA continues to make progress against its goals, both for STP 3&4 and for later projects

STP 3&4
Remains on Schedule

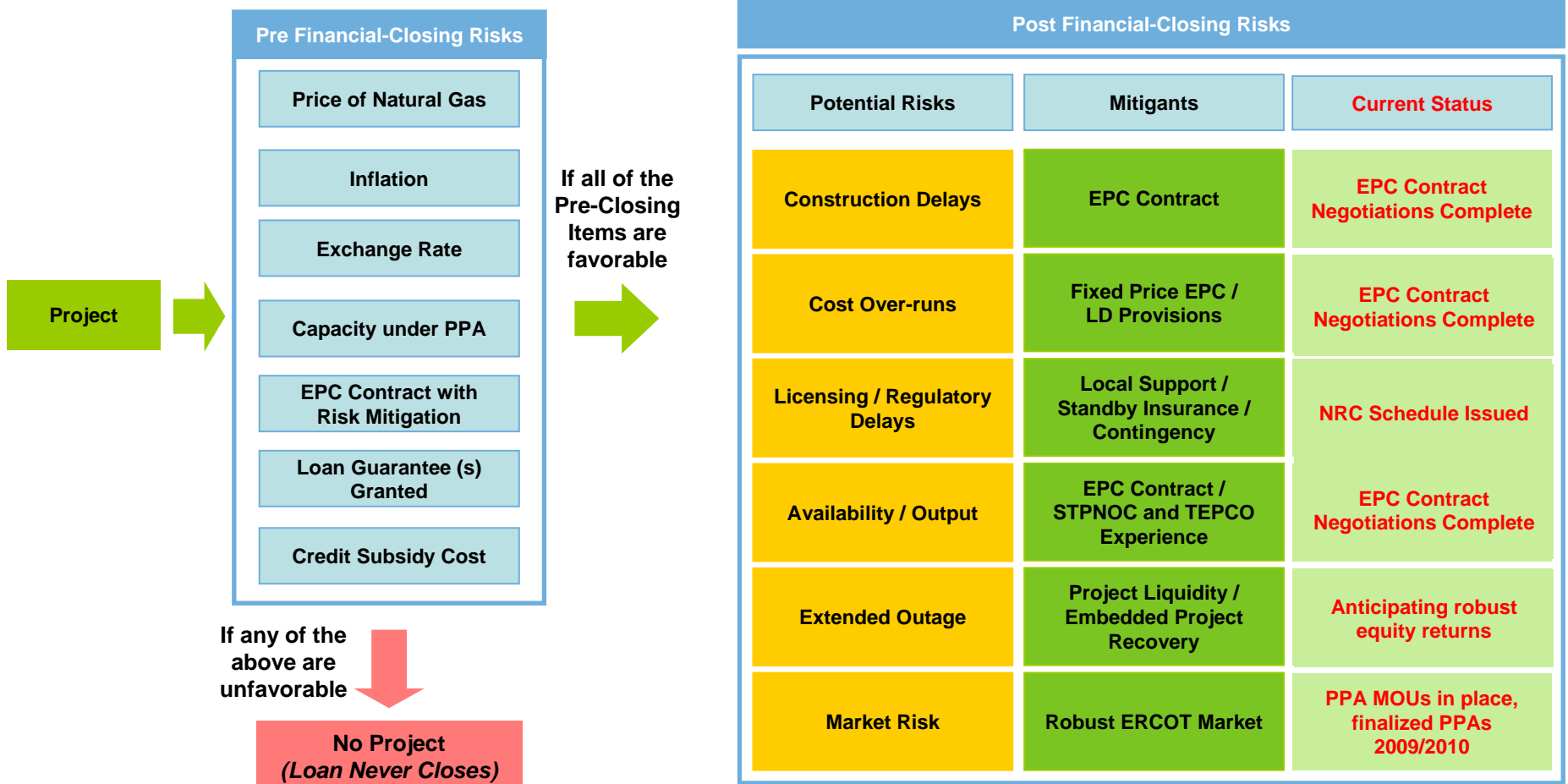


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Project Development Risk Mitigation – The NINA Way

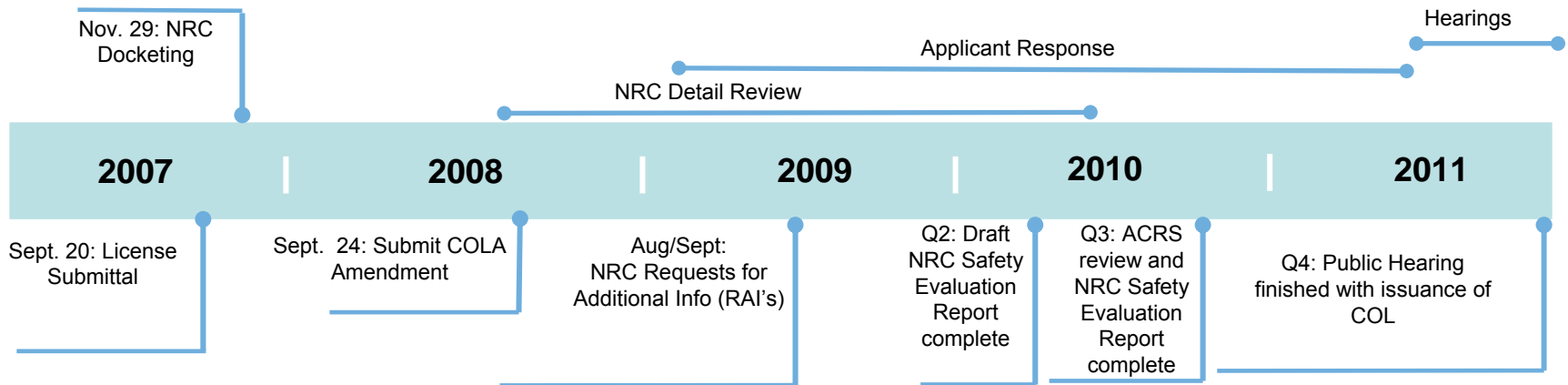


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NINA's development approach requires minimizing upfront cash from owners before financial close, and mitigating risks contractually post-financial close

Anticipated Timeline and Process for Licensing



- The NRC published a revised schedule for STP 3&4 on February 11
- The new schedule is consistent with NINA's previously anticipated build schedule
 - Early 2012 COL, with favorable hearing schedule
 - Leading to Full Notice to Proceed in early 2012

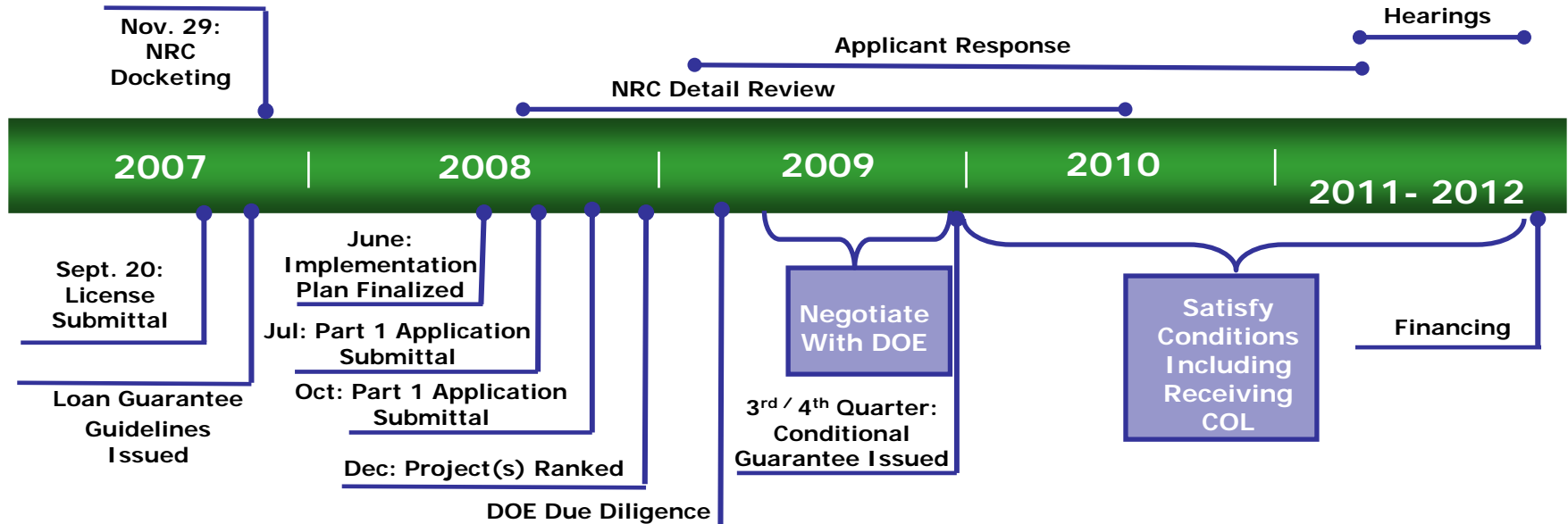


The transition to a Toshiba only ABWR is on track, and the licensing aspects of the project remain on schedule

Financing Momentum



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- "Upper Tier" for Department of Energy Loan Guarantees
 - Notified in October and November
 - DOE commenced due diligence in February 2009
 - Anticipate DOE will select list of parties for negotiation in late 1st or early 2nd quarter
- Due diligence by Japanese financing agencies in progress
 - Very important step in Japanese loan support

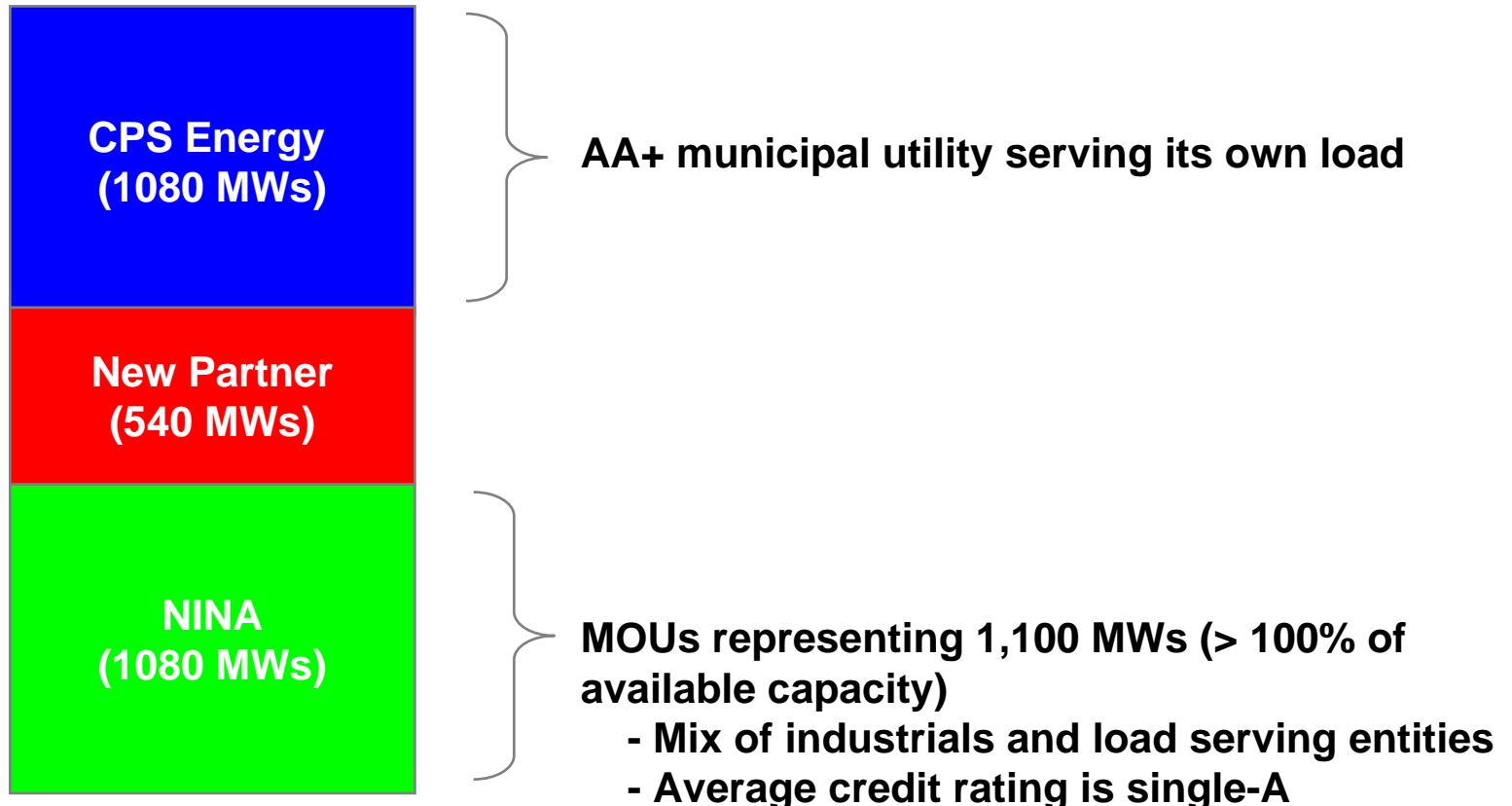


STP 3&4 is well positioned to receive support from both U.S. and Japanese governments

Offtake Certainty



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NINA has MOUs for slightly greater than 100% of its net ownership of STP3&4

EPC Contract Negotiations Complete



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- EPC Contract negotiations complete on February 11, 2009
 - MOU with all key terms signed in September 2008
 - CPS Board approval in January
- Key features
 - Open book period followed by Fixed Price Turnkey construction period
 - Contractual terms substantially the same as large fossil project
 - Subcontract between Fluor and Toshiba completed
- Other benefits
 - Triggers \$500mm long lead material credit facility
 - Triggers two additional EPC contracts with the same terms



STP 3&4's EPC contract sets the standard for risk sharing
between project developers and vendors

\$500mm Long-lead Material Credit Facility



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- Toshiba is extending a \$500mm credit facility to NINA that supports the purchase of NINA's share of all materials and equipment purchased prior to Full Notice to Proceed (FNTP)
 - Non-recourse to NRG and Toshiba
 - Supports material purchases during open book phase
 - Repaid with DOE/ Japanese guaranteed loan proceeds at FNTP
- Key benefits
 - Defers significant equipment spend until FNTP
 - Aligns vendor and customer on equipment cost



STP 3&4's EPC contract sets the standard for risk sharing between project developers and vendors

NINA Strategic Initiatives



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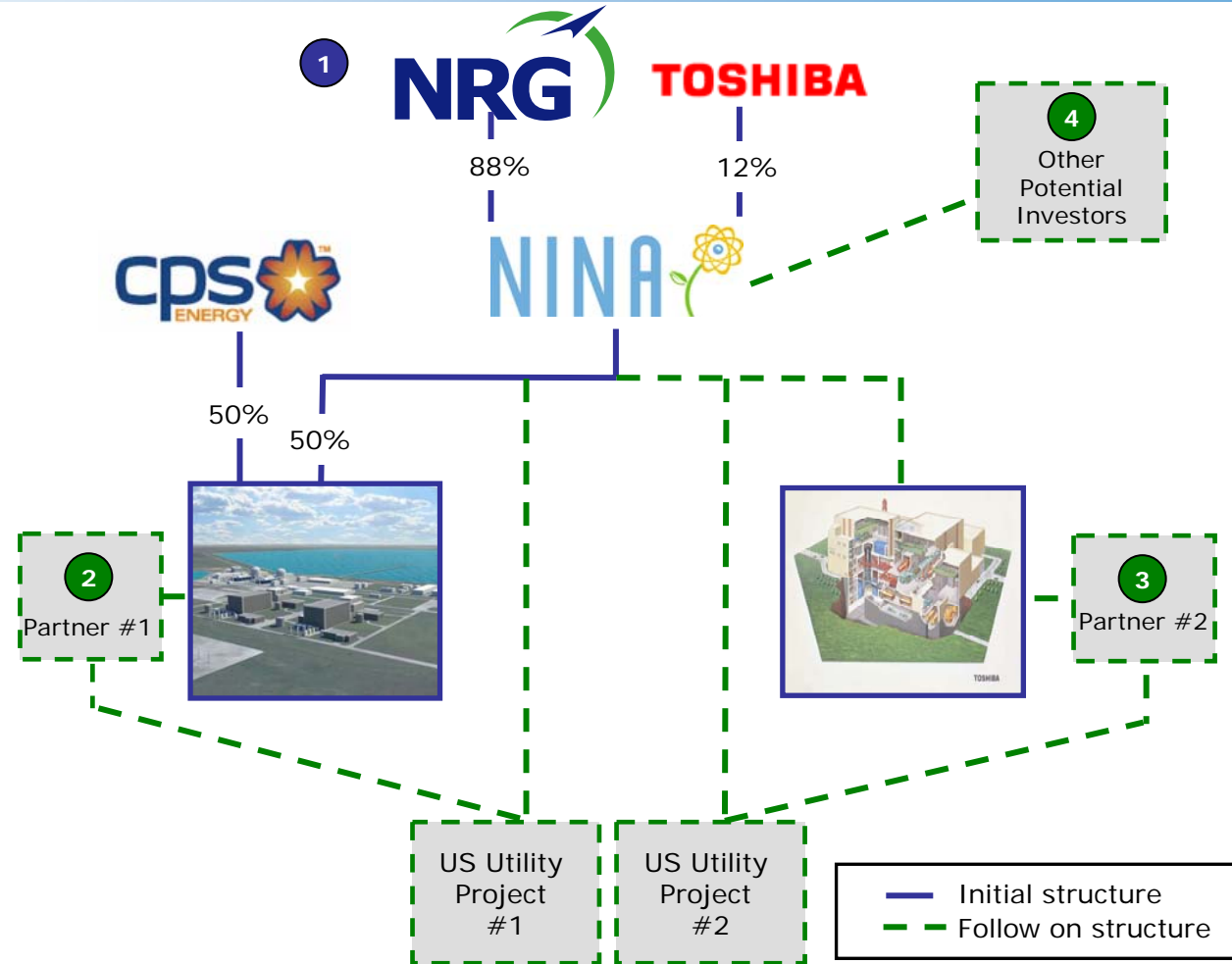
NINA's Multi-Unit ABWR Strategic Step Structure



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Long Term Strategy

- 1 NRG contributes its STP 3&4 interest and development rights and Toshiba contributes \$50 million cash upon Nuclear Innovation North America closing with an additional 5 annual installments, totaling \$300 million
- 2 Leverage assets and expertise of Nuclear Innovation North America into a participation interest in another ABWR project
- 3 Nuclear Innovation North America and partners begin additional 2 unit nuclear site developments
- 4 Additional third party investors can be added to fund cash requirements



Note: the current ownership of STP 1&2 (44% NRG, 40% San Antonio and 16% Austin) remains unaffected by the development of STP 3&4 and the creation of Nuclear Innovation North America.



Focus on advancing and leveraging the ABWR design

20% Additional Partner for STP 3&4



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Investment Highlights

- **Licensing**
 - Docketed COLA
 - Certified Design
- **Construction and Cost**
 - Fully negotiated, binding EPC
 - Superior site with significant cost advantage
 - Project engineering well advanced
 - Committed and well-aligned world class vendor/contractor
 - Proven technology and constructability
 - Secured critical long lead materials including ultra-large forgings and RPVs
- **Financing**
 - High level due diligence commenced by DOE for possible loan guarantee
 - Potential for secondary financing from Japan
- **Operations**
 - Industry leading operator
 - Highly contracted output with investment grade counterparties
- **Government support**
 - Well positioned for Production Tax Credits and Standby Support
 - Strong state and local support



NINA and its owners view STP 3&4 as a highly valuable asset, and will only partner with an entity that shares their valuation expectation and strategic priorities

What NINA Can Deliver

- Accelerated COLA submittal
- Fully negotiated, binding EPC
- Accelerated Loan Guarantee Application
- Potential for secondary financing source from Japan
- Substantially complete engineering
- Purchasing synergies
- Operational training programs
- Ability to roll skilled labor from prior project
- Committed vendor

Attributes of Preferred Partners

- Identified site
- Nuclear operating capability
- Willingness to partner (at both STP and own site)
- Willingness to pursue an aggressive build schedule
- Community support



Savings for the next Toshiba ABWR are estimated between \$600mm and \$1 Billion

ABWR Recertification



NINA

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- The ABWR was certified in 1997
 - The certification has a 15 year life, expiring in 2012
 - In order to commence additional units after 2012, the design needs to begin recertification between 2009 and 2011
- Any party that can demonstrate the wherewithal can submit for recertification
 - NINA, based on its relationship with Toshiba and its previously submitted COLA, can demonstrate wherewithal
- NINA expects to submit its recertification in 2010
 - Submitted a letter of intent to the NRC on December 03, 2008
 - Work is currently in process on submittal documents
- Recertification offers increased likelihood of a U.S. ABWR fleet
 - Preserves ability to use ABWR past the 2012 license expiration



On December 3, 2008, NINA submitted a letter of intent to recertify the ABWR on behalf of Toshiba

2009 Challenges



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2009 Objectives



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- Proactively respond to NRC review
- Convert PPA MOUs to Conditional PPAs
- Negotiate Conditional loan guarantees with U.S. and Japanese Governments
- Additional partner for 20% of STP 3&4
- Execute on recertification application for ABWR
- Support vendors in their risk mitigation strategies
 - Support development of labor supply
 - Support development of U.S. based manufacturing capability
 - Order long-lead materials
 - Continue progress on remaining engineering
- Announce second project



2009 marks a turning point – STP 3&4 transitions from focusing on contractual risk mitigation to project execution. NINA focused more directly on development of a fleet