



NEWS RELEASE

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NRG Energy's CEO, David Crane, Testifies Before Senate Committee on Climate Change Legislation: Emphasizes Importance of New Nuclear and Electric Vehicles

PRINCETON, NJ; October 28, 2009—David Crane, CEO of NRG Energy, Inc. (NYSE: NRG), testified today before the Senate Environment and Public Works Committee, chaired by Sen. Barbara Boxer, D-Calif., about the need for strong and comprehensive climate change legislation. In addition to the current push for more renewable generation, Crane emphasized the need for a wave of new advanced nuclear power plants and a new urban “foothold” approach to the development of electric vehicle ecosystems around the United States.

“Renewable resources are a major part of our low carbon future, but their inherent issues of intermittency, limited scale, expense and geographic constraints are serious limitations,” said Crane. “We need to build a zero carbon baseload foundation under our wind farms and solar fields. That foundation is new advanced nuclear power. And it’s zero carbon nuclear that will provide the juice for a personal transportation system based on a nationwide fleet of electric cars, dramatically reducing both tailpipe emissions and the transfer of American wealth to the oil-exporting nations.”

In his testimony, Crane highlighted his Company’s proposal to build two new Advanced Boiling Water Reactors (ABWR) at the South Texas Project in Bay City, Texas, currently under due diligence at the DOE for a federal loan guarantee authorized by the Energy Policy Act of 2005. The STP project would add another 2,700 megawatts (MW) of inexpensive, reliable, safe and zero emission baseload generation – enough electricity to power two million Texas homes (including two million electric cars). Crane noted, however, his expectation that only two other nuclear projects currently before the DOE will go forward and become operational by 2020.

“If you assume that all 104 nuclear reactors currently operating in the United States [will be] retired by 2050, that means we need approximately 75 new nuclear units over the next 41 years simply to keep nuclear power’s share of electricity production near 20%,” explained Crane. “If we want to double the nuclear share of power production to 40% in order to accommodate demand growth and realize a greater carbon benefit, we are going to need to build about 150 new nuclear units. Suffice it to say, there is a big gap between the 3-4 projects moving forward and 150.”

In order to successfully embrace new nuclear as a key part of a widespread decarbonization of the power industry, legislation must include pragmatic policy tools in addition to putting a price on carbon emissions, said Crane. These tools should address the key commercial constraints to nuclear energy, such as worker training, expanded domestic manufacturing capability, transitional loan guarantees for new project financing, making appropriate federal lands available for new plant siting and regulatory approval processes capable of handling a much larger volume of projects efficiently and safely.

While nuclear, renewables and carbon capture and sequestration can transform NRG's fleet and the U.S. power sector from high carbon to low carbon in the next 30 years, one third of U.S. carbon emissions comes from the transportation sector. Half of that comes from light cars and trucks, which would need to be converted almost entirely to zero-emission vehicles to meet the federal goal of 80% carbon reduction by 2050. While the Boxer-Kerry climate bill recognizes the importance of converting transportation to electric-powered vehicles, Crane suggests that more aggressive efforts are needed to develop an electric car urban ecosystem in major U.S. cities.

"We need to focus on a commercial foothold strategy that will quickly capture a significant market share for electric vehicles in key American cities and city clusters that themselves take steps to develop a coherent electric car urban ecosystem," said Crane. "The electrification of our transportation sector will provide the cure to our national addiction to foreign oil and will keep at home a substantial portion of the \$400 billion of wealth transfer that currently takes place every year from the United States to the oil producing nations."

In the U.S., NRG owns and operates more than 24,000 MW of generation capacity, including approximately 7,500 MW generated from coal plants. The Company is emerging as a leading developer of low and no carbon technology projects. In the last few months alone, NRG has energized 270 MW of new wind farms in Texas, and announced plans to invest in and develop close to 500 MW of solar thermal projects in California and New Mexico among other solar development projects, in addition to the STP nuclear expansion project.

"These projects collectively represent more than \$10 billion in potential new investment, and will create more than 9,000 high-paying construction, engineering and operating jobs," said Crane. "And this is just the start of our effort to transform our generation fleet to meet the energy needs of our Country's clean energy economy."

While expressing the need for greater emphasis on nuclear and transportation decarbonization in the Boxer-Kerry bill, Crane praised the general framework of the draft legislation, which includes a declining cap on carbon emissions, a market-based flexible compliance system, and a combination of free allocations and auctioning of allowances. He also offered several suggestions on how the current draft could be more effective, including:

1. Avoid under-allocating transitional allowances in the power sector in order to assure the ability of the power sector to aggressively invest in clean technologies;
2. Act affirmatively to limit the Environmental Protection Agency's ability to use existing Clean Air Act provisions to regulate greenhouse gas emissions, which otherwise may start as soon as early 2010;
3. Increase the supply of offsets and act now to establish EPA criteria to ensure a supply of early offsets that will be valid for compliance; and
4. Ensure the market stability reserve program is large enough to provide a suitably firm cap on allowance prices.

About NRG

NRG Energy, Inc., a Fortune 500 company, owns and operates one of the country's largest and most diverse power generation portfolios. Headquartered in Princeton, NJ, the Company's power plants provide more than 24,000 megawatts of generation capacity—enough to supply more than 20 million homes. NRG's retail business, Reliant Energy, serves more than 1.6 million residential, business, commercial and industrial customers in Texas. A past recipient of the energy industry's highest honors—Platts Industry Leadership and Energy Company of the Year awards, NRG is a member of the U.S. Climate Action Partnership (USCAP), a group of business and environmental organizations calling for mandatory legislation to reduce greenhouse gas emissions. More information is available at www.nrgenergy.com or www.nrg-econrg.com.

Safe Harbor Disclosure

This news release 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 expectations regarding the development of low and no carbon projects, 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, general economic conditions, hazards customary in the power industry, the volatility of energy and fuel prices, failure of customers to perform under contracts, construction delays, changes in government regulation of markets and of environmental emissions, the condition of capital markets generally, and our ability to access capital markets.

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 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.

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