Bank of America
2006 Energy Conference

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November 16, 2006

Forward–Looking Statements

This presentation contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements are statements that contain projections, estimates or assumptions about our revenues, income and other financial items, our plans for the future, future economic performance, transactions and dispositions and financings related thereto. Forward-looking statements relate to future events and anticipated revenues, earnings, business strategies, competitive position or other aspects of our operations or operating results. In many cases you can identify forward-looking statements by terminology such as "anticipate," "estimate," "believe," "continue," "could," "intend," "may," "plan," "potential," "predict," "should," "will," "expect," "objective," "projection," "forecast," "goal," "guidance," "outlook," "effort," "target" and other similar words. However, the absence of these words does not mean that the statements are not forward-looking.

We have based our forward-looking statements on management's beliefs and assumptions based on information available to management at the time the statements are made. Actual results may differ materially from those expressed or implied by forward-looking statements as a result of many factors or events, including legislative and regulatory developments, the outcome of pending lawsuits, governmental proceedings and investigations, the effects of competition, financial market conditions, access to capital, the timing and extent of changes in commodity prices and interest rates, weather conditions, changes in our business plan and other factors we discuss or reference to in the "Risk Factors" section of our 2005 Form 10-K and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our third quarter Form 10-Q filed with the Securities and Exchange Commission.

Each forward-looking statement speaks only as of the date of the particular statement and we undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

This presentation contains non-GAAP measures as defined by the Securities and Exchange Commission rules. A reconciliation of these measures to the most directly comparable GAAP measures is contained herein or within our earnings release and the financial tables attached thereto, which are available, together with this presentation, on our investor relations website at www.reliant.com/corporate. A statement disclosing the utility and purposes of these measures is set forth in Item 2.02 to our Current Report on Form 8-K accompanying the earnings release and is also available on our website.

Business Overview

Wholesale

Overview

- 16,000 MW
- Diversified fuel portfolio (coal, gas/oil)
- Concentration in PJM, MISO, West

Characteristics

- Manage commodity inputs to generate electricity
- Capital intensive and cyclical
- Key long-term drivers
  - –Commodity prices
  - –Supply/demand balance
- Short-term earnings impacted by weather and commodity price volatility

+

Retail

Overview

- 68.0 TWh annual sales (2006E)
- 1.9 million customers
- Mass market in Texas and C&I in Texas and PJM

Characteristics

- Procure and supply electricity to end users
- Low capital investment requirement with relatively stable earnings
- Key long-term driver = competitive intensity
- Short-term earnings impacted by weather and competitive tactics

Dedicated to Competitive Markets for Electricity

2006-2008 Outlook Based on Forward Commodity Prices[1]

$ Millions	2006E[2]	2007E[2]	2008E[2]
Adjusted retail gross margin	$ 1,000	$ 926	$ 918
Open wholesale gross margin	1,077	1,278	1,400
Total open gross margin	$ 2,077	$ 2,204	$ 2,318
Total adjusted expenses[3]	$ 1,221	$ 1,153	$ 1,128
Open EBITDA	**$ 856**	**$ 1,051**	**$ 1,190**
Impact of historical wholesale hedges[4]	$ (397)	$ (226)	$ (100)
Gains on sales of emission allowances[5]	159	-	-
Adjusted EBITDA	$ 618	$ 825	$ 1,090
Depreciation and amortization	$ 305	$ 288	$ 283
Emission allowances amortization	73	105	163
Total depreciation and amortization	378	393	446
Interest expense, net	(409) [6]	(322)	(295)
Capital expenditures	122	253	280
Free cash flow after emission allowances activity[7]	99	154	336

1. Based on actuals through 9/30/2006 and forward commodity prices as of 9/22/2006.
2. Certain factors that could affect GAAP financial measures are not accessible on a forward-looking basis, but could be material to future reported earnings.
3. Excludes depreciation and amortization, interest expense and income taxes.
4. Historical wholesale hedges were entered into to primarily hedge the economics of our wholesale operations. These amounts primarily relate to settlements of forward power and fuel hedges, long-term tolling purchases, long-term natural gas transportation contracts, storage contracts and our legacy energy trading. These amounts are derived based on methodology consistent with the calculation of open energy gross margin for the wholesale energy segment.
5. Actual emission allowances sales through 9/30/2006. No asset or emission allowances sales included in remainder of 2006E, 2007E or 2008E outlook.
6. Includes write-off of certain deferred financing costs and other fees related to the debt refinancing as part of the implementation of the retail credit-enhanced structure.
7. Assumes no changes in working capital.

2006 Priorities

Priority	Status
• Fill key open roles	• Complete
• Convert to open wholesale model – Improve insight into earnings drivers – Focus on key valuation metrics	• Complete
• Transition Texas retail market to full competition with competitive margins	• Ahead
• Improve commercial capacity factor	• Ahead
• Reduce collateral postings by $1 billion – Eliminate wholesale hedging to manage earnings volatility – Enhanced retail credit structure	• Ahead

Value Creation Levers

Company-wide

- Reduce/restructure debt to expand financial flexibility
- Continued focus on efficiency, productivity and process improvements

Wholesale

- Highly disciplined capital investment focus
- Committed to operational excellence
  - Top quartile CCF
  - Project WAVE

Retail

- Grow leadership position in creating value
- Create energy efficiency solutions
- Actively promote the expansion of competitive markets

Appendix

November 16, 2006

Forward Market Data Used in Outlook*

	2006	2007	2008
NYMEX (Henry Hub) Natural Gas ($/MMBtu)	6.58	7.58	7.81
TETCO M3 Natural Gas ($/MMBtu)	7.20	8.61	8.89
Coal ($/MMBtu)	1.74	1.60	1.63
SO_2 ($/ton)	745	566	593
NO_X ($/ton)	1,816	1,505	1,469
Weighted Avg Plant to Hub Basis ($/MWh) (5x16)**	(7.95)	(9.33)	(9.49)
Simple Avg Plant to Hub Basis ($/MWh) (5x16)**	(7.20)	(8.26)	(8.37)
PJM WHUB ($/MWh) (5x16)	62.39	71.14	71.70
CIN HUB ($/MWh) (5x16)	50.91	56.81	57.00
PJM on-peak 7HR Spark Spread to TETCO M3 ($/MWh)	11.98	10.89	9.47
CIN on-peak 7HR Spark Spread to Dominion South Point ($/MWh)	2.70	1.18	(0.26)

* Forward curves as of September 22, 2006. 2006 data (except SO_2 and NOx) includes actual settled values through September plus balance of year forwards.

** Forward plant to hub basis estimated by Reliant Energy utilizing forward market data and historical commodity relationships.

2006-2008 Detailed Outlook Based on Forward Commodity Prices[1]

$ Millions	2006E[2]	2007E[2]	2008E[2]
Adjusted retail gross margin	$ 1,000	$ 926	$ 918
Retail operation and maintenance	231	213	207
Selling & marketing	131	129	130
Bad debt	87	83	76
Adjusted retail contribution margin	$ 551	$ 501	$ 505
Open wholesale gross margin	$ 1,077	$ 1,278	$ 1,400
Wholesale operation and maintenance	602	601	579
Open wholesale contribution margin	$ 475	$ 677	$ 821
Other general and administrative	174	129	137
Other, net	4	2	1
Open EBITDA	**$ 856**	**$ 1,051**	**$ 1,190**
Historical wholesale hedges			
Power (Closed)	$ (317)	$ (71)	$ (35)
Power (Remaining)	(24)	(137)	(24)
Fuel	23	(10)	2
Tolling/Other	(79)	(8)	(43)
Impact of historical wholesale hedges[3]	$ (397)	$ (226)	$ (100)
Gains on sales of emission allowances[4]	159	-	-
Adjusted EBITDA	$ 618	$ 825	$ 1,090
Depreciation and amortization	$ 305	$ 288	$ 283
Emission allowances amortization	73	105	163
Total depreciation and amortization	378	393	446
Interest expense, net	(409) [5]	(322)	(295)

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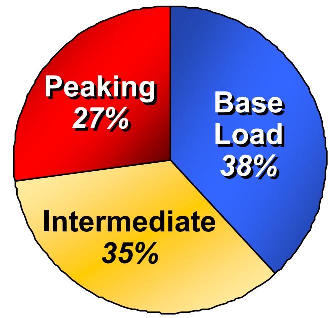
4. 2006 emission allowances sales through 9/30/2006. No asset or emission allowances sales included in remainder of 2006E, 2007E or 2008E outlook.
5. Includes write-off of certain deferred financing costs and other fees related to the debt refinancing as part of the implementation of the retail credit-enhanced structure.

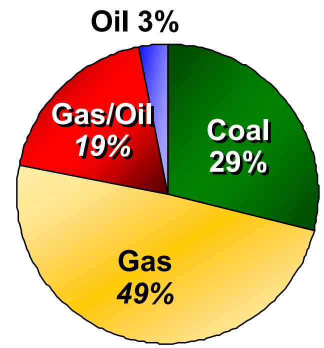
Wholesale Business

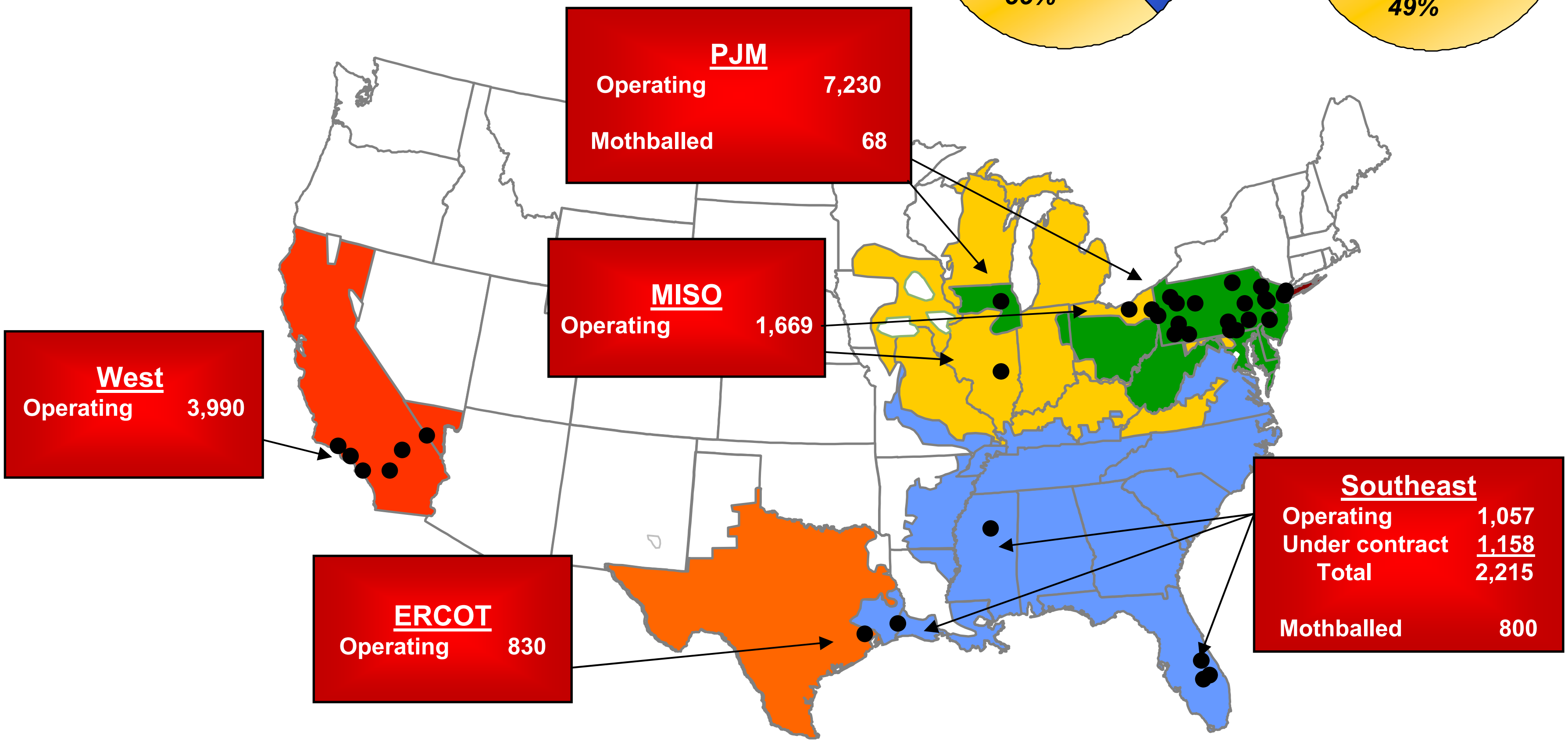
- Overview
  - ~16,000 MW generation capacity
  - ~33.7 TWh* produced in 2005

Dispatch Type



Fuel Type





* Excludes PPAs, tolling agreements, and assets sold during 2005.

The Open Model Reflects the True Economics of Operating Power Plants

Number of economic generation hours

X Commercial capacity factor

= Generation volume

X Unit open energy gross margin

= Open energy gross margin

\+ Other margin

= Open wholesale gross margin

Performance Metrics

Market Metrics

Wholesale Generation Detail*

Economic Generation (TWh in the money)	2006E TWh	2006E % Economic	2007E TWh	2007E % Economic	2008E TWh	2008E % Economic
PJM Coal	23.7	81.3%	24.0	82.1%	24.2	82.7%
MISO Coal	7.0	63.2%	7.1	64.7%	7.2	65.6%
Total Coal	30.7	76.3%	31.1	77.3%	31.4	78.1%
PJM/MISO Gas	1.0	3.2%	1.0	3.2%	1.0	3.3%
West	3.5	13.5%	3.6	14.0%	3.8	14.4%
Other	5.9	87.6%	5.9	85.4%	5.9	85.1%
Total Gas/Oil	10.4	16.3%	10.5	16.4%	10.7	16.6%
Total	**41.1**	**39.5%**	**41.6**	**39.9%**	**42.1**	**40.3%**

Commercial Capacity Factor	2006E	2007E	2008E
PJM Coal	82.2%	82.4%	87.0%
MISO Coal	84.3%	67.8%**	87.6%
Total Coal	82.7%	79.1%	87.1%
PJM/MISO Gas	91.7%	85.2%	85.7%
West*	87.1%	92.4%	93.0%
Other	90.7%	86.0%	85.2%
Total Gas/Oil	89.6%	88.1%	88.0%
Total	**84.4%**	**81.4%**	**87.4%**

Generation Volume	2006E	2007E	2008E
PJM Coal	19.5	19.7	21.1
MISO Coal	5.9	4.8**	6.3
Total Coal	25.4	24.5	27.4
PJM/MISO Gas	0.9	0.9	0.9
West	3.1	3.4	3.5
Other	5.3	5.0	5.0
Total Gas/Oil	9.3	9.3	9.4
Total	**34.7**	**33.8**	**36.8**

* Excludes PPAs and tolling agreements.
** Includes planned outage in MISO Coal (Avon Lake) which reduces generation 1.2 TWh and CCF by 16.4%.

Plant Margins

Open Unit Margin ($/MWh)

	2006E	2007E	2008E
PJM Coal	$ 27.80	$ 35.18	$ 35.76
MISO Coal	$ 21.68	$ 28.12	$ 29.11
Total Coal	$ 26.38	$ 33.80	$ 34.23
PJM/MISO Gas	$ 40.99	$ 19.89	$ 17.49
West	$ 4.47	$ 7.13	$ 8.33
Other	$ 1.40	$ 10.16	$ 9.92
Total Gas/Oil	$ 6.25	$ 9.96	$ 10.04
Total	**$ 20.96**	**$ 27.27**	**$ 28.06**

Open Energy Gross Margin ($MM)

	2006E	2007E	2008E
PJM Coal	$ 542	$ 695	$ 754
MISO Coal	127	135	184
Total Coal	669	830	938
PJM/MISO Gas	37	17	15
West	14	24	29
Other	7	51	50
Total Gas/Oil	58	92	94
Total	**$ 727**	**$ 922**	**$ 1,032**

Other Margin ($MM)

	2006E	2007E	2008E
PJM Coal	$ 37	$ 61	$ 77
MISO Coal	10	4	4
Total Coal	47	65	81
PJM/MISO Gas	48	51	44
West	151	154	157
Other	104	86	86
Total Gas/Oil	303	291	287
Total	**$ 350**	**$ 356**	**$ 368**
Total open wholesale gross margin	**$ 1,077**	**$ 1,278**	**$ 1,400**

Historical Wholesale Hedge Detail[1]

NPV[2] of historical wholesale hedges
Oct-06 ~($400) million; Jan-07 ~($306) million

	2006E	2007E	2008E
Total Closed Hedges (TWh)	19.0	3.2	1.7
Avg Sales Price	$ 46.71	$ 52.04	$ 47.84
Avg Buyback Price	$ (63.42)	$ (74.49)	$ (69.15)
Total Closed Value ($MM)	$ (317)	$ (71)	$ (35)
Total Remaining Hedges (TWh)	3.3[3]	6.4[3]	1.3[3]
Avg Hedge Price	$ 40.94	$ 43.23	$ 38.15
Current Market Price	$ (48.36)	$ (69.02)	$ (59.26)
Other ($MM)	$ (0.0)	$ 28.2	$ 4.6
Total Remaining Hedge Value ($MM)	$ (24)	$ (137)	$ (24)
Total Fuel Hedges (Btu)[4]	224	210	29
Avg Hedged Fuel Cost	$ 2.00	$ 1.95	$ 1.85
Avg Market Fuel Cost	$ 2.04	$ 1.87	$ 1.59
Fuel Hedge Value ($MM)	$ 11	$ (17)	$ (8)
Fuel Inventory Value ($MM)	$ 12	$ 7	$ 10
Total Fuel Value ($MM)	$ 23	$ (10)	$ 2
Other Hedges			
Tolling/gas transport ($MM)[2]	$ (79)	$ (8)	$ (43)
Total Hedge Value ($MM)	**$ (397)**	**$ (226)**	**$ (100)**

1. These were entered into primarily to hedge the economics of our wholesale operations and relate to settlements of forward power and fuel hedges, long term tolling purchases, long-term natural gas transportation contracts, storage contracts and our legacy energy trading. 2006 is based on actuals through 9/30/2006 and forward commodity prices as of 9/22/2006. 2007 and 2008 are based on forward commodity prices as of 9/22/2006.
2. Includes tolling/other hedges that extend from 2009-2020, based on 5.62% after-tax debt rate and 38% tax rate.
3. On-peak (5x16) hedge volumes are 50% of the total in 2006, 62% in 2007, and 38% in 2008; the balance are off-peak.
4. Fuel hedge data excludes Seward.

SO_2 Emission Allowances

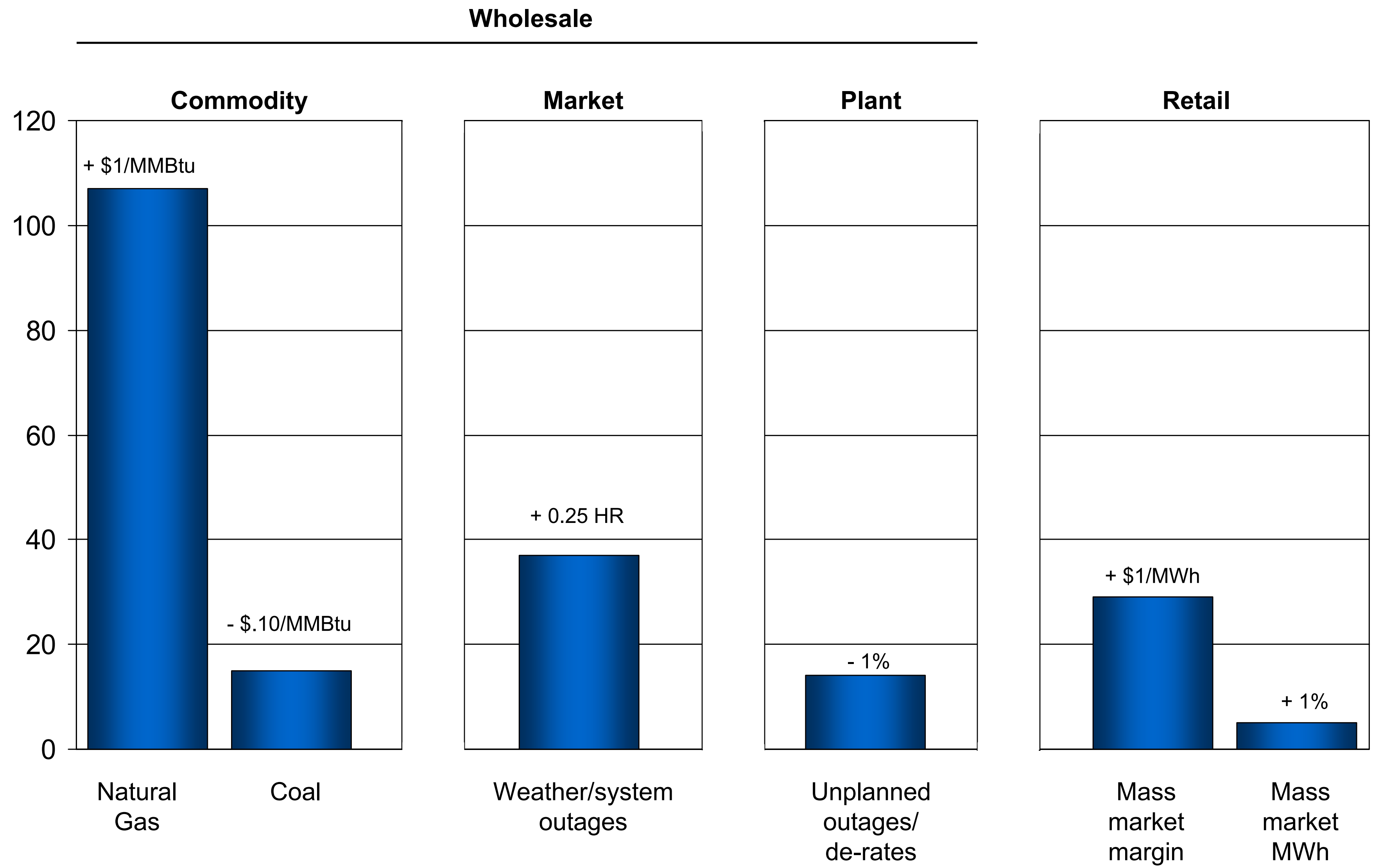
Current Position (tons)	Vintage Year 2006[1]	2007	2008	2009	2010-2014
Allowances required for forward sales	42,700	81,600	16,012	12,167	11,811
Current allowances inventory	47,346	86,225	16,175	58,231	352,549 [2]
Excess Inventory	4,646	4,625	163	46,064	340,738
Expected Emissions [3]	69,384	237,091	263,113		

Emissions Allowance Sales Since 9/1/05 [4]	2006	2007	2008	2009	2010
Allowance (tons)	46,202	54,000	136,500	94,444	16,002 [5]
Average price ($/ton)	$ 944	$ 1,062	$ 1,042	$ 1,080	$ 322 [5]
Total of sales activity ($MM)	$ 44	$ 57	$ 142	$ 102	$ 5

1. Current position data is for remaining 3 months in 2006.
2. Total allowances are 705,098 for 2010-2014. Beginning in 2010, 2 allowances are required for 1 ton of emissions.
3. Expected emissions for 2006 is only related to the remaining months.
4. Sales as of 9/30/2006, not including proceeds from EPA auction.
5. Sales of 2010 vintage are in Allowances and $/Allowance.

Gross Margin Sensitivities*

$ Millions

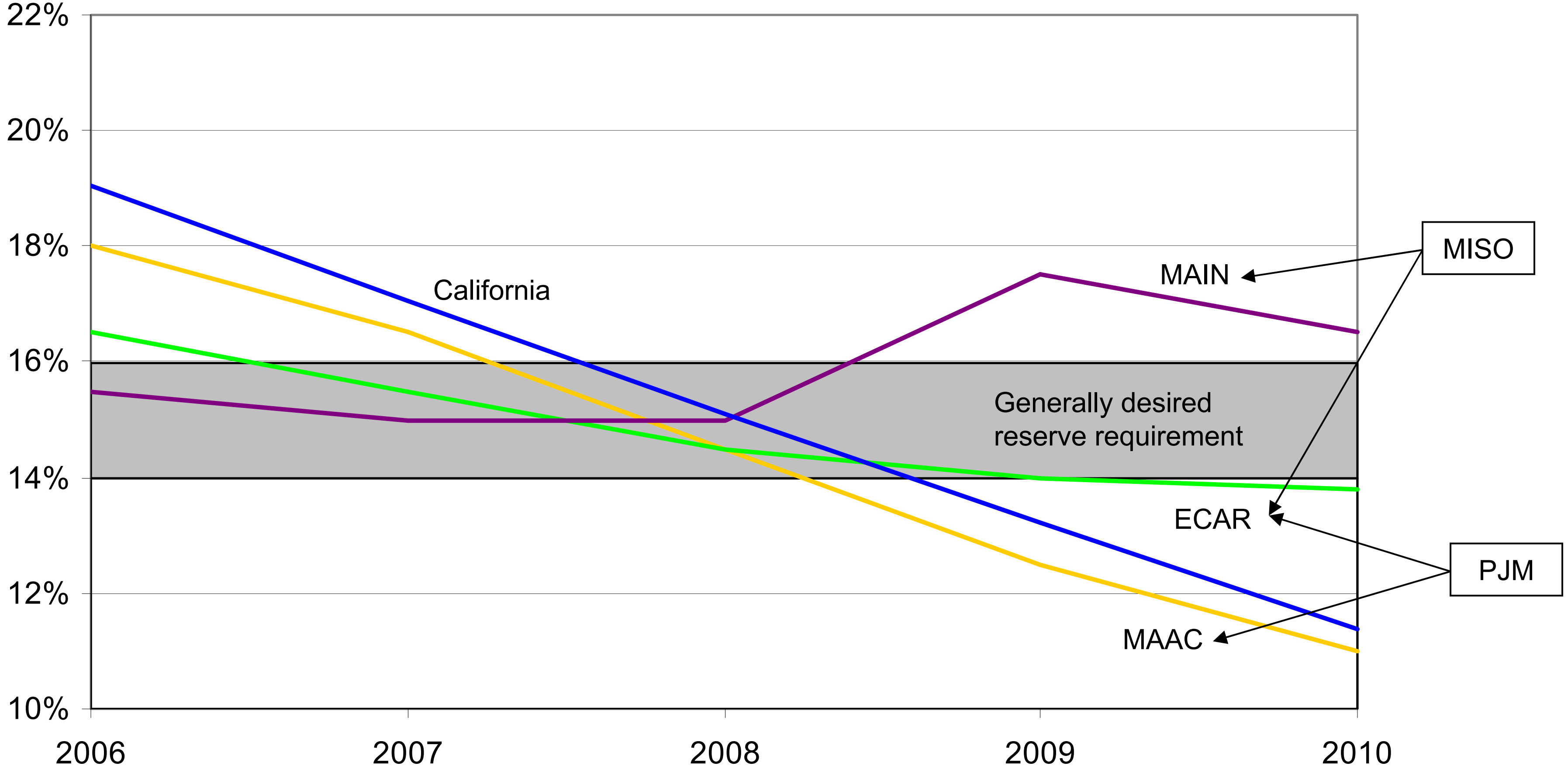


* Sensitivities are for annual gross margin.

Assumptions Used in Wholesale Open Gross Margin Sensitivities

	Gross margin change ($MM)
Natural gas sensitivity ($1/mmbtu)	
On-peak power price impact - assumes 8.0 market implied heat rate (MIHR) and all 5x16 hours are affected	
$1/mmbtu nat gas change x 8.0mmbtu/MWh on-peak x 4600MW coal x 4160 hrs per year x 90% economic on-peak x 85% Commercial Capacity Factor (CCF)	117
Off-peak power price impact - assumed to be negligible	0
Average on-peak and off-peak plant-to-hub congestion (PJM only)	
0.5 mmbtu/MWh (MIHR) congestion per $1/mmbtu nat gas move x 3300MW coal x 8760hrs x 82% economic x 87% CCF	(10)
Estimated net gross margin change from $1 move in natural gas	**107**
Coal sensitivity ($0.10/mmbtu)	
On-peak power price impact - assumes are not affected, while costs increase	
$0.10/mmbtu coal price move x 10.3 mmbtu/MWh unit heat rate x 4600 MW coal x 4160 hrs x 85%CCF x 90% economic on-peak	15
Off-peak power price impact - assumes off-peak prices increase in line with coal cost	0
Estimated net gross margin change from $0.10 move in coal	**15**
Weather sensitivity (0.25mmbtu/MWh (MIHR))	
Assumes that only on-peak power prices/heat rates are affected.	
Coal: 0.25mmbtu/MWh x $8 nat gas x 4600 MW x 4160 hrs per year x 85% CCF x 90% economic on-peak	29
CCGTs: 0.25mmbtu/MWh x $8 nat gas x 1500 MW open x 4160 hrs per year x 90% CCF x 40% economic on-peak	4
Calif: 0.25mmbtu/MWh x $8 nat gas x 2500 MW open x 1250 hrs per summer x 90% CCF x 65% economic on-peak	4
Estimated net gross margin change from 0.25 move in market implied heat rates across year	**37**

Supply/Demand Fundamentals Imply a Significant Tightening for the Next 5+ Years*

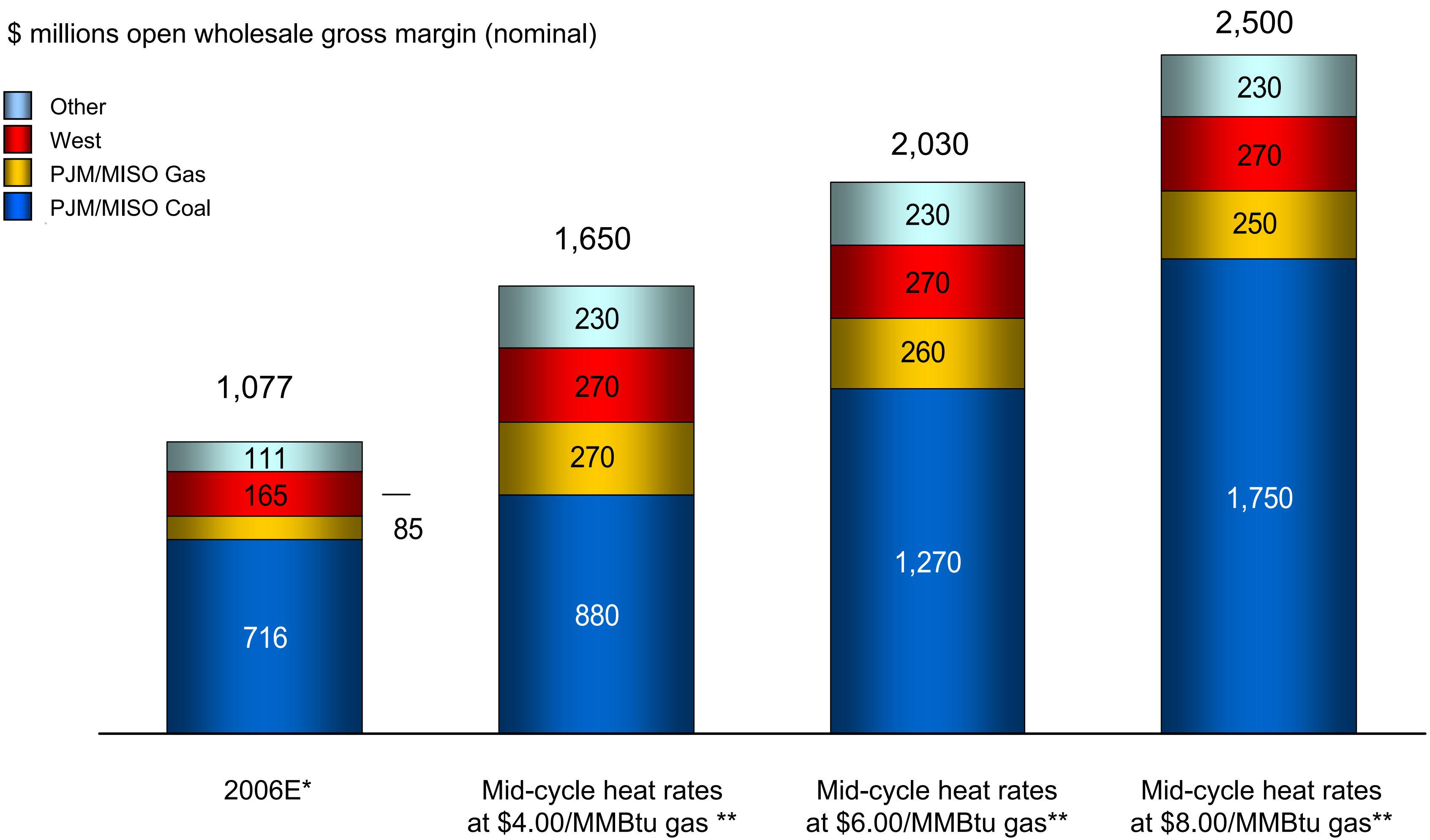


Reserve margins expected to fall as demand grows, with all regions at or below traditional reliability standards in next 2-4 years

* Source: Platts (MW Daily Jan 3, 2006), except California, which is based on CEC 4/25/06 "Summer 2006 Electricity Supply and Demand Outlook" with imports adjusted to Reliant Energy's estimate of firm out-of-state resources plus 2,700MWs of non-firm resources.

Wholesale Portfolio is Significantly Leveraged to Improved Market Fundamentals

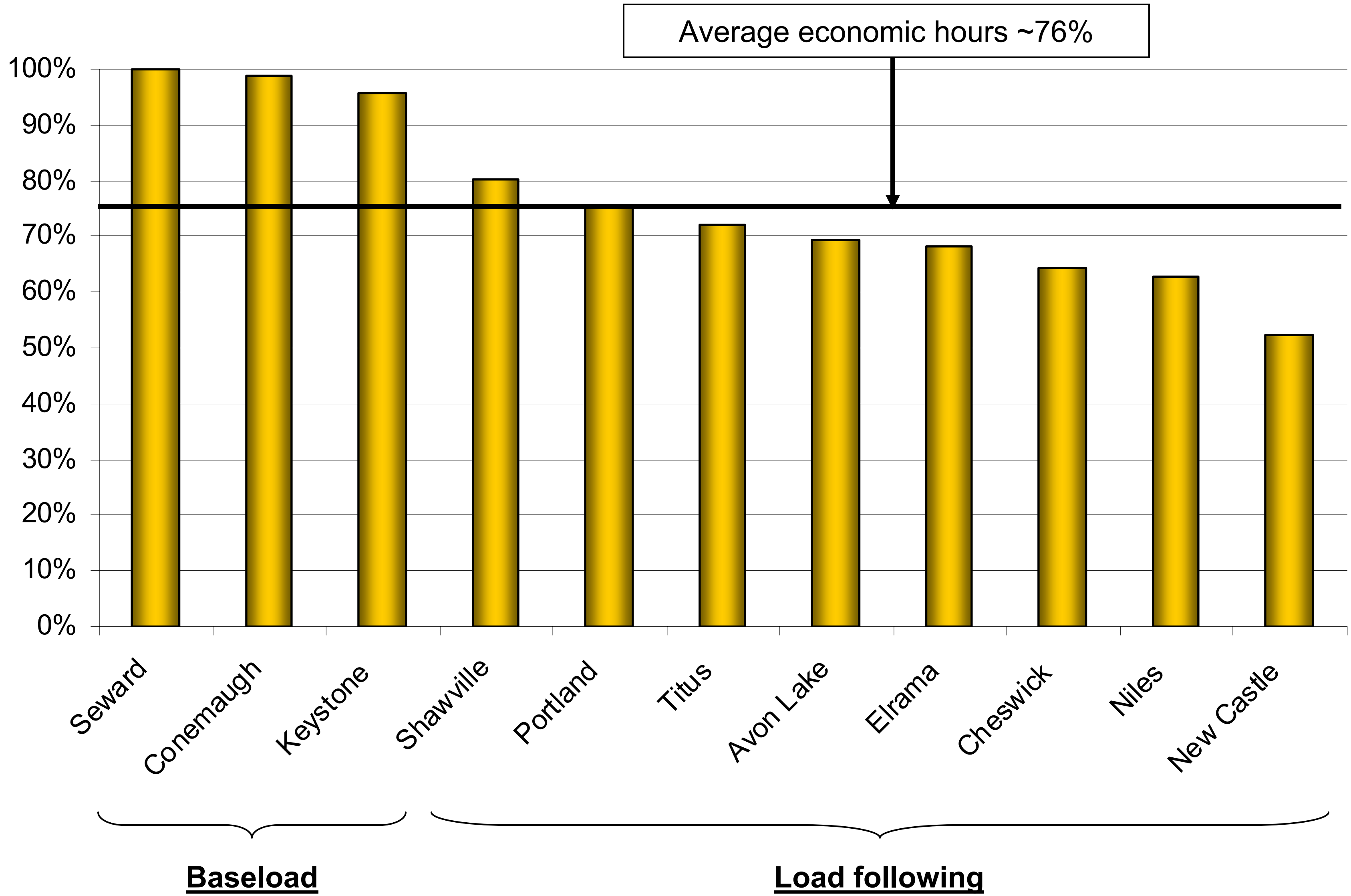
$ millions open wholesale gross margin (nominal)



* Based on actuals through 9/30/2006 and forward commodity prices as of 9/22/06.

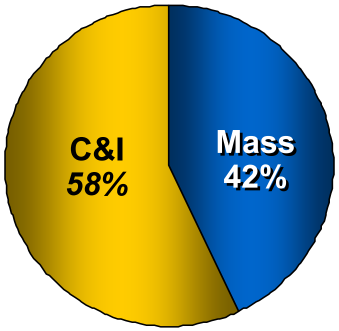
** The comparable GAAP financial measures for these items are not accessible on a forward-looking basis. Actual results of operations could vary significantly from estimates. 7.5% required return on new generation.

2005 Maximum Coal Economic Generation

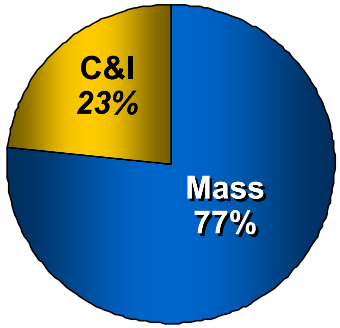


Retail Business

2006E
Volume



2006E
Gross Margin



- Overview
  - 68.0 TWh (2006E)
  - 1.9 million customers

- Retail earnings model

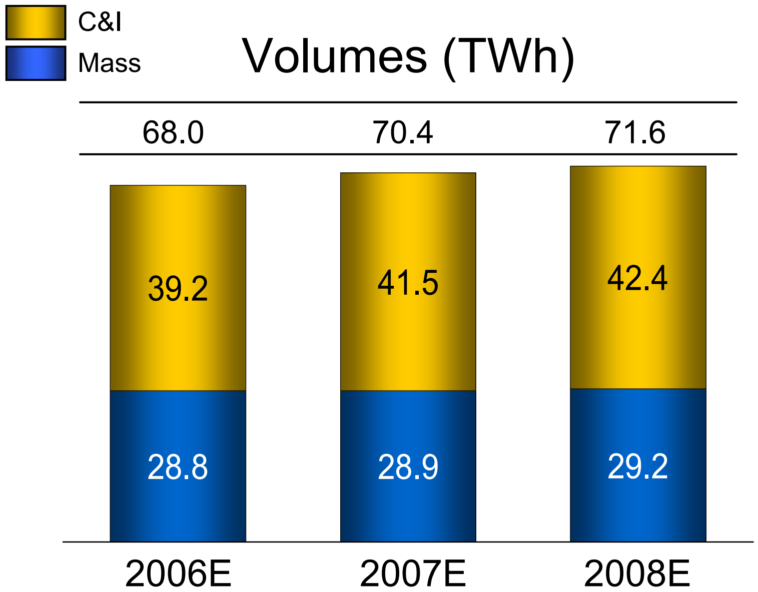
Sales volumes (MWh)

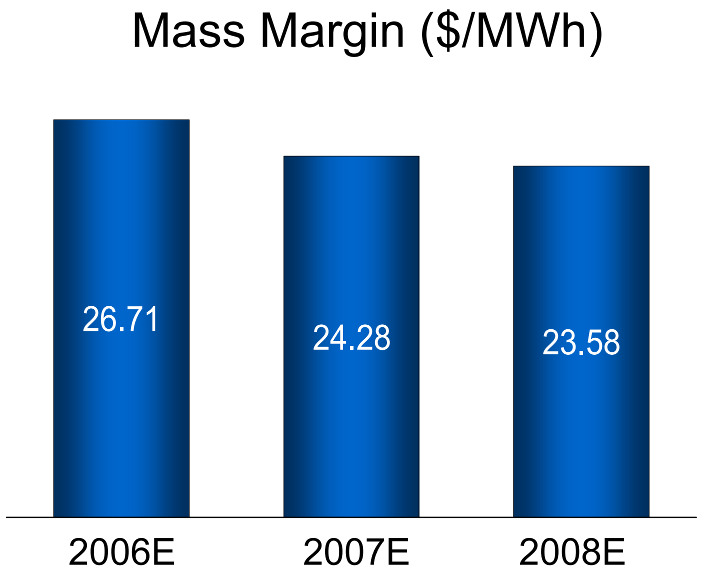
X Unit margin ($/MWh)

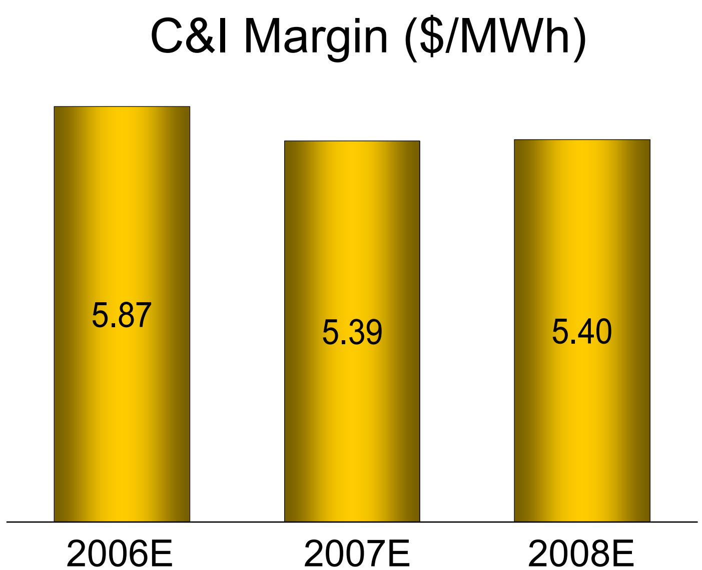
= Retail adjusted gross margin

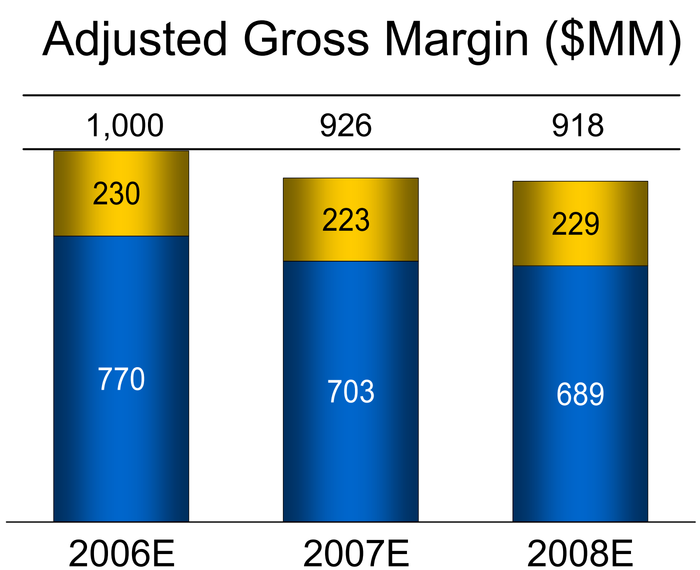
Performance Metrics

Retail Key Earnings Drivers

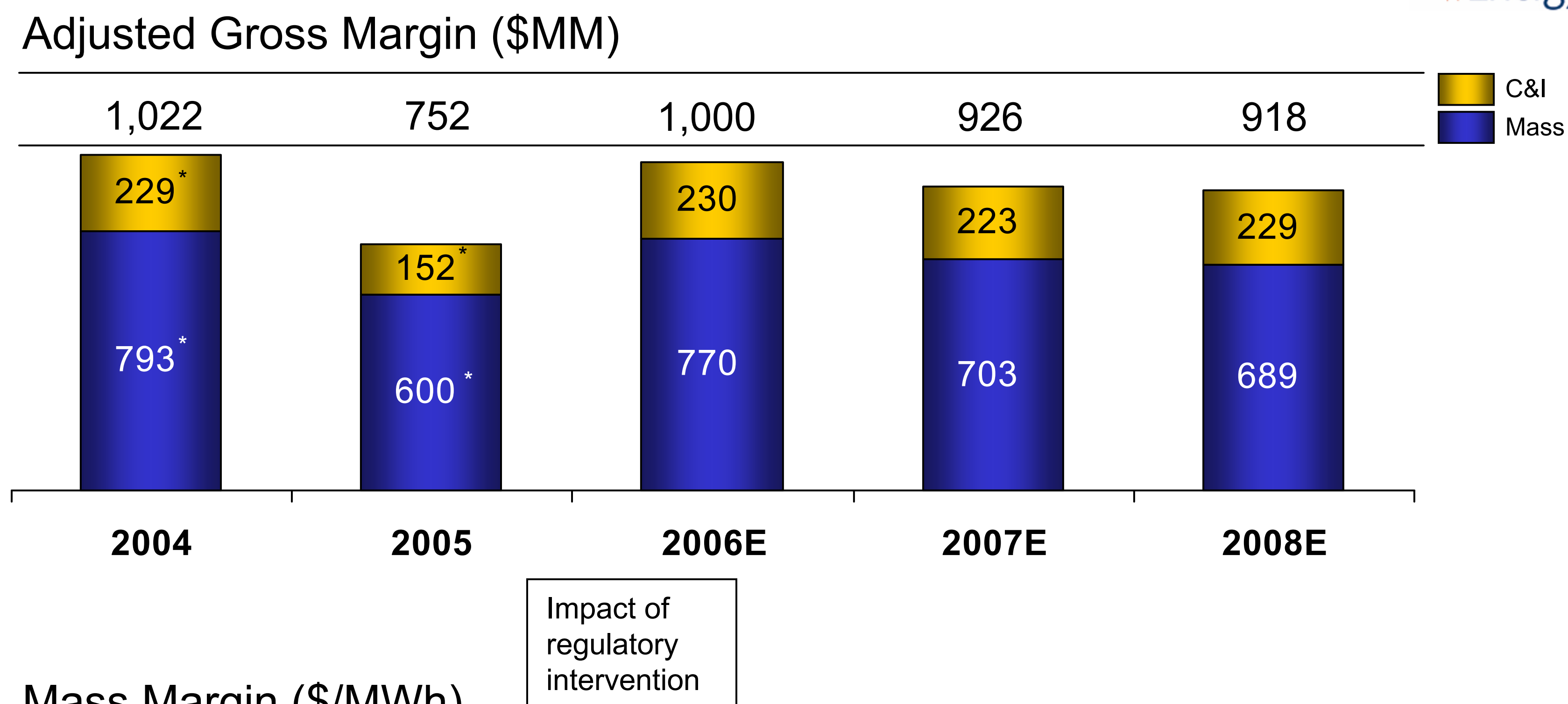


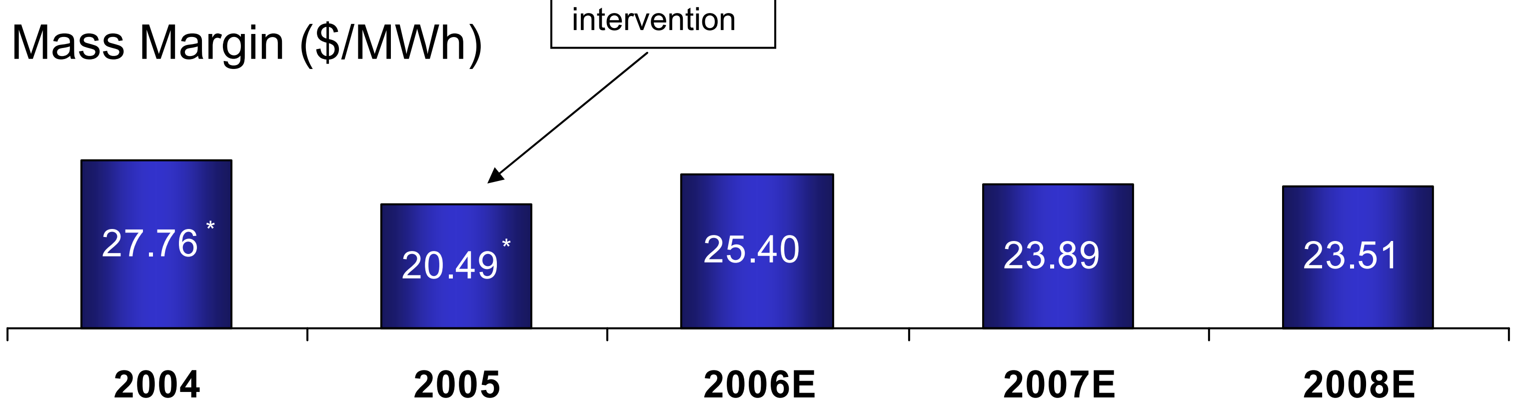






Retail Business Gross Margin

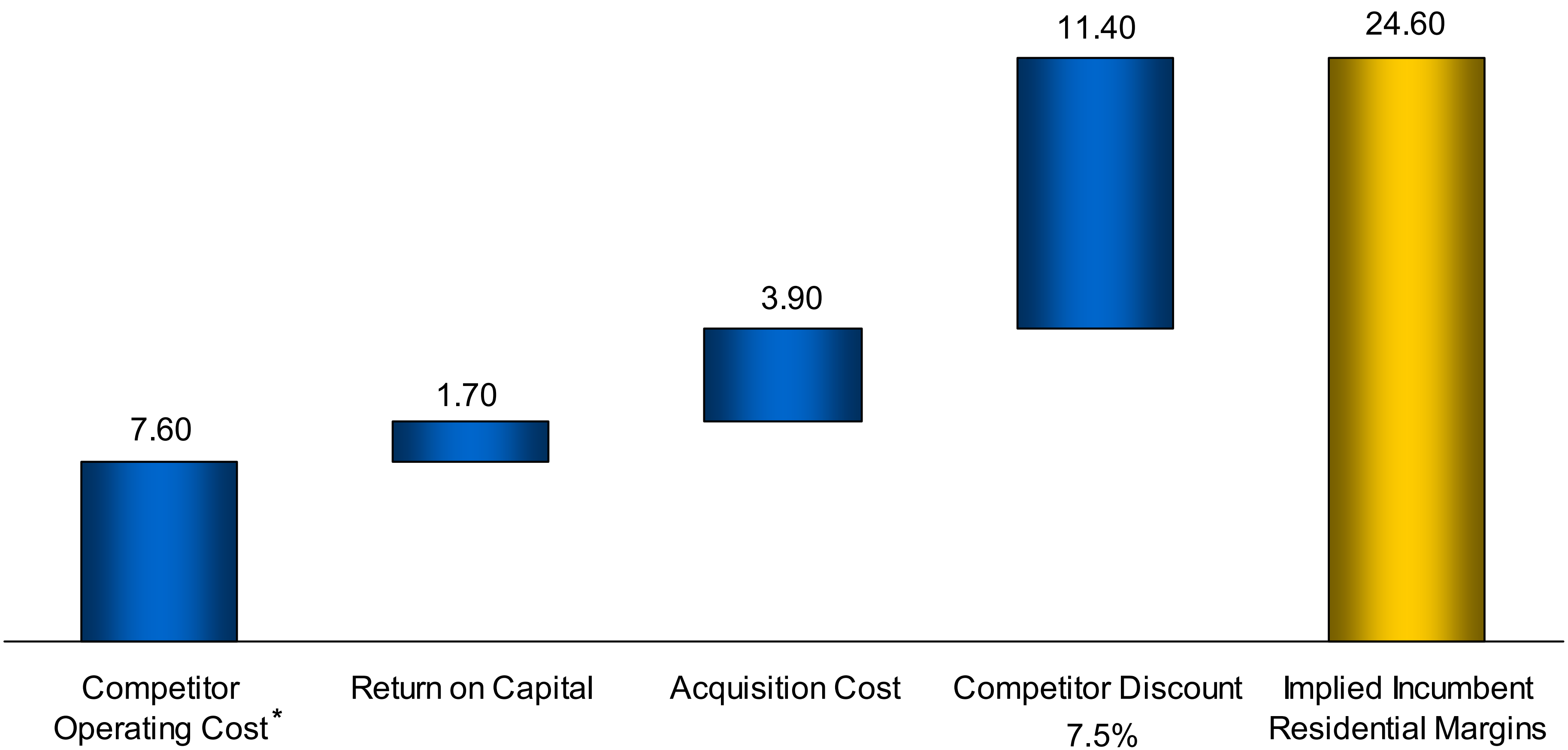




* Beginning in the first quarter of 2006, Reliant recategorized financial and operational data for customers with a peak demand of 250 kilowatts and one MW from small business within Mass to Commercial and Industrial. In the above illustration, the gross margin metrics for 2004 and 2005 have not been adjusted to reflect this recategorization.

Illustrative Mass Market Economics

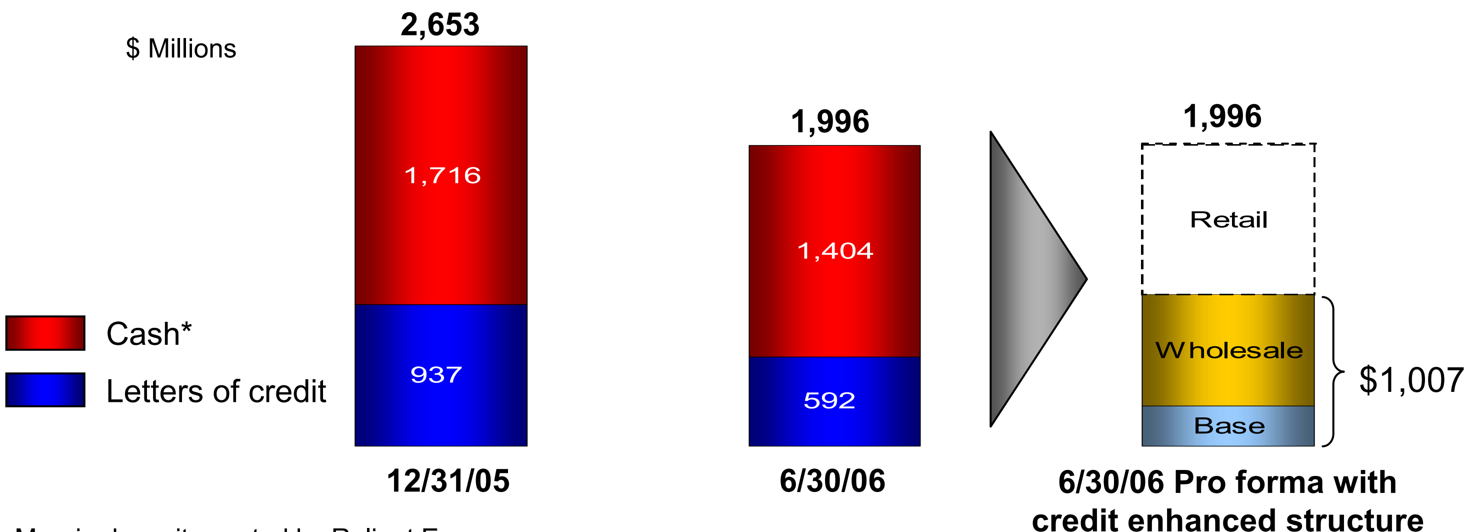
2007 $/MWh



* Average of emerging and branded competitor.

Credit-Enhanced Retail Structure

- Term – 5 years
- Merrill Lynch
  - Guarantees and posts collateral for Retail business
  - $300 million working capital facility
- Reliant
  - No longer will post collateral for retail supply
  - Pays $12.75 million structuring fee and $0.40/MWh delivered
  - Expects substantially all collateral associated with Retail business to be returned after closing



* Margin deposits posted by Reliant Energy.

Reg G Outlook Reconciliation[1]

	2006E[2]	2007E[2]	2008E[2]
Retail Energy:			
Gross margin	$ 962	$ 1,231	$ 979
Unrealized (gains) losses on energy derivatives	38	(305)	(61)
Adjusted gross margin	$ 1,000	$ 926	$ 918
Operation and maintenance	231	213	207
Selling and marketing	131	129	130
Bad debt expense	87	83	76
Adjusted contribution margin - Retail Energy	$ 551	$ 501	505
Wholesale Energy:			
Gross margin	$ 768	$ 1,068	$ 1,293
Unrealized (gains) losses on energy derivatives	(88)	(16)	7
Historical wholesale hedges[3]	397	226	100
Open gross margin	$ 1,077	$ 1,278	$ 1,400
Operation and maintenance	602	601	579
Open contribution margin - Wholesale Energy	$ 475	$ 677	$ 821
Consolidated:			
Gross margin	1,730	2,299	2,272
Unrealized (gains) losses on energy derivatives	(50)	(321)	(54)
Historical wholesale hedges[3]	397	226	100
Open gross margin	2,077	2,204	2,318
Operation and maintenance	833	814	786
Selling and marketing	131	129	130
Bad debt expense	87	83	76
Open contribution margin - Consolidated	$ 1,026	$ 1,178	$ 1,326
Other general and administrative	(174)	(129)	(137)
Other income (expense), net	4	2	1
Open EBITDA	$ 856	$ 1,051	$ 1,190
Historical wholesale hedges	(397)	(226)	(100)
Gains on sales of assets and emission allowances, net[4]	159	-	-
Adjusted EBITDA	$ 618	$ 825	$ 1,090
Unrealized gains on energy derivatives	50	321	54
EBITDA	$ 668	$ 1,146	$ 1,144
Depreciation and amortization	(378)	(393)	(446)
Interest expense, net	(409)[5]	(322)	(295)
Income (loss) from continuing operations before income taxes	$ (119)	$ 431	$ 403

1. Based on actuals through 9/30/2006 and forward commodity prices as of 9/22/2006.
2. Certain factors that could affect GAAP financial measures are not accessible on a forward-looking basis, but could be material to future reported earnings.
3. Historical wholesale hedges were entered into to primarily hedge the economics of our wholesale operations. These amounts primarily relate to settlements of forward power and fuel hedges, long-term tolling purchases, long-term natural gas transportation contracts, storage contracts and our legacy energy trading. These amounts are derived based on methodology consistent with the calculation of open energy gross margin for the wholesale energy segment.
4. 2006 emission allowances sales through 9/30/2006. No asset or emission allowances sales included in remainder of 2006E, 2007E or 2008E outlook.
5. Includes write-off of certain deferred financing costs and other fees related to the debt refinancing as part of the implementation of the retail credit-enhanced structure.

Reg G Outlook Reconciliation[1]

	2006E [2]	2007E	2008E
Operating cash flow from continuing operations [3]	$ 1,165	$ 458	$ 771
Change in margin deposits	(1,284)	-	-
Western states and Cornerstone settlement payments	160	35 [4]	-
Capital expenditures	(122)	(253)	(280)
Free cash flow from continuing operations before emission allowances activity	$ (81)	$ 240	$ 491
Proceeds from sales of assets and emission allowances[5]	205	-	-
Purchases of emission allowances	(25)	(86)	(155)
Free cash flow from continuing operations after emission allowances activity [6]	$ 99	$ 154	$ 336

1. Certain factors that could affect GAAP financial measures are not accessible on a forward-looking basis, but could be material to future reported cash flow.
2. Based on actuals through 9/30/2006 and forward commodity prices as of 9/22/2006.
3. Outlook assumes no changes in working capital.
4. In October 2006, we reached a tentative settlement of some class action natural gas cases. We expect to pay this amount in the first quarter of 2007.
5. 2006 emission allowances sales through 9/30/2006. No asset or emission allowances sales included in remainder of 2006E, 2007E or 2008E outlook.
6. Consistent with SEC guidance to the industry, purchases and sales of emission allowances are classified as cash flows from investing activities for GAAP purposes.