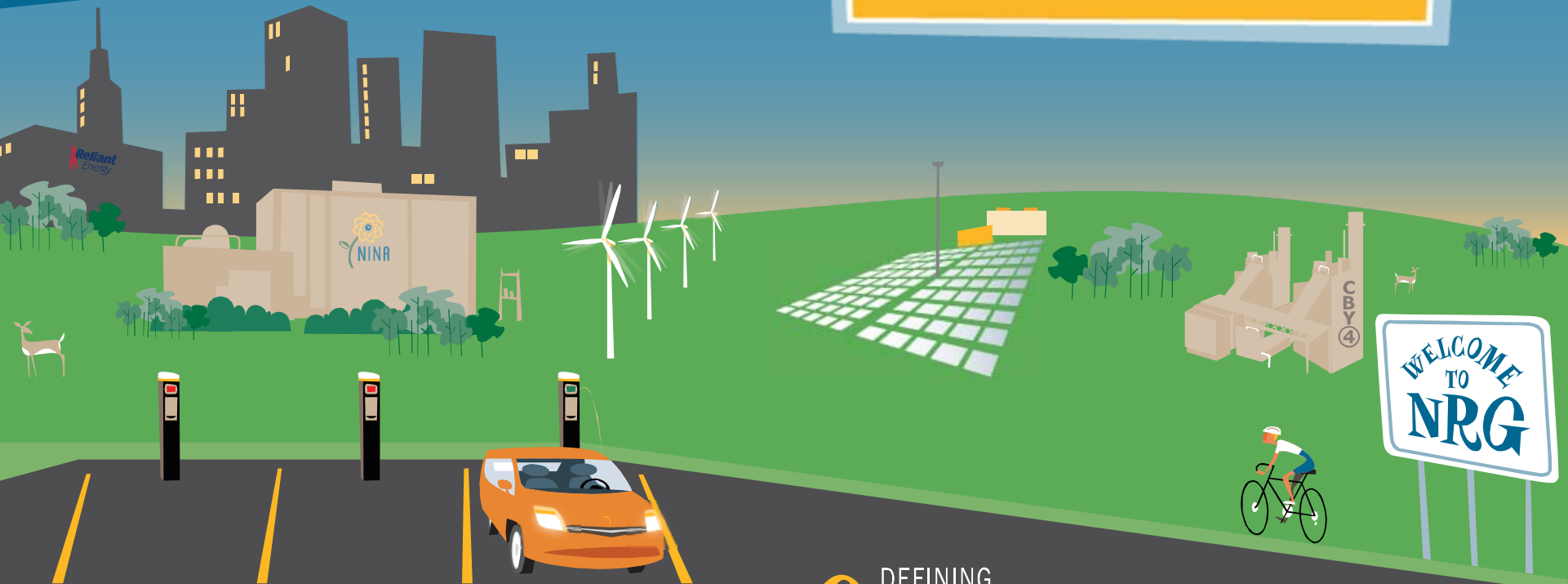




STP 3&4 Nuclear Project and CPS Litigation

David Crane

President & Chief Executive Officer



DEFINING
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Safe Harbor Statement

This presentation 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. Forward-looking statements are subject to certain risks, uncertainties and assumptions and typically can be identified by the use of words such as "expect," "estimate," "should," "anticipate," "forecast," "plan," "guidance," "believe" and similar terms. Such forward-looking statements include developments in the partnership between CPS Energy and Nuclear Innovation North America (NINA), the timing and completion of STP Units 3&4, and the financial impacts associated with the ongoing litigation. 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, future negotiations between NRG and CPS, receipt of federal loan guarantees, additional partnering relationships, competition in wholesale power markets, the volatility of energy and fuel prices, failure of customers to perform under contracts, 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 Investor Presentation 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.

- STP 3&4 Project Merits
- Nuclear Development Risk Mitigation
- Litigation Overview
- NRG/NINA Next Steps
- Financial Implications
- Summary

Inherent STP Advantages

- Best operating team
- Best site
- Valuable common facilities
- Robust, stable & growing market (ERCOT)
- Supportive political environment in Texas



Energy Policy Act of 2005

- Federal Loan Guarantees (for up to 80% of total project costs)
- \$18/MWh Production Tax Credit (up to \$125mm/per unit/year)
- \$500mm “standby support” insurance against regulatory disruption



A Once in a Life-time Economic Opportunity for the First Mover



NINA Assessed the Key Project Risks ...

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Risk...

...Mitigation

- | | | |
|----|---------------------------|--|
| 1. | Completion | <ul style="list-style-type: none">➤ Committed vendor with financial investment in project success➤ Pre-negotiated fixed price turn-key EPC terms (including fixed margin and risk premium)➤ Built four times, twice by Toshiba and twice by Hitachi➤ Built on budget and in 39 months or less each time |
| 2. | Technology/License Design | <ul style="list-style-type: none">➤ ABWR achieved NRC Design Certification in 1996➤ Twelve year operating history |
| 3. | Regulatory Interruption | <ul style="list-style-type: none">➤ Introduction of the Combined Operating License (COL) process➤ Standby support and insurance program to cover \$250 - \$500 mm per unit due to regulatory delays post COL |
| 4. | Debt Financing | <ul style="list-style-type: none">➤ Federal loan guarantee under E.P. Act (2005)➤ Potential secondary loan source from Japan |
| 5. | Ownership | <ul style="list-style-type: none">➤ San Antonio (CPS) – committed; Austin - unlikely➤ Additional partners identified and interested |
| 6. | Political | <ul style="list-style-type: none">➤ Support by Bay City➤ Support by Matagorda County➤ Support by State of Texas (Decommissioning Funding and Tax Abatement Laws) |

...with developed a path to mitigate or eliminate them

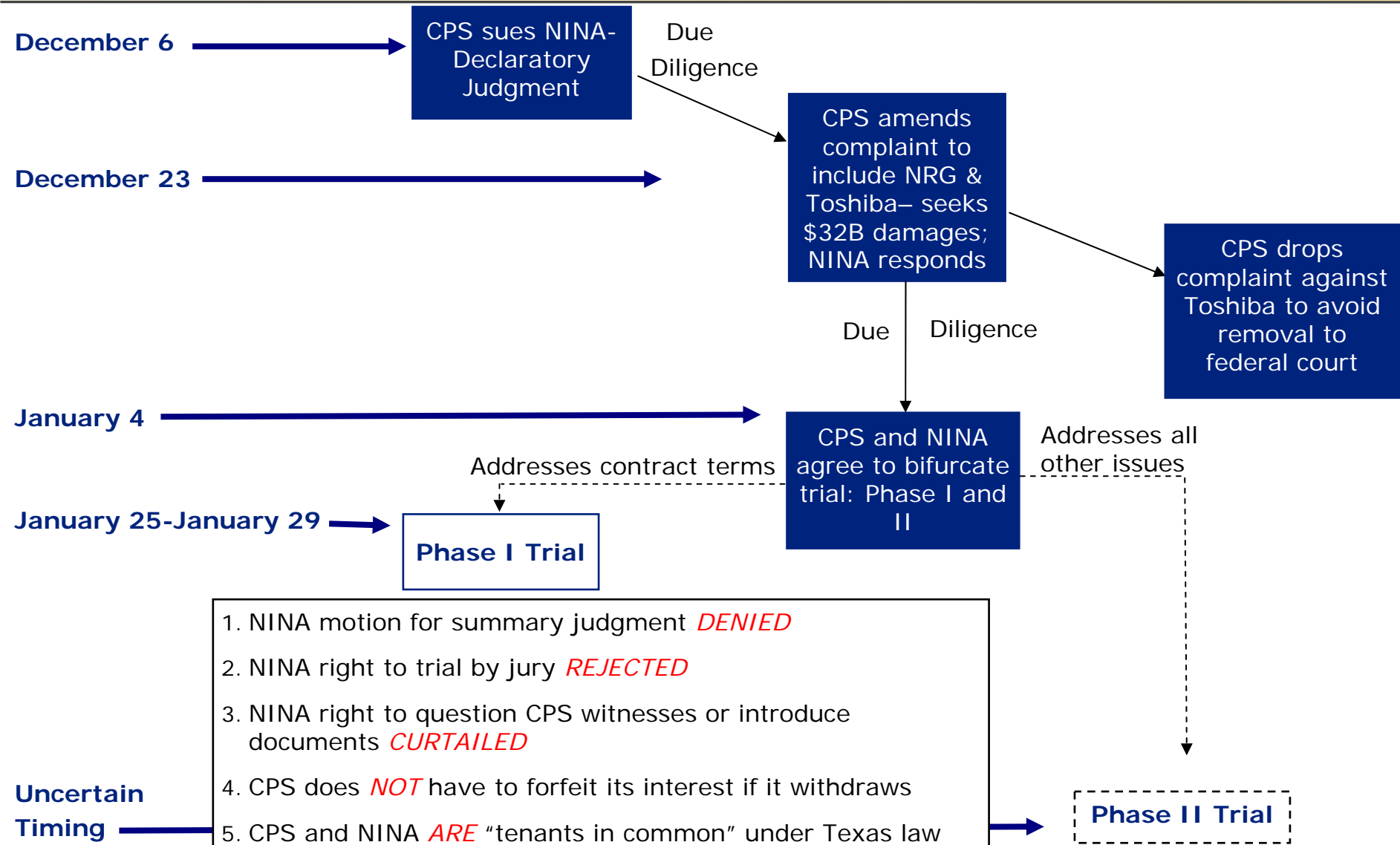
STP 3&4 – The Leading Nuclear Project

- ✓ Only project using a certified design
- ✓ One of five lead projects for review at the NRC
- ✓ One of four projects in DOE loan negotiations
- ✓ Only project in substantive discussions for Japanese co-financing
- ✓ One of three projects with fully negotiated and signed EPC
- ✓ Credit facility with Toshiba for long lead time materials

POSITIONED FOR SUCCESS

Litigation Overview

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NRG/NINA Next Steps

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If...

- ❑ CPS chooses to withdraw and does not meet future obligations representative of its ownership interest in the site



Then...

- ✓ NRG will wind down the project as quickly and as economically as possible

- ❑ If, due to the delay arising out of the CPS lack of cooperation, STP 3&4 loses the DOE loan guaranty



- ✓ NRG will wind down the project as quickly and as economically as possible



NRG WILL NOT EXPEND FUTURE SHAREHOLDER CAPITAL IN A PROJECT THAT IS NO LONGER FINANCEABLE NOR WILL IT EXPOSE NRG SHAREHOLDERS TO THE BURDEN OF FURTHER DEVELOPMENT COST RISK SHOULD CPS CONTINUE IN A POSITION WHERE THEY CAN FRUSTRATE THE PROJECT

Estimate for Potential Financial Implications for NRG

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NRG Cash View (\$mm)

	Due	Paid
Cash Payment		
Design Engineering and other Costs Capitalized through January 2010	\$80	\$150
NINA 50% Share of Estimated STP 3&4 Contract Termination and Severance Costs	\$70	-
Additional Funding Due from Toshiba	\$(50)	-
Remaining Estimated Cash Due	\$100	-
Estimated Total NRG Funding of NINA Investment	\$250	

NRG Accounting View (\$mm)

Estimated Total NRG Funding of NINA Investment	\$250
Toshiba Funding of NINA Through January 2010	\$100
Additional Funding Due from Toshiba	\$50
Estimated Total Toshiba Funding on NINA	\$150
Potential Pre-tax ⁽²⁾ GAAP ⁽¹⁾ Write Off	\$400

¹ A decision to suspend prior to filing of our annual report Form 10K, then write-off will be recorded in 2009; otherwise, write-off will impact 2010

² Write-off is expected to be capital in nature and deductible only to the extent of other capital gains

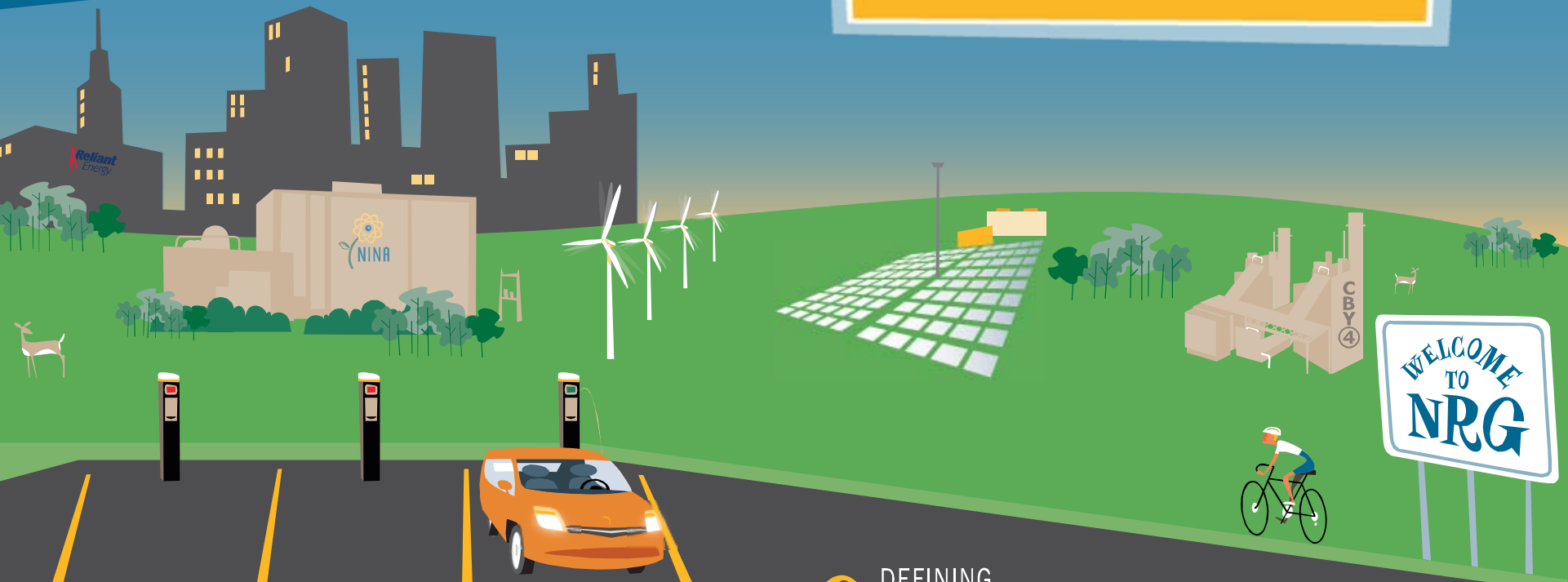
Timing of write-off is dependent on CPS litigation outcome and CPS withdrawal decision

NRG Remains Disciplined Custodian of Shareholder Capital and Stand by our Commitments:

- Re-investment in business with returns in excess of WACC
- Prudent balance sheet management
- Balanced capital allocation program



Appendix



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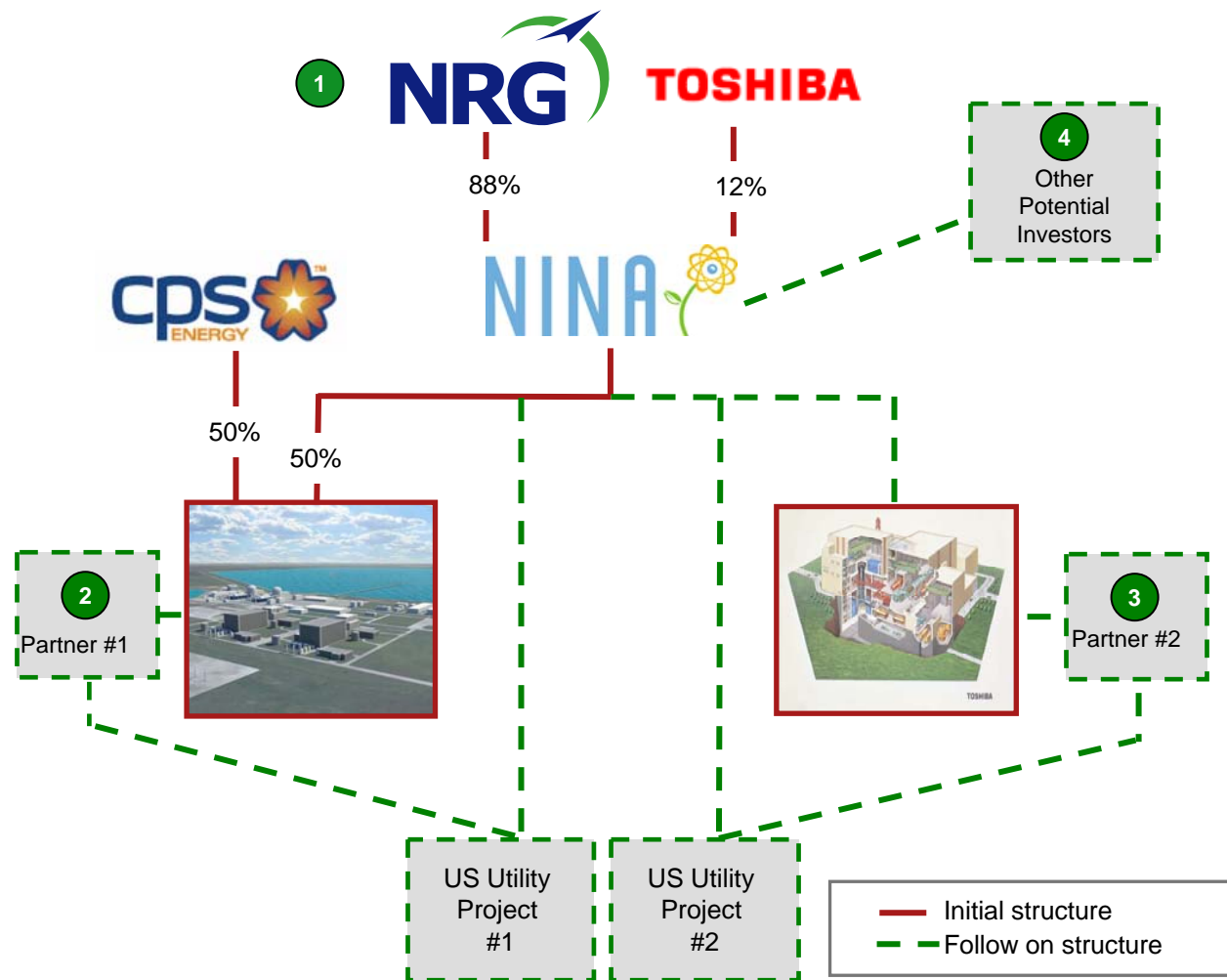
The NRG First Mover Nuclear Advantage: NINA's Multi-Unit ABWR Strategic Step Structure

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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

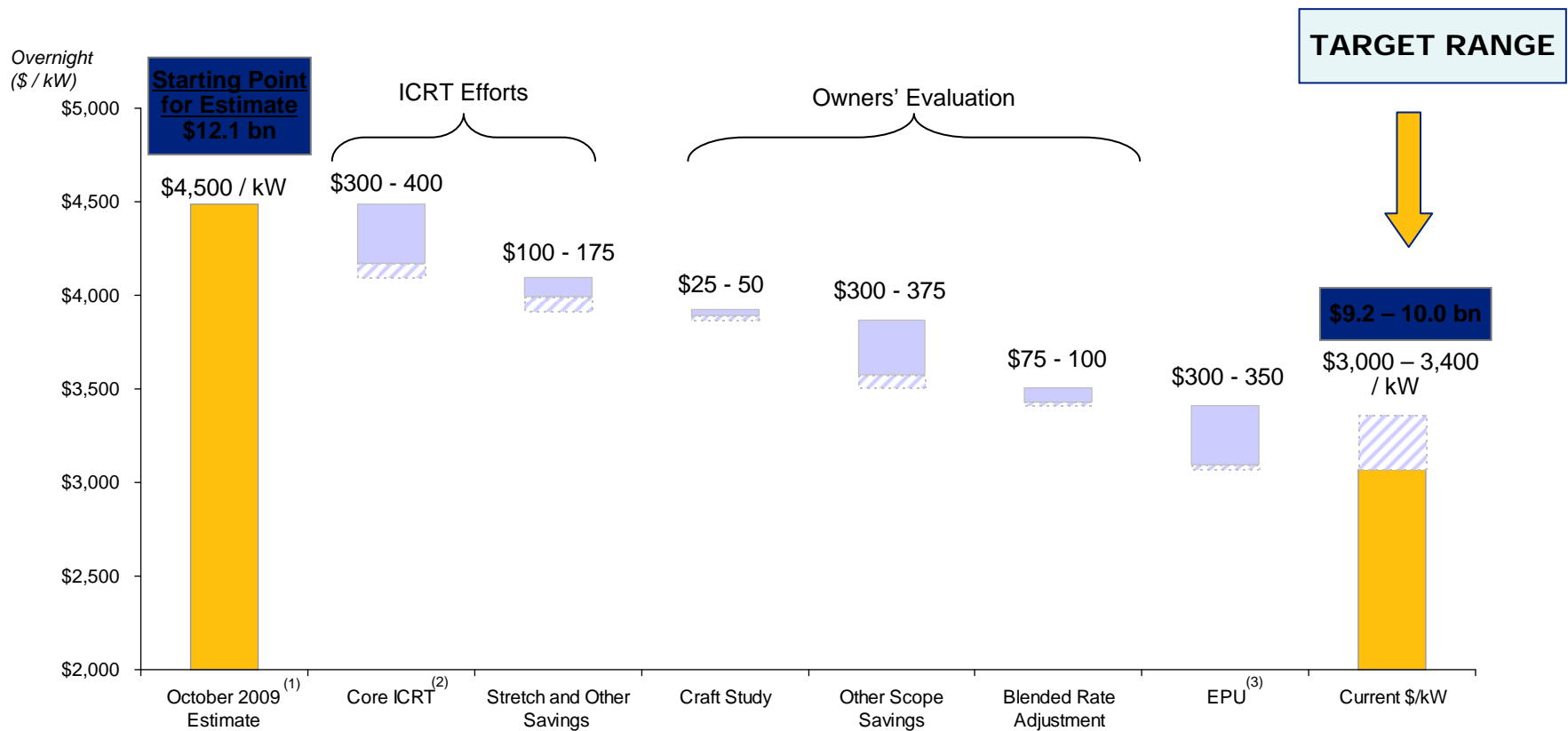


Note: Current ownership of STP 1&2 (44% NRG, 40% San Antonio and 16% Austin) remains unaffected by the development of STP 3&4 and the creation of Nuclear Innovation North America.

Focus on advancing and leveraging the ABWR design

Line-of-Sight to a Substantially Lower EPC Cost

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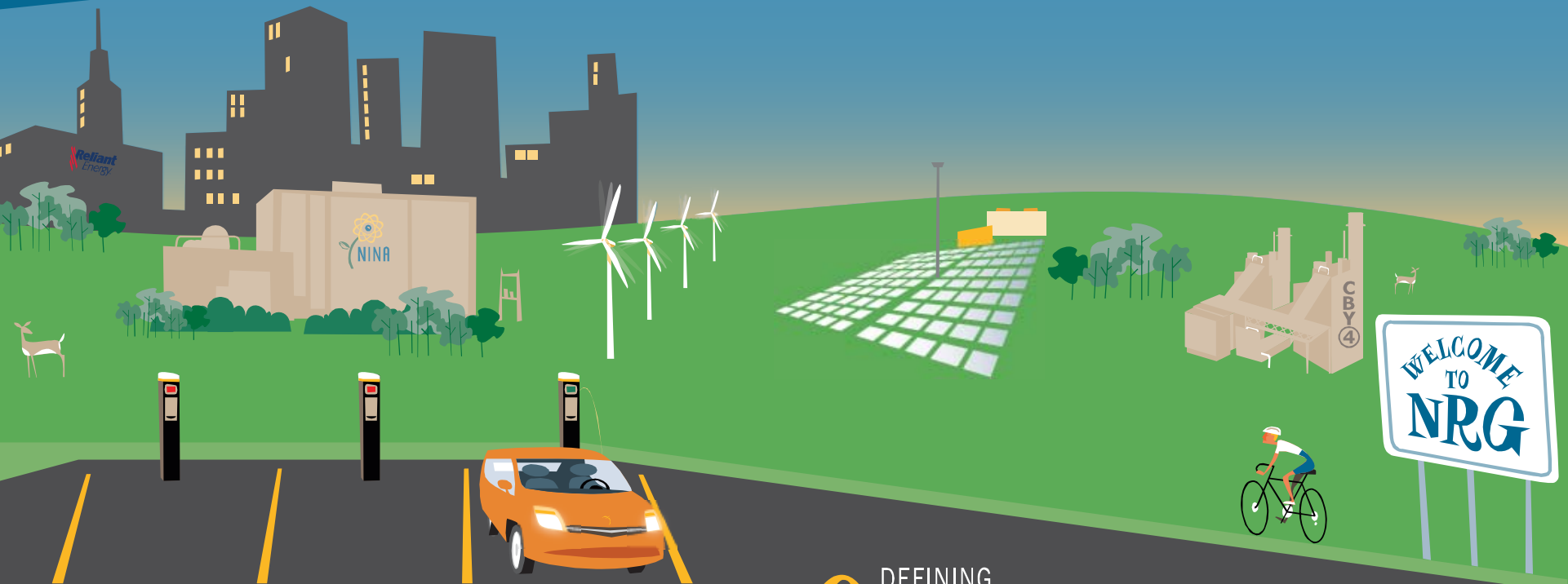
Note: \$ figures represent 100% of Project Costs. All \$ / kW costs are rounded.

(1) \$/kW calculated on a gross MW basis of 2,700.

(2) Innovation Cost Reduction Team composed of Owners, Owners' Agent STPNOC, Owners' Engineer as well as Outside Consultants.

(3) EPU impact based on gross MW's of uprate and estimated cost from Toshiba.

The owners, Fluor and Toshiba are on track for a number below \$10 billion



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