



The True Value of NRG

February 19, 2009



Safe Harbor Statement

Important Information

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of proxy of any stockholder of NRG Energy, Inc. ("NRG"). NRG plans to file with the Securities and Exchange Commission (the "SEC") and furnish to its stockholders a proxy statement and white proxy card in connection with its 2009 Annual Meeting of Stockholders (the "2009 Annual Meeting"). **INVESTORS AND STOCKHOLDERS OF NRG ARE URGED TO READ THE PROXY STATEMENT FOR THE 2009 ANNUAL MEETING IN ITS ENTIRETY WHEN IT BECOMES AVAILABLE BECAUSE IT WILL CONTAIN IMPORTANT INFORMATION.** In response to the exchange offer proposed by Exelon Corporation referred to in this press release, NRG has filed with the SEC a Solicitation/ Recommendation Statement on Schedule 14D-9. **STOCKHOLDERS OF NRG ARE ADVISED TO READ NRG'S SOLICITATION/RECOMMENDATION STATEMENT ON SCHEDULE 14D-9 IN ITS ENTIRETY BECAUSE IT CONTAINS IMPORTANT INFORMATION.**

Investors and stockholders will be able to obtain free copies of NRG's proxy statement (when it becomes available), the Solicitation/Recommendation Statement on Schedule 14D-9, any other documents filed by NRG in connection with the exchange offer by Exelon Corporation, and other documents filed with the SEC by NRG at the SEC's website at www.sec.gov. Free copies of any such documents can also be obtained by directing a request to Investor Relations Department, NRG Energy, Inc., 211 Carnegie Center, Princeton, New Jersey 08540.

NRG and its directors and executive officers will be deemed to be participants in the solicitation of proxies in connection with its 2009 Annual Meeting. Information regarding NRG's directors and executive officers is available in its Annual Report on Form 10-K for the year ended December 31, 2008, which was filed with the SEC on February 12, 2009, and its proxy statement for its 2008 Annual Meeting of Stockholders, which was filed with the SEC on April 2, 2008. Detailed information regarding the names, affiliations and interests of individuals who may be deemed participants in the solicitation of proxies of NRG's stockholders will also be available in NRG's proxy statement for the 2009 Annual Meeting.

Safe Harbor Disclosure

Certain statements contained herein may constitute 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 typically can be identified by the use of words such as "will," "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, risks and uncertainties related to the capital markets generally.

NRG undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law. The foregoing review of factors that could cause NRG's actual results to differ materially from those contemplated in the forward-looking statements included herein 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. Statements made in connection with exchange offer are not subject to the safe harbor protections provided to forward-looking statements under the Private Securities Litigation Reform Act.

Summary of Reasons NRG Shareholders Should Reject EXC's Buyout Offer



Exelon Offer

- Entitles NRG to only 17% ownership while generating 30% of free cash flow
- Sharply dilutive on a free cash flow basis for NRG shareholders in 2010
- Exelon offer is at a severe discount to replacement costs
- Sharply dilutive to cash and liquidity positions

NRG Fundamental Value

- Plant and commercial operations provide foundation for consistent results
- Hedged position protects against market downturn
- Well positioned in Texas, one of the best competitive markets with upside on economic recovery
- NRG development model provides growth and accelerated cash returns
- Successful history of value-adding acquisitions and dispositions

Transaction Risk

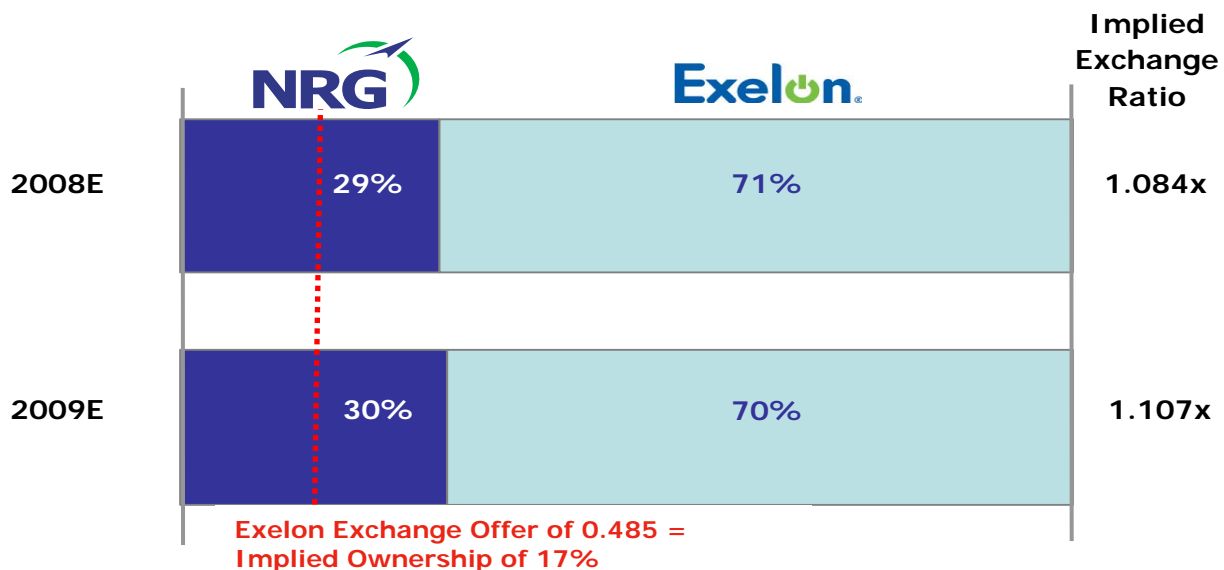
- Exelon's proposed combined company is bigger, but not less risky, and driven by regulatory and ratings agenda
- Highly conditional offer amounts to a one-way call option on NRG... for free

Exelon's proposed exchange offer does not fairly compensate NRG shareholders for value contributed or risk assumed

NRG is All About Cash

Even with the so-called share price “premium” offered by Exelon, NRG shareholders would be contributing 30% of recurring free cash flows to the combined company for only 17% of the payoff

Percent Contribution of Recurring FCF

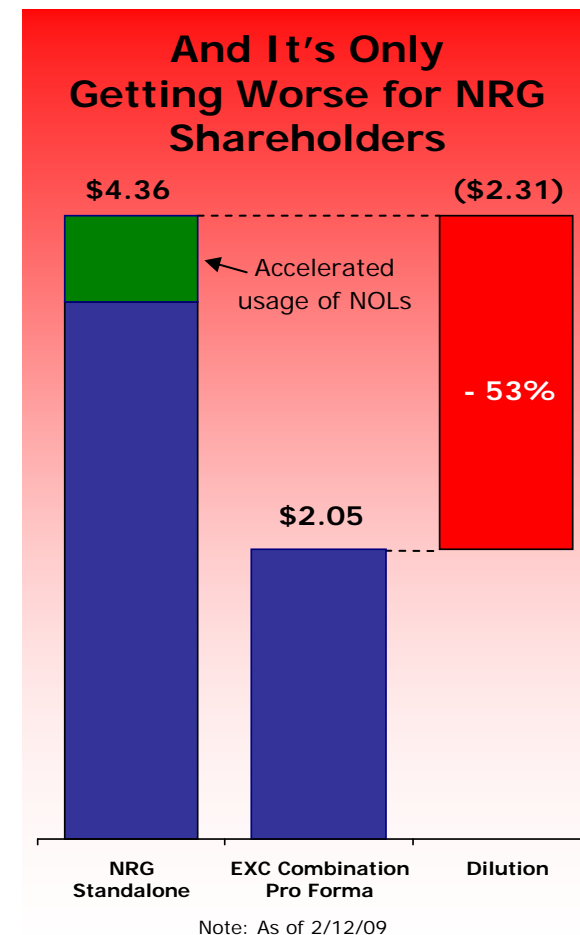
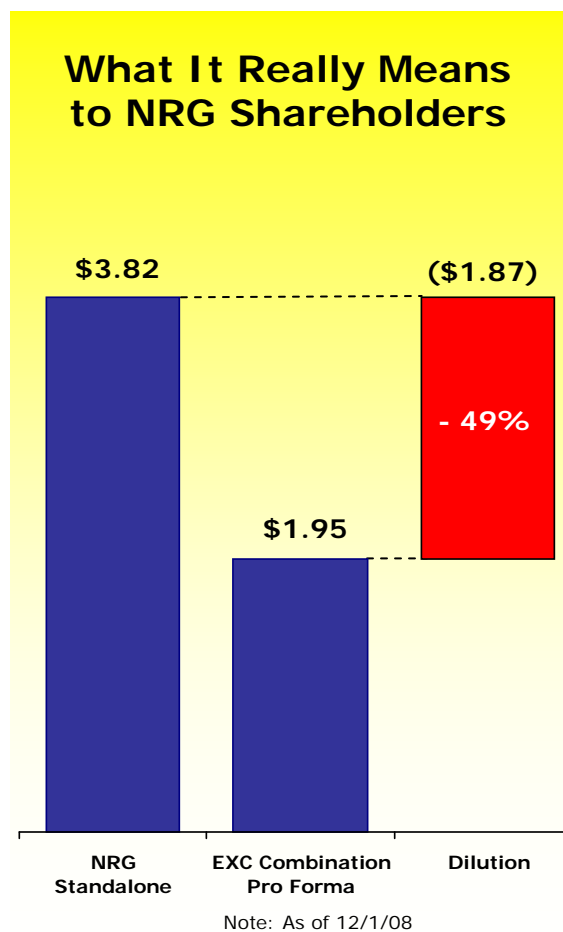


Source: NRG February 12 actual results and guidance. Exelon estimates based on Wall Street research

In these times, cash IS the critical financial metric

The Exelon Proposal: What is the Value Proposition?

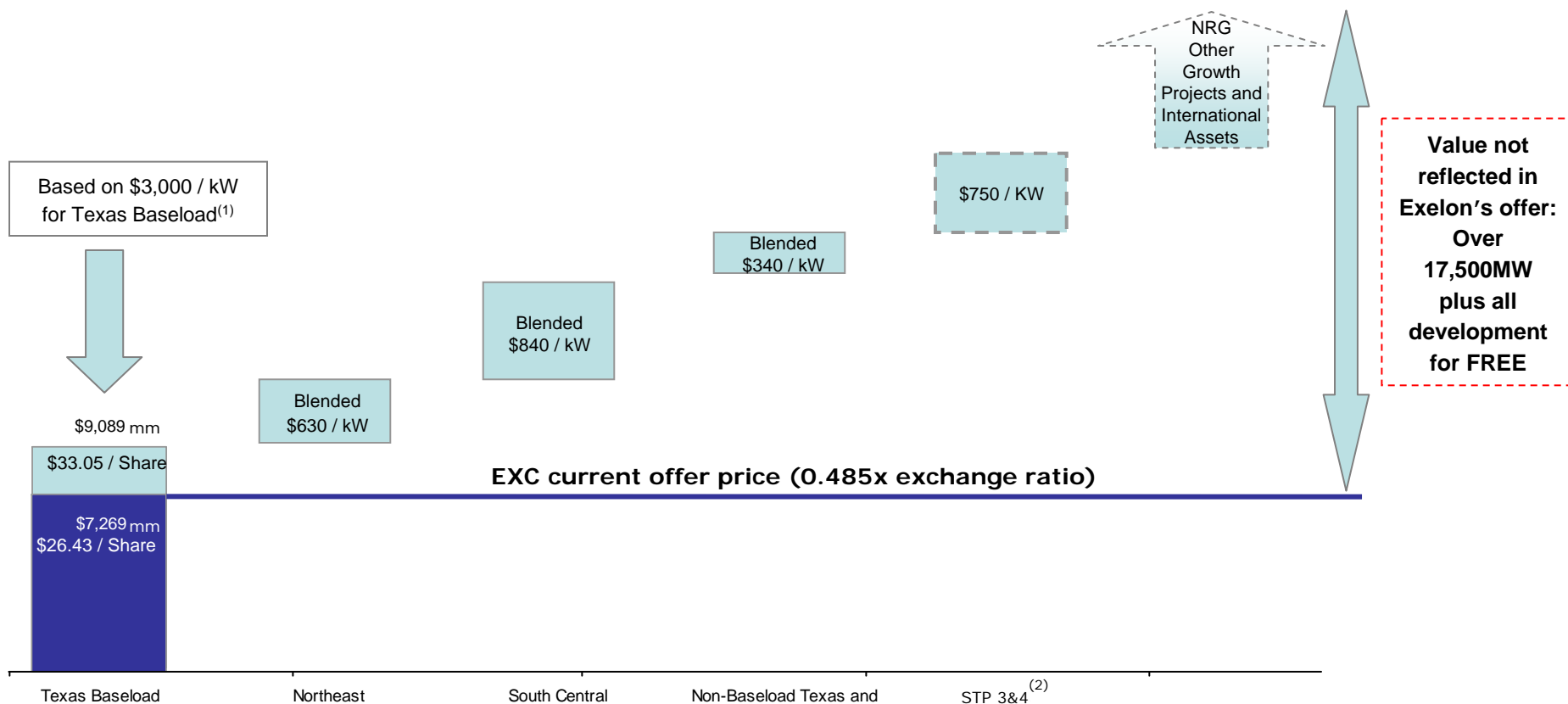
2010E FCF Per Share¹



¹ Source: Exelon 11/10/08 EEI Presentation page 6; Not intended as earnings guidance or as a forecast of expected results

Under the Exelon acquisition, NRG shareholders would experience massive free cash flow dilution

NRG Replacement Cost Value



Note: Pricing date of 10/17/2008.

Replacement cost for assets other than Texas baseload based on independent consultant.

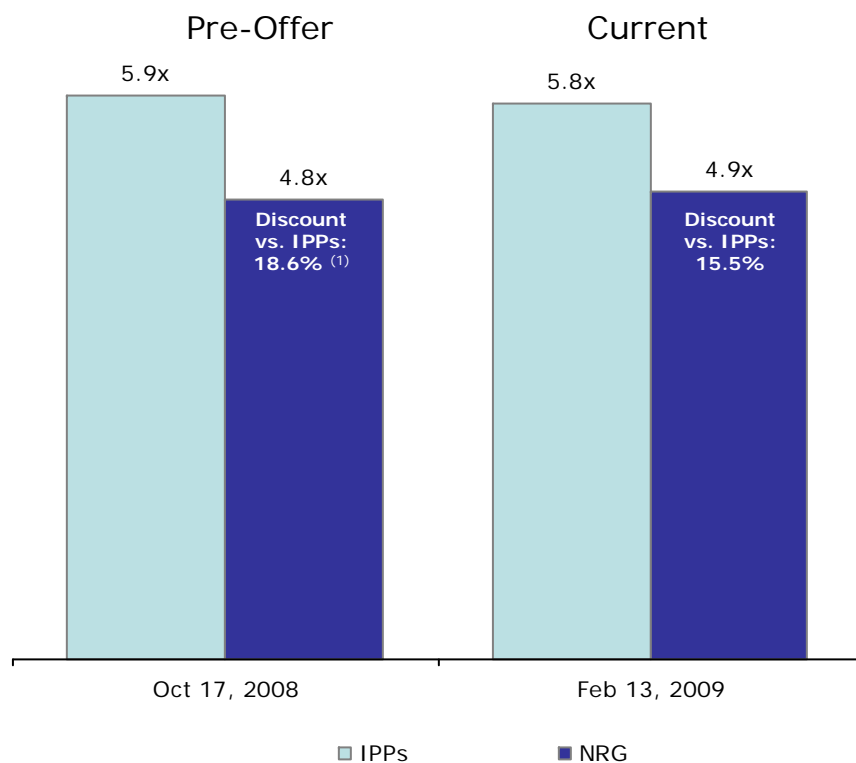
(1) Source: Exelon presentation dated February 2009.

(2) Based on Toshiba's \$150 million commitment for STP 3 and 4 through its 12% interest in NINA. Future nuclear development, to which Toshiba has committed an additional \$150 million, is implied in NRG other Growth Projects and International.

As per Exelon's own statements, their offer would give them NRG Texas assets at a discount to replacement costs, and then the rest of the NRG portfolio for FREE

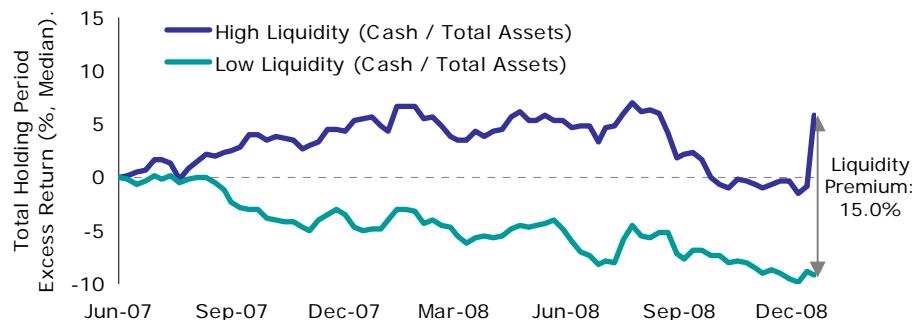
Liquidity and Particularly Strong Cash Flows are Key to Valuation in this Market

EV / EBITDA Multiples

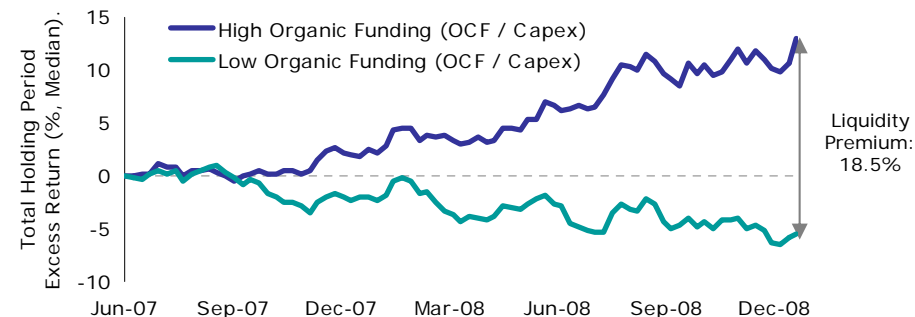


Liquidity Strongly Rewarded in Current Crisis

Short Term Perspective



Longer Term Perspective



Source: Citi Financial Strategy Group. Market data updated as of 1/09/2009 for sample of S&P/Citi PMI Global Index companies excluding financials.

(1) Discount reflects NRG's EV / 1-Year forward EBITDA multiple compared to IPP index of CPN, DYN, RRI, MIR.

NRG share price performance should remain relatively supported due to its strong free cash flows and liquidity

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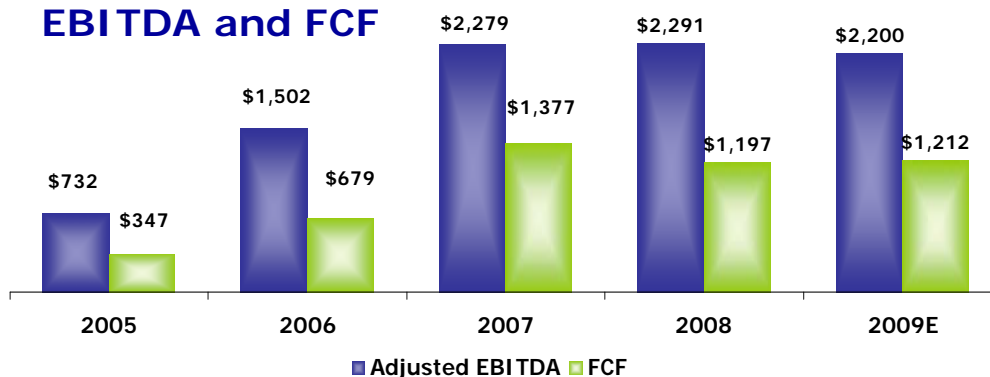
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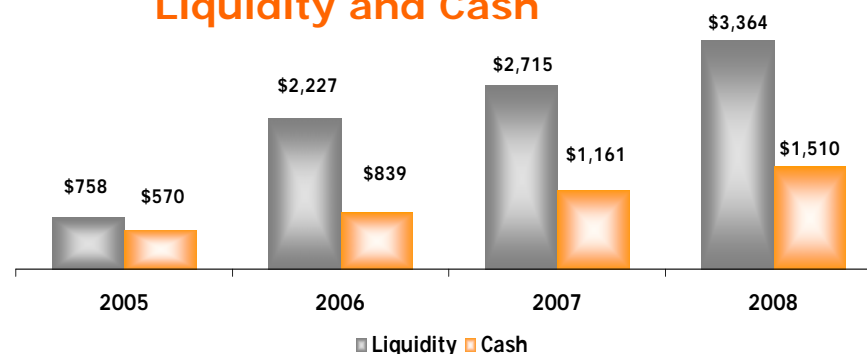
NRG's Robust Earnings and Cash Flows Enable Balanced Capital Allocation

Key Financial Performance Indicators

EBITDA and FCF

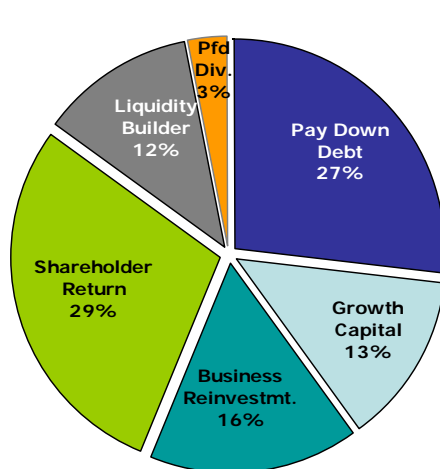


Liquidity and Cash



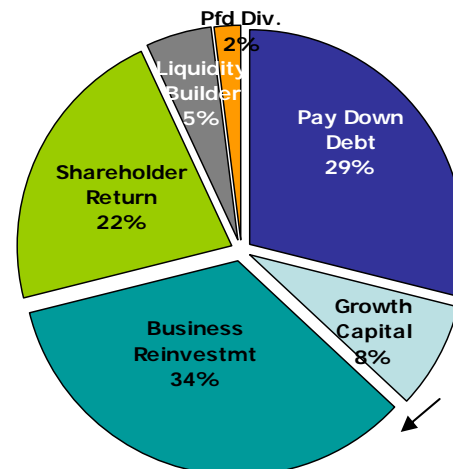
Note: all numbers exclude collateral movements and include discontinued operations

Capital Allocation Track Record 2004 – 2008 Cumulative (1) Percent of Total



Total = \$6.8 Billion

Capital Allocation Target 2009 Guidance Percent of Total



Total = \$1.5 Billion

Expandable through partnerships

(1) 2004-2005 excludes Texas GenCo

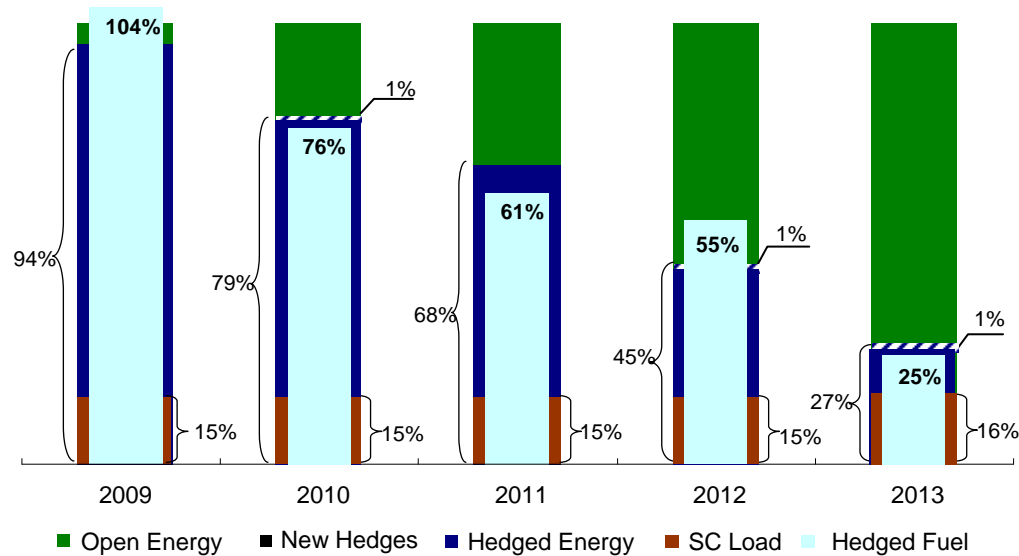
With NRG, recurring free cash flow is the platform for both the return of capital to shareholders and growth



Managing Commodity Price and Volatility Risk for Near to Medium Term

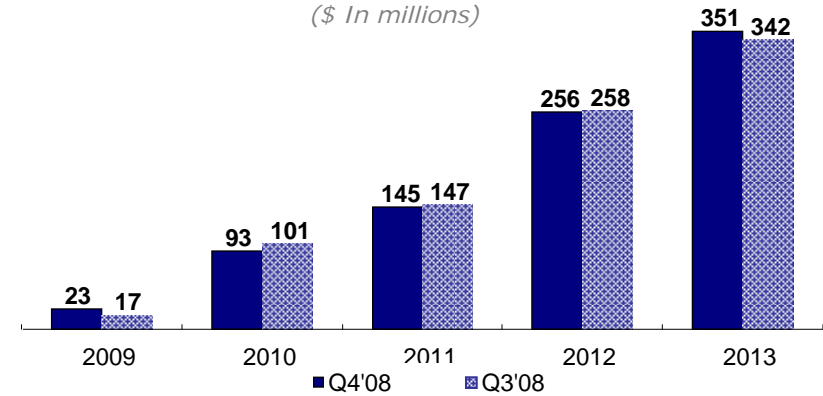


Baseload Hedge Position^{1,2}



Baseload Gas Price Sensitivity³

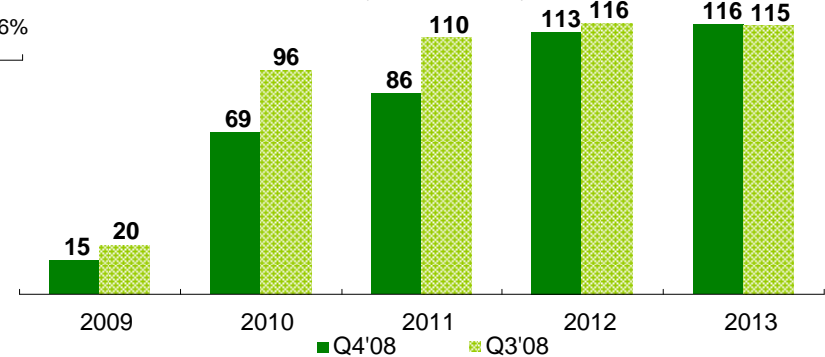
Gross margin change from \$1/mmBtu gas price change
(\$ In millions)



³ Q4'08 sensitivities were based on hedge positions as of 01/29/2009; Q3'08 were based on 10/16/2008

Baseload Heat Rate Sensitivity⁴

(\$ In millions)



⁴ \$1/mmBtu move in gas is 'equally probable' to 0.29 mmBtu/MWh move in heat rate. Q4'08 sensitivity was based on portfolio as of 01/29/2009; Q3'08 was based on portfolio as of 10/16/2008

¹ Portfolio as of 01/29/2009; 2009 values reflect positions from February 09 through December 09 only

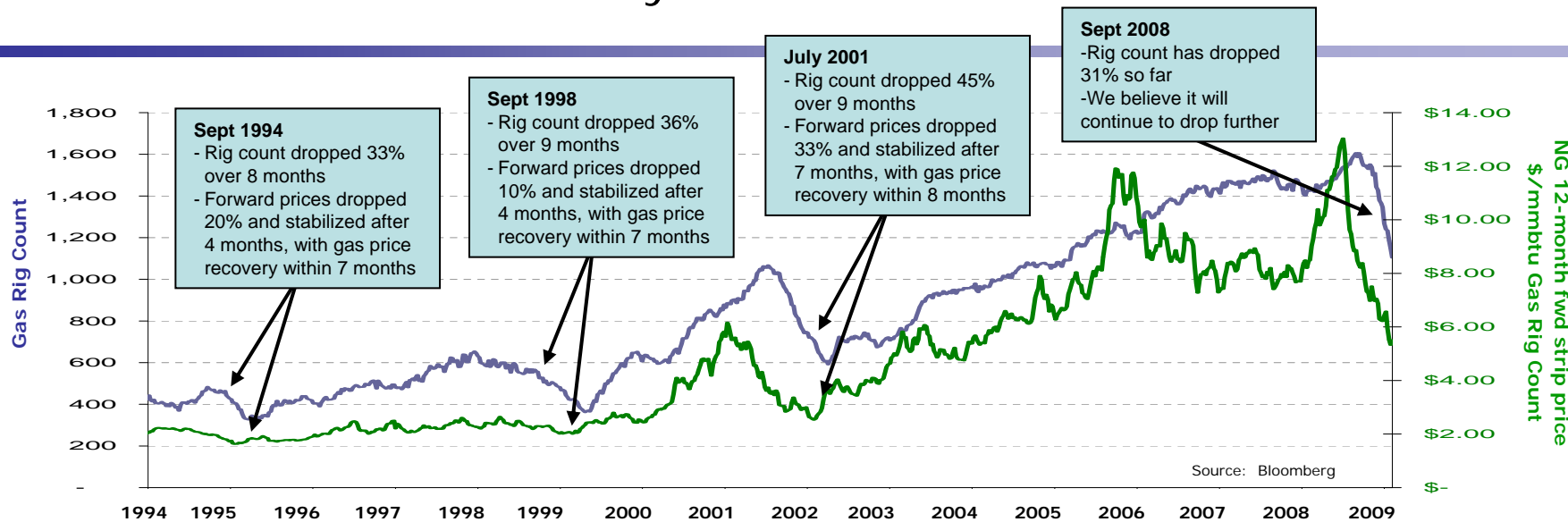
² "New Hedges" represents hedged positions added since Q3'08 (as of 10/16/2008)



Gross margin is substantially hedged for the next 24 months;
well positioned to outlast the down market

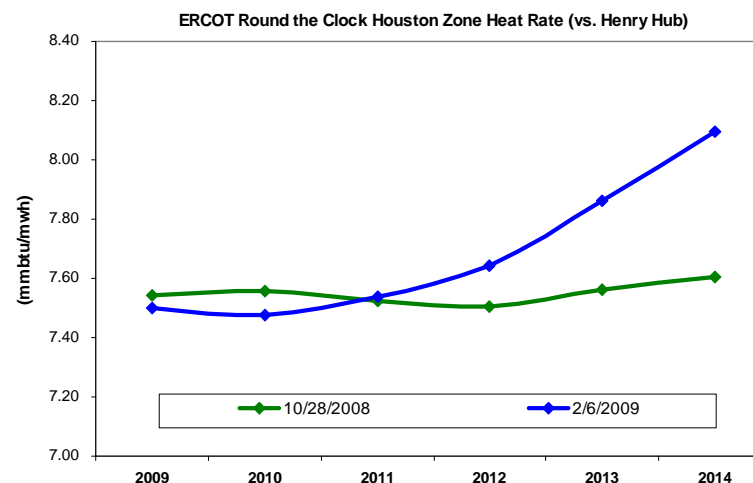
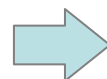


Market Trends Favor Recovery



Trends

- Decreased energy prices and closed capital markets constrain power generation and natural gas E&P investments
- Increased environmental capital requirements and regulatory uncertainty for new and existing generation (retrofitting)
- Coal prices lower in sympathy with oil and gas reverting towards fundamentals
- Texas heat rates stable in short term with upward pressure in back years



Near term market constraints setting the stage for longer term recovery

Project Development Pipeline

Portfolio Benefits

- ✓ Additional scale at value in core markets
- ✓ Reduced fleet average age
- ✓ Improved portfolio heat rates
- ✓ Broad investment options
- ✓ Fill merit gap in portfolio
- ✓ Increased technological and fuel diversity
- ✓ Reduce carbon intensity profile
- ✓ Strategic long-term partnerships

Active Development

- ❖ Big Cajun I Coal – 230 MWs
 - ✓ Air permit to be issued Spring '09
 - ✓ 50% offtakers and partners committed
 - ✓ EPC Selected
- ❖ El Segundo CCGT – 670 MWs
 - ✓ PPA Contract Awarded
- ❖ Langford Wind
- ❖ Montville Biomass – 30 MWs

Committed Projects

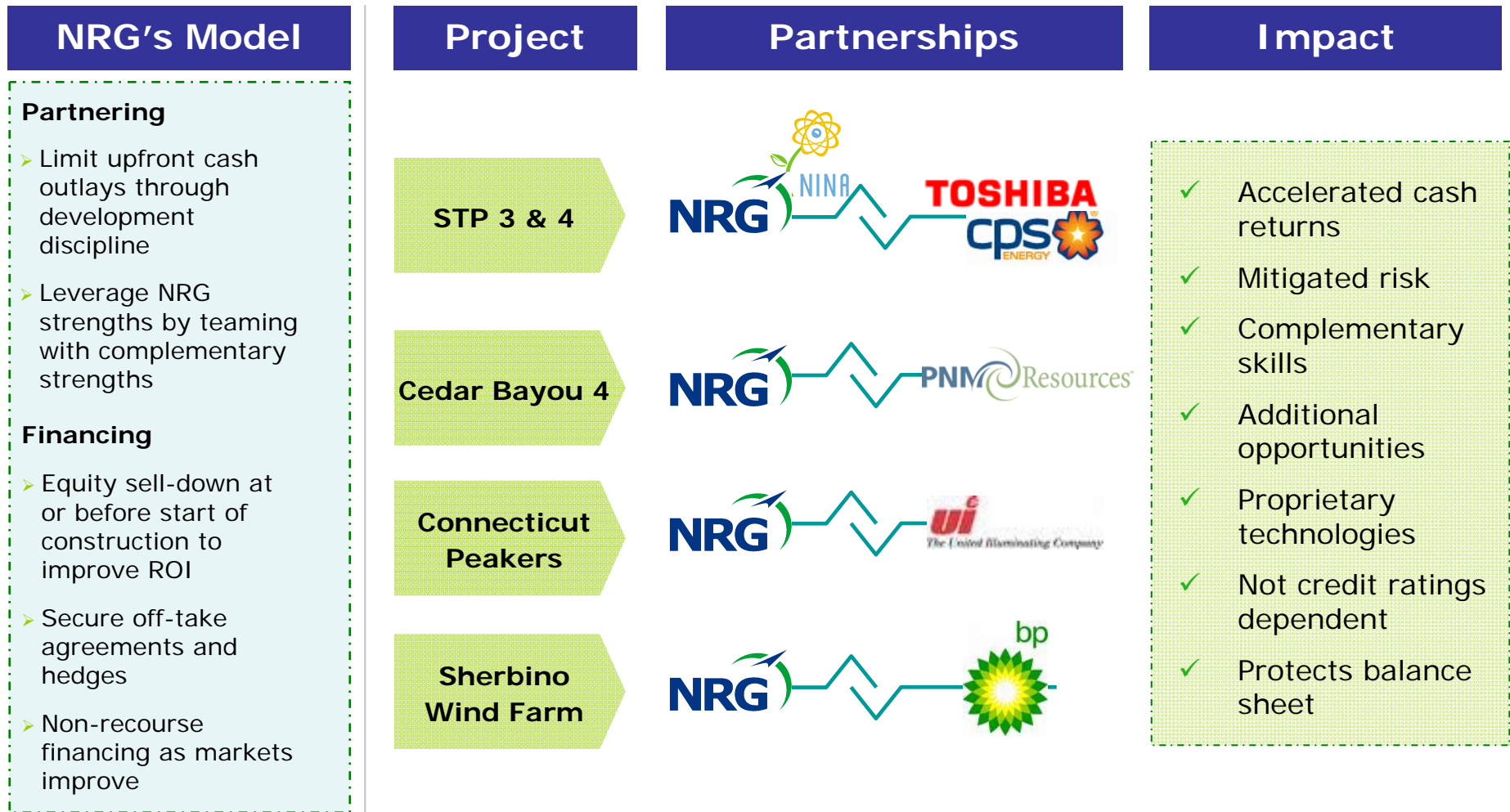
- ❖ Middletown Gas Peaker - 200 MWs
 - ✓ PPA Contract Awarded
 - ❑ Construction to begin in 2010
- ❖ Devon Gas Peaker – 200 MWs
 - ✓ PPA Contract Awarded
 - ❑ Construction to begin in 2010
- ❖ STP 3&4 – 2700 MWs
 - ✓ EPC Contract negotiations complete
 - ✓ PPAs for 80% of NINA owned capacity under MOU

In Construction

- ❖ Cedar Bayou 4 CCGT – 550 MWs
 - ❑ Expected to be operational by June 2009

*Repowering*NRG/*eco*NRG decarbonize and enhance value of assets in key markets and technologies

Development Partnerships are the Cornerstone of Value Creation at NRG



Partnerships on key individual projects creates more value, sooner for NRG shareholders



Value will continually be created in several ways as the STP 3&4 Project advances towards construction & operation

Recent Developments

Comparative Advantage

✓ NRC Schedule for STP 3&4 issued



▪ COL issuance anticipated for 2012

✓ Highly ranked within upper tier of preliminary DOE rankings



▪ DOE beginning due diligence on top 5 ranked projects
▪ \$18.5 billion of federal guarantees already authorized

✓ EPC Contract negotiations complete



▪ Open book period followed by Fixed Price Turnkey construction period provides price certainty
▪ Contractual terms substantially the same as large fossil project
▪ Triggers two additional EPC contracts with the same terms

✓ \$500mm credit facility to be provided by Toshiba



▪ Non-recourse to NRG
▪ Supports long lead time material purchases during open book phase
▪ Repaid with DOE/ Japanese guaranteed loan proceeds at Full Notice to Proceed (FNTP) from NRC
▪ Defers significant equipment spend until FNTP



NRG has initiated a process to selldown a portion of STP 3&4



NRG's Cost of Capital Advantage

Nuclear Development: NRG Model vs. EXC Model

	NRG's Strategy	Exelon Strategy	
Estimated EPC Cost per KW ⁽¹⁾	\$3,200 / kw	\$3,200 / kw	For the same economic result... Exelon strategy requires 5x multiple of NRG capital contribution...
STP 3&4 Capacity	2,700 MW	2,700 MW	
Estimated EPC Cost (\$mm)	\$8,640	\$8,640	
<hr style="border-top: 1px dashed gray;"/>			
DOE/Japanese Loan Guarantee @ 80% (\$ mm) ⁽²⁾	\$6,912	\$0	
Recourse Capital (\$ mm)	\$1,728	\$8,640	
Cost of Debt⁽³⁾	380 bps	789 bps	...not to mention higher cost of debt for EXC

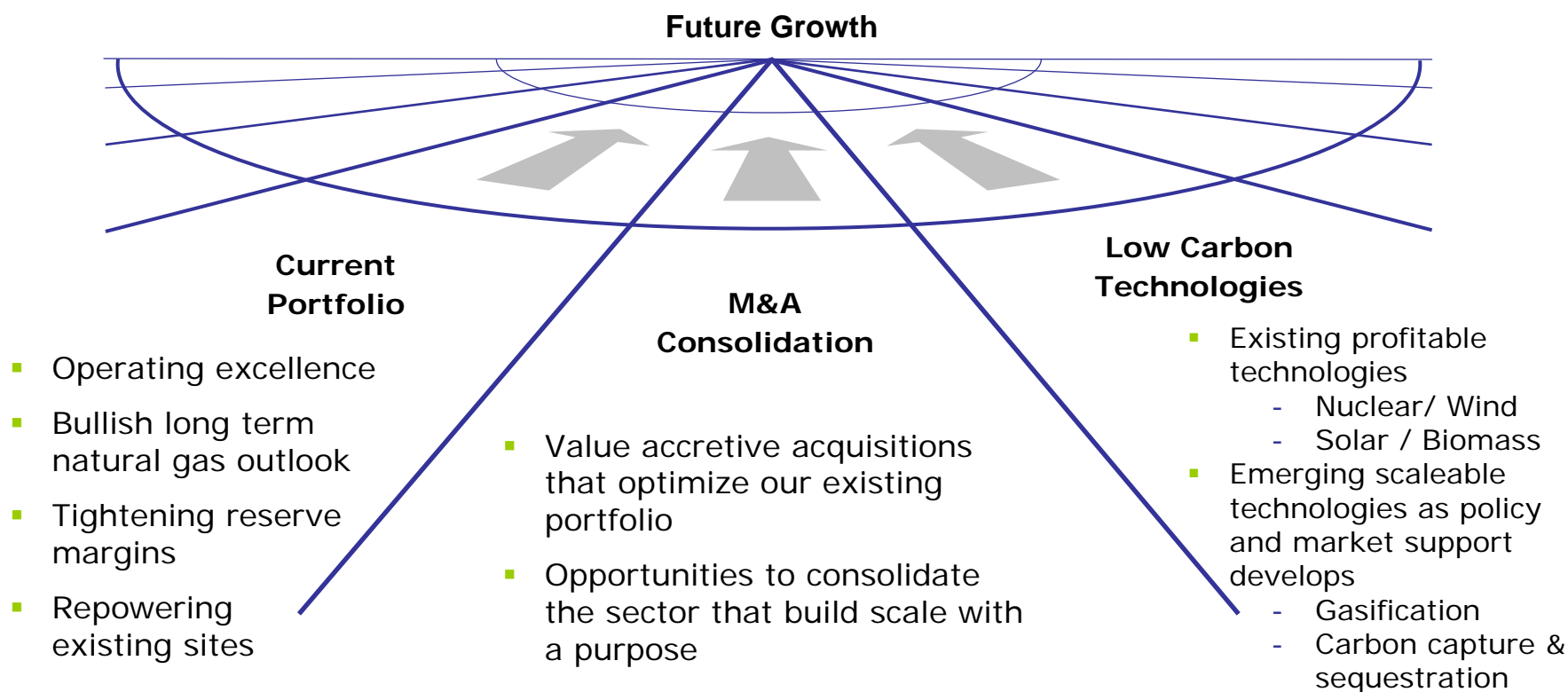
⁽¹⁾ From slide 8 of NRG Energy's Path to Nuclear Development Leadership presentation December 12, 2008, reflecting overnight and owner costs

⁽²⁾ Assumptions based on NRG project ranking in top 5 in both 1st and 2nd round DOE screens while EXC is believed to be near bottom 14 applications

⁽³⁾ NRG DOE loan guarantee estimated at 30-year Treasury + 12.5 bps as of February 12, 2009. Exelon cost of debt reflects 10-year treasury + 525 bps

NRG mitigates and diversifies its balance sheet strategy with partners and government loans, while Exelon's strategy absorbs full risk and higher cost of debt to its balance sheet

We Have Charted a Clear Path to Future Growth



And in pursuing this growth, NRG management knows who we work for... NRG shareholders

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NRG Value Created for Shareholders, Not for Ratings Agencies

Exelon's singular focus on maintaining credit ratings means debt holders are prioritized

Exelon's stated plan for NRG cash ⁽¹⁾

- "Committed to returning Exelon Generation's senior unsecured debt to strong investment grade within the next 3 years"
- "Pay down debt plan will include: NRG balance sheet cash, asset sale proceeds, free cash flow"

Meaning

Capital-Starved NRG Growth

After Exelon has used all NRG cash to pay down debt...

...How much capital is available to capitalize on NRG's growth opportunities

?

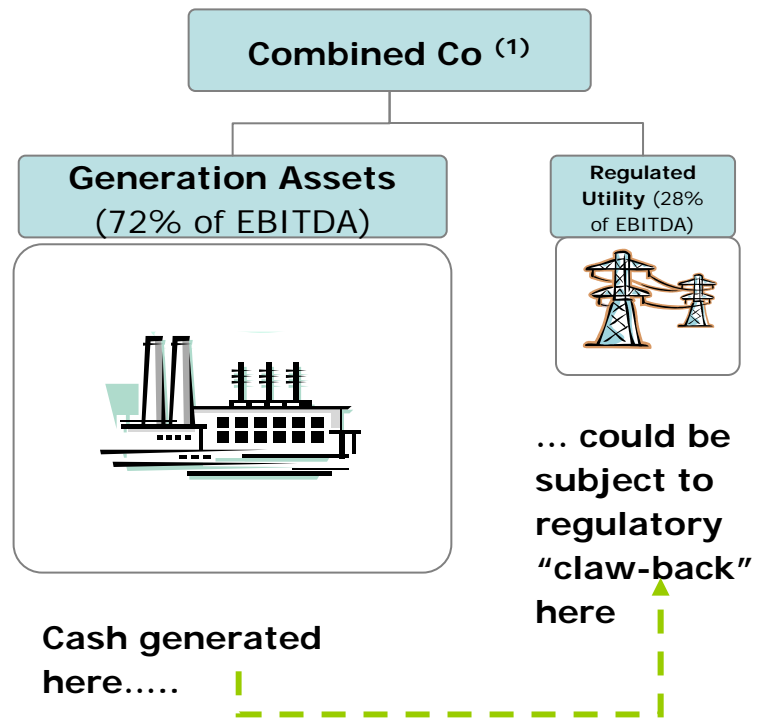
(1) From Exelon 11/11/08 presentation at EEI, page 14

Exelon Business Plan: Denying NRG's shareholders the benefit of NRG capital in order to placate rating agencies

NRG Value Created for Shareholders, Not for Regulatory Clawback Risk



Integrated Utility Model Puts Cash at Risk for Regulatory "Claw-Back"



Exelon's Growth Strategy?



Pennsylvania PPA roll-off schedule for 2011



Federal Climate Change legislation
Yet to be:

- Proposed
- Debated
- Enacted
- Signed into law
- Implemented

(1) EXC/NRG Pro Forma based on 2009 estimate on management guidance and Wall street research

Exelon's so called "growth opportunities" are uncertain and cash would be subject to regulatory reach-through

Exelon's Highly Conditional Offer Gives Exelon a Call Option... for Free

Highly Conditional Offer Amounts to a Free Option on NRG...

... That Can Be Called When Market Recovery Makes Us Most Valuable



— None

- Minimum Tender
- Section 203
- Competition
- Regulatory Approval
- Registration Statement
- Preferred Stock
- NYSE Listing
- Legal

- Due Diligence
- Diminution of Benefits
- Material Adverse Effect
- Material Change
- Rating Agencies

- DOJ
- FERC
- NRC
- Pennsylvania
- New York
- California (CEC)
- California (CPUC)
- Texas



- Exelon proposal, if it succeeds at all, could take 12 months or more to consummate
- During that time, Exelon reserves unto itself the unilateral right to withdraw from the transaction without consequences
- NRG shareholders would be giving up their shares at a bargain at precisely the time that market conditions are likely to be improving

*All explicitly exist for the sole benefit of Exelon

Exelon's "One-Way" proposal is a free call option on NRG

Conclusion

Exelon Offer

- The price does not fairly compensate NRG Shareholders

NRG Fundamental Value

- A Standalone NRG is protected from near term recessionary risk...
 - Is successfully executing to unlock our embedded growth potential
- ... and has greater potential for value creation from market opportunities now and in the future

Transaction Risk

- The risks embedded in the transaction are too high
-

