



NEWS RELEASE

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Nuclear Innovation North America Responds to CPS Energy Lawsuit

NEW YORK, NY – Dec 23, 2009 – Nuclear Innovation North America LLC (NINA) has responded in a legal filing to the lawsuit CPS Energy filed on Sunday, December 6, 2009.

“NINA’s goal is to work with our partners to find mutually agreeable solutions, not to file lawsuits against them,” said Steve Winn, NINA Chief Executive Officer. “That said, the CPS Energy lawsuit against NINA requires a legal response and we filed our response today. Our mutual goal should now be to withdraw these lawsuits and move forward with effective discussions. We are prepared to act simultaneously with CPS Energy to withdraw our respective filings.”

The focus of ongoing discussions has been on reaching a viable outcome that continues to meet the needs of San Antonio utility customers and preserves the value of CPS Energy’s investments and the strength of the project.

“NINA is not in a position to buy CPS Energy’s share of the STP expansion for cash,” said Winn. “However, there are a variety of options available to NINA and CPS Energy that would protect CPS Energy from losing its investment and help meet San Antonio’s future need for electricity, should the utility decide to pursue a strategy other than full participation in the project or the litigation that was recently initiated by CPS Energy.

“We want to explore these options to ensure a satisfactory solution for all. Stability and continued momentum of the project is the best way to preserve the value of the investments in the expansion as well as the enormous value to Texas. STP 3&4 will create 4,000 to 6,000 construction jobs while the units are being built, 800 full-time jobs operating the units for the life of the plant and an economic multiplier effect that generates six to seven more jobs across the state for every job at the site, adding another 4,000 to 6,000 permanent jobs in Texas. In 2006, construction of the two units was estimated to generate \$9.2 billion in business activity across the state with \$2 billion per year in spending once the units are operational,” added Winn.

While the cost of new nuclear may not fit in the CPS Energy rate structure, NINA continues to believe that the cost of the two units will continue to move lower as presented in November 2009 and to be very competitive to meet future demand safely, economically and efficiently.

In addition to disclaiming the allegations asserted in CPS Energy’s lawsuit, NINA’s filing maintains that CPS Energy is in breach of the project’s agreements by improperly delaying the project. To support the stability and momentum of the expansion, the filing also requests that a determination be made either requiring CPS Energy to continue to fund the project or declaring that it has withdrawn from it.

“Time is of the essence in making the determination of whether CPS Energy is in or out of the project,” said Winn. “The Department of Energy is only going to select two projects for loan guarantees. STP was number one and now is second with another project close behind. Further delays

could move STP to third place, losing the loan guarantee and reducing the value of both parties' investment to zero."

About Nuclear Innovation North America

Nuclear Innovation North America (NINA) is a partnership between NRG Energy (88%) and Toshiba (12%) focused on developing new nuclear expansion projects using Advanced Boiling Water Reactor (ABWR) technology—the only advanced nuclear technology certified by the Nuclear Regulatory Commission that has been built on time and on budget. NINA is currently developing the 2,700 megawatt South Texas Project expansion with San Antonio's CPS Energy and the South Texas Project Nuclear Operating Company. NINA is also exploring other development opportunities to employ ABWR in additional projects across North America.

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 our expectations regarding the timing and completion of STP Units 3 and 4, 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, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, construction delays, changes in the wholesale power markets, 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 in this news release 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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